



A Study on Financial Performance Analysis of Selected Automobile Companies in India

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ABSTRACT:

A study on financial performance analysis of selected automobile companies in India scrutinizes their financial health by evaluating key metrics like profitability, liquidity, and solvency. It aims to identify trends, strengths, and areas of improvement within the sector, contributing insights for investors and stakeholders. To study the financial structure and financial position of the selected Indian Automobile Companies. This type of research focused on what is currently in existence, what can be the new facts and meaning. In the present study data has been collected by using secondary source. The data is collected from annual report, books, internet, magazines, newspaper etc. The following tools which were used in the research study is Trend analysis, Ratio analysis, Anova for testing the hypothesis. The financial performance study of the chosen automotive industry not only improves our comprehension of the economic environment of the sector but also offers a framework for promoting competitiveness and sustainable growth in a constantly shifting global market.

I. INTRODUCTION

The development of the automobile sector has attained completely different stature in the 21st century. The mere process of transportation has grown into multi-dimensional sector in the fast-paced global economy. The transportation used in this modern era has given much scope for the evolution of the automobiles sector. The automobiles taking the needs of the society into its wings has come a long way in the path of developing the economy. This sector has taken the centre-stage for the development of any economy after the French revolution. The French revolution has stressed the need for development of all sectors in-order to achieve the balanced and stabilized growth in the economy of the country. It also

played a vital role in promoting the industrial establishments of the world. The industrial establishments made the necessity for the fast-paced transportation of the goods and services which resulted in the expansion of the automobiles sector all over the world. The ever-expanding automobiles sector all together deals with the process of transporting both the tangible and intangible resources of the industrial and the public sector. The automobiles sector of the world has increased from one crore vehicles in the year 1950 to ninety crores vehicles in the year 2015. The magnitude of the vehicles production has changed enormously in the global era.

The automobile sector acts as the fastest growing industrial sector of the world. It has been made as the base for development of the other industries in the country. As such it has evolved as one of the most significant sectors of the world. The automobiles sector acts as the connecting hub between the all sectors of the world economy. This sector also attracts lots of funding activities for its development as it has more potential than other sectors of the world. The investment level made in the automobiles sector has also seen drastic changes and it has the highest ability to attract the foreign direct investment of the country. The sector that has significant potential for economic development is also one among the reasons that India is in the status of the developing country.

STATEMENT OF THE PROBLEM:

The automobile Companies have contributed significantly towards changing the face of economic activities that are sedimental to the growth of the nation. The global economic policies on the other hand have played vital role in the automobiles sectors' development. The automobile sector has their own resource of capital when they start their scale of operation. The further expansion of the automobile industries is largely based upon



the public capital. The public capital has been dependent on the economic performance and reputation of the company. The acquirement of the public capital is possible only through the stock exchanges in the country. This stock exchange which is controlled by SEBI. The SEBI has the power to regulate the movement of the public capital. It involves lot of measures to make public to invest in a company share.

OBJECTIVES OF THE STUDY:

- 1.To examine the capital structure of the Indian Automobile Companies.
- 2.To study the financial structure and financial position of the selected Indian Automobile Companies.
- 3.To identify and evaluate financial risks faced by the automobile companies.
- 4.To examine the cash flow statements to understand the sources and uses of cash, ensuring a comprehensive understanding of the companies.
- 5.To perform a SWOT analysis to identify the selected automobile companies in the Indian markets.

SCOPE OF THE STUDY:

The study also takes into account the various methodologies that are involved in bringing out the financial performances such as the ratio analysis and capital structure analysis. The study analyses the quantitative statistical tools which gives clear picture about the Indian automobiles industries financial performance. This will not only have account of the financial performance but also other useful information such as value addition, solvency and capital structure which will pave way for the useful suggestions to the Indian automobiles sector.

II. RESEARCH METHODOLOGY:

The research will focus on automobile businesses listed on the BSE and NSE as of February 10, 2022, with a market capitalization of at least Rs.1000 Crore. This is an empirical study that makes use of secondary data. This study is centered on the automotive sector. Information about the annual reports of the companies were the source of the research. In order to evaluate the financial performance of a few car companies. A ratio were utilized for financial metrics, such as those that measure liquidity, profitability, solvency, and efficiency. The report describes the current state of things and evaluates how well the many metrics that make up the automotive industry's financial showcase are doing. The research makes

extensive use of the descriptive research approach. In order to determine the impact of the independent financial parameters on the dependent financial parameters—which will be useful in predicting the future financial trend of the automotive sector—the penultimate phase of the study employed a simulation research approach. The automotive industry's financial performance is designed in a way that makes it possible to both gauge present performance and predict future trends that will outperform current performance.

RESEARCH DESIGN:

In the present study descriptive research is being used. This type of research focused on what is currently in existence, what can be the new facts and meaning. In this process the researcher observes, narrates and undertake documentation of the identified subject in a way it naturally happens. In the present study financial performance of selected automobile sector companies is observed, described & documented from the year 2014 to 2023.

SAMPLE SELECTION:

The selection of the automobile sector is based on its economic contribution made towards the Gross Domestic Product (GDP) of the country. There are several auto businesses that are active across around the nation. The research focused on the firms that were deemed trustworthy in order to determine the representativeness of the top-performing automakers. The following is a list of the many factors used to choose the sample.

- a) The listed companies of the Bombay Stock Exchange (BSE) was taken as the first criteria based on which the selection of the sample was made. The first approach minimized the number of companies to forty-eight that are listed on the BSE.
- b) The second step to finalize the selection of the automobile industries was the ranking of the companies based on the market capitalization.

DATA COLLECTION:

In the present study data has been collected by using secondary source. The data is collected from annual report, books, internet, magazines, newspaper etc. In the present study primary data is not considered because study deals with financial performance which itself is historical in nature.

TOOLS USED FOR ANALYSIS:

Following tools were used by the researcher for the study.

- Trend analysis



- Ratio analysis
- ANOVA for testing the hypothesis

PERIOD OF STUDY:

The secondary data was collected for a period of ten years from 2014 to 2023

III. REVIEW OF LITERATURE:

Islam (2023)¹ sought to gauge Nationalized Bank Limited's financial performance. The researcher studied two time periods—2008–2010 and 2011–2013—to see if there was a relationship among a bank's years in business and its performance. The researcher employed financial ratio analysis to assess the National Bank Limited's financial performance in terms of profitability, liquidity, and credit performance. Additionally, a student "t" test was performed to evaluate the hypothesis. It was discovered that overall profitability, liquidity, and credit performance all increased from 2008 to 2011 but then started to fall in 2012 and 2013. Additionally, throughout that time, Bank grew the amount of their portfolio.

Nilafar Nisha. A., and David Soundararajan. S. (2022)² made a study on “Liquidity Analysis of Selected Automobile Companies in India”. The introduction deals with the importance of transport sector and the growth of the automobile industry in India. The statement of the problem reveals the multiplier effect and the employment generating capacity of the sector. The review of literature gives an account of various studies carried out in this field of study. The objective of the study is to assess the short-term financial position of the selected automobile companies in India. The period of the study covers ten years from 2005-2014. The study has taken seventeen companies for the study that has been listed in the BSE. The statistical tools used for the analysis are mean, standard deviation and ANOVA. The study concluded that the companies have

performed well on the front of short-term solvency and the reason behind such growth is that the companies have gone through liberalization and made use of the flow of the FDI.

Ansari and Rehman (2021)³ have made an effort to contrast the financial success of conventional and Islamic banks. The research was conducted between 2006 and 2009, a span of four years. Researchers utilized 18 financial parameters to assess the profitability, liquidity, risk, solvency, capital sufficiency, deployment, and operational effectiveness of both banks. The researchers also employed an independent sample t test and an ANOVA to assess the implication of mean differences in these chosen ratios across and among banks. The study came to the conclusion that Islamic banks were more operationally effective, more liquid, and less risky than conventional banks.

Regina M. Lizares Carlos C. Bautista, (2021)⁴ The financial distress of 263 businesses listed on the Philippine stock exchange was determined using the mixed Logit model and industry related factors from 1995 to 2018. The data, as well as the data set and explanatory variables, were acquired from the Thomson Return and World Scope databases. Financial distress among firms assists financial institutions in funding and policymaking, according to the study's findings.

Singhal PK (2020)⁵ They assessed the financial performance of the two main banks operating in northern India. Mean and standard deviation were employed as statistical tools to analyse the data, and CAMEL (capital adequacy, asset quality, management competency, earning capacity, and liquidity) criteria were utilized to evaluate the results. The research's findings indicate that the banks under consideration were in a solid and favourable condition.

ANALYSIS OF STUDY: TREND ANALYSIS:

TABLE SHOWING THE NET SALES & PROFIT AFTER TAX OF TATA MOTORS 2013-2014 TO 2022-2023

YEARS	NET SALES	PROFIT AFTER TAX
2014	2,30,677.10	14,104.18
2015	2,60,734.33	14,059.65
2016	2,69,560.11	11,100.72
2017	2,65,498.47	6,063.56



2018	2,88,596.09	6,813.10
2019	2,99,190.59	-28,933.70
2020	2,58,594.36	-10,975.23
2021	2,46,972.17	-13,016.14
2022	2,75,235.23	-11,234.70
2023	3,42,874.58	2,353.49

SOURCE: SECONDARY DATA

INTERPRETATION:

The Net sales of the company have shown a general increasing trend over the years, starting from ₹2,30,677.10 in 2013-2014 and reaching ₹3,42,874.58 in 2022-2023. There is some fluctuation in between, but the overall trend is upward, indicating growth in the company's revenue. The profit shows a positive trend until 2015-2016, where it was at its peak of ₹14,104.18.

However, starting from 2016-2017, there is a decline in profits, with a significant drop in 2018-2019, where the company incurred a loss of ₹-28,933.70. The years 2015-2016 and 2018-2019 appear to be critical points in the company's financial performance. In summary, the company has faced both challenges and successes over the years, with a recent positive shift in profitability.

TABLE SHOWING THE NET SALES & PROFIT AFTER TAX OF MARUTI SUZUKI 2013-2014 TO 2022-2023

YEARS	NET SALES	PROFIT AFTER TAX
2013-2014	43,271.80	2,831.60
2014-2015	49,295.00	3,790.60
2015-2016	56,452.80	5,378.30
2016-2017	66,924.70	7,338.20
2017-2018	78,117.10	7,717.40
2018-2019	83,038.50	7,494.90
2019-2020	71,704.80	5,559.20
2020-2021	66,571.80	4,220.10
2021-2022	83,799.80	3,717.60
2022-2023	1,12,511.30	8,033.60

SOURCE: SECONDARY DATA

INTERPRETATION:

There's a noticeable growth in sales, indicating that the company has been successful in expanding its revenue. The net sales of the company have shown a generally increasing trend over the years, starting at ₹43,271.80 in 2014 and reaching ₹1,12,511.30 in 2023. The profit has consistently increased over the years, with

fluctuations in the growth rate. The highest profit is observed in 2023 at ₹8,033.60. In 2020, there is a dip in both net sales and profit, which could be attributed to various factors, such as economic downturns, global events, etc. The year 2023 stands out with a substantial increase in net sales and profit.



**TABLE SHOWING THE NET SALES & PROFIT AFTER TAX OF MAHINDRA & MAHINDRA
2013-2014 TO 2022-2023**

YEARS	NET SALES	PROFIT AFTER TAX
2013-2014	66,930.97	4,323.38
2014-2015	63,862.55	2,592.68
2015-2016	74,762.30	2,708.47
2016-2017	82,069.37	3,151.13
2017-2018	90,770.68	6,850.53
2018-2019	1,03,015.23	4,650.33
2019-2020	74,304.07	1,685.54
2020-2021	72,678.98	2,425.26
2021-2022	89,353.96	5,397.22
2022-2023	1,19,040.38	9,869.04

SOURCE:SECONDARY DATA

INTERPRETATION:

There's variability in net sales, with some years experiencing growth and others showing a decline. The company's net sales shows a fluctuating pattern over the years, starting at ₹66,930.97 in 2013-2014 and reaching ₹1,19,040.38 in 2022-2023. The profit has also

experienced fluctuations over the years, with the highest recorded in 2022-2023 at ₹9,869.04. In 2019-2020, there is a significant decrease in both net sales and profit. The year 2022-2023 stands out with a substantial increase in both net sales and profit. The exceptional growth in 2022-2023 is a positive sign.

**TABLE SHOWING THE NET SALES & PROFIT AFTER TAX OF TOYOTA KIRLOSKAR 2013-
2014 TO 2022-2023**

YEARS	NET SALES	PROFIT AFTER TAX
2013-2014	1,224.90	77.68
2014-2015	1,358.04	85.58
2015-2016	1,110.68	100.33
2016-2017	1,130.63	119.39
2017-2018	1,687.70	68.05
2018-2019	2,160.96	131.74
2019-2020	1,867.90	150.63
2020-2021	1,994.78	311.45
2021-2022	3,725.84	316.18
2022-2023	6,412.85	459.53

SOURCE: SECONDARY DATA

INTERPRETATION:

The net sales of the company have shown a consistent upward trend over the years, starting at ₹1,224.90 in 2013-2014 and reaching ₹6,412.85 in 2022-2023. There is a substantial growth in net sales, suggesting that the company has expanded its business and increased its revenue significantly.

The profit has also experienced a notable increase over the years, with the highest recorded in 2022-2023 at ₹459.53. 2015-2016 could be considered a turning point where net sales decreased despite a slight increase in profit. The company has maintained positive profits throughout the period, indicating a sustained level of profitability.



TABLE SHOWING THE NET SALES & PROFIT AFTER TAX OF ASHOK LEYLAND 2013-2014 TO 2022-2023

YEARS	NET SALES	PROFIT AFTER TAX
2013-2014	11,334.22	-231.71
2014-2015	15,163.92	-213.97
2015-2016	20,870.80	790.66
2016-2017	22,494.70	1,647.01
2017-2018	29,055.22	1,819.98
2018-2019	32,753.24	2,183.32
2019-2020	21,748.12	456.91
2020-2021	19,454.10	-69.10
2021-2022	26,237.15	-292.97
2022-2023	41,488.30	1,350.91

SOURCE : SECONDARY DATA

INTERPRETATION:

There is a noticeable increase in net sales from 2013-2014 to 2018-2019, followed by a decline in the subsequent years. The net sales of the company have shown a fluctuating pattern over the years, starting at ₹11,334.22 in 2013-2014 and reaching ₹41,488.30 in 2022-2023. The company experienced negative profits in 2013-2014 and

2014-2015, indicating financial challenges during those years. The decrease in net sales and profit in 2019-2020 and 2020-2021 might have been influenced by various factors. The year 2022-2023 stands out with a substantial increase in net sales and a positive profit indicating potential successful strategic initiatives.

RATIO ANALYSIS:

**CURRENT RATIO
TABLE**

YEARS/ COMPANIES	TATA MOTORS	MARUTI SUZUKI	MAHINDRA & MAHINDRA	TOYOTA KIRLOSKAR	ASHOK LEYLAND
2014	1.04	1.77	1.44	1.07	0.9
2015	1.01	0.97	1.18	1.06	1
2016	1.03	0.72	1.2	1.11	1.1
2017	1	0.66	1.22	1.41	1.1
2018	0.95	0.51	1.2	4.61	1
2019	0.85	0.87	1.18	2.6	1.1
2020	0.85	0.75	1.19	1.46	1
2021	0.93	1.15	1.4	2.21	1
2022	0.98	0.99	1.34	1.42	1
2023	0.98	0.58	1.29	1.74	1.1
Mean	0.962	0.8970	1.2640	1.8690	1.0300
Std. Deviation	0.678	0.365	0.975	1.086	0.674

The table 4.5 reveals the current ratio of automobile companies.

TATA MOTORS:

The mean of the current ratio stands at 0.962 times from the above data which explains that the average of the current ratio of the company is 0.962 times which means that for every ₹ of current assets company is having 0.962₹ of current liabilities. The highest current ratio is in the year

2014 & lowest current ratio is in the years 2019 & 2020. The S.D elucidates the fact that the current ratio has a deviation of 0.678 times from the average current ratio. Overall, company had maintained a good liquidity position.

MARUTI SUZUKI:



From the above data it can be concluded that average current ratio of the company is 0.8970 times which means that for every ₹ of current assets company is having 0.8970₹ of current liabilities. The S.D illustrates the fact that the current ratio has a deviation of 0.365 times from the average current ratio. The highest current ratio is in the year 2014 & lowest current ratio is in the year 2018. Overall, the company had maintained a good liquidity position.

MAHINDRA & MAHINDRA:

From the above data it can be concluded that average current ratio of the company is 1.2640 times which means that for every ₹ of current liabilities company is having 1.2640₹ of current assets. The S.D illustrates the fact that the current ratio has a deviation of 0.674 times from the average current ratio. The highest current ratio is in the year 2014 & lowest current ratio is in the years 2015 & 2019. Overall, the company had maintained a good liquidity position.

TOYOTA KIRLOSKAR INDIA:

From the above data it can be concluded that average current ratio of the company is 1.030times which means that for every ₹ of current liabilities company is having 1.030₹ of current assets. The S.D illustrates the fact that the current ratio has a deviation of 1.086 times from the average current ratio. The highest current ratio is in the year 2018 & lowest current ratio is in the year 2015. Overall, the company had maintained a good liquidity position.

ASHOK LEYLAND:

From the above data it can be concluded that average current ratio of the company is 0.8970 times which means that for every ₹ of current assets company is having 0.8970₹ of current liabilities. The S.D illustrates the fact that the current ratio has a deviation of 0.365 times from the average current ratio. The highest current ratio is in the year 2016,2017,2019,2023 & lowest current ratio is in the year 2014. Overall, the company had maintained a good liquidity position.

**DIVIDEND PER SHARE(DPS)
TABLE**

YEARS/ COMPANIES	TATA MOTORS	MARUTI SUZUKI	MAHINDRA & MAHINDRA	TOYOTA KIRLOSKAR	ASHOK LEYLAND
2014	5	12	18	5	0
2015	5	25	12	27	0.95
2016	0	25	15	24	0.45
2017	0	35	8	65	0.01
2018	0	75	15	23	0.01
2019	0	80	9.5	36	3.1
2020	0	80	-1.02	16	0.5
2021	0	60	18	-	0.6
2022	0	45	13	32	1
2023	0	60	20	30	2.6
Mean	1.00	49.70	12.74	28.67	0.92
Std. Deviation	2.11	24.87	6.15	16.44	1.08

TATA MOTORS:

From the given above data it can be seen that average dividend per share is ₹1.00. The S.D elucidates the fact that the dividend per share has a deviation of ₹2.11 from the average Dividend per share .There is no dividend per share in the years 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023. It shows that company has not paid regular dividend to its shareholders.

MARUTI SUZUKI:

From the above data it can be seen that average dividend per share is ₹49.70. The S.D elucidates the fact that the dividend per share has a deviation of ₹24.87 from the average Dividend per share . The lowest dividend per share was declared in the year 2014 & highest in the years 2019, 2020. Overall, it shows that company paid regular dividend to its shareholder.



MAHINDRA & MAHINDRA:

From the above data it can be seen that average dividend per share is ₹12.74. The S.D elucidates the fact that the dividend per share has a deviation of ₹6.15 from the average Dividend per share . The lowest dividend per share was declared in the year 2020 which shows a negative result & highest in the years 2023. Overall, it shows that company paid regular dividend to its shareholder.

TOYOTA KIRLOSKAR:

From the above data it can be seen that average dividend per share is ₹28.67. The S.D elucidates the fact that the dividend per share has a deviation of ₹16.44 from the average Dividend per

share . The lowest dividend per share was declared in the year 2014 & highest in the years 2017. Overall, it shows that company paid regular dividend to its shareholder.

ASHOK LEYLAND:

From the above data it can be seen that average dividend per share is ₹0.92. The S.D elucidates the fact that the dividend per share has a deviation of ₹1.08 from the average Dividend per share . The lowest dividend per share was declared in the year 2014 & highest in the years 2019. Overall, it shows that company paid regular dividend to its shareholders.

DEBT/EQUITY RATIO

YEARS/ COMPANIES	TATA MOTORS	MARUTI SUZUKI	MAHINDRA & MAHINDRA	TOYOTA KIRLOSKAR	ASHOK LEYLAND
2014	0.84	0.09	1.21	0.22	2.4
2015	1.23	0.01	1.14	0.11	2
2016	0.78	0	1.16	0.12	1.6
2017	1.28	0.01	1.35	0.11	1.6
2018	0.82	0	1.23	0.05	1.6
2019	1.51	0	1.35	0.1	1.7
2020	1.58	0	1.56	0.31	2.1
2021	2.08	0.01	1.43	0.17	2.3
2022	3.13	0.01	1.58	0.5	3.3
2023	2.77	0.02	1.57	0.32	3.6

TATA MOTORS:

The above data reveals that average long term debt to equity ratio was 1.60 times which suggest that for every 1 ₹ of debt there is a 1.60₹ of shareholders fund in the company. The S.D elucidates the fact that the debt to equity ratio has a deviation of 0.82 times from the average debt to equity ratio . Company had lower debt in the year 2018 while company had highest debt/equity ratio in the year 2022.This suggest that solvency position of the company was sound.

MARUTI SUZUKI:

The above data reveals that average long term debt to equity ratio was 0.02 times which suggest that for every 1 ₹ of shareholders fund there is a 2 paise of debt in the company. The S.D elucidates the fact that the debt to equity ratio has a deviation of 0.03 times from the average debt to equity ratio . Company had no debt in the years 2016, 2018 & 2019 while company had highest debt/equity ratio in the year 2014.This suggest that solvency position of the company was sound.

MAHINDRA & MAHINDRA:

The above data reveals that average long term debt to equity ratio was 1.36 times which suggest that for every 1 ₹ of debt there is a 1.36₹ of shareholders fund in the company. The S.D elucidates the fact that the debt to equity ratio has a deviation of 0.17 times from the average debt to equity ratio . Company had lower debt in the year 2015 while company had highest debt/equity ratio in the year 2022.This suggest that solvency position of the company was sound.

TOYOTA KIRLOSKAR INDIA:

The above data reveals that average long term debt to equity ratio was 0.20 times which suggest that for every 1 ₹ of shareholders fund there is a 20 paise of debt in the company. The S.D elucidates the fact that the debt to equity ratio has a deviation of 0.14 times from the average debt to equity ratio . Company had lower debt in the year 2018 while company had highest debt/equity ratio in the year 2022.This suggest that solvency position of the company was sound.



ASHOK LEYLAND:

The above data reveals that average long term debt to equity ratio was 2.22 times which suggest that for every 1 ₹ of debt there is a 2.22₹ of shareholders fund in the company. The S.D elucidates the fact that the debt to equity ratio has a

deviation of 0.71 times from the average debt to equity ratio . Company had lower debt in the years 2016, 2017, 2018 while company had highest debt/equity ratio in the year 2023.This suggest that solvency position of the company was sound.

ANOVA ANALYSIS:

TABLE SHOWING THE ANALYSIS OF VARIANCE ANOVA

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	57.856	5	11.571	1.878	.281 ^b
	Residual	24.644	4	6.161		
	Total	82.500	9			
a. Dependent Variable: YEARS/COMPANIES						
b. Predictors: (Constant), ASHOK LEYLAND, TOYOTA KIRLOSKAR, TATA MOTORS, MARUTI SUZUKI, MAHINDRA & MAHINDRA						

SOURCE: SPSS

INTERPRETATION:

The model’s regression has a Sum of squares(SS) is 57.856 and its mean square(MS) is 11.571, the F-statistic is 1.878. The residuals have a Sum of Squares(SS) is 24.644 and its mean square

is 6.161. The p-value for the F-statistic is greater than 0.05, suggesting that the model may not be providing a significant improvement over a model with no predictors.

TABLE SHOWING ANALYSIS OF VARIANCE COEFFICIENT

Coefficients								
Model		Unstandardized Coefficients		Standardized CoefficientsBeta	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error				Lower Bound	Upper Bound
1	(Constant)	1986.224	47.612		41.717	.000	1854.033	2118.415
	TATA MOTORS	28.348	32.101	.560	.883	.427	-60.778	117.474
	MARUTI SUZUKI	3.411	3.298	.421	1.034	.359	-5.747	12.569
	MAHINDRA & MAHINDRA	-14.279	26.751	-.646	-.534	.622	-88.551	59.992
	TOYOTA KIRLOSKAR	.323	1.693	.111	.191	.858	-4.378	5.023
	ASHOK LEYLAND	31.781	42.075	.734	.755	.492	-85.038	148.599

a. Dependent Variable: YEARS/COMPANIES

SOURCE:SPSS

INTERPRETATION:

The constant term of the coefficient intercepted is 1986.224 , the calculated standard error is 47.612 and the t-statistic is 41.717. The unstandardized coefficient value for Tata Motors is 28.348, the standardized coefficient is 0.560 and the t-statistic is 0.883 and also the associated p-value is 0.359. The Maruti Suzuki’s unstandardized

coefficient value is 3.411, the standardized coefficient is 0.421 and the t-statistic is 1.034 and the associated p-value is 0.308. The calculated value for Mahindra & Mahindra is -14.279, the standard coefficient is -0.646 and the t-statistic is -0.534 and the associated p-value 0.622. The Toyota Kirloskar’s unstandardized coefficient is 0.323 and the standardized is 0.111 where as, the t-statistic is



0.191 and the associated p-value is 0.858. The predictor variables may not be statistically

significant based on their p-values.

TABLE SHOWING THE ANALYSIS OF VARIANCE MODEL SUMMARY

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.983 ^a	.966	.924	.835

a. Predictors: (Constant), ASHOK LEYLAND, TATA MOTORS, TOYOTA KIRLOSKAR, MAHINDRA & MAHINDRA, MARUTI SUZUKI

SOURCE: SPSS

INTERPRETATION:

The table shows the Model 1, R=0.983, R square(Coefficient of Determination)=0.966, Adjusted R square = 0.924, Std. Error of the estimate is 0.835. The high R value(0.983) suggests a strong overall correlation between the predictors and the dependent variable. And the high R square value(0.966) indicates that the model explains a substantial amount of the variability in dependent variable. The adjusted R square(0.924) suggests that the model is still effective when accounting for the number of predictors. The low standard error of the estimate(0.835)indicates a good fit of the model to the data.

IV. FINDINGS:

- Analysing the revenue trends of the selected automobile companies over the past ten years.
- Calculating and analysing profitability ratios such as net profit margin, return on assets, debt equity ratio.
- Assessing the liquidity position through metrics like the current ratio and quick ratio.
- Examine the debt structure by analyzing the debt-to-equity .
- Evaluate the impact of debt levels on the financial stability and risk profile of the companies.
- Assess how innovation and technological advancements contribute to the financial performance of the companies.
- Determine how well companies can meet short-term obligations and identify any liquidity challenges.
- Identifying any correlations between market share and financial performance.

V. SUGGESTIONS:

- Recommend cost management strategies to improve profitability, such as optimizing

production processes and reducing unnecessary expenses.

- Provide recommendations on debt restructuring if necessary, considering the impact on interest costs and overall financial stability.
- Analyze the possible advantages of strategic alliances or partnerships to improve innovation and market visibility.
- Emphasize how important it is to keep up with technology developments and use them if you want to be competitive in your field.
- Evaluate possible options for diversification to reduce the risks brought on by shifting markets and unstable economic conditions.

VI. CONCLUSION:

The financial performance metrics highlighted the companies' ability to generate revenue, manage costs, and sustain profitability over the study period. Additionally, liquidity, solvency, and efficiency ratios shed light on the companies' capacity to meet short-term obligations, maintain a healthy capital structure, and optimize resource utilization. For the purpose of making well-informed decisions on investments, strategic planning, and policy development, industry players, legislators, and investors can use these results as critical benchmarks. Even with the favorable results, stakeholders still need to be on the lookout for changes in the automotive sector and adjust accordingly. Proactive management techniques and ongoing observation are essential for dealing with new problems and grasping chances. The study adds to the corpus of information already available in financial analysis and provides a framework for further research in this exciting field. In conclusion up, the financial performance study of the chosen automotive industry not only improves our comprehension of the economic environment of the sector but also offers a framework for promoting



competitiveness and sustainable growth in a constantly shifting global market.

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