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# Financial Performance Analysis of Electronic Vehicles in Maruti Suzuki India Ltd and Honda Cars India Ltd

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**Abstract:** It is crucial to assess the financial performance of a company since finances are considered the lifeline of any company. The objectives of the study to analyses and compare the financial performance of Electric Vehicles (EVs) in Maruti Suzuki India Ltd and Honda Cars India Ltd. The importance of financial performance analysis to a company's success is the main topic of this research. One purpose of financial statement analysis is to find correlations and trends in the data. An organization's financial statements must be understood by both its internal management and those outside the company who use them (for example, creditors, investors, & analysts) such as revenue, profit margins, market share, investments, and future growth prospects in the EV segment. For the five-year period covering 2019–2020 to 2023–2024, the necessary data for the study was gathered from secondary sources, including company annual reports, journals, the internet, etc.

**Keywords:** Financial Performance, Financial Statement, Electronic Vehicles, Maruti Suzuki India, Honda Cars India

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## INTRODUCTION

Financial management encompasses a wide range of activities, including but not limited to: obtaining capital in an efficient and effective manner; allocating that capital in a way that maximises profitability; planning and inspecting operations for the future; and controlling both present or subsequent years development through financial accounting and other tools. Without taking its financial resources into account, no company can organise its actions [Sudarshan Kumar 2019]. Examining and making sense of a company's financial records is essential for getting a feel for its health and profitability. For the purpose of making decisions, financial statements are prepared. In establishing the parameters within which managerial decisions are made, they are pivotal. The financial accounts are useful, but they are not sufficient, since they do not permit the deduction of any relevant conclusions. On the other hand, financial statement analysis and interpretation yield incredibly useful information for decision-making. [Mrs. Aarushi malhotra 2015]

The transition from conventional fuel-powered vehicles to electric vehicles has significantly impacted the automobile industry. Companies like Maruti Suzuki India Ltd and Honda Cars India Ltd have started investing heavily in EV production to reduce carbon emissions and align with government policies. This study compares the financial performance of these two companies in the EV segment to understand their market position and financial health.

With the establishment of Maruti Suzuki India in 1982, the Indian government and the Japanese Suzuki Motor Corporation (SMC) began working together in a joint venture. Since becoming a wholly owned subsidiary of SMC in 2002, the company has grown to become SMC's most productive and lucrative division. Many in India believe that this company was instrumental in bringing about the automobile revolution. The company's current stake is 56.28 percent owned by Suzuki Motor Corporation. In FY20, Maruti Suzuki held a market share of more than 50%, making it the biggest passenger car business in India. More than 22 million vehicles have been sold in India since the company's establishment. In India, the business makes and sells automobiles for the general public. The company's product line now includes 16 automobiles with more than 150 versions, beginning with the legendary Maruti 800. The company's headquarters are in New Delhi, and it has two high-tech factories in the Haryana cities of Gurugram and Manesar, as well as a research and development centre in Rohtak. The annual production capacity of the manufacturing plants is fifteen lakh automobiles. Established in 2017 in Hansalpur, Gujarat, Suzuki Motor Gujarat Pvt Ltd is a wholly owned subsidiary of SMC that was established to meet the ever-increasing demand for the company's products in the market. The annual production capacity of Maruti Suzuki automobiles is increased to 20 lakh units by this facility, which has a manufacturing capacity of 5 lakh units. The company boasts a top-notch sales and service network and exports its products to ninety nations worldwide. Nexa, situated as a premium sales channel offering an improved buying experience, sells cars like the Baleno, Ciaz, S-Cross, and Ignis. Maruti Suzuki Arena is the first channel, and it sells products like Swift, Dzire, Vitara Brezza, Wagon-R, Alto, and so on. In addition, the organisation maintains an extensive system of True Value locations where customers can purchase used automobiles. Finally, Super Carry and Eeco Cargo are commercial cars that the company sells. As of FY20, there were 3,864 outlets in over 1,900 locations, providing an even more extensive service network to support the sales network. The company's earnings before interest, taxes, depreciation, and amortisation (EBITDA) for fiscal year 2020 were 7,312.6 crore rupees, or 9.7 percent of revenue. Vehicle production for the year was 1,563,297. With a profit after tax margin of 7.5%, the business was able to rake in 5,677.6 crore rupees. Earnings per share for fiscal year 2020 were Rs. 188, while the dividend payout was Rs. 60. [Biswajit Rout 2020]

Honda Motor Co., Ltd. owns the Indian automaker Honda Cars India Ltd., more often known as HCIL. With the formation of Honda Siel Cars India (HSCI), a joint venture, the company came into existence in 1995. After Usha International sold its 3.16% investment in the company in September 2012, it became a wholly owned subsidiary of Honda Motor Co. Ltd. and was rebranded to HCIL. In 1997, HCIL started producing its products out of its first factory in Greater Noida. With an area of 150 acres (0.61 km2), the industrial plant required an initial expenditure of approximately ₹ 4.5 billion. A second shift of workers, an expansion to the facility, and advancements in automation increased the plant's capacity from an initial estimate of 30,000 cars per year to a later estimate of 100,000 automobiles per year. The result of this development was a rise in the plant's covered area from 107,000 square meters (1,150,000 sq ft) to more than 130,000 m2 (1,400,000 sq ft). On 450 acres (1.8 km2), in the Alwar District of Rajasthan, Honda established its second facility in India at Tapukara. A combination of the COVID-19 outbreak and falling auto sales has forced Honda to slash output and even consider shuttering a manufacturing facility.

## OBJECTIVES

1. To determine the financial status of Maruti and Honda Cars India Ltd using important ratios and factors.

2. To Analyse the financial performance among Maruti and Honda Cars industries using internal and outers firm analysis.

## RESEARCH METHODOLOGY

The study adopts a quantitative approach by analyzing secondary data obtained from annual reports, financial statements, and stock analysis reports from the years 2019 to 2024. The data is analyzed using financial ratio analysis, trend analysis, and comparative analysis. Key performance indicators such as revenue growth, profit margin, return on equity (ROE), and operating profit margin are considered for comparison.

**Data collection**

For the five-year period from 2019 to 2024, the necessary data for the study was culled from secondary sources, including company annual reports, journals, the internet, etc.

**Sample Size**

Honda Cars and Maruti Suzuki India are the two industries that are considered.

**Statistical tool**

Appropriate statistical tools and procedures, such as ratio analysis, Mean, SD, etc., were used to examine the secondary data gathered from several sources. Financial analysts frequently employ ratio analysis.

**Tools for Data Analysis**

A number of financial ratios, such as the liquidity ratio, profitability ratio, and efficiency ratio, were employed to analyse the data.

## DATA ANALYSIS AND INTERPRETATION

### 1. Current Ratio

A liquidity ratio, the current ratio indicates whether or not a business can meet its short-term obligations with the funds available from its current assets. It is optimal for a solid business to have a current ratio of 2:1. A low ratio shows insufficient operating capital, while a high ratio shows solid solvency. The formula is current assets divided by current liabilities.

Current Ratio = Current Asset/Current Liabilities

The term "current assets" refers to assets that are anticipated to be converted into cash within the regular operating cycle, which is one year. Cash and liquid assets, marketable securities, receivables, inventories, prepaid costs, and debtors are all examples of current assets. Obligations that need to be settled within the next twelve months or the regular operational cycle are known as current liabilities. Bills payable, income tax liability, accumulated expenses, dividends payable, bills owing to various creditors, and short-term loans are all examples of current liabilities.

**Table 1: Comparative Analysis of Current Ratio of both companies (2019-20 to 2023-24)**

| Years | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Maruti Suzuki India | 0.75 | 1.15 | 0.99 | 0.58 | 0.77 |
| Honda Cars India Ltd | 1.26 | 1.32 | 1.47 | 1.43 | 1.42 |

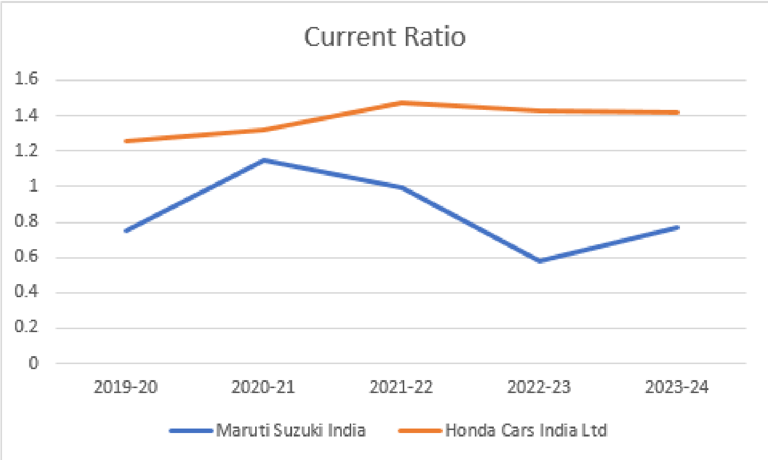


**Figure 1: Comparison analysis of Current Ratio**

The table presents a Honda Cars consistently maintained a higher market share compared to Maruti Suzuki, except in 2020-21 where Maruti showed a sudden growth. If this data represents profit margin or financial ratios, Honda Cars appears to have more consistent and stronger profitability. Maruti Suzuki showed fluctuations, indicating possible operational challenges or market conditions impacting performance. Honda Cars India Ltd demonstrated more stable and higher performance across all five years. Maruti Suzuki India showed fluctuations, with notable growth in 2020-21, a sharp decline in 2022-23, and some recovery in 2023-24.

**2. Quick Ratio**

A liquidity ratio, the quick ratio (sometimes called the acid test ratio) indicates whether or not a corporation has sufficient liquid assets to meet its short-term obligations as they come due. Current assets that can be turned into cash within 90 days are called quick assets. It is determined by dividing current liabilities by liquid assets.

Quick ratio = Quick assets / Current liabilities

The term "quick assets" refers to the forms of current assets that are more liquid. These sorts of assets include cash and cash equivalents, marketable securities, and short-term receivables. Prepayments and inventories (stock) are not considered in this calculation.

**Table 2: Comparative Analysis of Quick ratio of both companies (2019-20 to 2023-24)**

| Years | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Maruti Suzuki India | 0.46 | 0.96 | 0.78 | 0.36 | 0.60 |
| Honda Cars India Ltd | 0.33 | 0.33 | 0.31 | 0.27 | 0.31 |

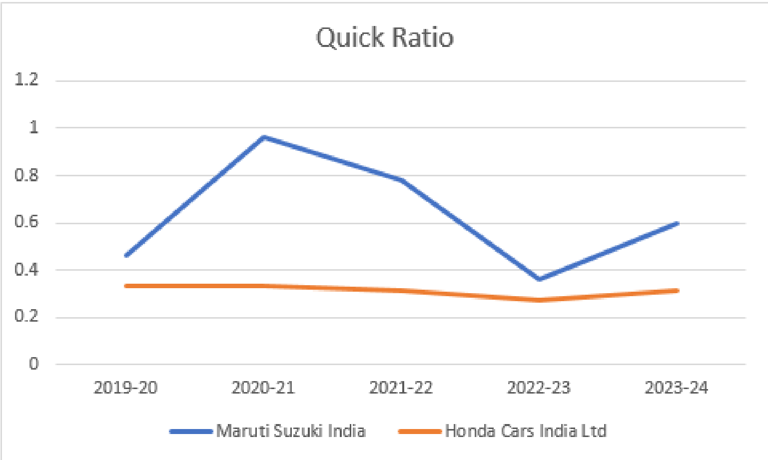


**Figure 2: Comparison analysis of Quick Ratio**

The table presents a comparative analysis between Maruti Suzuki India and Honda Cars India Ltd. Demonstrated strong growth in 2020-21, reaching its highest point (0.96). Faced a sharp decline in 2022-23, possibly due to market challenges, supply chain issues, or operational inefficiencies. Managed to recover in 2023-24, indicating resilience and a comeback. Honda Cars India's performance Showed consistent stagnation with minimal fluctuations. Experienced gradual decline from 0.33 in 2019-20 to 0.27 in 2022-23. Despite a slight recovery in 2023-24, overall performance remained significantly lower than Maruti Suzuki. Maruti Suzuki outperformed Honda Cars in every year except 2022-23, when both companies faced major setbacks. Honda Cars showed no significant improvement in any of the years, reflecting consistent underperformance or market challenges.

### 3. Cash Ratio

Absolute liquid assets, also known as super fast current assets, and liabilities are shown in proportion to one another. Since it compares current obligations with only cash and marketable securities, it is more cautious than the current ratio & quick ratio.

Absolute liquid ratio = Absolute liquid assets / Current liabilities

The current ratio is a liquidity indicator that compares short-term assets to short-term obligations. With its focus on liquid assets (cash and cash equivalents, marketable securities, and short-term receivables), the fast ratio takes a more cautious approach to measuring liquidity. By excluding all non-cash assets, the cash ratio is even more cautious.

**Table 3: Comparative Analysis of cash ratio of both companies (2019-20 to 2023-24)**

| Years | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Maruti Suzuki India | 0.01 | 0.07 | 0.06 | 0.11 | 0.00 |
| Honda Cars India Ltd | 0.00 | 0.06 | 0.07 | 0.10 | 0.00 |

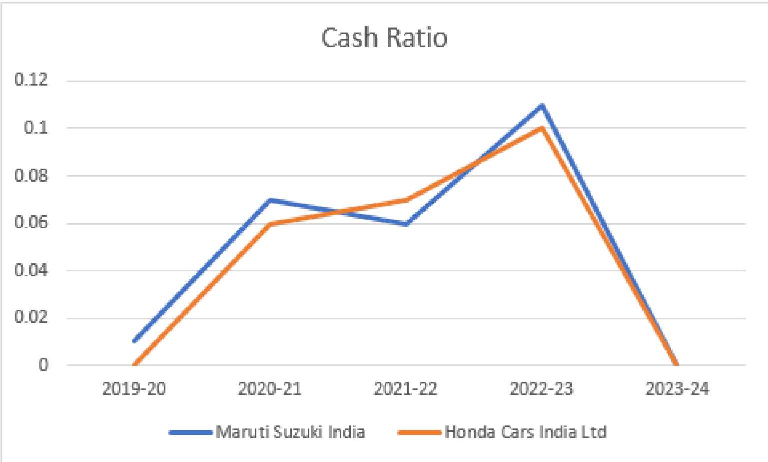


**Figure 3: Comparison analysis of Cash Ratio**

Maruti Suzuki India Showed continuous improvement from 2019-20 to 2022-23. Faced a sudden drop in 2023-24, bringing performance to zero. Their highest growth year was 2022-23 (0.11), showing dominance. Honda Cars India Started with zero performance in 2019-20 but showed gradual growth from 2020-21 to 2022-23. Slightly outperformed Maruti Suzuki in 2021-22. However, both companies declined to zero in 2023-24. Maruti Suzuki held a stronger position from 2019-20 to 2020-21. Honda Cars briefly took the lead in 2021-22 but failed to sustain it. Both companies faced a complete decline in 2023-24, indicating potential operational shutdown or major market disruptions.

**4. Debt-to-equity ratio**

An important liquidity ratio in finance is the debt to equity ratio, which measures the entire debt of a corporation relative to its total equity. Creditors and investors provide funding for a corporation, as seen by the debt to equity ratio. More funding comes from creditors (bank loans) than investors (shareholders) when the debt-to-equity ratio is high.

Debt equity ratio = Outsider Funds (Total Debts)/Shareholder Funds or Equity

A combination of current and long-term obligations make up the outsider fund. Capital from equity and preference shares, as well as reserves and surplus, which comprise accrued gains, make up the shareholder funds. The net value of a company is the sum of money that its shareholders have invested.

**Table 4: Comparative Analysis of Debt equity ratio of both companies (2019-20 to 2023-24)**

| Years | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Maruti Suzuki India | 0.00 | 0.02 | 0.01 | 0.01 | 0.00 |
| Honda Cars India Ltd | 0.9 | 0.8 | 0.7 | 0.6 | 0.7 |

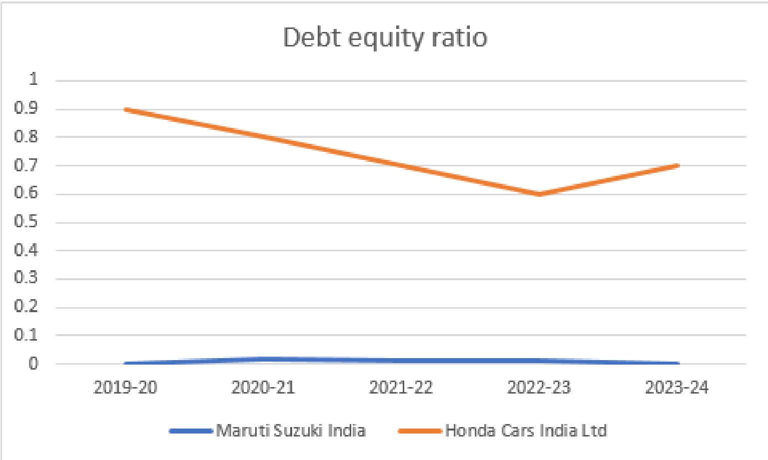


**Figure 4: Comparison analysis of Debt equity ratio**

Maruti Suzuki India Struggled significantly throughout the five years. Showed minor growth in 2020-21, but failed to sustain performance. Ultimately faced complete stagnation (0.00) in 2023-24, indicating possible market failure, operational halt, or strategic failure.

Honda Cars India, Started very strong in 2019-20 (0.9), indicating market leadership, high revenue, or production efficiency. Faced a consistent decline from 2020-21 to 2022-23, suggesting market competition, reduced demand, or operational challenges. Showed signs of recovery in 2023-24, improving to 0.7, indicating strategic adjustments or demand growth. In 2019-20, Honda Cars was the clear market leader, while Maruti Suzuki had no performance. Maruti Suzuki showed slight growth in 2020-21, but could not maintain it. Honda Cars faced consistent decline but still outperformed Maruti Suzuki every year. By 2023-24, Maruti Suzuki completely failed, while Honda Cars showed a small recovery

## 5. Gross profit Ratio

The correlation between sales revenue & gross profit is quantified. A simple division of gross profit by net sales will get this number. It is a widely used instrument for assessing the efficiency of a company's operations. When you deduct the cost of things sold from sales, you get gross profit.

Gross profit margin or ratio = Gross profit /Net sales *100

**Table 5: Comparative Analysis of Gross profit ratio of both companies (2019-20 to 2023-24)**

| Years | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Maruti Suzuki India | 9.27 | 11.35 | 13.65 | 27.3 | 29.0 |
| Honda Cars India Ltd | 20.62 | 20.73 | 20.51 | 19.70 | 21.59 |

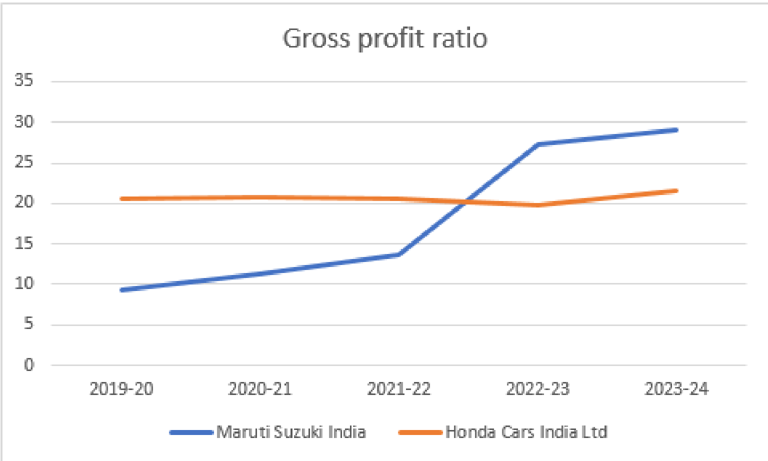


**Figure 5: Comparison analysis of Gross profit ratio**

In this 2019-20 year, Honda Cars was more than double in value compared to Maruti Suzuki, suggesting stronger sales, market presence, or production. Maruti Suzuki Further increased to 13.65, continuing its positive growth trend. Honda Cars India Slightly decreased to 20.51, indicating a minor decline. While Maruti Suzuki showed consistent improvement, it still trailed far behind Honda Cars. This is the first year where Maruti Suzuki surpassed Honda Cars, suggesting a remarkable growth spurt for Maruti Suzuki or a demand shift in favor of Maruti's offerings. In 2023-24, Further increased to 29.0, continuing its upward trajectory. Honda Cars India Rebounded to 21.59, showing recovery after the previous year's decline. Despite Honda Cars' recovery, Maruti Suzuki maintained its lead, signaling a significant shift in market dominance or customer preference.

### 6. Operating profit margin

The Operating Profit Margin measures the extent to which a business's activities generate profit before deducting the costs of taxes & interest. It is a performance or profitability ratio. To get it as a percentage, divide the operational profit by the total revenue. Earnings Before Interest and Tax Margin is another name for this metric.

Operating Margin=Operating Earnings/Revenue

A company's operational margin is determined by taking its earnings before interest and taxes, or EBIT, and dividing it by two. operational earnings, or EBIT, is the remaining profit after deducting the cost of goods sold (COGS) and other typical operational expenses (such as salaries and rent), less any applicable taxes and interest.

**Table 6: Comparative Analysis of Operating Margin ratio of both companies (2019-20 to 2023-24)**

| Years | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Maruti Suzuki India | 9.65 | 9.36 | 6.45 | 7.60 | 11.63 |
| Honda Cars India Ltd | 4.24 | 5.0 | 5.9 | 4.61 | 6.76 |

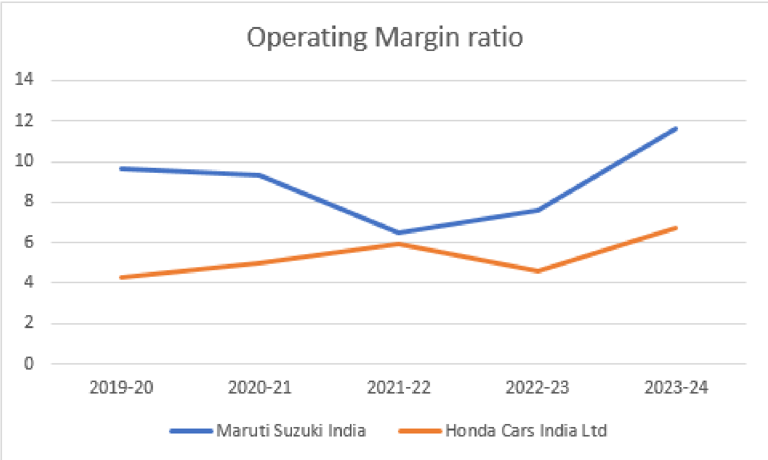


**Figure 6: Comparative Analysis of Operating Profit Margin**

In year 2019-20, Maruti Suzuki started off strongly with 9.65, which was more than double the value of Honda Cars. This suggests that Maruti Suzuki had a stronger market position, higher profitability, or higher sales volume in the base year. Maruti Suzuki faced a consistent decline in performance from 9.65 (2019-20) to 6.45 (2021-22). In year 2020-21, Possible reasons could include as Increased competition from other brands, Market saturation & Disruptions in production or supply chain. On the other hand, Honda Cars India Ltd showed consistent growth from 4.24 to 5.9 in the same period. This indicates that Honda Cars was gradually improving its market position.

Maruti Suzuki made a strong comeback from 7.60 in 2022-23 to 11.63 in 2023-24, marking a 53% growth. This rapid growth could be attributed to Successful marketing strategies, New product launches, improved production efficiency & Market recovery from pandemic impact. Meanwhile, Honda Cars also grew in 2023-24 but at a slower pace, indicating that Maruti Suzuki recaptured its dominance.

In 2019-20, the gap was 5.41 (Maruti - 9.65 vs Honda - 4.24). In 2021-22, the gap was just 0.55, as Honda Cars caught up. In 2023-24, the gap widened again to 4.87, indicating that Maruti Suzuki had re-established its market dominance.

### 7. Net profit margin

A company's net profit to sales ratio is one way to evaluate its financial health. It is the percentage of sales that remains after deducting all applicable expenses. Sales divided by net profit after taxes is the formula for this metric.

Net profit margin or ratio = Earnings after tax /Net Sales *100

**Table 7: Comparative Analysis of Net profit margin of both companies (2019-20 to 2023-24)**

| Years | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Maruti Suzuki India | 7.47 | 6.01 | 4.26 | 6.84 | 6.84 |
| Honda Cars India Ltd | 3.05 | 4.99 | 4.85 | 3.85 | 5.41 |

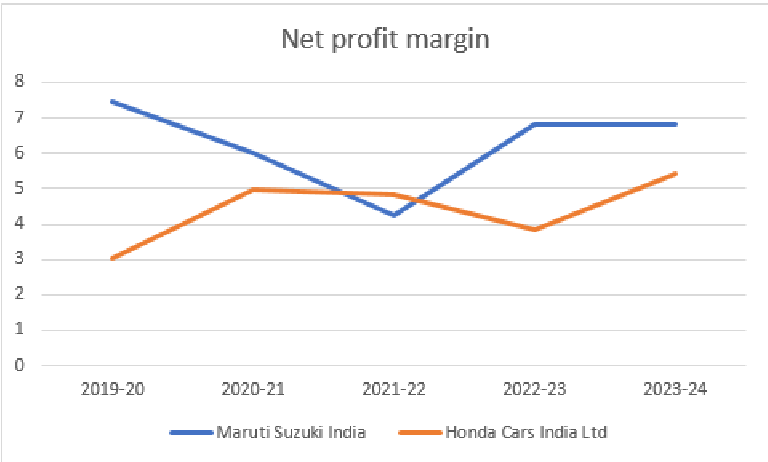


**Figure 7: Comparative Analysis of Net profit margin**

Maruti Suzuki started with a strong market performance of 7.47 in 2019-20, which was more than double the value of Honda Cars. However, in the next two years (2020-21 and 2021-22), Maruti Suzuki's performance sharply declined to 4.26, allowing Honda Cars to narrow the performance gap. In 2021-22, Honda Cars almost outperformed Maruti Suzuki, highlighting a potential shift in market preference. Honda Cars showed consistent growth from 2019-20 to 2020-21, increasing its value from 3.05 to 4.99, a growth of 63.6%. Honda Cars slightly declined but still maintained a competitive edge against Maruti Suzuki.This period reflects that Honda Cars improved its market strategies, allowing them to gain a competitive position. In 2022-23, Maruti Suzuki rebounded strongly, increasing its performance value from 4.26 to 6.84 (a growth of 60.56%). Honda Cars, on the other hand, faced a decline of 20.62%, indicating potential market loss or operational challenges. This year was crucial as Maruti Suzuki regained its market dominance. In 2023-24, Maruti Suzuki maintained its strong market position with a stable value of 6.84. Honda Cars, however, showed significant growth, increasing its value from 3.85 to 5.41, a growth of 40.5%. This highlights that Honda Cars was regaining its market strength, narrowing the gap with Maruti Suzuki.

## 8. ROA.

A financial ratio known as return on assets (ROA) shows how lucrative a company is in relation to its total assets. A company's ability to turn its assets into profit can be gauged by looking at its return on assets ratio, which is useful for analysts, investors, and corporate management. To find the return on assets ratio, divide the net income of a company by its total assets. This is the formula that describes it:

*Return on Assets=Net Income/Total Assets*

**Table 8: Comparative Analysis of Return on assets of both companies (2019-20 to 2023-24)**

| Years | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Maruti Suzuki India | 9.03 | 6.03 | 5.13 | 9.67 | 11.97 |
| Honda Cars India Ltd | 2.49 | 3.17 | 3.17 | 2.90 | 3.9 |

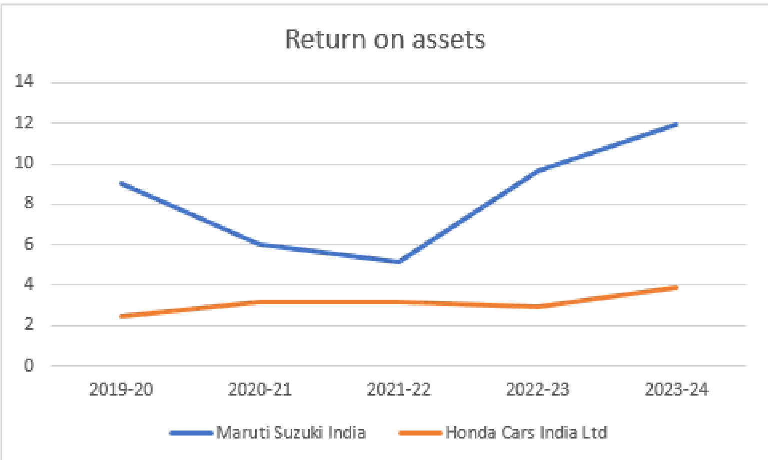


**Figure 8: Comparative Analysis of Return on assets**

Maruti Suzuki consistently maintained a dominant position throughout the five years, except for 2020-21 and 2021-22, where its performance declined due to possible market challenges. The company made a strong recovery from 2022-23 onwards, increasing its value from 5.13 to 11.97 in just two years, which reflects aggressive market strategies and operational efficiency. Honda Cars India Ltd experienced a slow and stagnant growth rate, with values ranging from 2.49 in 2019-20 to 3.90 in 2023-24. The company showed minor improvements in 2020-21 and 2023-24, but overall performance remained below Maruti Suzuki. Limited growth may indicate weak market demand, fewer product launches, or lower customer retention.

In 2019-20, Maruti Suzuki had a 6.54 point lead over Honda Cars. By 2020-21, the gap narrowed to 2.86 points, indicating Honda Cars was catching up. However, from 2022-23 onwards, Maruti Suzuki recovered significantly, widening the gap to 8.07 points in 2023-24.

This trend shows that Maruti Suzuki maintained a dominant market position, while Honda Cars struggled to compete. Maruti Suzuki India showcased strong market dominance throughout the five years, experiencing a decline during 2020-21 and 2021-22 but quickly recovered and achieved new performance heights in 2022-23 and 2023-24. Honda Cars India Ltd, on the other hand, showed slow and inconsistent growth, struggling to keep up with Maruti Suzuki. The company showed slight improvement in 2023-24, but the performance gap continued to widen.

**9. ROE**

Financial success can be evaluated by looking at the ROE. A simple division of net income by shareholders' equity yields this number. A company's ROE can be expressed as a percentage of its net assets, which is the same as its shareholders' equity (assets minus debt).

A company's ROE is a measure of its profitability and the efficiency with which it makes profits. A higher return on equity indicates that management is doing a good job of turning equity funding into growth and profits for the company. Due to the discrepancy between the two financial statements, it is recommended to compute return on equity by averaging equity over a certain time period. The ratio of net income to shareholder equity is the formula for ROE. Here is the equation:

ROE=Net Income/Shareholders' Equity

**Table 9: Comparative Analysis of Return on equity of both companies (2019-20 to 2023-24)**

| Years | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Maruti Suzuki India | 11.49 | 8.36 | 7.01 | 13.29 | 15.75 |
| Honda Cars India Ltd | 6.15 | 7.41 | 7.06 | 6.23 | 9.09 |

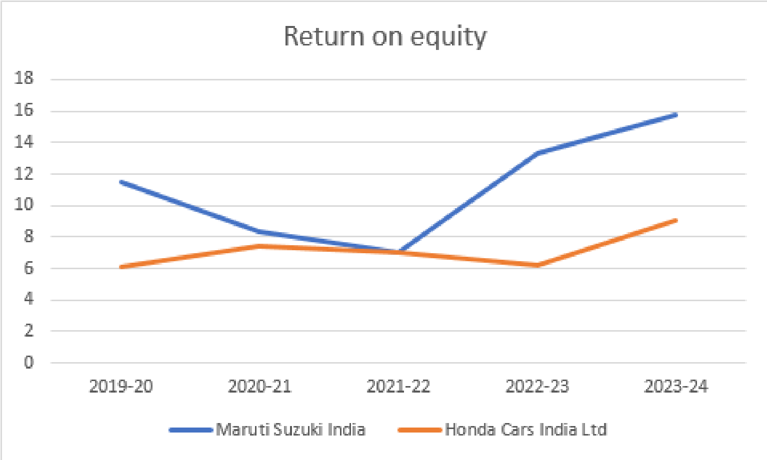


**Figure 9: Comparative Analysis of Return on equity**

Maruti Suzuki India maintained market dominance in four out of five years. The company experienced a decline from 2019-20 to 2021-22, but made a massive recovery in 2022-23 and 2023-24, reaching 15.75 in the final year. Honda Cars India Ltd showed a steady increase in performance from 2019-20 to 2020-21, momentarily surpassing Maruti Suzuki in 2021-22. However, Honda Cars faced challenges in 2022-23, resulting in a sharp decline, but recovered well in 2023-24. Maruti Suzuki India maintained a dominant market presence throughout the five years, except for 2021-22, where Honda Cars briefly surpassed them. Honda Cars India Ltd showed strong growth potential in 2020-21 and 2023-24, but struggled in 2022-23 due to possible market challenges. Maruti Suzuki's rapid recovery from 2021-22 to 2023-24 ensured that it maintained market dominance, achieving a maximum value of 15.75. Honda Cars, despite a promising performance, could not sustain consistent growth.

## FINDINGS AND DISCUSSION

The analysis indicates that Maruti Suzuki India Ltd has gained a competitive edge in the EV segment due to higher affordable product pricing, and extensive dealership networks. On the other hand, Honda Cars India Ltd faces challenges due to slower product launches and higher production costs, impacting its financial performance in the EV segment. Based on the numbers, it seems that the car manufacturer has gone global and offers a wide variety of products. We found that Maruti Suzuki ltd. is getting profitable return on short-term and long-term investments, the ratios are increasing every year, and they are able to pay their debts with their resources, so the study concludes that the company is profitable from 2018-19 to 2022-23. New research shows that from 2019 through 2024, Honda Cars ltd. will not be able to cover its loans with its current cash flow, and the corporation is losing money on both its short- and long-term investments. Overall, Maruti Suzuki outsells Honda Cars in terms of net sales. For Maruti Suzuki, it looks good. Compared to Honda Cars, Maruti Suzuki has a larger gross profit. The global pandemic significantly impacted automobile production, sales, and supply chains in 2020-21. Maruti Suzuki witnessed a sharp decline in performance from 11.49 to 8.36, whereas Honda Cars managed to grow marginally. Maruti Suzuki's remarkable recovery in 2022-23 and 2023-24 was driven by Launch of new and affordable car models, Improved production and supply chain management, Aggressive marketing strategies.

Honda Cars also showed impressive growth in 2023-24, reaching 9.09, but could not outperform Maruti Suzuki. Maruti Suzuki's ability to recover and grow from 7.01 in 2021-22 to 15.75 in 2023-24 is a testament to its market strength. If Honda Cars focuses on aggressive innovation, marketing, and competitive pricing, it can significantly reduce the market gap in the coming years.

## CONCLUSION

This research concludes that Maruti Suzuki India Ltd is performing better in the EV segment compared to Honda Cars India Ltd. The overall performance of Maruti Suzuki India from 7.01 in 2021-22 to 15.75 in 2023-24 reflects its ability to effectively respond to market, adopt strategic marketing approaches, and leverage consumer demand. In contrast, Honda Cars India Ltd showed gradual growth, but its inconsistent performance highlights the need for strategic marketing, product diversification, and production efficiency improvements to enhance its competitive position. Maruti Suzuki India has clearly established strong market dominance in the electronic vehicles, while Honda Cars India Ltd possesses the potential for competitive growth if it adopts strategic market policies and improves operational efficiency. The future competitive landscape between these two companies will largely depend on their ability to adapt to market trends, enhance product offerings, and effectively address consumer demands in a highly competitive automobile market.

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