

## SHODH SAMAGAM

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# A study on Manufacturing & Sales of Maruti Suzuki India Ltd. During 1<sup>st</sup> wave of Covid-19

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### ORIGINAL ARTICLE



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A study on Manufacturing & Sales of Maruti Suzuki India Ltd. During 1st wave of Covid-19. Abstract: The research aims at analysing the Impact of Covid-19 1st wave on the Manufacturing & sales of Maruti Suzuki India Limited for the first Quarter of 2020-2021 (April 2020-June2020) and its Impact on the overall working of the Organisation as Auto mobile sector is among the sectors that have worst Impact of Covid-19 from sales view point, Maruti Suzuki being one of the largest manufacturer of

### ABSTRACT

The research aims at analysing the Impact of Covid-19. 1<sup>st</sup> wave on the Manufacturing & sales of Maruti Suzuki India Limited for the first Quarter of 2020-2021 (April 2020-June2020) and its Impact on the overall working of the Organisation. As Auto mobile sector is among the sectors that have worst Impact of Covid-19 from sales view point, Maruti Suzuki being one of the largest manufacturer of cars in India has seen a huge fall in its domestic sales due to Lockdown in the country during the pandemic. The company has reported zero domestic sales in the month of April 2020 for the first time in the history of its operations.

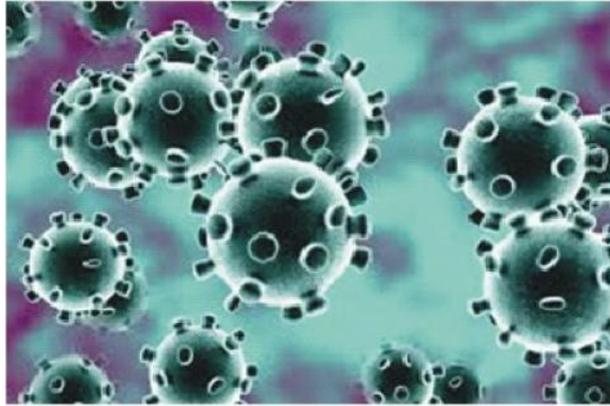
### KEYWORDS

**Covid-19, Pandemic, Operations, Domestic.**

### INTRODUCTION

#### Covid-19 (Corona Virus Disease)

Covid-19 is a disease caused by newly discovered virus called corona virus that affects the respiratory system of people suffering from the disease. The disease has been reported as pandemic by the WHO that spreads through droplets of Saliva, cough or sneeze of the infected person. The disease has originated from wholesale food market of wuhan (China), and has so far infected more than 12.6 Million people in the world. The disease has no vaccine for cure and is cured by boosting the immune system of patients suffering from the disease in India currently number of cases till 14.07.2020 have gone up to more than 8.5 lakhs approx.



(Source : <https://www.mygov.in/covid-19>)

### Maruti Suzuki India Limited

Maruti Suzuki India Limited was started in the year 1981 by the Government of India having head quarters at Delhi (India). The company works in automobile sector manufacturing cars in India. It is one of the leading automobile companies having market share of around 53% in India in passenger cars.

#### Maruti Suzuki India Limited

Type	Public
Traded as	BSE: 532500 NSE: MARUTI BSE SENSEX Constituent NSE NIFTY 50 Constituent
ISIN	INE585B01010
Industry	Automotive
Founded	1981; 39 years ago <sup>[1]</sup>
Founder	Government of India
Headquarters	New Delhi, India <sup>[2]</sup>
Area served	India
Key people	R. C. Bhargava <sup>[3]</sup> (Chairman) Kenichi Ayukawa <sup>[3]</sup> (Managing Director & CEO)
Products	Automobiles
Production output	1,568,603 units (2019) <sup>[4]</sup>
Revenue	<sup>1</sup> 886,301 million (US\$12 billion) (2019) <sup>[4]</sup>
Operating income	<sup>1</sup> 106,238 million (US\$1.5 billion) (2019) <sup>[4]</sup>
Net income	<sup>1</sup> 76,506 million (US\$1.1 billion) (2019) <sup>[4]</sup>
Total assets	<sup>1</sup> 639,687 million (US\$9.0 billion) (2019) <sup>[4]</sup>
Total equity	<sup>1</sup> 471,097 million (US\$6.6 billion) (2019) <sup>[4]</sup>
Number of employees	40,000 (2019) <sup>[5]</sup>
Parent	Suzuki Motor Corporation (56.21%) others (43.79%) <sup>[6][7]</sup>
Website	<a href="http://www.marutisuzuki.com">www.marutisuzuki.com</a>

(Source : [https://en.wikipedia.org/wiki/Maruti\\_Suzuki](https://en.wikipedia.org/wiki/Maruti_Suzuki))

## Research Methodology

### Research Type: Descriptive based on secondary Data.

### Limitations of study

1. There can be many other reasons for decline in Domestic sales such as change in customer preference, Income of consumer, etc, but major effect of covid-19 has been considered and other factors have been ignored as it is assumed these factors have very limited impact on domestic sales.
2. Due to pandemic in the country it was not possible to gather Primary Data through personal interview and all the analysis has been done on secondary data.

### Domestic sales of Maruti Suzuki pre and during covid-19 Period & Lockdown

#### Domestic sales of Maruti Suzuki Pre covid-19 Period & Lock down for financial year 2019-2020

Domestic Sales of Maruti Suzuki India Limited prior to covid-19 & lockdown in the year 2019 was reported at 1.75 millions units in India making it the best selling passenger car in the Country with the growth of 6.1% in domestic sales.

#### Domestic sales of Maruti Suzuki India Limited for the first quarter of 2019-2020

Month	Sales(Units)
April	1,33,704
May	1,25,552
June	1,13,031

(Source : <https://www.marutisuzuki.com/corporate/media/press-releases/2019/maruti-suzuki-sales-in-april-2019>, <https://auto.economictimes.indiatimes.com/news/passenger-vehicle/cars/maruti-suzuki-domestic-sales-down-23-in-may/69609066>, <https://www.marutisuzuki.com/corporate/media/press-releases/2019/maruti-suzuki-sales-in-june-2019-and-quarter-i-fy-2019-20>)

#### Domestic sales of Maruti Suzuki India Limited During covid-19 Period & Lock down for financial year 2020-2021

Covid-19 has very adversely affected all the Areas of both organised & un-organised sectors many employees have seen reduction in their salaries and many have lost their jobs as the lockdown has directly affected the business of both the sectors. Maruti Suzuki is among the top manufactures of cars in India had to shut down its operations due to lockdown in the country and has reported following sales in its first quarter of 2020:

#### Domestic sales of Maruti Suzuki India Limited for the first quarter of 2020-2021

Month	Sales(Units)
April	0
May	13,865
June	52,300

(Source : <https://www.marutisuzuki.com/corporate/media/press-releases/2020/maruti-suzuki-sales-in-april-2020>, <https://auto.economictimes.indiatimes.com/news/passenger-vehicle/cars/maruti-suzuki-domestic-sales-decline-by-89-at-13865-units-in-may-2020/76129224>, <https://www.marutisuzuki.com/corporate/media/press-releases/2020/maruti-suzuki-sales-in-june-2020>)

### Analysis of Domestic sales in first quarter of financial year 2019-2020 and 2020-2021

2019-2020	Sales(Unit)	2020-2021	Sales(Unit)	% Decline
April	1,33,704	April	0	100.00
May	1,25,552	May	13,865	088.95
June	1,13,031	June	52,300	053.73

(Source : <https://auto.economicstimes.indiatimes.com/news/passenger-vehicle/cars/coronavirus-impact-maruti-suzuki-production-down-by-97-5-in-may-2020/76284572>)

As we can observe the company has seen drastic fall in its sales in first quarter due to lock down in the country being one of the most popular car manufacturing brand in the country. Company has also reduced its production by around 97.5% in the month of May 2020 due to which many temporary jobs has been lost.

## Findings & Suggestions

### Findings

1. Covid-19 has adversely affected the domestic sales of Maruti Suzuki India Ltd.
2. Most crucial month during the quarter is April-2020 as company has registered Zero Domestic sales in the month.
3. Lock down has forced the company to reduce its production by 97.5% in the month of May that has resulted in loss of many temporary jobs.
4. We can also conclude that luxuries have been ignored by the people during this pandemic and have relied in fulfilling their basic needs first.

### Suggestions

1. Company must motivate the morale of its employees in this pandemic by providing right direction through proper guidance to employees.
2. Company should plan for future activities to cover up its lost sales revenue of domestic sales during the lockdown by training its employees so that they can be more productive.
3. Company must try not to cut-off jobs as it may lose its honest employees rather it should plan to make them more productive so that they can contribute more to the organisation.
4. Company may plan to find Innovative techniques and provide offers to consumers to attract more sales during this pandemic situation such as providing some after sales services, Cost free maintenance for some extended months etc.

## CONCLUSION

Thus we can conclude that Covid-19 and lock down has adversely affected the domestic sales of Maruti Suzuki India Limited in the first quarter of its operation for the financial year 2020-2021. Company has reported zero domestic sales in April 2020 and reduced its production by 97.5% due to lock down. We may also conclude that people in this pandemic have preferred to fulfil their basic needs rather than luxuries needs and that also have affected the domestic sales of the company.

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