

**CMP - 12270**

52Wk H/L 12270  
13680 9738

## About the Company

Maruti Suzuki India Ltd. ("MSIL") was established in the year 1981 with a dream to put India on wheels and provide 'Joy of Mobility' to as many people as possible. MSIL is the market leader in India's Passenger vehicle segment.

Over the last 40 years, the Company has partnered with various stakeholders towards creating a local and a competitive ecosystem from car manufacturing to selling to aftersales service, which has propelled India to become the 3rd largest car market in the world.

## Company Data

<b>Enterprise Value (EV)</b>	3,87,562 Crore
<b>Market Cap.</b>	3,85,625 Crore
<b>Total Debt</b>	119 Crore
<b>Cash Equivalents</b>	2,827 Crore
<b>Shares Outstanding</b>	31.4 Crore shares
<b>Beta</b>	0.51
<b>EPS (TTM)</b>	473
<b>D/E Ratio</b>	0.00
<b>Div Yield</b>	1.01%

## Key Ratios

PE Ratio (TTM)	26.2
Industry PE Ratio	28.5
PB Ratio	4.49
PEG Ratio	1.48

## Price Performance

3 months	-2.2%
6 months	7.71%
1 Year	20.8%
NIFTY50 1 Year Returns	28.7%

## Stock Performance



# Management view and Q4FY25 key highlights

## Quarter Highlights

- Q1FY2025 Revenue from operations grew by 9.8% to 35,779 crores and PAT grew by 47.9% to 3,650 crores.
- FRONX SUV has set a new benchmark in the PV category by becoming the only new model launch to reach 1 lakh sales in 10 months
- The Company commissioned an additional vehicle assembly line, at its Manesar facility, having capacity to manufacture 1 Lakh units p.a., Increasing the total manufacturing capacity at Manesar facility to 9 Lakh units p.a.
- The Company achieved a significant milestone of setting up over 3,000 Arena sales outlets and over 5,000 service touch points recently.
- The Company sold a total of 521,868 vehicles during the quarter, higher by 4.8% compared to the same period previous year. Out of this, The export sales were at 70,560 units, a growth of 11.6% over Q1 FY24.
- The overall capacity utilization was about around 85%.

## Industry Overview :

- The PV industry, for the first time, crossed the 4 million sales milestone in FY 2023-24. Consequently, India maintained its position as the 3rd largest PV market in the world.
- As the Consumer Preference is shifting towards SUVs, contributing to over 50% of the market. The Share of hatchback segment reduced to 27% in FY 2023-24 from 46% in FY2018-19.
- The Share of CNG vehicles in the industry expanded to about 15% in FY 2023-24 compared to 10.4% in FY 2022-23. Hybrid vehicles and EV penetration is at about 2% each.

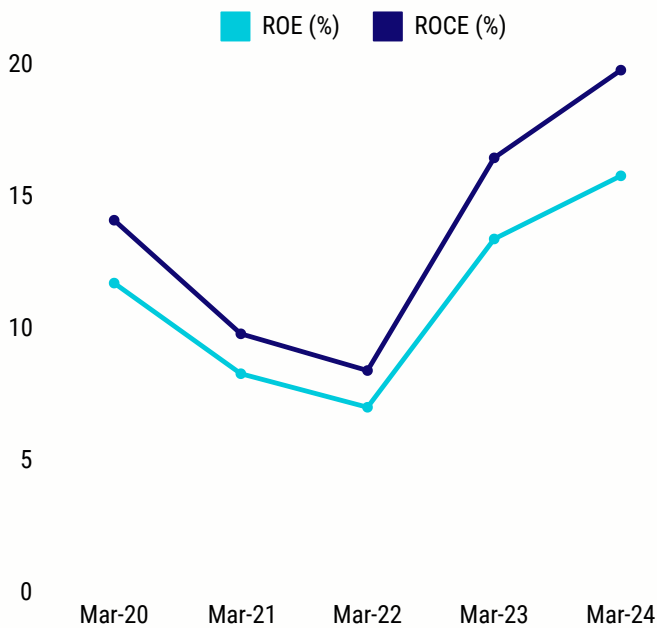
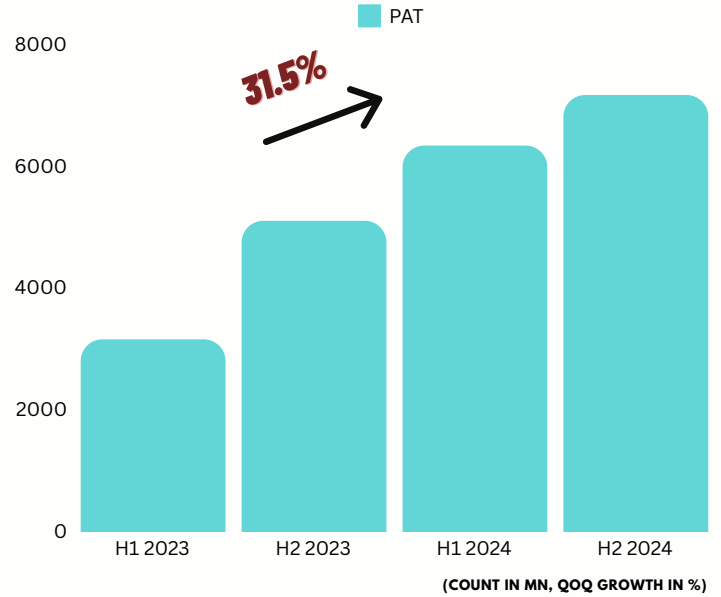
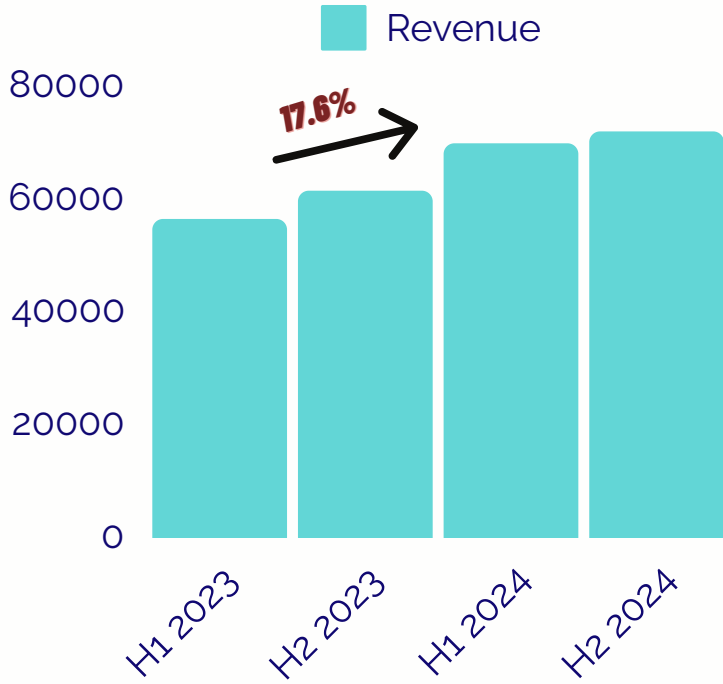
## Company Overview :

- The Company's growth expectation over the short term is muted, but the long term growth is intact.
- The Company's overall sales volume surpassed 2 million units in a year. The Company is the first among the PV manufacturers in India to achieve this feat.
- Management believes that as a market leader, Their effort is to cover every segment, every product, every powertrain and cover the maximum. So, They don't pay too much attention to the mix.
- The exports from rest of the industry declined by nearly 4% over the previous year, the Maruti Suzuki increased its exports by about 10%.
- The share of sales from green vehicles comprising of CNG vehicles, Smart Hybrids and Strong Hybrids increased to 42% from 37% the previous year.
- Company believes that HYBRID Vehicles are nationally very beneficial because without the challenge of charging infrastructure, customers can widely adopt it. It is scalable and it gives a 35% to 45% fuel efficiency improvement. and a 25% to 30% CO2 improvement.

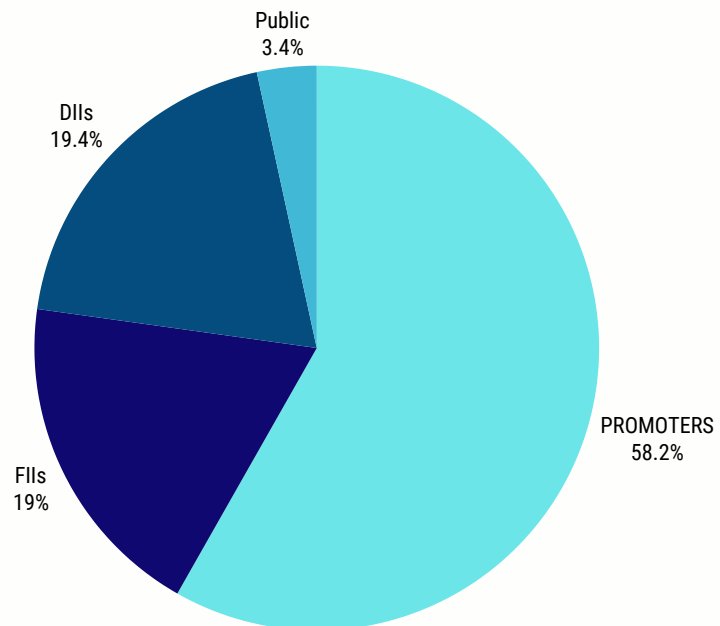
## Future Plans :

- The Company in its growth strategy Maruti Suzuki 3.0, aims to produce 4 million vehicles a year by FY2030-31, almost double from current levels.
- Company plans to launch more SUV models to increase their market share.

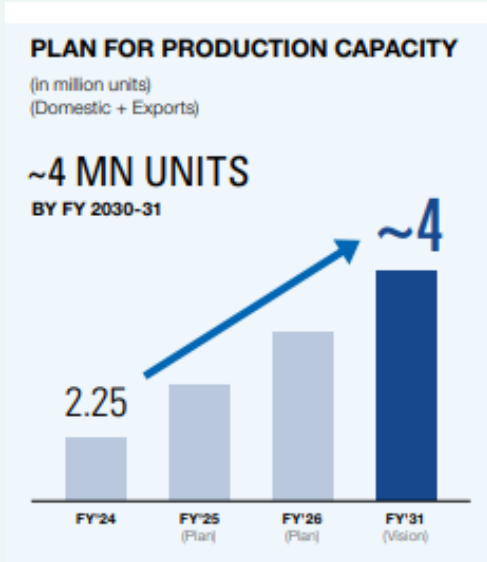
## Financial Ratios



## SHAREHOLDING PATTERN

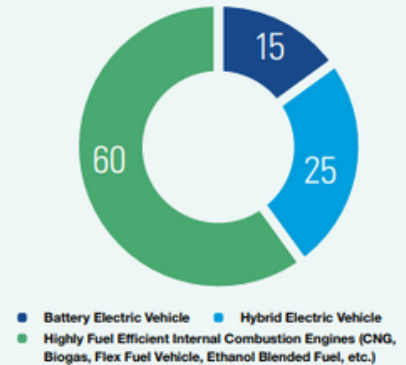


## Product Portfolio and Powertrain Mix

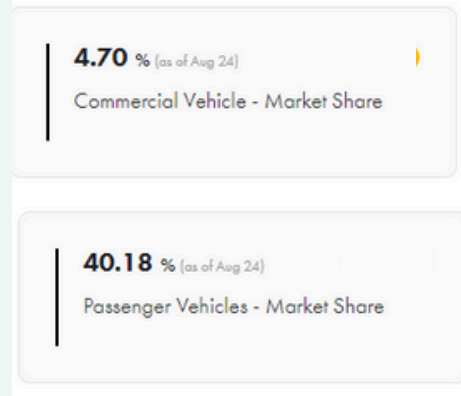


### POWERTRAIN MIX: PLAN FOR INDIAN MARKET FY 2030-31

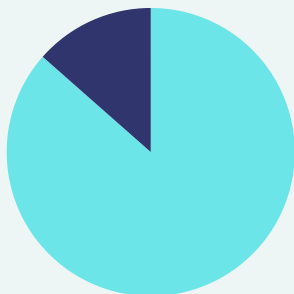
(%)



### MARKET SHARE

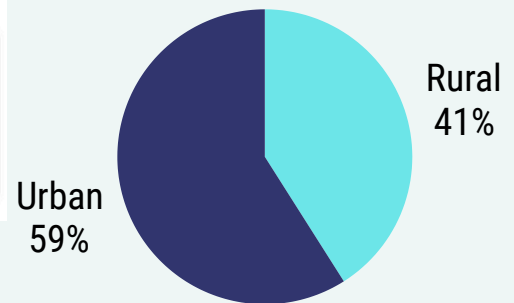


Rest of the World  
13.5%



India  
86.5%

### Location wise breakup



Urban  
59%

Rural  
41%

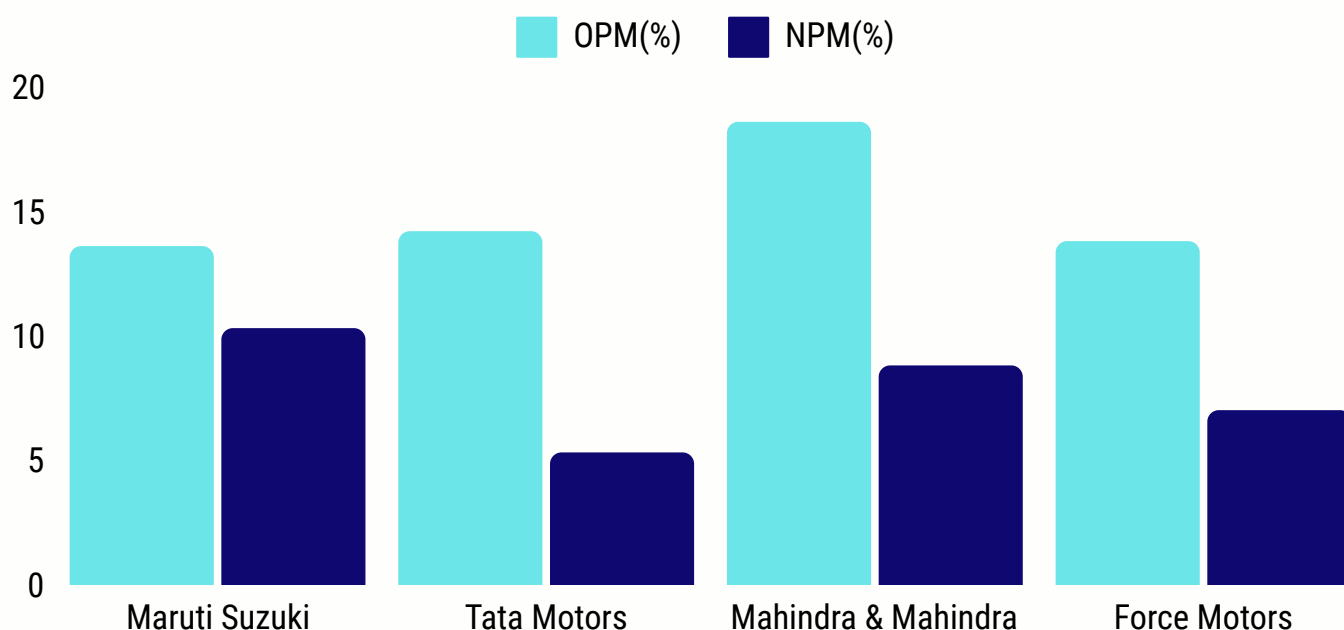
### Sales Mix



## Peer Comparison

The companies that we have chosen to compare Maruti Suzuki with, are Tata Motors, M&M, Force Motors. These companies are all listed on the stock exchange and have a similar product portfolio to MSIL.

Company	Market Cap. (₹Cr.)	PE Ratio	Sales (₹Cr.)	Profit (₹Cr.)	3Y Sales growth	3Y Profit growth	PEG
Maruti Suzuki	3,81,961	26.1	141,858	13,488	26%	45%	1.47
Tata Motors	3,83,879	10.5	437,928	31,807	21%	128%	0.11
Mahindra & Mahindra	3,35,131	30.2	139,078	12,270	23%	80%	1.80
Force Motors	10,135	21.7	6,992	388	52%	80%	0.98



## Statement of Profit & loss

	Particulars	Quarter Ended			Year Ended
		June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
	<b>Revenue from operations</b>				
	Sale of products	338753	366975	308452	1349378
	Other operating revenues	16561	15374	14817	59948
<b>I</b>	<b>Total Revenue from operations</b>	<b>355314</b>	<b>382349</b>	<b>323269</b>	<b>1409326</b>
<b>II</b>	<b>Other income</b>	<b>9751</b>	<b>11180</b>	<b>10012</b>	<b>38548</b>
<b>III</b>	<b>Total Income (I+II)</b>	<b>365065</b>	<b>393529</b>	<b>333281</b>	<b>1447874</b>
	<b>Expenses</b>				
	Cost of materials consumed	121240	121045	104831	459397
	Purchases of stock-in-trade	137041	147099	131482	551099
	Changes in inventories	-8952	4740	-996	-4429
	Employee benefits expense	15576	13662	14609	54784
	Finance costs	573	762	465	1932
	Depreciation and amortisation expenses	7310	7290	7475	30223
	Other expenses	46488	49501	43951	186352
	Vehicles / dies for own use	-1102	-548	-438	-1888
<b>IV</b>	<b>Total Expenses</b>	<b>318174</b>	<b>343551</b>	<b>301379</b>	<b>1277470</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>	<b>46891</b>	<b>49978</b>	<b>31902</b>	<b>170404</b>
	Tax expense				
	Current tax	9568	10540	6426	36311
	Deferred tax	824	660	625	1999
<b>VI</b>	<b>Total tax expense</b>	<b>10392</b>	<b>11200</b>	<b>7051</b>	<b>38310</b>
<b>VII</b>	<b>Profit for the period (V-VI)</b>	<b>36499</b>	<b>38778</b>	<b>24851</b>	<b>132094</b>
<b>IX</b>	<b>Earnings Per Share</b>				
	<b>Basic</b>	116.1	123.34	82.27	431.08
	<b>Diluted</b>	116.1	123.34	82.27	431.08

### Balance Sheet

Particulars	Year ended	
	Mar-23	Mar-24
Equity Capital	157	157
Reserves	74,443	85,479
<b>Borrowings</b>	<b>1,248</b>	<b>119</b>
Long term Borrowings	0	0
Short term Borrowings	1,216	33
Lease Liabilities	32	86
Other Borrowings	0	0
<b>Other Liabilities</b>	<b>24,258</b>	<b>29,550</b>
Non controlling int	0	0
Trade Payables	13,676	16,988
Advance from Customers	1,463	1,464
Other liability items	9,120	11,098
<b>Total Liabilities</b>	<b>1,00,106</b>	<b>1,15,304</b>
<b>Fixed Assets</b>	<b>27,941</b>	<b>27,865</b>
Land	6,830	6,896
Building	5,218	5,604
Plant Machinery	40,872	44,745
Computers	510	601
Furniture n fittings	569	636
Railway sidings	73	74
Vehicles	351	448
Other fixed assets	1,660	1,783
<b>Gross Block</b>	<b>56,083</b>	<b>60,787</b>
Accumulated Depreciation	28,141	32,922
CWIP	4,143	7,735
Investments	49,184	57,296
<b>Other Assets -</b>	<b>18,837</b>	<b>22,408</b>
Inventories	5,444	5,318
Trade receivables	3,285	4,597
Cash Equivalents	2,748	2,827
Short term loans	179	54
Other asset items	7,181	9,612
<b>Total Assets</b>	<b>1,00,106</b>	<b>1,15,304</b>

### Cash Flow Statement

Particulars	Year ended	
	Mar-23	Mar-24
<b>A. Cash flow from Operating Activity</b>	10,815	16,801
Profit from operations before tax	13,176	18,677
<b>Working capital changes</b>		
Receivables	-1,270	-1,316
Inventory	-1,050	125.4
Payables	2,491	3,321
Loans Advances	1	-3
Other WC items	-269	-406
<b>Cash generated from Operating Activ</b>	<b>13,079</b>	<b>20,398</b>
Direct taxes paid	-2,265	-3,597
<b>Net Cash from Operating Activities</b>	<b>10,814</b>	<b>16,800</b>
<b>B. Cash flow from Investing Activity</b>		
Fixed assets purchased	-8,065	-9,200
Fixed assets sold	109	45
Investments purchased	-66,597	-65,736
Investments sold	61,605	61,933
Interest received	313	372
Dividends received	6	6
Redemption/ Cancellation of Shares	0	0
Acquisition of companies	0	-80
Other investing items	3,808	795
<b>Net Cash from/(used in) Investing Ac</b>	<b>-8,821</b>	<b>-11,865</b>
<b>C. Cash flow from Financing Activity</b>		
Proceeds from borrowings	831	0
Repayment of borrowings	0	-1,183
Interest paid	-186	-147
Dividends paid	-1,812	-2,719
Financial liabilities	-47	-13
Other financing items	0	0
<b>Net Cash from/(used in) Financing Ac</b>	<b>-1,214</b>	<b>-4,062</b>
<b>Net Cash Flow</b>	<b>780</b>	<b>874</b>



## What Should Investors Do?

Maruti Suzuki plans to nearly double production to 4 million units by 2030-31, launch six BEVs, and expand into hybrid and fuel-efficient vehicles and increase its SUV offerings. MSIL's operating efficiency is among the best in the industry resulting in effective cost control. While India's Passenger Vehicle market has become the third largest in the world, car penetration is only 3% of its population. This serves as a constant reminder that the Company's dream to deliver the 'Joy of Mobility' to the people still has a long way to go.



Avg. Free Cash Flow - 5 years	3,480 Crore
Assumed Growth rate - Year 1 to 5	20%
Assumed Growth rate - Year 5 to 10	15%
Terminal rate - Year 10 onwards	7%
<b>Estimated FAIR VALUE</b>	14,500
Upside Potential	18%

Maruti Suzuki is currently trading at a PE multiple of 26X while its Industry PE multiple is 29X and Maruti's 10 Year Median PE Multiple is 40X. MSIL's PE/Growth ratio is 1.45 times.

MSIL's estimated Fair value is Rs. 14,500 while it is currently trading at Rs 12,270. Considering the above parameters we believe that the current valuation of MSIL is reasonable and Investors can hold this stock for long term.

# DISCLAIMER

This Report is for the personal information of the authorised recipient(s) and is not for public distribution and should not be reproduced or redistributed to any other person or in any form without prior permission of Ganesh Stock.

The information provided in the report is from publicly available data, which we believe, are reliable but does not taken as an indication or guarantee of future performance/ assurance of returns. The Report also includes analysis and views of their team. The Report is purely for information purposes and does not construe to be investment recommendation/advice or an offer or solicitation of an offer to buy/sell any securities.

Investment in Securities Market is subject to Market Risk. Accordingly, Ganesh Stock or any of its connected persons including its directors or subsidiaries or associates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained, views and opinions expressed in this publication. Investors should not solely rely on the information contained in this Report and must make investment decisions based on their own investment objectives, judgment, risk profile and financial position. The recipients of this report may take professional advice before acting on this information.