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A Study on Financial Planning and Strategy for Maruti Udyog Limited

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ABSTRACT

In today's world automobiles have become an important and essential. Once upon a time cars were used by affordable rich people but now it has become a common part of everyone's life. For an individual's it is easy to travel from one location to another location with comfort. With the view of disadvantage of automobiles, it increases fully traffic and also pollution in the world. Period changing from cycle to most advanced technologies vehicles, it leads to different needs of people. once upon a time people used to travel in bullock carts as vehicle to go one location to another.

Keywords: Financial Analysis Of Maruti Suzuki, Ratios, Financial Performances, Maruti Suzuki, Automobile Industries, Liquidity And Profitability.

1. INTRODUCTION

Financial performance is a measure of company's financial position or how well the company is going on by measuring their assets, liabilities, equity of the firm, expenses and profits. Financial performance of the company helps the investors and shareholders. It is a analysis of company's financial statement. Financial performance indicates a company's strength to manage its finance. Based on the performance or statement company can improve the capital structure, cash flow of the company, revenues and reduce in expenses. Financial performance includes current ratio, quick ratio, working capital, gross profit margin, net profit margin, return on assets, debt to equity ratio, total asset turnover, operating cash flow, inventory turnover. Financial performance is very important to the people those who have interests towards the company. For the management it gives the correct results in future opportunities, internal control, revenues etc.

As Indian automobile industry was focused on dealership, servicing, financing and most important in maintenance of vehicles. After a long time from independence India started manufacturing. While those period India faced a lot of challenges but still it increased and turned into success. India has a great and historical automobile industry. Automobile industry plays is big role in the economic growth of a country and also in technological development and macroeconomic expansion.

2. OBJECTIVES OF THE STUDY

- To Examine Maruti Suzuki India Ltd's financial performance.
- To comprehend Maruti Suzuki India Ltd's liquidity condition.
- To comprehend the significance of financial data and analysis.
- To Calculate Maruti Suzuki India ltd's operational efficiency.

3. REVIEW OF LITERATURE:

Every organisation is made up of various departments, and one of the most important tasks is to understand the main roles and responsibility of the department. Each department in an organisation is linked to and dependent on the others, and if any one department fails to meet its objectives, the entire cycle is disrupted. This project benefited him in learning new things and capturing the actual soul of the organisation. The most efficient technique of achieving the goal (HARALAYYA, 2022).

The car sector dominates not just the Indian economy, but also the world economy. The sector has a significant multiplier effect on industrial growth due to its forward and backward links with many major sections of the economy. The industry has evolved through time to address issues such as transitions, consolidations, and restructuring, while also adapting to changing market conditions. Following the liberalization policy, the current paper evaluates the

financial performance of two major Indian automobile companies, Tata Motors and Maruti Suzuki, and reveals the comparative financial strength of both companies under study in terms of liquidity, asset efficiency, profitability, and so on. (KUMAR SUMESH, 2014).

4. METHODOLOGY

This study is designed to understand the earning capacity of Maruti Suzuki India Ltd. The preparation is to evaluate the performance of the Maruti Suzuki India limited by using past data of the company, collected from the secondary sources, and has been completely analyzed by using financial statement like comparative balance sheet and some ratios. All the data has been taken from the company website, journals and other websites. Data has been collected for the last five financial year of the company.

5. NEED

Statements (or financial reports) are formal records of a business' financial activities. In British English, including United Kingdom company law, financial statements are often referred to as accounts, although the term financial statement is also used, particularly by accountants. Financial statements provide an overview of a business' financial condition in both short and long term. There are four basic financial statements: –Balance sheet: also referred to as statement of financial position or condition, reports on a company's assets, liabilities and net equity as of a given point in time. –Income statement: also referred to as Profit and Loss statement (or a "P&L"), reports on a company's results of operations over a period of time. Statement of retained earnings: explains the changes in a company's retained earnings over the reporting period. Statement of cash flows: reports on a company's cash flow activities, particularly its operating, investing and financing activities.

6. AIM

Maruti Suzuki India limited was set up in the year 1983, as it come out with the collaboration with the Indian government and Suzuki motor corporation with the aim sell more affordable cars. Hence Maruti Suzuki India limited is leader in the Indian automobile industry, it provides the best in all segment of cars like hatch, sedan etc. although Maruti Suzuki India limited got well results and it started dominating from 2008-2013 and then company faced problem to sell more car because of competitors such as Tata motors, Honda, Hyundai and other motors. Corresponding to some situation MSIL's market share has been come over with slump of 12%, 61% to 49%. With regard to this research we will analyze its financial performance for the last five years and will find out the soundness of the company through ratios.

7. LIMITATIONS

Maruti Udyog Ltd. Does not meet the varied demands of their vast segment products in their unique identities and visions, their economic vitality. • Future population and economic growth, in the region and beyond, will increase manufacturing demand and further exacerbate this problem. • Maruti Udyog Ltd. Needs to enhance their technology in order to keep their largest marketing share in India intact. • This project will certainly help to address the forthcoming issues, by doing the calculative and appropriate financial planning and using right strategies at right time.

8. FINDINGS

RECOMMENDATIONS They are forward looking: Accrued results of the past year/quarter Company's value depends on its future profitability which depends on many factors not reflected in the balance sheet, which are non-monetary Nature and innovativeness of it product Technology landscape (product obsolescence) Competitors Economic conditions (recession boom), government policies Staff and management morale

9. CONCLUSION

Financial [analysis](#) determines a company's health and stability, providing an understanding of how the company conducts its business. Hence, we must conclude that financial statement analysis is only one of the tools (although a major one) while taking an investment decision. –Maruti has been consistent and strong performer on stock exchange, giving handsome returns to investor. –Maruti Suzuki India Ltd. company has trend of growth from 2012 to 2016. The Profits had an upsurge in 2016. –Today, Maruti Suzuki alone makes 1.5 million Maruti Suzuki family cars every year. That is one car every 12 seconds. From above facts and figures we reach to the conclusion that the future is exciting and full of promise

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