



Special Issue - Innovative Commerce: Bridging Business and Computer Applications (ICBBCA-2026)

PG Department of Commerce with Computer Applications, Mannar Thirumalai Naicker College, Madurai – March 2026

## A COMPARATIVE STUDY ON FINANCIAL PERFORMANCE OF MAHINDRA & MAHINDRA LIMITED AND MARUTI SUZUKI INDIA LIMITED

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### Abstract

The purpose of this comparative analysis is to investigate the financial performance of Mahindra & Mahindra (M&M). Maruti Suzuki India (MSIL) regarding their strategic direction over the time frame of 2021-2025. This five-year timeframe encompasses a period of significant change for the India automotive industry, as the industry recovers from the COVID-19 pandemic, shifts towards more premium vehicles, and begins to implement large-scale electrification. This research introduces a multi-dimensional assessment tool to assess how two of the largest automotive manufacturers in India experienced macroeconomic volatility from different business models. Maruti Suzuki has continued to leverage its competitive advantage based upon being the low-cost volume leader with extensive networks of service locations while Mahindra & Mahindra

strategically transitioned to dominate the SUV segment of the automotive market and strengthen its position as a global leader in agricultural equipment through the farm-tractor segment.

**Keywords:** Financial Performance, Comparative Analysis, Ratio Analysis, Profitability & Liquidity, Mahindra & Mahindra (M&M), Maruti Suzuki India (MSIL).

### Introduction

A comparative study of the financial performance between Mahindra & Mahindra Limited (M&M) and Maruti Suzuki India Limited (MSIL) provides critical insights into the divergent strategies of two titans in the Indian automotive sector. As of early 2026, the landscape of the industry has shifted significantly: MSIL, long the undisputed leader in the passenger car segment, continues



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to leverage its asset-light model and unparalleled distribution network to maintain high volume, though it faces increasing pressure from a market pivoting toward SUVs. Conversely, This study evaluates their financial health through key metrics such as profitability ratios, liquidity positions, and solvency, highlighting how Maruti's conservative capital structure and operational efficiency contrast with Mahindra aggressive growth transformation and proactive stance in the electric vehicle (EV) market.

### Statement of the Problem

The primary challenge lies in the contrasting financial trajectories and strategic responses of these two automotive giants amidst a transformative period for the Indian economy. While Maruti Suzuki has historically dominated the passenger vehicle market through an asset-light, high-volume model focused on fuel-efficient small cars, it now faces stagnant growth in its core entry-level segment and a delayed, capital-intensive entry into the Electric Vehicle (EV) market. In contrast, Mahindra & Mahindra has pivoted aggressively toward the premium SUV and tractor segments, achieving superior margin expansion and revenue growth yet it must manage the risks associated with higher capital deployment and a more diversified, complex corporate structure.

### Objectives of the Study

- To evaluate and compare the financial profitability and revenue growth of Mahindra & Mahindra and Maruti Suzuki India Limited using comprehensive ratio analysis
- To examine the operational efficiency and asset utilization strategies of both companies in the context of the shifting Indian automotive market.
- To assess the liquidity and solvency positions of both organizations to determine their long-term financial stability and risk management.

### Scope of the Study

The scope of this study is primarily focused on a comprehensive comparative analysis of the financial performance of Mahindra & Mahindra Limited (M&M) and Maruti Suzuki India Limited (MSIL) over a designated five-year period from 2021 to 2026. The research specifically examines the automotive and tractor segments of Mahindra alongside the passenger vehicle operations of Maruti Suzuki to identify divergent strategic archetypes within the Indian automobile sector.

### Research Methodology

#### Research Design

The research design for this study is categorized as Descriptive and Analytical. It focuses on evaluating and comparing the



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financial health of two major automotive players by interpreting existing data to draw meaningful conclusions about their operational efficiency and market resilience.

### Nature of the Study

The nature of this research is primarily quantitative and comparative, as it involves the systematic measurement of financial data and the benchmarking of results between two corporate entities. The study is descriptive in its approach, aiming to provide an accurate representation of the financial health, operational efficiency, and market stability of Mahindra & Mahindra and Maruti Suzuki over the specified study period.

### Sources of Data

This study relies exclusively on secondary data to ensure a standardized and objective evaluation of both automotive entities.

### Sample Size

The sample size for this research is purposively selected and consists of two major corporate entities within the Indian automotive and tractor industries: Mahindra & Mahindra Limited and Maruti Suzuki India Limited.

### Sampling Technique

The sampling technique employed for this research is Purposive (Non-Probability) Sampling, also known as Judgmental

Sampling. Unlike random selection, this method was strategically chosen to select specific representative entities that provide the most significant insights into the contrasting financial models within the Indian automotive sector

### Statistical Tools Used

The following statistical and analytical tools have been employed to process the financial data of Mahindra & Mahindra and Maruti Suzuki for the 2021–2025

Ratio Analysis: This is the primary diagnostic tool used to measure financial health. Specific Profitability Ratios to assess earning capacity, Liquidity Ratios to evaluate short-term solvency, and Solvency Ratios (Debt-to-Equity) to determine long-term capital stability.

### Data Analysis and Interpretation

The analysis and interpretation of financial data constitute the core of this research, transforming raw numerical figures into meaningful insights regarding the operational health of Mahindra & Mahindra (M&M) and Maruti Suzuki India Limited (MSIL). In this chapter, the consolidated financial statements from 2021 to 2025 are meticulously examined using various analytical tools to evaluate how both companies managed their resources and responded to market volatility

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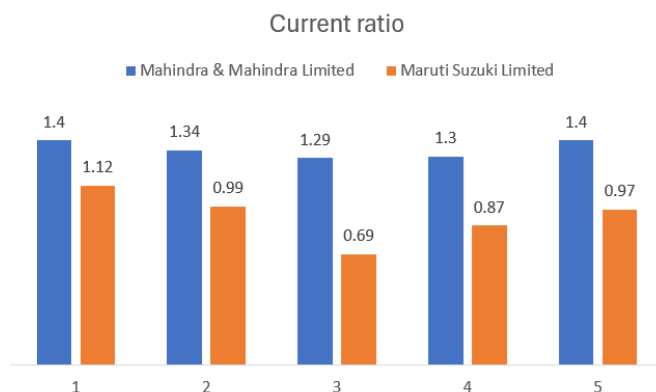
### Short-term Solvency Ratios / Liquidity Ratios

**Table 4.1.1.1: Current Ratio**

YEAR	Mahindra & Mahindra Limited	Maruti Suzuki Limited
2021	1.40	1.12
2022	1.34	0.99
2023	1.29	0.69
2024	1.30	0.87
2025	1.40	0.97
Mean	1.35	0.93
Standard Deviation	0.05	0.16
Coefficient of Variation	3.70%	17.20%
Growth	0.00%	-13.39%
Average Annual Growth	0.30%	-2.61%

Source: Secondary data

**Graph 4.1.1.1: Current Ratio**



#### Interpretation

Mahindra & Mahindra Limited in 2021 was 1.40, in 2022 was 1.34, in 2023 was 1.29, in

2024 was 1.30 and in 2025 was 1.40. It also had a mean of 1.35, a standard deviation of 0.05, a coefficient of variation of 3.70 percent, a growth of 0.00 percent and an average annual growth of 0.30 percent over the period of study. The stable ratio and extremely low coefficient of variation indicate a highly consistent and reliable ability to cover current liabilities with current assets.

Maruti Suzuki Limited in 2021 was 1.12, in 2022 was 0.99, in 2023 was 0.69, in 2024 was 0.87 and in 2025 was 0.97. It also had a mean of 0.93, a standard deviation of 0.16, a coefficient of variation of 17.20 percent, a growth of negative 13.39 percent and an average annual growth of negative 2.61 percent over the period of study. The overall decreasing trend and higher volatility show that the company's current assets are increasingly less sufficient to meet its current liabilities when compared to its peer.

#### Findings and Suggestions

##### Findings

- Maruti Suzuki maintained an exceptionally conservative and largely unleveraged balance sheet, while Mahindra & Mahindra adopted a more aggressive investment strategy, committing significant capital to product development.
- M&M successfully transitioned its focus to dominate the SUV segment and reinforced its global leadership in



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the agricultural sector through farm tractors, which served as a primary driver of its financial metrics.

### Suggestions

- Mahindra & Mahindra's aggressive investment in electric vehicles is necessary for long-term growth, the company should focus on balancing its debt-to-equity ratio.
- Suzuki should leverage its high liquidity and unleveraged balance sheet to fast-track its transition into the electric vehicle segment, ensuring it does not lose its "first-mover" advantage in the mass-market category to more aggressive competitors.

### Conclusion

Maruti Suzuki's conservative, debt-free capital structure has provided a robust safety net, allowing it to maintain steady operations despite global supply chain disruptions and inflationary pressures. Mahindra & Mahindra has successfully pivoted from a generalist manufacturer to a dominant specialist in the SUV and premium vehicle segments, resulting in enhanced brand equity and higher per-unit profitability. Both companies exhibit strong solvency.

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