International Journal of Creative and Open Research in Engineering and Management
ISSN: 3108-1754 (Online)
Volume 02 Issue 10 October-2026 | Impact Factor: 3.5



Comparative Financial and Strategic Analysis of Selected Companies in the Indian Auto (Four-Wheeler) Sector

Author name: Sneha Gupta
Affiliation: MBA (Finance), School of Business-Indira University, Pune, Maharashtra, India

Corresponding author and e-mail: Sneha Gupta, Sneha.gupta@indirauniversity.edu.in
Training / host organisation: InvestYadnya (On-the-Job Training, 1 June 2026 to 31 August 2026)

Guidance: Vaibhavi Shahane

Research paper Developed from an on – the – job (OJT) training study
At
InvestYadnya as a research Analyst

How to Cite this Article:

Gupta, S. (2026). Comparative Financial and Strategic Analysis of Selected Companies in the Indian Auto (Four-Wheeler) Sector. International Journal of Creative and Open Research in Engineering and Management, 02(10), 1-9. https://doi.org/10.55041/ijcope.v2i10.220

License:

This article is published under the terms of the Creative Commons Attribution 4.0 International License (CC BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author(s) and the source are credited.

© The Author(s). Published by International Journal of Creative and Open Research in Engineering and Management.







https://doi.org/10.55041/ijcope.v2i10.220

Abstract

The Indian four-wheeler automobile sector is among the largest in the world and is being reshaped by sport utility vehicle (SUV) demand, electrification, connected technologies and tighter regulation. This study presents a comparative financial and strategic analysis of five leading listed companies: Maruti Suzuki India Limited, Mahindra & Mahindra Limited, Hyundai Motor India Limited, Tata Motors Passenger Vehicles and Ashok Leyland Limited. A descriptive, secondary-data research design was adopted. Company reports, investor presentations, exchange filings, industry publications and government sources were used to build company profiles and to compute and compare revenue, net profit, market capitalisation, earnings per share, return on equity, return on capital employed, debt–equity ratio, current ratio, net profit margin and five-year passenger vehicle market share. Strategic tools, namely PESTEL, Porter's Five Forces and SWOT analysis, were used to interpret the financial evidence. The results show that Maruti Suzuki combines market leadership, the highest market valuation among the five firms, negligible debt and a strong distribution network, although its passenger vehicle share has eased from 47% to about 41% over five years. Mahindra & Mahindra records the largest revenue and net profit among the firms with comparable data and the fastest share gain, rising from 7% to 14%. Hyundai Motor India delivers the highest return on capital employed (38.4%) with very low leverage, while Tata Motors Passenger Vehicles leads electric mobility but shows weak liquidity and capital-efficiency indicators. Ashok Leyland is a commercial vehicle specialist with the highest leverage in the sample. The study concludes that scale, balance-sheet strength and portfolio fit with the SUV and electric vehicle transitions jointly explain competitive position, and it offers firm-specific and industry-level recommendations.

Keywords: Indian automobile industry; four-wheelers; comparative financial analysis; ratio analysis; competitive strategy; electric vehicles; market share

1. Introduction

1.1 Background

The automobile industry is one of the most important sectors of the Indian economy. It contributes to manufacturing output, employment, exports, technological upgrading and public revenue, and it supports a wide chain of upstream and downstream activities such as steel, electronics, logistics, finance and insurance. Industry sources describe the sector as accounting for roughly 7% of national gross domestic product and a substantial share of manufacturing output, with employment running into tens of millions of direct and indirect jobs (Society of Indian Automobile Manufacturers [SIAM], 2025). India is now one of the largest automobile markets in the world and is widely regarded as a preferred



manufacturing and export base because of its large consumer market, skilled workforce, improving infrastructure and supportive public policy.

The four-wheeler segment, which is the focus of this study, comprises passenger cars, sport utility vehicles, multi-purpose vehicles, vans, buses, trucks and electric vehicles. Its growth has been driven by rising disposable incomes, urbanisation, a growing middle class, better roads, easier vehicle financing and a steady stream of product launches. Over the past decade the segment has also experienced structural change. Consumer preference has shifted from compact hatchbacks towards SUVs, emission norms have tightened with the introduction of Bharat Stage VI standards, and public policy has begun to favour cleaner mobility through the Faster Adoption and Manufacturing of Electric Vehicles (FAME) scheme and the Production Linked Incentive (PLI) scheme. Digital retailing, connected-car features and advanced driver assistance systems (ADAS) are further altering how manufacturers compete.

In such an environment, the financial strength and strategic positioning of individual manufacturers matter greatly. Firms with large scale and low leverage can absorb the cost of new technology, whereas firms that are highly leveraged or narrowly focused may struggle to fund the transition. A systematic comparison of leading firms therefore offers useful evidence for investors, managers, policymakers and students of finance and strategy.

1.2 Need and Purpose of the Study

The automobile industry is competitive, technology-intensive and capital-intensive. Changes in customer preferences, input costs, regulation and technology can quickly alter the relative position of a firm. Understanding how leading companies sustain profitability, manage capital and defend market share is therefore important. Existing studies, reviewed in Section 2, mostly examine industry-level growth, policy or technology. Comparatively few studies place passenger vehicle makers and a commercial vehicle maker side by side and combine financial ratios with strategic and functional analysis. The purpose of this study is to fill that gap with a transparent, data-based comparison that links financial outcomes to strategy.

1.3 Objectives

The primary objective is to conduct a comparative financial and strategic analysis of Maruti Suzuki India, Mahindra & Mahindra, Hyundai Motor India, Tata Motors Passenger Vehicles and Ashok Leyland. The specific objectives are:

1. to examine the structure, growth drivers, regulation and competitive forces of the Indian four-wheeler sector;
2. to profile the selected companies in terms of history, products, markets, marketing, human resource practices, corporate social responsibility (CSR) and governance;
3. to compare their financial performance using revenue, net profit, market capitalisation, earnings per share, return on equity, return on capital employed, leverage, liquidity and margins;
4. to compare market position using five-year passenger vehicle market share;
5. to identify strengths, weaknesses, opportunities and threats of each company; and
6. to derive firm-specific and industry-level recommendations.

1.4 Scope

The study covers five listed firms that together span mass-market cars, SUVs, electric vehicles and commercial vehicles. The geographical scope is India, although export activity is noted where relevant. The financial comparison uses the latest annual figures available at the time of compilation (mid-2026), and the market share series covers FY2021 to FY2025. The study is based on publicly available information and does not involve primary surveys of customers or employees.

1.5 Structure of the Paper

Section 2 presents the theoretical background, reviews earlier literature and states the research gap. Section 3 analyses the industry. Section 4 explains the research methodology. Section 5 profiles the five companies. Section 6 reports the comparative financial and market results. Section 7 discusses the findings, and Section 8 concludes with recommendations, limitations and directions for future research.

2. Literature Review and Theoretical Background

2.1 Theoretical Background

Several established theories help explain why firms in the same industry perform differently. Six are used as the conceptual lens of this study.

Industry life cycle theory

Industry life cycle theory proposes that industries move through introduction, growth, maturity and decline, and that competitive behaviour, profitability and the number of firms change at each stage (Klepper, 1996). Within the Indian



four-wheeler sector, different segments sit at different stages. Electric vehicles are in an early introduction-to-growth phase, SUVs are in a strong growth phase, while the conventional passenger car market is approaching maturity, with competition increasingly based on differentiation. Conventional diesel vehicles may gradually face decline pressure as electrification advances. The theory therefore suggests that a firm's results depend partly on how well its portfolio is aligned with the stage of each segment.

Porter's competitive advantage and five forces

Porter (1985) argues that firms gain advantage through cost leadership, differentiation or focus, while Porter (1979) explains industry profitability through the strength of five forces: the threat of new entrants, the bargaining power of suppliers and buyers, the threat of substitutes and competitive rivalry. In the sample, Maruti Suzuki is associated with cost leadership and wide reach, Hyundai with feature-rich differentiation, Mahindra with product leadership in SUVs, Tata Motors with early leadership in electric vehicles and Ashok Leyland with a focused position in commercial vehicles.

Stakeholder theory

Stakeholder theory holds that firms should create value for all groups affected by their activities, including customers, employees, investors, suppliers, government, society and the environment, and not only for shareholders (Freeman, 1984). Automobile manufacturers respond through CSR programmes, road safety campaigns, skill development, employee welfare and environmental initiatives, and these practices are examined in the company profiles.

Resource-based view

The resource-based view states that sustainable advantage arises from resources that are valuable, rare, difficult to imitate and well organised (Barney, 1991). In this industry such resources include brand reputation, dealer and service networks, manufacturing capability, research and development, technology partnerships, skilled people and financial strength. Maruti Suzuki's distribution network, Tata Motors' electric vehicle capability and Hyundai's technology access are examples.

Innovation theory

Following Schumpeter (1934), innovation is treated as the main engine of competitive renewal. For automobile firms it covers electric and hybrid powertrains, hydrogen technology, connected and autonomous features, artificial intelligence and Industry 4.0 manufacturing. Innovation is capital-intensive, which links the theory directly to financial capacity.

Sustainable development

The sustainable development perspective asks firms to balance economic growth, social responsibility and environmental protection (World Commission on Environment and Development, 1987). In the automotive context it is reflected in emission reduction, battery recycling, renewable energy use, green manufacturing and sustainable supply chains, and it aligns with India's move towards low-carbon mobility.

2.2 Conceptual Framework

Figure 1 summarises the framework that guides the study. Government policy and economic conditions shape the operating environment. Technology and innovation, together with consumer demand, determine what products are viable, and competitive rivalry determines how value is shared. These forces are expressed in financial performance, which in turn determines the capacity to invest and to sustain growth.

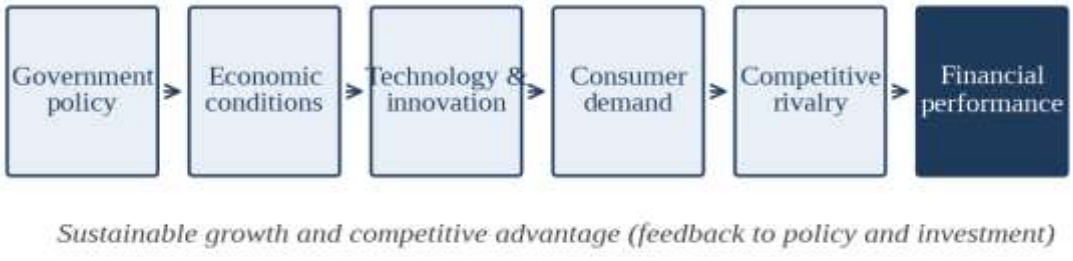


Figure 1. *Conceptual framework of factors influencing automobile company performance.*



2.3 Review of Earlier Studies

Earlier research on the Indian automobile industry has largely examined growth, policy, technology and global integration. Miglani (2019) concluded that government policy, foreign direct investment, joint ventures and technology transfer were central to the industry's growth after liberalisation. Kaur (2023), using industry data for 2003–04 to 2020–21, found that passenger vehicles recorded the strongest long-term growth, although the pandemic produced a sharp temporary decline in production, sales and exports. Tomar et al. (2024) reviewed the sector's position in global value chains and highlighted exports, localisation and technological upgrading. Ray and Miglani (2016) emphasised that global partnerships and technology transfer strengthened manufacturing capability, and Sahoo et al. (2011) showed that systematic technology management improves competitiveness and efficiency. Kumar (2015) described the industry as a major contributor to employment, exports and industrialisation.

A smaller body of work uses financial indicators. Hiran (2016) examined liquidity and leverage among Indian automobile companies, and Simlai and Guha (2019) studied financial stability, profitability and growth for selected firms. Athukorala and Veeramani (2019) traced the shift from import substitution to integration in global production networks. More recent industry publications point to continued expansion through localisation, exports, sustainable mobility and policy support for advanced automotive technologies (SIAM, 2022, 2025). Table 1 summarises the main contributions.

Table 1

Summary of Selected Earlier Studies

Author(s)	Year	Focus	Key finding
Miglani	2019	Growth and policy	Policy, FDI and technology transfer drove growth.
Kaur	2023	Growth patterns	Passenger vehicles grew fastest; COVID-19 caused a temporary fall.
Tomar et al.	2024	Global value chains	Exports, localisation and technology deepen integration.
Ray & Miglani	2016	Innovation and upgrading	Partnerships strengthened manufacturing capability.
Sahoo et al.	2011	Technology management	Technology management raises competitiveness.
Kumar	2015	Industry overview	Sector supports employment, exports and industrialisation.
Hiran	2016	Liquidity and leverage	Financial structure differs across automobile firms.
Simlai & Guha	2019	Stability and profitability	Stability, profitability and growth vary by firm.
SIAM	2022, 2025	Sustainable mobility	Electrification and policy support are transforming the sector.

Note. Compiled by the author from the sources listed in the References.

2.4 Research Gap

The literature reviewed above concentrates on industry growth, policy, technology adoption, electric vehicles and global value chains. There is limited comparative work that evaluates leading Indian manufacturers, across passenger vehicles and commercial vehicles, on a common set of financial ratios and links those ratios to marketing, human resource, CSR and governance practices and to external forces. This study addresses that gap by combining sector analysis, company profiles and a ratio-based comparison within one framework.



2.5 Analytical Propositions

Drawing on the theories and studies above, four propositions guide the interpretation of results. First, firms with larger scale and lower leverage are better placed to fund technology transitions and should therefore show stronger valuation and resilience. Second, firms whose portfolios are aligned with growing segments, namely SUVs and electric vehicles, should gain market share, while firms concentrated in maturing segments should lose it. Third, heavy investment in new technology should depress short-term returns and liquidity even where strategic position improves. Fourth, the use of debt should widen the gap between return on equity and return on capital employed. These propositions are not statistically tested, because the sample is small, but they provide a structured way to read the descriptive evidence in Section 6.

3. Industry Context: The Indian Four-Wheeler Sector

3.1 Structure and Market Size

The Indian automobile industry comprises passenger vehicles, commercial vehicles, two-wheelers, three-wheelers, electric vehicles and auto components. Within passenger vehicles, the main categories are hatchbacks, sedans, SUVs, multi-purpose vehicles and luxury cars, while commercial vehicles are classified as light, medium and heavy. The value chain runs from raw material suppliers to component makers, original equipment manufacturers (OEMs), dealership networks and finally customers. Passenger vehicle sales have crossed four million units a year, and more than thirty manufacturers operate in the four-wheeler market. Maruti Suzuki, Hyundai, Tata Motors and Mahindra & Mahindra lead passenger vehicles, followed by Toyota, Kia, Honda, MG Motor, Renault and Volkswagen. In commercial vehicles, Ashok Leyland, Tata Motors and Eicher Motors are prominent, and in electric vehicles Tata Motors, Mahindra, MG Motor and Hyundai are active. SUVs have become the fastest-growing category.

3.2 Porter's Five Forces

Table 2 applies Porter's framework to the sector. Entry barriers are high because of capital, technology, dealer network, brand and regulatory requirements. Suppliers have moderate power, which rose during recent semiconductor shortages, while buyers have high power because they can compare brands online and choose among many alternatives. Substitutes such as public transport, ride-sharing, metro rail and electric two-wheelers exert moderate pressure, but personal vehicle ownership continues to rise. Rivalry is very high, driven by frequent launches, discounts, marketing and the race in electric vehicles. Overall, industry attractiveness is moderate to high.

Table 2

Porter's Five Forces Applied to the Indian Four-Wheeler Sector

Force	Intensity	Main drivers
Threat of new entrants	Low	Heavy capital, technology, dealer network, brand and approvals
Bargaining power of suppliers	Moderate	Steel, aluminium, semiconductors, batteries; large buyers negotiate, but chip shortages raised supplier power
Bargaining power of buyers	High	Many choices; price, fuel efficiency, safety, technology, brand and service matter
Threat of substitutes	Moderate	Public transport, ride-sharing, metro, electric scooters, bike taxis
Competitive rivalry	Very high	Launches, price competition, discounts, marketing and EV competition

Note. Prepared by the author from sector analysis.

3.3 PESTEL Analysis

The macro-environment is summarised in Table 3. Political support through Make in India, FAME, PLI and the vehicle scrappage policy encourages local manufacturing and electric vehicle adoption. Economic variables such as inflation, interest rates, fuel prices and exchange rates influence demand and costs. Social change, including urbanisation and a preference for SUVs and safer vehicles, shapes product mix. Technological advances in electric, hybrid and connected



vehicles are transforming competition. Environmental regulation, led by BS-VI norms, pushes firms towards cleaner engines, and legal requirements on safety, taxation and consumer protection set the compliance baseline.

Table 3

PESTEL Analysis of the Indian Four-Wheeler Sector

Factor	Impact on the sector	Effect on selected companies
Political	Make in India, FAME, PLI, scrappage policy, trade regulation	All five benefit from local manufacturing and EV incentives
Economic	Inflation, interest rates, fuel prices, exchange rates, income growth	Sales rise with growth; margins face input-cost pressure
Social	Urbanisation, middle-class growth, SUV preference, safety awareness	Maruti: affordable family cars; M&M and Tata: SUVs; Ashok Leyland: freight growth
Technological	EVs, hybrids, connected cars, ADAS, digital manufacturing	Tata and M&M expand EVs; Hyundai invests in smart technology; Maruti adds hybrids and EVs
Environmental	BS-VI norms, emission reduction, sustainability, recycling	All invest in cleaner engines and greener plants
Legal	Safety, emission, tax, labour and consumer-protection laws	Compliance with BS-VI and mandatory safety features is universal

Note. Prepared by the author.

3.4 Trends, Challenges and Policy Environment

Five trends stand out. First, SUVs account for a rising share of passenger vehicle sales. Second, manufacturers are investing heavily in electric vehicles and charging infrastructure. Third, connected features such as navigation, voice assistants, mobile applications and over-the-air updates are becoming standard. Fourth, safety content, including six airbags, anti-lock braking, electronic stability control and ADAS, is spreading across price points. Fifth, customers increasingly research and purchase through digital platforms. Against these trends, the sector faces high raw material prices, semiconductor shortages, inflation, fuel price volatility, environmental regulation, rising interest rates and global supply chain disruption. Global factors such as geopolitical tension, exchange rate volatility, trade and tariff policy and the entry of Chinese electric vehicle makers add further uncertainty.

The regulatory ecosystem includes the Ministry of Heavy Industries, which frames industry policy; the Ministry of Road Transport and Highways, which governs registration and safety standards; the Automotive Research Association of India, which handles testing, certification and homologation; SIAM, which represents manufacturers and publishes industry data; and the Bureau of Indian Standards, which sets quality and safety criteria. Policy instruments include Make in India for domestic manufacturing, FAME for electric vehicle demand, the PLI scheme for advanced automotive production and the vehicle scrappage policy for fleet renewal.

3.5 Economic Contribution and Global Influences

The automobile sector is among India's largest manufacturing activities. Industry estimates attribute to it about 7% of national gross domestic product and a large share of manufacturing output, and it supports an estimated 37 million direct and indirect jobs across manufacturing, distribution, logistics and components. Auto components sustain thousands of micro, small and medium enterprises, and vehicles and parts are an important export item. Growth is supported by rising incomes, urbanisation, the availability of finance, infrastructure development and government support for electric vehicles.

The sector is also exposed to global forces. Semiconductor shortages disrupted production schedules in recent years, geopolitical tension affects supply chains, crude oil prices influence fuel costs and consumer choice between petrol, diesel, CNG and electric vehicles, and exchange-rate movements change the cost of imported components and the



competitiveness of exports. Global emission norms, trade and tariff policy and the potential entry of Chinese electric vehicle makers add further uncertainty. These influences affect costs, pricing, exports and investment decisions, and firms with strong balance sheets and localised supply chains are better placed to absorb them.

3.6 Recent Advances

Recent developments include a rising number of electric vehicle manufacturers, higher investment in battery and charging infrastructure, wider adoption of ADAS, growth of exports as India consolidates its position as a manufacturing hub, increased use of artificial intelligence, connected-car technology and over-the-air updates, and a general emphasis on sustainability, localisation and stricter safety and emission rules. Appendix C summarises the principal players by sub-sector. Together these developments suggest that the sector is moving from a volume-driven phase towards a technology- and sustainability-driven phase, which raises the importance of capital strength and innovation capability in the firm-level analysis that follows.

3.7 Policy Instruments in Detail

Make in India aims to raise domestic manufacturing and local value addition, and it underpins the localisation strategies seen in the company profiles. The FAME scheme supports electric vehicle adoption through demand incentives and charging infrastructure, and it has helped create the early market in which Tata Motors and Mahindra have built their leads. The PLI scheme encourages domestic production of advanced automotive technologies and rewards incremental investment and sales, which favours firms with strong balance sheets. The vehicle scrappage policy promotes the replacement of old vehicles with newer and cleaner models and may support demand, especially in commercial vehicles. BS-VI emission norms raised technology and compliance costs but also pushed the industry towards cleaner engines. Taken together, these instruments reward firms that can invest early and at scale, which is consistent with the financial patterns reported later in this paper.

4. Research Methodology

4.1 Research Design

The study uses a descriptive and comparative research design. Descriptive research is appropriate because the aim is to document and explain the financial and strategic position of established firms, and a comparative design allows differences between firms to be identified on a common basis. The nature of the research is analytical and quantitative for the ratio comparison, and qualitative for the strategic, functional and sector analysis. The work was carried out over a three-month period (June to August 2026) as part of a structured on-the-job training programme in equity research.

4.2 Data and Sources

The analysis relies mainly on secondary data. Company information was drawn from annual reports, investor presentations, stock exchange filings, corporate websites and press releases. Industry information was taken from SIAM publications, government and regulatory sources, stock exchange and financial portal data, journals and business media. Secondary data were considered appropriate because the required financial and market information is disclosed publicly, is audited or officially reported, and allows replication. No primary survey was conducted.

4.3 Sample

Purposive (judgement) sampling was used. The sampling frame was the set of listed Indian four-wheeler manufacturers, and the sample of five firms was chosen for their market presence, financial scale, product breadth and technological relevance. Maruti Suzuki, Hyundai Motor India and Tata Motors Passenger Vehicles represent mass-market and mid-market passenger cars; Mahindra & Mahindra represents SUV leadership with a diversified portfolio; and Ashok Leyland represents commercial vehicles. The sampling unit is the company.

4.4 Variables and Analytical Tools

Financial performance was assessed through eleven indicators, defined in Appendix A: revenue, net profit, market capitalisation, earnings per share (EPS), return on equity (ROE), return on capital employed (ROCE), debt–equity ratio, current ratio, net profit margin and passenger vehicle market share. Strategic position was assessed through PESTEL and Porter's Five Forces for the industry and SWOT analysis for each firm. Descriptive comparison using tables and charts was used to rank firms on each indicator. Figure 2 shows the four phases of the work: planning and scoping, data collection, ratio and strategic analysis, and interpretation and reporting.

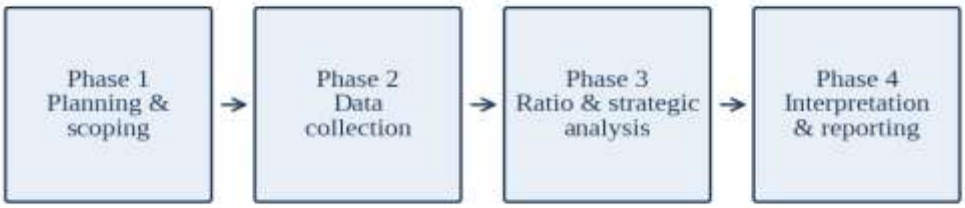


Figure 2. *Phases of the research process.*

4.5 Comparability Issues and Treatment

Three comparability issues were recognised at the outset. First, the firms differ in business mix: Mahindra & Mahindra reports consolidated figures that include farm equipment and financial services, Tata Motors Passenger Vehicles is a separated passenger vehicle business, and Ashok Leyland sells commercial vehicles, so it has no passenger vehicle market share. Second, market capitalisation changes daily with share prices, so values are indicative. Third, EPS depends on the number of shares outstanding and is therefore not strictly comparable across firms. Where a reported figure for a firm is internally inconsistent with other reported figures, or is a standalone approximation, it is flagged in the table notes and excluded from rankings. Economic Value Added is not disclosed by the sampled firms and was therefore not computed.

4.6 Research Process

In the planning phase the topic, objectives, sample and indicators were fixed, and the information requirements for each firm were listed. In the data collection phase, company disclosures and industry sources were gathered and organised in a uniform template covering profile, products, competitors, functional practices, CSR, governance and recent developments. In the analysis phase, financial indicators were tabulated, ratios were compared firm by firm, market share trends were charted, and the sector tools were applied. In the final phase, the findings were interpreted against the theoretical framework, recommendations were drafted and the report was prepared. Throughout, the same indicator definitions were used for all firms so that differences reflect performance rather than method.

4.7 Reliability, Validity and Ethics

Reliability was supported by using disclosed, audited or officially reported figures and by cross-checking values across more than one source where possible. Content validity was supported by choosing indicators that are standard in financial statement analysis and that cover profitability, efficiency, leverage, liquidity, valuation and market position. Remaining threats to validity are the differences in reporting basis and period across firms, which are acknowledged in Section 4.5. The study used only public information, did not involve human participants and did not use confidential company data, so no ethical clearance was required.

5. Company Profiles

This section profiles the five firms. Table 4 summarises their basic characteristics, and the sub-sections that follow describe products, strategy and functional practices. The firms' SWOT positions are consolidated in Table 5.

Table 4

Profile of the Selected Companies

Company	Founded	Parent / group	Headquarters	Global presence and listing
Maruti Suzuki India	1981	Suzuki Motor Corporation, Japan	New Delhi	Exports to 100+ countries; NSE and BSE
Mahindra & Mahindra	1945	Mahindra Group	Mumbai	Operations in 100+ countries; NSE and BSE



Company	Founded	Parent / group	Headquarters	Global presence and listing
Hyundai Motor India	1996	Hyundai Motor Company, South Korea	Gurugram	Exports to 85+ countries; listed 2024
Tata Motors Passenger Vehicles	1945 (PV business)	Tata Motors	Mumbai	Exports to 70+ countries; NSE and BSE
Ashok Leyland	1948	Hinduja Group	Chennai	Operations in 50+ countries; NSE and BSE

Note. Compiled from company disclosures.

5.1 Maruti Suzuki India Limited

Maruti Suzuki was established in 1981 as a joint venture between the Government of India and Suzuki Motor Corporation and later became a Suzuki subsidiary. It is India's largest passenger car maker, with manufacturing at Gurugram, Manesar, Hansalpur and the expanding Kharkhoda site, and a network of more than 4,000 sales outlets and 5,000 service touchpoints. Its portfolio spans hatchbacks (Alto K10, S-Presso, Celerio, WagonR, Swift, Baleno), a compact sedan (Dzire), SUVs (Brezza, Fronx, Grand Vitara, Jimny) and multi-purpose vehicles (Ertiga, XL6, Invicto), with a strong compressed natural gas range. Services include the Arena and Nexa retail formats, finance, insurance, spare parts, driving schools, extended warranty and roadside assistance.

Marketing relies on competitive and value-based pricing, an extensive dealership network with strong rural penetration, digital booking, cricket sponsorships and festival campaigns. Human resource practices include technical and leadership training, digital learning, recognition and wellness programmes, and energy-conservation initiatives. CSR focuses on road safety, skill development, education, health, water and community development, and governance includes independent directors and audit, nomination and remuneration, risk management and stakeholder relationship committees. Recent developments include Kharkhoda capacity expansion, rising exports, new SUVs, battery electric vehicle preparation, hybrid technology and localisation of components. Its principal challenges are competition from SUV-focused rivals, a delayed electric transition, volatile input costs and a shift to premium vehicles.

In competitive terms, Maruti Suzuki's main rivals are Hyundai Motor India, Tata Motors, Mahindra & Mahindra, Toyota Kirloskar Motor and Kia India. Its share of passenger vehicles was 47% in FY2021 and about 41% in FY2025. The decline shows that competitors have gained in SUVs and electric vehicles, but the firm remains the clear leader, and its challenge is to retain the volume advantage while moving up the product ladder.

5.2 Mahindra & Mahindra Limited

Established in 1945, Mahindra & Mahindra is one of India's largest producers of utility vehicles, pick-ups, commercial vehicles and tractors. Its SUV range includes Scorpio-N, Scorpio Classic, XUV700, XUV 3XO, Thar, Thar Roxx and Bolero, supported by the XUV400 and the new BE and XEV electric SUV platforms. It also sells commercial vehicles and pick-ups (Supro, Jeeto, Blazo and Furio), tractors and agricultural machinery, and services such as finance, spare parts and the AdrenoX connected-vehicle platform.

Pricing combines value-based premium positioning in SUVs with competitive pricing in commercial vehicles and tractors and flexible financing. Human resource practices cover engagement, learning and development, and green HR initiatives. CSR and governance follow the group's stakeholder-oriented policies. Recent strategy emphasises Mahindra Electric Origin vehicles, partnerships with technology and battery suppliers, additional capacity to meet SUV demand, exports, connected and software-defined vehicles and sustainable manufacturing. Challenges include competition in SUVs and electric vehicles, material and battery costs, semiconductor constraints, regulatory compliance, heavy electric vehicle investment and cyclical commercial vehicle demand.

Mahindra's principal competitors in passenger vehicles are Tata Motors, Hyundai, Maruti Suzuki, Toyota and Kia, and in commercial vehicles and tractors it competes with Tata Motors, Ashok Leyland and specialised tractor makers. Its passenger vehicle share rose from 7% to 14% between FY2021 and FY2025, which is the strongest improvement among



the firms studied. The diversified portfolio of SUVs, light commercial vehicles and farm equipment gives it multiple earnings sources and partly explains the higher revenue and profit reported in Section 6.

5.3 Hyundai Motor India Limited

Hyundai Motor India, established in 1996 as a subsidiary of Hyundai Motor Company, operates from Sriperumbudur in Tamil Nadu and has acquired the Talegaon plant in Maharashtra. It listed on Indian exchanges in 2024. Its range includes hatchbacks (Grand i10 Nios, i20), sedans (Aura, Verna) and SUVs (Exter, Venue, Creta, Alcazar, Tucson), together with the IONIQ 5 and Creta Electric. Services include Hyundai Smart Care, finance, spare parts, extended warranty, roadside assistance and the Bluelink connected-car platform.

Hyundai uses value-based pricing, premium pricing for technologically advanced models and competitive pricing in mass segments. Its recent developments include the 2024 listing, the Talegaon plant, the Creta Electric launch, growth of the Bluelink ecosystem, more component localisation and a focus on exports, sustainability and digital transformation. Challenges include SUV and EV competition, higher raw material and logistics costs, exchange-rate exposure on imported components and the need to defend share.

Hyundai's main competitors are Maruti Suzuki, Tata Motors, Mahindra & Mahindra, Kia and Toyota. Its share declined from 17% in FY2021 to 13.5% in FY2025. The firm's strength is a reputation for technology, features and quality, together with export capability, and its challenge is to retain share against Indian rivals that have moved quickly in SUVs and electric vehicles.

5.4 Tata Motors Passenger Vehicles

Tata Motors Passenger Vehicles is the passenger car, SUV and electric vehicle business of Tata Motors, with plants in Pune, Sanand, Lucknow and Pantnagar. Its range includes Tiago, Tigor, Altroz, Punch, Nexon, Harrier, Safari and Curvv, and electric versions including Tiago EV, Tigor EV, Punch EV, Nexon EV and Curvv EV. Services include Tata Motors Finance, the iRA connected-car platform, spare parts, extended warranty, roadside assistance and digital services.

Pricing is value-based, competitive in SUVs and at a premium for electric vehicles, and the brand is associated with safety. Recent developments include new EV launches, investment in battery technology and charging infrastructure, the iRA platform, capacity expansion for SUVs, a focus on software-defined vehicles and a stated aim of improving market share and delivering double-digit EBITDA margins. Challenges include SUV competition, battery and material costs, a slowing EV market in some periods, tighter regulation, semiconductor shortages and high capital expenditure on future mobility.

Tata Motors' passenger vehicle share rose from 8% in FY2021 to a peak of 14% in FY2023 and was 13% in FY2025. Its competitors are Maruti Suzuki, Hyundai, Mahindra & Mahindra, Kia and, in electric vehicles, MG Motor. The firm's strategy of combining safety, SUV design and early electric offerings has changed perceptions of the brand, but sustaining growth requires improved profitability and liquidity.

5.5 Ashok Leyland Limited

Ashok Leyland, founded in 1948 and part of the Hinduja Group, is headquartered in Chennai with plants at Chennai, Hosur, Ennore, Alwar, Pantnagar and Bhandara, and operations in over fifty countries. Its products include heavy-duty and intermediate trucks, light commercial vehicles (Dost, Bada Dost, Partner), school, city, staff and luxury buses, defence vehicles and electric buses and trucks through Switch Mobility. Services cover spare parts, finance, fleet management, after-sales and connected-vehicle solutions.

Recent developments include the expansion of electric mobility at Switch Mobility, investment in LNG and hydrogen-powered commercial vehicles, growth in defence orders, capacity expansion and digitalisation, export emphasis and new connected, fuel-efficient vehicles. Its business is exposed to economic cycles, domestic commercial vehicle demand, raw material costs and technological change, but benefits from infrastructure and logistics spending.

Ashok Leyland competes mainly with Tata Motors, Mahindra, Eicher Motors and other commercial vehicle makers in medium and heavy trucks and buses. Because it does not sell passenger cars, passenger vehicle share is not applicable, and its performance is assessed through ratios and commercial vehicle leadership instead.

5.6 Functional Perspective Across the Firms

Marketing. All five firms use value-based pricing, but they differ in positioning. Maruti Suzuki competes on affordability and reach through its Arena and Nexa formats and wide rural coverage. Hyundai combines value pricing with premium pricing for technologically advanced models. Mahindra positions its SUVs at a premium while pricing commercial vehicles and tractors competitively. Tata Motors prices SUVs competitively and electric vehicles at a premium, and builds its brand around safety. Ashok Leyland prices on fuel efficiency and lower lifetime maintenance cost, which



matters to fleet buyers, and sells through a dealer and service network supported by fleet management solutions. All firms are increasing digital booking, finance availability and connected services. Advertising mixes digital campaigns, sports sponsorship and festival offers.

Human resources. The firms follow broadly similar functional or divisional structures and invest in engagement, recognition, health and wellness, technical and leadership training and digital learning. Green HR practices, such as environmental awareness programmes, energy conservation and sustainable manufacturing, are reported across the sample and are consistent with a stakeholder orientation. Because training intensity and attrition data are not uniformly disclosed, these practices are described qualitatively and not ranked.

CSR and governance. CSR programmes focus on road safety, skill development, education, health, water, conservation and community development. Governance structures include independent directors and board committees for audit, nomination and remuneration, risk management and stakeholder relationships, along with environmental, social and governance (ESG) and sustainability reporting. Appendix D compares the practices in tabular form.

5.7 Comparative SWOT

Table 5 consolidates internal strengths and weaknesses and Table 6 the external opportunities and threats of each firm.

Table 5

SWOT Analysis: Strengths and Weaknesses

Company	Strengths	Weaknesses
Maruti Suzuki	Largest share; strong dealer network; high customer trust; strong finances	Limited premium and EV portfolio; dependence on domestic market
Mahindra & Mahindra	Strong SUV portfolio; tractor leadership; financial strength	Limited hatchback presence
Hyundai Motor India	Advanced technology; premium brand image; strong exports	Declining market share
Tata Motors PV	EV leadership; strong SUV range; high safety standards	Lower profitability and liquidity from heavy investment
Ashok Leyland	Leader in commercial vehicles; strong logistics network	Limited passenger vehicle presence; cyclical demand

Table 6

SWOT Analysis: Opportunities and Threats

Company	Opportunities	Threats
Maruti Suzuki	Hybrids, EVs, exports, rural demand	Rising competition; changing preferences; emission norms
Mahindra & Mahindra	EV expansion, exports, premium SUVs	Competition; input costs
Hyundai Motor India	EV growth, connected vehicles	Indian rivals; cost pressures
Tata Motors PV	EV ecosystem, exports	Intense competition; battery costs; technology disruption
Ashok Leyland	Infrastructure growth, EV buses and trucks, exports	Fuel price volatility; cyclical demand; slowdown



6. Results: Comparative Financial and Market Analysis

This section compares the five firms on the indicators defined in Section 4. Monetary values are in Indian rupees crore (1 crore = 10 million) unless stated. Cells marked † contain reported figures that are inconsistent with other reported figures or are standalone approximations, and they are not used to rank firms (see Section 4.5).

Ratios are read in pairs rather than singly. Revenue and net profit indicate scale, margin and ROE indicate how much of that scale reaches shareholders, ROCE shows operating efficiency independent of financing, and the debt–equity and current ratios show whether returns are supported by a sound financial structure. Market capitalisation and market share represent how investors and customers evaluate the firm. This paired approach avoids drawing conclusions from any single number, which is important where reporting bases differ.

6.1 Scale, Profit and Valuation

Table 7

Revenue, Net Profit and Market Capitalisation (Rs. crore)

Company	Revenue	Net profit	Market capitalisation
Maruti Suzuki India	1,87,673	14,680	4,35,573
Mahindra & Mahindra	2,03,175	18,622	3,89,150
Hyundai Motor India	70,763	5,432	1,61,281
Tata Motors Passenger Vehicles	58,500	†	1,24,453
Ashok Leyland	56,076	†	92,507

Note. † The net profit values compiled for Tata Motors PV and Ashok Leyland exceed or equal reported revenue, which is not possible, and are therefore not reported here. Mahindra & Mahindra figures are consolidated; Tata Motors figures relate to the passenger vehicle business. Market capitalisation is indicative and changes daily.

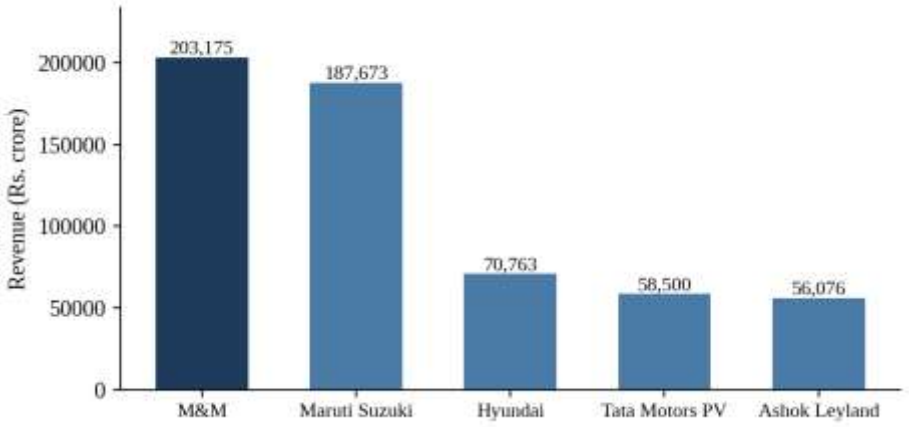


Figure 3. *Revenue of the selected companies.*

Mahindra & Mahindra reports the largest revenue (Rs. 2,03,175 crore), followed closely by Maruti Suzuki (Rs. 1,87,673 crore). Both are far ahead of Hyundai Motor India (Rs. 70,763 crore), Tata Motors Passenger Vehicles (Rs. 58,500 crore) and Ashok Leyland (Rs. 56,076 crore). Because Mahindra's figure is consolidated and includes tractors and other businesses, the gap with Maruti Suzuki overstates its lead in four-wheelers alone. Ashok Leyland's lower revenue reflects its focus on commercial vehicles.

Among the three firms with consistent profit data, Mahindra & Mahindra earns the highest net profit (Rs. 18,622 crore), followed by Maruti Suzuki (Rs. 14,680 crore) and Hyundai Motor India (Rs. 5,432 crore). The ordering of profit tracks the ordering of revenue, indicating that scale is a significant source of absolute profitability in this industry.

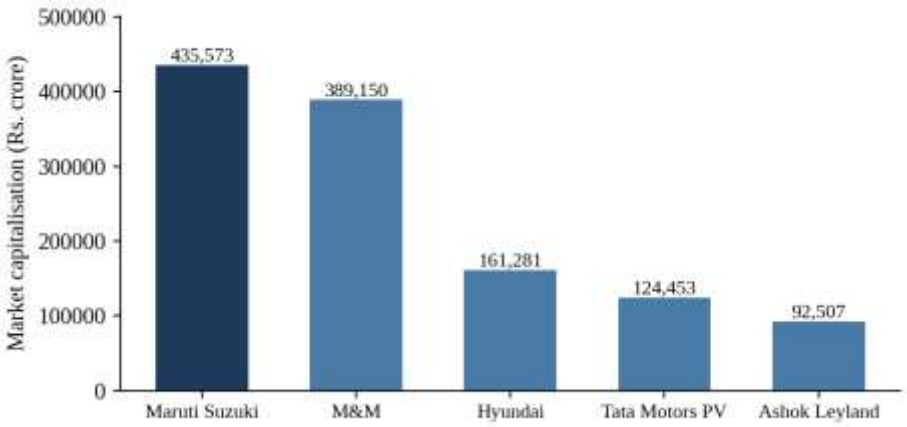


Figure 4. *Approximate market capitalisation of the selected companies.*

Maruti Suzuki has the highest market capitalisation (Rs. 4,35,573 crore), ahead of Mahindra & Mahindra (Rs. 3,89,150 crore). Hyundai (Rs. 1,61,281 crore), Tata Motors (Rs. 1,24,453 crore) and Ashok Leyland (Rs. 92,507 crore) follow. Notably, Mahindra has higher revenue and profit than Maruti Suzuki but a lower valuation, which suggests that investors place a premium on Maruti Suzuki's balance-sheet strength and market leadership in cars.

6.2 Returns and Earnings

Table 8

Earnings per Share and Return Ratios

Company	EPS (Rs.)	ROE (%)	ROCE (%)
Maruti Suzuki India	116.4	14.4	19.0
Mahindra & Mahindra	37.5	20.3	15.1
Hyundai Motor India	15.5	29.9	38.4
Tata Motors Passenger Vehicles	† 223.7	† 75.7	2.73
Ashok Leyland	5.9	28.1	13.8

Note. † Standalone passenger vehicle approximation; not comparable with the other firms and excluded from ranking. EPS also depends on the number of shares and is not strictly comparable across firms.

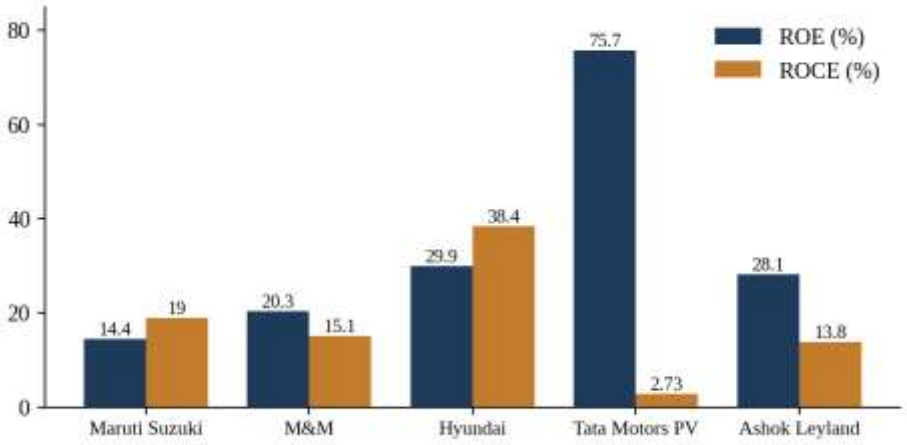


Figure 5. *Return on equity and return on capital employed.*

Hyundai Motor India records the highest ROCE (38.4%) and, among comparable firms, the highest ROE (29.9%), which shows efficient use of both shareholder and long-term capital with almost no leverage. Ashok Leyland's ROE (28.1%) is also high, but its ROCE is only 13.8%, a gap consistent with its heavy use of debt. Mahindra & Mahindra shows moderate and balanced returns (ROE 20.3%, ROCE 15.1%). Maruti Suzuki's ROE (14.4%) is the lowest of the



comparable firms, which is partly explained by its large accumulated equity and absence of debt; its ROCE (19.0%) is healthier. Tata Motors PV reports a very low ROCE (2.73%), alongside a standalone ROE and EPS that are not meaningful for comparison. The divergence between its ROE and ROCE is itself a signal that the standalone figures are influenced by non-operating or inter-company items, while operating capital efficiency remains weak during the investment phase. Maruti Suzuki has the highest EPS among comparable firms (Rs. 116.4).

6.3 Leverage and Liquidity

Table 9

Debt–Equity Ratio, Current Ratio and Net Profit Margin

Company	Debt–equity (times)	Current ratio (times)	Net margin (%)
Maruti Suzuki India	0.00	1.07	8.01
Mahindra & Mahindra	1.47	1.09	9.48
Hyundai Motor India	0.05	1.15	7.68
Tata Motors Passenger Vehicles	0.71	0.73	† 25.81
Ashok Leyland	4.49	1.32	† 0.00

Note. † Not comparable; see Section 4.5.

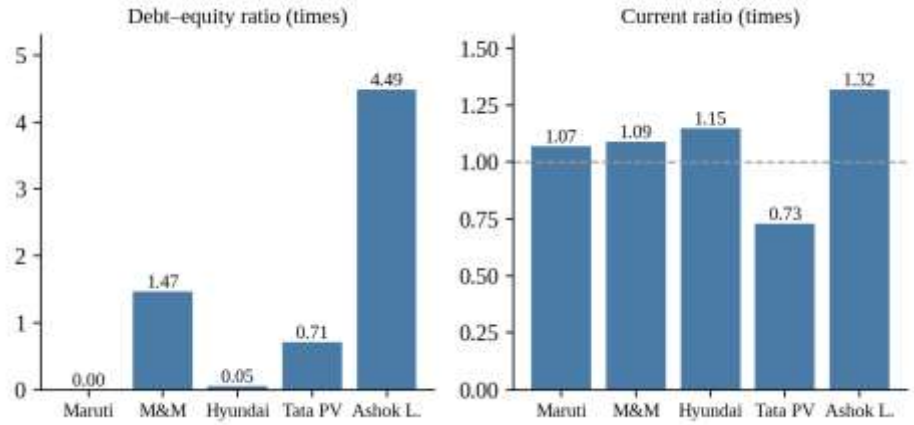


Figure 6. *Debt–equity and current ratios. The dashed line marks a current ratio of 1.0.*

Maruti Suzuki and Hyundai operate with virtually no debt (0.00 and 0.05), giving them the greatest financial flexibility. Tata Motors PV (0.71) and Mahindra & Mahindra (1.47) use moderate leverage, which for Mahindra is likely to reflect its consolidated financial services activities. Ashok Leyland has the highest ratio (4.49), indicating substantial reliance on borrowing that may include financing-related liabilities.

Liquidity is adequate for four of the five firms. Ashok Leyland has the highest current ratio (1.32), followed by Hyundai (1.15), Mahindra & Mahindra (1.09) and Maruti Suzuki (1.07). Tata Motors PV, at 0.73, is the only firm with current liabilities exceeding current assets, which is consistent with its heavy investment programme. Among the firms with comparable margins, Mahindra & Mahindra earns the highest net profit margin (9.48%), followed by Maruti Suzuki (8.01%) and Hyundai (7.68%).

6.4 Market Share

Table 10

Passenger Vehicle Market Share (%), FY2021–FY2025

Company	FY2021	FY2022	FY2023	FY2024	FY2025
Maruti Suzuki India	47	43	42	41	41
Mahindra & Mahindra	7	8	10	12	14



Company	FY2021	FY2022	FY2023	FY2024	FY2025
Hyundai Motor India	17	16	15	14	13.5
Tata Motors PV	8	12	14	13.5	13
Ashok Leyland	–	–	–	–	–

Note. Ashok Leyland operates mainly in commercial vehicles and is not comparable in passenger vehicle share.

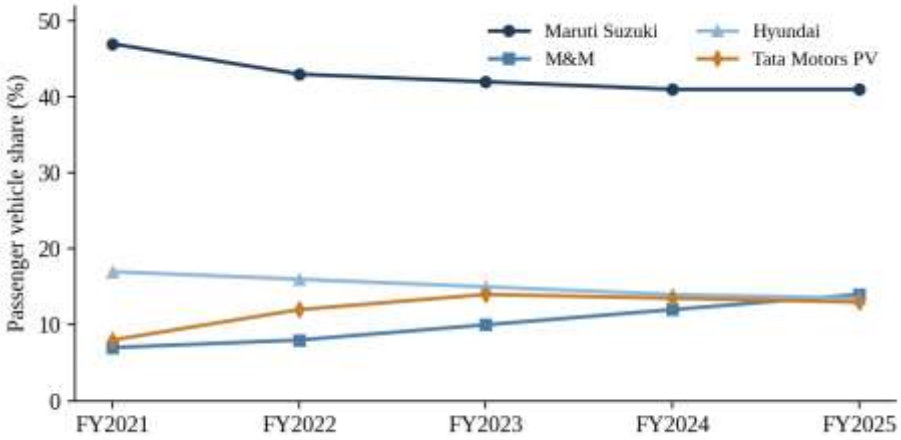


Figure 7. *Passenger vehicle market share, FY2021–FY2025.*

Maruti Suzuki remains the clear leader but has lost about six percentage points in five years as rivals gained ground in SUVs. Mahindra & Mahindra doubled its share from 7% to 14% and overtook Hyundai and Tata Motors by FY2025. Tata Motors rose from 8% to a peak of 14% in FY2023 before easing to 13%. Hyundai declined steadily from 17% to 13.5%. The pattern shows share moving from compact car specialists towards firms with strong SUV and, in Tata's case, electric portfolios, in line with industry life cycle theory.

6.5 Overall Comparison

Table 11

Best Performer by Indicator

Indicator	Best performer (comparable data)
Revenue	Mahindra & Mahindra
Net profit	Mahindra & Mahindra
Net profit margin	Mahindra & Mahindra
Market capitalisation	Maruti Suzuki India
EPS	Maruti Suzuki India
ROE and ROCE	Hyundai Motor India
Debt management	Maruti Suzuki India
Liquidity	Ashok Leyland
Passenger vehicle market share	Maruti Suzuki India
Electric vehicle leadership	Tata Motors Passenger Vehicles
SUV leadership	Mahindra & Mahindra
Commercial vehicle leadership	Ashok Leyland



No firm leads on every indicator. Table 12 gives a judgement-based overall ranking that weighs financial strength, market leadership, growth momentum and strategic positioning. The ranking is the author's qualitative assessment rather than a statistical score, and Ashok Leyland's last position reflects that this study is oriented towards passenger vehicles, where it does not compete.

Table 12
Overall Qualitative Ranking

Rank	Company	Principal basis
1	Maruti Suzuki India	Market leadership, largest valuation, no debt, distribution network
2	Mahindra & Mahindra	Largest revenue and profit, SUV leadership, fastest share gain
3	Hyundai Motor India	Highest returns on capital, low leverage, technology
4	Tata Motors PV	EV leadership and innovation, but weak liquidity and capital efficiency
5	Ashok Leyland	Commercial vehicle leadership, but highest leverage; not a passenger vehicle competitor

6.6 Strategic Synthesis

Reading the financial evidence with Porter's generic strategies clarifies how each firm earns its position. Maruti Suzuki's advantage rests on cost leadership and reach: low-cost manufacturing, a very large retail network and a debt-free balance sheet give it resilience, though the same mass-market orientation exposes it to the SUV and premium shift. Hyundai's differentiation strategy, based on features, technology and brand, yields high returns on capital but depends on continued product renewal. Mahindra's focus on utility vehicles has turned a product-leadership position into growth in both share and profit, and its diversification into tractors and finance provides earnings stability. Tata Motors PV follows a differentiation-and-innovation strategy in electric vehicles and safety, which has delivered share gains but requires patient capital. Ashok Leyland's focus strategy in commercial vehicles gives it a defensible niche, and its exposure to freight and infrastructure cycles explains the importance of liquidity and cost control.

The five-force analysis adds that high buyer power and rivalry limit the ability of any firm to raise prices, so profitability depends mainly on cost position, mix and volume. This helps to explain why margins among the comparable firms fall in a narrow range of roughly 7.7% to 9.5%, while differences in capital structure and capital efficiency drive the larger differences in ROE and ROCE.

6.7 Key Findings

1. The Indian four-wheeler sector is large, growing and policy-supported, with high rivalry and high buyer power.
2. Mahindra & Mahindra has the largest revenue and the highest net profit among firms with consistent data, and the fastest share gain.
3. Maruti Suzuki has the highest market capitalisation, the largest share and virtually no debt, but its share has fallen from 47% to about 41%.
4. Hyundai Motor India has the highest ROCE (38.4%) and among the highest ROE, with very low leverage, but its share has declined from 17% to 13.5%.
5. Tata Motors Passenger Vehicles leads electric mobility and doubled its share since FY2021 but has the weakest ROCE (2.73%) and current ratio (0.73) in the sample.
6. Ashok Leyland leads commercial vehicles and has the strongest current ratio but the highest debt–equity ratio (4.49).
7. Financial indicators diverge: no firm leads on all measures, and ROE alone can mislead where leverage differs.
8. Shifts in market share are explained mainly by portfolio fit with SUV and electric vehicle demand.



9. Government policies, including FAME, PLI and BS-VI norms, are accelerating electrification and localisation.
10. Competition is intensifying in SUVs and electric vehicles, increasing the importance of technology and cost control.

7. Discussion

The results support three broad propositions. First, scale and balance-sheet strength remain the foundations of competitive advantage. Maruti Suzuki and Mahindra & Mahindra, the two largest firms by revenue and profit, are also the most highly valued, and Maruti Suzuki's zero-debt position gives it the capacity to fund hybrid and electric programmes without financial strain. This is consistent with the resource-based view, in which financial strength and distribution networks are valuable and hard to imitate (Barney, 1991).

Second, portfolio fit with demand shifts determines share movement. The industry life cycle perspective suggests that firms concentrated in maturing hatchback segments will lose share to those positioned in the growing SUV and early-stage EV segments (Klepper, 1996). The data confirm this: Maruti Suzuki and Hyundai lost share while Mahindra and, until FY2023, Tata Motors gained it. This also explains why Maruti Suzuki and Hyundai are expanding their SUV and electric offerings. The high buyer power and very high rivalry identified in Table 2 reinforce the pressure on firms to keep refreshing products.

Third, there is a trade-off between investing for the future and current financial ratios. Tata Motors Passenger Vehicles is the clearest example. It has led electric mobility and built a strong SUV range, yet its ROCE (2.73%) and current ratio (0.73) are the weakest in the sample. This pattern is consistent with innovation theory, which implies that the costs of renewal are borne before the benefits are realised (Schumpeter, 1934). Hyundai shows the opposite case of very high capital efficiency, but with a shrinking share, which raises the question of whether its returns can be sustained without new products. Ashok Leyland's high leverage and ROE-ROCE gap show how debt amplifies returns in a cyclical commercial vehicle market, and also how it adds risk.

The stakeholder dimension is visible in the CSR and governance practices of all five firms, such as road safety, skill development, environmental programmes and independent board committees. Although these practices could not be linked quantitatively to financial outcomes in this study, they indicate that the leading firms are positioning for sustainability and regulatory scrutiny. For investors, the evidence suggests that no single ratio is adequate. A firm with a high ROE may be highly leveraged, a firm with a low ROE may be conservatively financed, and a firm with weak current returns may be building long-term capability.

The findings carry implications for three audiences. For investors, the comparison shows that valuation, leverage and returns must be read together: Maruti Suzuki's premium valuation is supported by balance-sheet strength, Hyundai's returns are exceptional but rest on share that is shrinking, and Tata Motors' weak current ratios coexist with strategic leadership in a future technology. For managers, the results indicate that defending share requires early alignment of the product range with SUV and electric demand and that capital structure decisions determine how much room exists to invest. For policymakers, the stronger share gains of firms with electric and SUV offerings suggest that stable incentives and charging infrastructure can accelerate the transition, while the high leverage of some firms highlights the importance of access to affordable finance.

These conclusions agree with earlier studies that attribute the sector's growth to policy, technology transfer and global integration (Miglani, 2019; Ray & Miglani, 2016; Tomar et al., 2024), and they extend that literature by showing how the same forces translate into divergent firm-level financial outcomes.

8. Conclusion, Recommendations and Limitations

8.1 Conclusion

This study compared five leading companies in the Indian four-wheeler sector using financial ratios, market share and strategic tools. Maruti Suzuki leads in market capitalisation, passenger vehicle share and balance-sheet strength. Mahindra & Mahindra combines the largest revenue and profit with the fastest share gain, driven by its SUV portfolio. Hyundai Motor India delivers the strongest capital efficiency with minimal debt, while Tata Motors Passenger Vehicles leads electric mobility at the cost of near-term liquidity and returns. Ashok Leyland is a strong commercial vehicle specialist with high leverage. The industry itself is attractive, growing and policy-supported, but intensely competitive. Overall, long-term advantage is likely to belong to firms that pair financial strength with timely adaptation to SUV, electric and connected-vehicle trends.



8.2 Recommendations

For Maruti Suzuki, the priorities are to widen the electric vehicle range, strengthen the premium SUV position and continue investing in hybrids. Mahindra & Mahindra should accelerate electric SUVs, expand internationally and deepen connected-vehicle technology. Hyundai Motor India should increase localisation to lower costs, introduce more affordable electric vehicles and defend share through product innovation. Tata Motors Passenger Vehicles should improve profitability through cost optimisation, build charging partnerships and continue investing in battery technology and software-defined vehicles. Ashok Leyland should increase investment in electric commercial vehicles, expand exports and strengthen digital fleet management.

At the industry level, the evidence supports greater investment in sustainable manufacturing, expansion of charging infrastructure, higher research and development spending, better digital customer experience and more resilient, localised supply chains. Policymakers can support these steps through stable, long-term incentive frameworks.

8.3 Limitations

The study has several limitations. It depends on secondary data, whose accuracy and timing differ across sources. The sample of five firms is purposive and limits generalisation to the whole industry. The firms operate different business models, and Mahindra's consolidated figures, Tata's standalone passenger vehicle figures and Ashok Leyland's commercial vehicle focus reduce strict comparability. Market capitalisation is volatile, and the ratio set is limited to eleven indicators and a single reporting period, so trends in profitability could not be analysed beyond market share. Several reported figures required exclusion from rankings, as explained in Section 4.5, and the overall ranking is judgemental.

8.4 Directions for Future Research

Future work could extend the analysis to a multi-year panel of ratios, include other manufacturers such as Toyota Kirloskar, Kia and MG Motor, use verified segment-level data to improve comparability, add valuation measures and risk-adjusted returns, and complement secondary data with surveys of customers, dealers or investors. Examining the effect of electric vehicle investment on profitability over time would be particularly valuable.

Acknowledgements

The author thanks the training organisation and academic mentors for guidance and access to learning resources during the study.

Declarations

Conflict of interest: The author declares no conflict of interest.

Funding: No external funding was received for this study.

Ethical approval: Not applicable. The study used only publicly available secondary data and involved no human participants.

References

Athukorala, P., & Veeramani, C. (2019). From import substitution to integration into global production networks: The case of the Indian automobile industry. *Asian Development Review, 36*(2), 72–99.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99–120. https://doi.org/10.1177/014920639101700108

Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Pitman.

Hiran, S. (2016). Financial performance analysis of Indian companies belongs to automobile industry with special reference to liquidity and leverage. *International Journal of Multidisciplinary and Current Research, 4*, 39–51.

Kaur, N. (2023). An empirical analysis of the growth patterns of the automobile industry in India. *Journal of Technology Management for Growing Economies, 14*(1), 59–70. https://doi.org/10.15415/jtmge/2023.141007

Klepper, S. (1996). Entry, exit, growth, and innovation over the product life cycle. *American Economic Review, 86*(3), 562–583.

Kumar, M. (2015). *Forging ahead or stagnating? An analysis of Indian automotive industry*.

Miglani, S. (2019). The growth of the Indian automobile industry: Analysis of the roles of government policy and other enabling factors. In K.-C. Liu & U. S. Racherla (Eds.), *Innovation, economic development, and intellectual property in India and China* (pp. 439–463). Springer.

Porter, M. E. (1979). How competitive forces shape strategy. *Harvard Business Review, 57*(2), 137–145.

Porter, M. E. (1985). *Competitive advantage: Creating and sustaining superior performance*. Free Press.

Ray, S., & Miglani, S. (2016). *Innovation and upgrading in the automobile industry: The case of India*.



Sahoo, T., Banwet, D. K., & Momaya, K. (2011). *Strategic technology management using ISM and MICMAC methodology*.

Schumpeter, J. A. (1934). *The theory of economic development*. Harvard University Press.

Simlai, D., & Guha, M. (2019). Financial stability, profitability and growth analysis: A study on select Indian automobile companies. *Journal of Commerce and Accounting Research, 8*(1), 21–34.

Society of Indian Automobile Manufacturers. (2022). *SIAM annual report 2021–22*.

Society of Indian Automobile Manufacturers. (2025). *SIAM annual report 2024–25*.

Tomar, K., Bhattacharjee, M., & Tandon, A. (2024). *An empirical review of India's automobile manufacturing sector in the global value chain*.

World Commission on Environment and Development. (1987). *Our common future*. Oxford University Press.

Appendix A: Definitions of Financial Indicators

Table A1

Indicators and Formulae

Indicator	Definition
Revenue	Net sales or revenue from operations for the latest reported year
Net profit	Profit after tax attributable to shareholders
Market capitalisation	Share price multiplied by shares outstanding (indicative)
Earnings per share	Net profit divided by weighted average shares outstanding
Return on equity	Net profit divided by average shareholders' equity × 100
Return on capital employed	Operating profit (EBIT) divided by capital employed × 100
Debt–equity ratio	Total borrowings divided by shareholders' equity
Current ratio	Current assets divided by current liabilities
Net profit margin	Net profit divided by revenue × 100
Market share	Company passenger vehicle sales divided by industry sales × 100

Appendix B: Abbreviations

Table B1

List of Abbreviations

Abbreviation	Meaning
ADAS	Advanced Driver Assistance Systems
BS-VI	Bharat Stage VI emission standards
EV	Electric vehicle
FAME	Faster Adoption and Manufacturing of Electric Vehicles
PLI	Production Linked Incentive
PESTEL	Political, Economic, Social, Technological, Environmental, Legal
ROCE / ROE	Return on capital employed / return on equity
SIAM	Society of Indian Automobile Manufacturers
SUV	Sport utility vehicle
SWOT	Strengths, Weaknesses, Opportunities, Threats



Appendix C: Sub-sector Positioning and Product Portfolios

Table C1

Principal Players by Sub-sector

Sub-sector	Prominent companies
Passenger vehicles	Maruti Suzuki, Hyundai, Tata Motors, Mahindra, Toyota, Kia, Honda, MG Motor, Renault, Volkswagen
Commercial vehicles	Ashok Leyland, Tata Motors, Eicher Motors, Mahindra
Electric vehicles	Tata Motors, Mahindra, MG Motor, Hyundai

Table C2

Representative Products of the Selected Companies

Company	Representative products
Maruti Suzuki India	Alto K10, S-Presso, Celerio, WagonR, Swift, Baleno, Dzire, Brezza, Fronx, Grand Vitara, Jimny, Ertiga, XL6, Invicto
Mahindra & Mahindra	Scorpio-N, Scorpio Classic, XUV700, XUV 3XO, Thar, Thar Roxx, Bolero, XUV400, BE and XEV platforms; Supro, Jeeto, Blazo, Furio; tractors
Hyundai Motor India	Grand i10 Nios, i20, Aura, Verna, Exter, Venue, Creta, Alcazar, Tucson, IONIQ 5, Creta Electric
Tata Motors PV	Tiago, Tigor, Altroz, Punch, Nexon, Harrier, Safari, Curvv and EV variants
Ashok Leyland	Heavy and intermediate trucks; Dost, Bada Dost, Partner; school, city, staff and luxury buses; defence vehicles; electric buses and trucks

Appendix D: Functional Practices Compared

Table D1

Marketing, Human Resource, CSR and Governance Practices

Company	Marketing and distribution	Human resources	CSR and governance
Maruti Suzuki	Arena and Nexa; rural reach; digital booking; cricket and festival campaigns	Skill development, recognition, wellness, energy conservation	Road safety, skills, education; independent directors and committees
Mahindra & Mahindra	Premium SUV pricing; financing; AdrenoX services	Engagement, learning and development, green HR	Group stakeholder policies; ESG reporting
Hyundai	Value and premium pricing; Bluelink; Smart Care	Training, engagement, green HR	Community and environmental programmes; board committees
Tata Motors PV	SUV and EV pricing; safety brand; iRA	Learning, engagement, green HR	Sustainability programmes; governance committees



Company	Marketing and distribution	Human resources	CSR and governance
Ashok Leyland	Fuel-efficiency value pricing; dealer and fleet services	Training, employee engagement, green HR	Community and skill programmes; governance committees

Note. Compiled from company disclosures; practices are described qualitatively.