

MARKET RESEARCH

# REPORT



Target ₹ 9500



LIQUID TALK

Prepared on:  
Maruti Suzuki



**MARUTI  
SUZUKI**

## MARKET ANALYSIS REPORT

### Maruti Suzuki India Ltd.

Call- Hold

Target- ₹ 9500

Target Period- 4 months

Incorporation date- 24<sup>th</sup> February, 1981

Public Issue Date-09/07/2003

#### **Business Overview-**

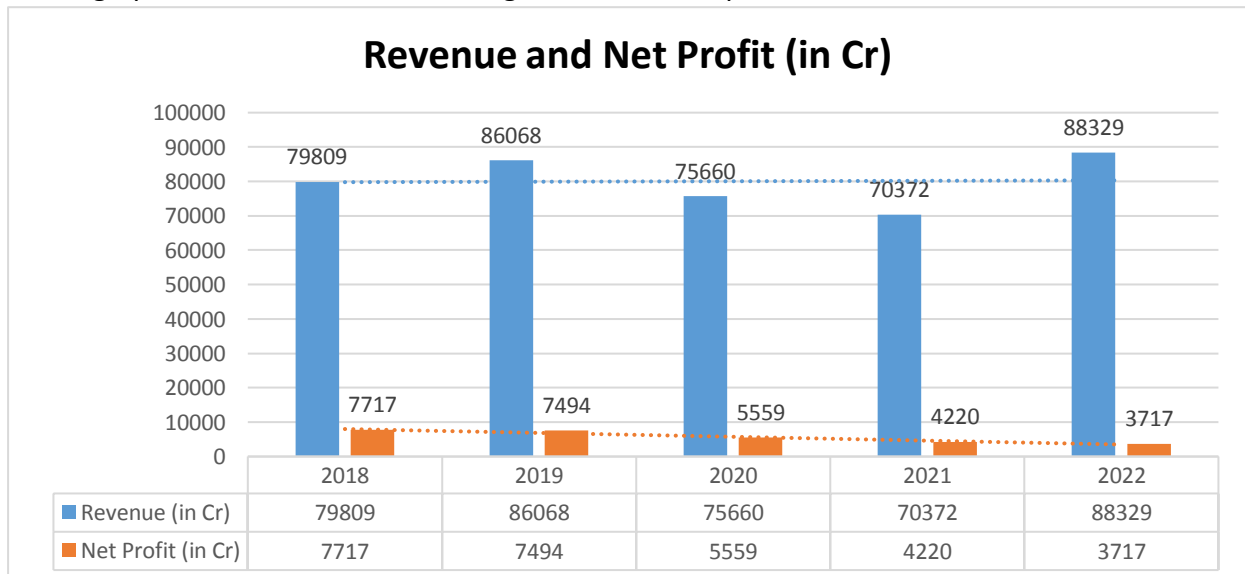
Maruti Suzuki India Limited, a subsidiary of Suzuki Motor Corporation, Japan, is India's largest passenger vehicle maker, with a market share of 41.08%. The Brand is known for providing technologically advanced, innovative and trendy commute vehicles at economical rates inviting a large customer base in India and abroad. This has been possible due to the vast production scale, reducing costs and allowing the company to profit.

This has allowed Maruti Suzuki to become the market leader by making passenger vehicles affordable to the masses and allowing deeper penetration of automobiles in India. The company has adjusted to the changing emission norms, launching more sustainable vehicles in the market with better mileage and lower emissions.

Maruti Suzuki offers a diverse portfolio of passenger vehicles ranging from economical hatchbacks to luxury sedans and SUVs with the option for small-capacity cargo vehicles.

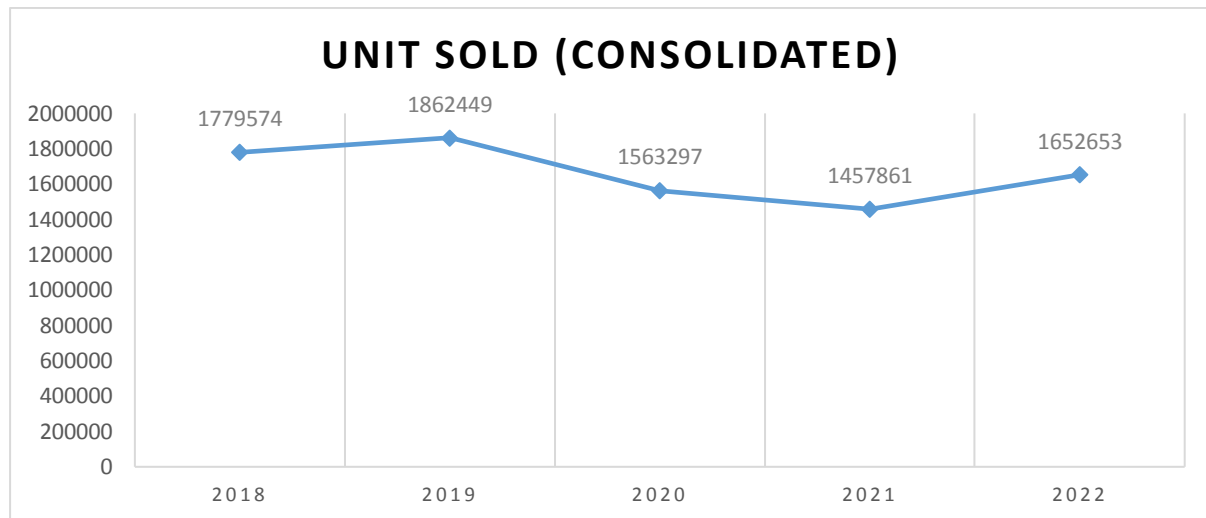
Maruti Suzuki also deals in the two-wheeler market, providing both economical and premium bikes and scooters in the Indian market. With a market share of 4.26%, the segment has scope for growth, with more premium models being introduced in the Indian markets.

Besides selling passenger vehicles, Maruti Suzuki also provides financing services to consumers and resells pre-owned vehicles. The Brand continues to make technological breakthroughs with high spending on research and development. They are improving their existing products while introducing newer and premium models in the market.

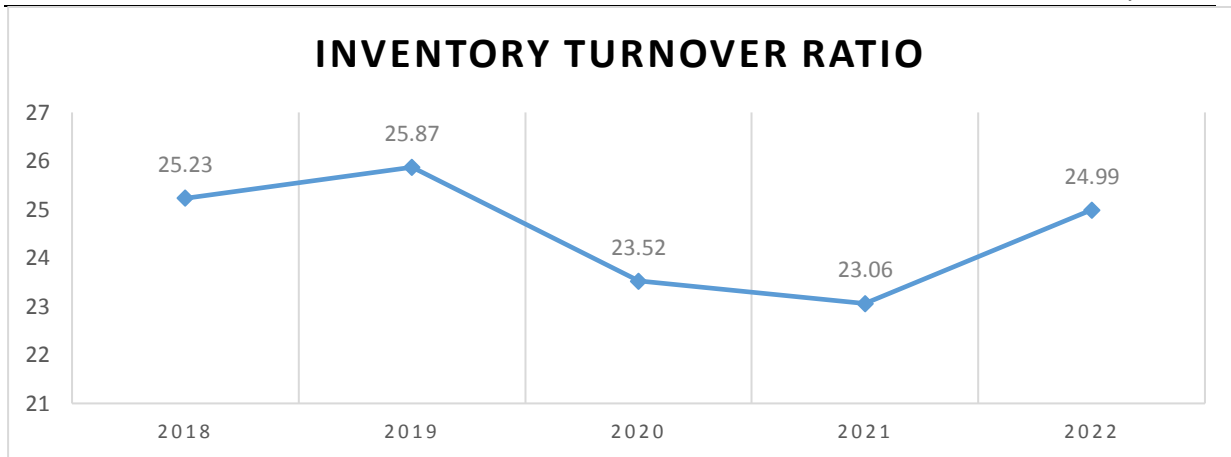


## Key information to consider before investing-

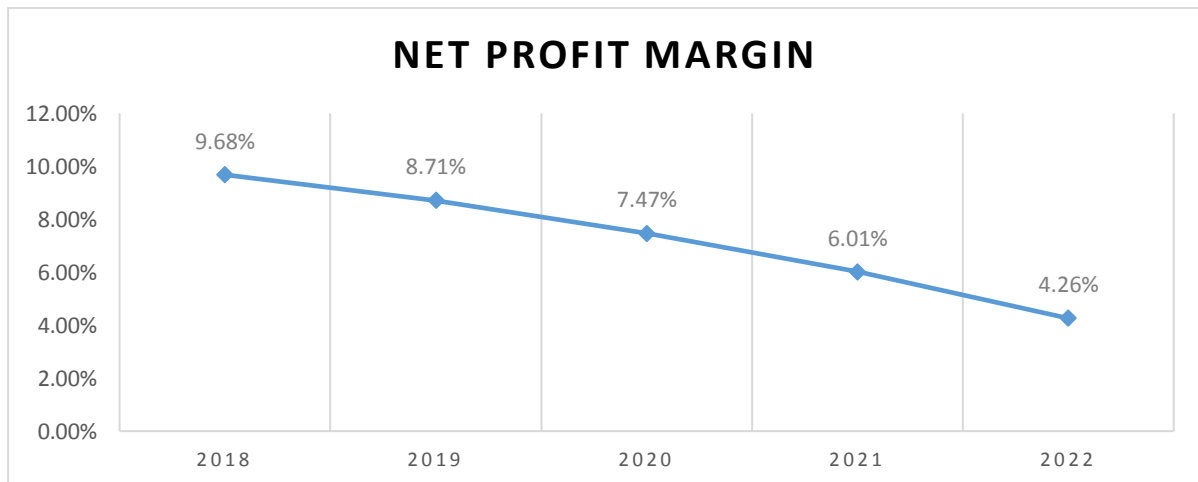
- Has a dominant position in the passenger vehicle sector of India and exports to several countries.
- The future project focused on hybrid and flex-fuel cars with heavy investments toward R&D for new products.



- The company's sales have been relatively immune to the strong headwinds and have already started showing signs of recovery with healthy growth in sales volume.
- Maruti Suzuki introduced the 'Smart Hybrid' feature to improve car mileage, reduce ownership costs, and attract more customers.
- Intensive network of vehicle servicing with 4044 service outlets at 2014 locations providing easy and efficient customer service. New initiatives of mobile service stations and roadside assistance have improved customer satisfaction.
- Maruti Suzuki also deals in spare parts for existing products and provides insurance services.
- Suzuki believes in Hybrid technology for sustainable growth rather than Electric Vehicles.
- The supply chain of Maruti Suzuki is highly localised, with 79% being local resources, 15% being Non-local resources, and 6% being imported from outside India. Keeping the company's supply of raw materials consistent, making it slightly immune to global supply crises.
- The company has a three-year CAGR of 9%
- The company has solid financials, and net cash flow and cash flow from operations have risen. The company has less debt and is aiming to be debt-free.
- The company has a healthy dividend payout ratio of 36.53%.
- Other incomes account for a high percentage of the company's revenue which can cause problems in the future.
- Increased digitalisation to reduce fixed costs.
- Strategic partnership with international automobile leader Toyota for shared research and production setup.



- The demand for Maruti Suzuki vehicles never decreased drastically, even after facing solid headwinds during the past years. This can be seen from their inventory turnover ratio staying consistent during 2019-21 and growing for 2022.



- However, market volatility has resulted in high costs of acquiring resources resulting in reduced profit margins even though sales volume has grown consistently.

### Conclusion:

The company has a promising performance and projects and has shown consistent growth over the years. The company's sale in the coming quarter has shown a drastic increase of 130% and is expected to grow even further. It is an ideal investment for new investors, and investors already invested with the company should hold to increase their profits.

### References

Maruti Suzuki India Limited. (2021). *Annual Report 2021*. BSE.

Money control. (2022). *Maruti Suzuki India Limited*. Retrieved from Money control:

<https://www.moneycontrol.com/india/stockpricequote/auto-carsjeeps/marutisuzukiindia/MS24>