
Maruti Suzuki: Driving India's Automotive Future

Maruti Suzuki, India's largest carmaker, has long been a symbol of personal mobility in the country. With over four decades of brand equity, unmatched distribution reach, and a deep understanding of Indian consumer behaviour, Maruti has cemented itself as a household brand amongst millions of Indians. The company is the market leader, with a share of the domestic passenger vehicle (PV) market, at 40% (April 2025), according to data released by the Federation of Automotive Dealers Associations (FADA).

India is now the world's third-largest car market, behind China and the US, after recently surpassing Japan¹. In FY24, India's passenger vehicle (PV) sales crossed 4.2m units, marking an 8.7% year-on-year growth². As India enters a phase of demographic and economic transformation, Maruti Suzuki stands poised to be a key beneficiary

India's Mobility Curve: Just Getting Started

India has one of the lowest passenger vehicles (PV) penetrations among major economies, with around 33 cars per 1,000 people, compared to over 800 in the U.S. and 170 in China³. With rising urbanization, improving road infrastructure, and the formalisation of the economy, we believe India is at the cusp of a multi-decade mobility boom.

Moreover, India's median age is just 29, with nearly 65% of the population below 35⁴. This young, aspirational demographic is entering the workforce, relocating to urban centres, and valuing convenience and comfort. As disposable incomes rise and financing becomes more accessible, first-time car ownership will remain a strong secular trend.

A Financial Powerhouse with Room to Run

Maruti Suzuki has maintained a dominant market share in the Indian PV segment despite intensifying competition from global and domestic players. As of FY24, Maruti commanded a market share of 41.6% in PVs. The company sold over 2 million vehicles in FY24 — its highest ever — with exports crossing 280,000 units, also a record.

Financially, the company has staged a robust recovery post-COVID. In FY24, Maruti posted:

- Net Sales: NZ\$ 27.6 billion (up 19% YoY)
- Profit After Tax: NZ\$2.6bn (up 64% YoY)
- EBITDA Margin: 10.5%, a meaningful improvement from pandemic lows
- Return on Equity: 17%

¹ www.ibef.org

² [SUVs propel India to 3rd largest car market in the world in FY24 - India Today](#)

³ PS Market Research

⁴ www.worldometer.com

The company maintains a debt-free balance sheet, with a cash and equivalents position of over NZ\$5 billion, providing flexibility for future investments, R&D, and shareholder returns.



Note: In the above standalone results, Net sales is revenue from vehicles, spare parts, dies and moulds, components.
(Source: Maruti Suzuki)

Product Refresh, Hybrid Push, and SUV Resurgence

One of the biggest criticisms of Maruti over the last few years was its weak presence in the fast-growing SUV category. That has now changed. The launch of models like Grand Vitara, Fronx, Jimny, and Invicto have been met with healthy demand, helping Maruti regain lost ground in the SUV segment. SUVs now contribute to 39% of domestic volumes, up from just 13% in FY19.

In parallel, Maruti is leaning into hybrid technology. With the backing of parent Suzuki and a strategic partnership with Toyota, the company is betting on hybrid vehicles as a bridge between internal combustion engines (ICE) and electric vehicles (EVs). The Grand Vitara Hybrid already contributes to nearly 25% of its total model sales, showcasing early success.

Maruti also plans to launch its first-born EV by FY25, expected to be an SUV built on a dedicated EV platform. While the EV transition in India will be gradual due to charging infrastructure gaps and cost sensitivities, Maruti's aims to be tech-agnostic and scale-centric.

Rural Reach, Cost Leadership, and Competitive Moats

Maruti's true strength lies in its 26,000+ touchpoints across India, including rural areas — a feat unmatched by any competitor. With over 43% of sales now coming from rural India, it is well-positioned to ride India's bottom-up consumption story.

Its manufacturing scale, localization efforts, and platform-sharing strategy have kept its cost structure relatively lean. It has also aggressively reworked its product portfolio, refreshing 17 models over the last 3 years.

Furthermore, its finance arm and partnerships with non-bank financing companies enable it to offer customized, affordable finance options even in low-credit geographies — a key differentiator in penetrating underserved markets.

A Steady Compounder in a Growing Market

Looking ahead, Maruti's management has outlined a clear ambition to double sales volumes to 4 million by FY31, with EVs and hybrids expected to contribute 15-20% of the mix. Given India's expected GDP growth of 6-7%, rising per capita income, and improving road connectivity, we see Maruti as a direct beneficiary of India's next phase of consumer mobility.

Maruti Suzuki is not just a car company — it's a bellwether for India's consumption story. Its ability to adapt to evolving customer needs, invest in future technologies, and maintain financial prudence makes it an attractive business to invest in at the right price. The stock has achieved a compounded return of close to 20% per annum over the last 20 years. The India Avenue Equity Fund took the opportunity of the recent pullback to re-introduce the position into the portfolio, after not holding it for the last five years.

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