

**Project Report**

**“Comparative Ratio Analysis Of Various Companies In  
Automobile Industry”**

**Submitted to**

**G. S. College of Commerce & Economics, Nagpur**

**Affiliated to**

**Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur**

In partial fulfillment for the award of the degree of

**Bachelor of Business Administration**

**Submitted by**

**SAHIL V.YADAV**

**Under the Guidance of**

**PROF. ASHIMA VARGHESE**

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**G.S. College Of Commerce & Economics, Nagpur**

**Academic Year 2022 – 23**



**G.S. College Of Commerce & Economics , Nagpur**

**Academic Year 2022 – 23**



## **CERTIFICATE**

This is to certify that “ **Sahil V. Yadav**” has submitted the project report titled “**Comparative Ratio Analysis Of Various Companies In Automobile Industry**”, towards partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he/she has ingeniously completed his/her project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

**Prof Ashima Varghese**

**Afsar Sheikh**

(Co-ordinator)

(Project Guide)

Place: Nagpur

Date:

**G.S. College Of Commerce & Economics, Nagpur**

**Academic Year 2022 – 23**



## **DECLARATION**

I here-by declare that the project with title “Comparative Ratio Analysis Of Various Companies In Automobile Industry” has been completed by me in partial fulfillment of BACHELOR OF BUSINESS comparative ratio analysis of various companies in automobile industry ADMINISTRATION degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

**SAHIL V.YADAV**

**Place : Nagpur**

**Date:**

**G.S. College Of Commerce & Economics , Nagpur**

**Academic Year 2022 – 23**



## **ACKNOWLEDGEMENT**

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to DR. MRS. S.S KATHALEY, Principal, G.S. College of Commerce & Economics, Nagpur.

I am extremely thankful to my Project Guide Prof. ASHIMA VARGESH for his/her guideline throughout the project. I tender my sincere regards to Co-ordinator, PROF.AFSAR SIR for giving me outstanding guidance, enthusiastic suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the Non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

**SAHIL V.YADAV**

**Place: NAGPUR**

**Date:-**

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# **INTRODUCTION**

The Indian automobile industry has historically been a good indicator of how well the economy is doing, as the automobile sector plays a key role in both macroeconomic expansion and technological advancement. The two wheelers segment dominates the market in terms of volume, owing to a growing middle class and a huge percentage of India's population being young. Moreover, the growing interest of companies in exploring the rural markets further aided the growth of the sector. The rising logistics and passenger transportation industries are driving up demand for commercial vehicles. Future market growth is anticipated to be fueled by new trends including the electrification of vehicles, particularly three-wheelers and small passenger automobiles.

India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy trucks manufacturer in the world. India's annual production of automobiles in FY22 was 22.93 million vehicles.



## **Meaning Of Financial Analysis**

Financial analysis is the process of evaluating businesses, projects, budgets, and other finance-related transactions to determine their performance and suitability. Typically, financial analysis is used to analyze whether an entity is stable, solvent, liquid or profitable enough to warrant a monetary investment.

### **Key Takeway**

- If conducted internally, financial analysis can help fund managers make future business decisions or review historical trends for past successes.
- If conducted externally, financial analysis can help investors choose the best possible investment opportunities.
- Fundamental analysis and technical analysis are the two main types of financial analysis.
- Fundamental analysis uses ratios and financial statement data to determine the intrinsic value of a security.
- Technical analysis assumes a security's value is already determined by its price, and it focuses instead on trends in value over time.



## **Meaning of financial statement**

Financial statements are a collection of summary-level reports about an organization's financial results, financial position, and cash flows. They include the income statement, balance sheet, and statement of cash flows.

### **The balance sheet:-**

One of the financial statements is the balance sheet. It shows an entity's assets, liabilities, and stockholders' equity as of the report date. In this report, the total of all assets must match the combined total of all liabilities and equity. The asset information on the balance sheet is subdivided into current and long-term assets. Similarly, the liability information is subdivided into current and long-term liabilities. This stratification is useful for determining the liquidity of a business. Ideally, the total of all current assets should exceed the total of all current liabilities, which implies that a business has sufficient assets to pay off its current obligations. The balance sheet is also used to compare debt levels to the amount of equity invested in the business, to see if its leverage level is appropriate.

**The income statement:-**

One of the financial statements is the balance sheet. It shows an entity's assets, liabilities, and stockholders' equity as of the report date. In this report, the total of all assets must match the combined total of all liabilities and equity. The asset information on the balance sheet is subdivided into current and long-term assets. Similarly, the liability information is subdivided into current and long-term liabilities. This stratification is useful for determining the liquidity of a business. Ideally, the total of all current liabilities should exceed the total of all current liabilities, which implies that a business has sufficient assets to pay off its current obligations. The balance sheet is also used to compare debt levels to the amount of equity invested in the business, to see if its leverage level is appropriate.

**The statement of cash flows:-**

The final financial statement is the statement of cash flows. It shows changes in an entity's cash flows during the reporting period. These cash flows are divided into cash flows from operating activities, investing activities, and financing activities. The bulk of all cash flows are generally listed in the operating activities section, which state the cash inflows and outflows related to the basic operations of the business, such as from changes in receivables, inventory, and payables balances. The investing activities section contains cash flows from the purchase or sale of investment instruments, assets, or other businesses. The financing activities section contains cash flows related to the acquisition or paydown of debt, dividend issuances, stock sales, and so forth. The presented information is useful for determining the sources and uses of cash.

## **Elements of financial analysis:-**

### **1. Revenues**

Revenues are probably your business's main source of cash. The quantity, quality and timing of revenues can determine long-term success.

### **2. Profits**

If you can't produce quality profits consistently, your business may not survive in the long run.

### **3. Operational Efficiency**

Operational efficiency measures how well you're using the company's resources. A lack of operational efficiency leads to smaller profits and weaker growth.

### **4. Capital Efficiency and Solvency**

Capital efficiency and solvency are of interest to lenders and investors.

### **5. Liquidity**

Liquidity analysis addresses your ability to generate sufficient cash to cover cash expenses. No amount of revenue growth or profits can compensate for poor liquidity.

## Meaning of ratio analysis

Ratio analysis is referred to as the study or analysis of the line items present in the financial statements of the company. It can be used to check various factors of a business such as profitability, liquidity, solvency and efficiency of the company or the business.



## Uses of ratio analysis:-

**Ratio analysis is useful in the following ways:**

1. **Comparing Financial Performance:** One of the most important things about ratio analysis is that it helps in comparing the financial performance of two companies.
2. **Trend Line:** Companies tend to use the activity ratio in order to find any kind of trend in the performance. Companies use data from financial statements that is collected from financial statements over many accounting periods. The trend that is obtained can be used for predicting the future financial performance.
3. **Operational Efficiency:** Financial ratio analysis can also be used to determine the efficiency of managing the asset and liabilities. It helps in understanding and determining whether the resources of the business is over utilised or under utilised.

## **Methods of ratio analysis:-**

**1. Liquidity Ratios:** Liquidity ratios are helpful in determining the ability of the company to meet its debt obligations by using the current assets. At times of financial crisis, the company can utilise the assets and sell them for obtaining cash, which can be used for paying off the debts. Some of the most commonly used liquidity ratios are quick ratio, current ratio, cash ratio, etc. The liquidity ratio are used mostly by creditors, suppliers and any kind of financial institutions such as banks, money lending firms, etc for determining the capacity of the company to pay off its obligations as and when they become due in the current accounting period.

**2. Solvency Ratios:** Solvency ratios are used for determining the viability of a company in the long term or in other words, it is used to determine the long term viability of an organization .

Solvency ratios calculate the debt levels of a company in relation to its assets, annual earnings and equity. Some of the important solvency ratios that are used in accounting are debt ratio, debt to capital ratio, interest coverage ratio, etc.Solvency ratio are used by government agencies, institutional investors, banks, etc to determine the solvency of a company.

**3. Activity Ratio:** Activity ratios are used to measure the efficiency of the business activities. It determines how the business is using its available resources to generate maximum possible revenue.

These ratios are also known as efficiency ratios. These ratios hold special significance for business in a way that whenever there is an improvement in these ratios, the company is able to generate revenue and profits much efficiently. Some of the examples of activity or efficiency ratios are asset turnover ratio, inventory turnover ratio, etc.

**4. Profitability ratios:** The purpose of profitability ratios is to determine the ability of a company to earn profits when compared to their expenses. A better profitability ratio shown by a business as compared to its previous accounting period shows that business is performing well.

The profitability ratio can also be used to compare the financial performance of a similar firm, i.e it can be used for analysing competitor performance.

## **Advantages of ratio analysis:-**

### **1. Forecasting and Planning:-**

The trend in costs, sales, profits and other facts can be known by computing ratios of relevant accounting figures of last few years. This trend analysis with the help of ratios may be useful for forecasting and planning future business activities.

### **2. Budgeting:**

Budget is an estimate of future activities on the basis of past experience. Accounting ratios help to estimate budgeted figures. For example, sales budget may be prepared with the help of analysis of past sales.

### **3. Control of Performance and Cost:**

Ratios may also be used for control of performances of the different divisions or departments of an undertaking as well as control of costs.

### **4. Inter-firm Comparison:**

Comparison of performance of two or more firms reveals efficient and inefficient firms, thereby enabling the inefficient firms to adopt suitable measures for improving their efficiency. The best way of inter-firm comparison is to compare the relevant ratios of the organisation with the average ratios of the industry.

## **Disadvantages of ratio analysis:-**

### **1. Different Accounting Policies:**

Different accounting policies regarding valuation of inventories, charging depreciation etc. make the accounting data and accounting ratios of two firms non-comparable.

### **2. Lack of Standard of Comparison:**

No fixed standards can be laid down for ideal ratios. For example, current ratio is said to be ideal if current assets are twice the current liabilities. But this conclusion may not be justifiable in case of those concerns which have adequate arrangements with their bankers for providing funds when they require, it may be perfectly ideal if current assets are equal to or slightly more than current liabilities.

### **3. Quantitative Analysis:**

Ratios are tools of quantitative analysis only and qualitative factors are ignored while computing the ratios. For example, a high current ratio may not necessarily mean sound liquid position when current assets include a large inventory consisting of mostly obsolete items.

### **4. Window-Dressing:**

The term 'window-dressing' means presenting the financial statements in such a way to show a better position than what it actually is. If, for instance, low rate of depreciation is charged, an item of revenue expense is treated as capital expenditure etc. the position of the concern may be made to appear in the balance sheet much better than what it is.

# COMPANY PROFILE



**Tata Motors:-**

Tata Motors Limited (TML), a USD 42 billion organization, is India's largest automobile company by revenues. The company is a leading global manufacturer of cars, utility vehicles, buses, trucks and defence vehicles and is working towards developing Smart Mobility Solutions for Smart Cities. Tata Motors is also developing a smart range of EVs, to accelerate the adoption of Electric Vehicles (EV) in the country, supporting the government's mission on electric vehicles. Incorporated in India, in the year 1945, Tata Motors is a part of the USD 100 billion Tata group and has operations across India, UK, South Korea, Thailand, South Africa, and Indonesia.

A leader in the Indian commercial vehicle market, Tata Motors also ranks amongst India's top passenger vehicle manufacturers, with over 9 million vehicles plying on Indian roads. The company has played an instrumental role in transforming the country into a destination for world-class automotive manufacturing and continues to work towards building the nation. Tata Motors has always been at forefront of innovating technologies and providing products and experiences catering to the discerning needs of our customers across both passenger and commercial vehicles business. With its corporate brand identity - Connecting Aspirations, Tata Motors continues to create segment-defining products that will fire up the imagination of customers - generation after generation; reiterating the company's promise of offering better journeys.



**TATA MOTORS**

**TATA MOTORS:-**

<b>TYPE</b>	<b>PUBLIC</b>
<b>INDUSTRY</b>	<b>AUTOMOTIVE</b>
<b>FOUNDER</b>	<b>JRD TATA</b>
<b>FOUNDED</b>	<b>1945</b>
<b>AREA SERVED</b>	<b>WORLDWIDE</b>
<b>HEADQUATER</b>	<b>MUMBAI,MAHARASTRA</b>
<b>KEY PEOPLE</b>	<b>NATARAJAN CHANDRASEKARAN(CHAIRMAN)</b>
	<b>GUENTER BUTSCHEK(CEO)</b>
<b>NO.OF EMPLOYEES</b>	<b>50,837</b>
<b>PARENT COMPANY</b>	<b>TATA GROUP</b>
<b>REVENUE</b>	<b>RS.301,144 CRORE</b>
<b>TOTAL ASSETS</b>	<b>RS.330,619 CRORE</b>
<b>SERVICES</b>	<b>AUTOMOTIVE FINANCE</b>
	<b>VEHICLE LEASING, VEHICLE SERVICES</b>

## **MISSION AND VISION STATEMENT OF TATA MOTORS:-**

### **MISSION**

To be the most reliable global network for customers and suppliers that delivers value through Products and services to be a responsible value creator for all our stakeholders.

We innovate mobility solutions with passion to enhance the quality of life.

### **VISION**

By FY 2024, we will become the most aspirational Indian auto brand, consistently winning by,

- Delivery superior financial returns
- Driving sustainable mobility solutions
- Exceeding customer expectation and,
- Creating a highly engaged work force

### **VALUES**

- Integrity
- Teamwork
- Accountability
- Customer focus
- Excellence
- Speed

## **SWOT ANALYSIS OF TATA MOTORS:-**

### **STRENGTHS:-**

- **Recognized Brand Image:-** Tata Motors is a well recognized global automotive brand. The company itself sells its vehicles under various brand names like Jaguar Land Rover, Tata Hitachi, Tata Daewoo, Tata Marcopolo etc. This has not only expanded the company's market but has also increased the brand value and the brand image of the company
- **Market value:-** The estimated market capitalization of Tata Motors by Forbes is 4.5 billion dollars in 2021. They ranked as the 1037th position in the Global 2000 top companies in 2020.
- **Research and Development:-** The company spends more than 23% of its complete budget on research and development. It shows the company's dedication to its productivity and growth. Tata Motors has also established its research centres in countries like the UK, India, Spain, South Korea.
- **International Presence:-** Tata Motors is running its business in more than 125 countries globally

### **WEAKNESS:-**

- **Greater operational costs and a lower rate of profits:-** Though the company has the acquisition of brands like Jaguar and Landrover which were successful in the initial years it made the company more dependent on its subsidiaries. This resulted in a decrease in the overall sales and profits of the company from the last five years.
- **No Foothold in Luxury Segment:-** Tata Motors is still struggling to find a strong foothold in the luxury market, where profit rates are more.
- **Limited Presence:-** As we saw that Tata Motors is operating the business in over 125 countries globally. But, unfortunately, the company failed to make a strong impact like its competitive brands like Ford, Toyota, Honda and Volkswagen.

## **OPPORTUNITY:-**

- **Digital Marketing:-** We are all familiar with the terms of digital marketing and the benefits of marketing a product digitally. Almost every top brand and company is using social media to connect with their target audience. Tata Motors should also take full advantage of all the platforms of social media and increase their engagement with their target audience. Which will help the company to get proper feedback about improving the products and services.
- **The Supply Chain and Service:-** The best way for the company to enlarge its market further is by expanding its supply chain system and distribution network in its current market.
- **Acquisition, Merger, Joint Venturing :-** This has already helped the company before as it already has famous brands like Jaguar, Daewoo, Hitachi etc. The company should keep following the same pattern with other brands. As it will help the company to increase its sales and profitability.

## **THREATS:-**

- **Pandemic :-** Pandemic was not only deadly to health but also to the economy as well all around the world. During the pandemic,- people lost jobs and lots of companies went out of business. Pandemic will always be a big threat to all the companies and businesses out there.
- **Competitors :-** Tesla, Honda, Hyundai, BMW etc are big competitors of Tata Motors. Competitors market share growth and customer's market expansion results in lower market share for the company.
- **Price:-** The competitors are always in competition with Tata Motors on price as they offer the latest advanced designs and features at lower prices. Which in return impacts the sales and profit of Tata Motor

## **MARUTI SUZUKI:-**

Maruti Suzuki India Limited, formerly known as Maruti Udyog Limited, is an Indian automobile manufacturer headquartered in New Delhi. It is a subsidiary of the Japanese automotive manufacturer Suzuki Motor Corporation.



Maruti Suzuki has 3,598 sales outlets across 1,861 cities in India. The Brand Trust Report published by Trust Research Advisory, a brand analytics company, has ranked Maruti Suzuki in the thirty-seventh position in 2013 and ninth position in 2019 among the most trusted brands of India.

Maruti Suzuki has two manufacturing facilities in Haryana (Gurugram and Manesar), and one manufacturing complex in Gujarat wholly owned by parent company Suzuki which supplies its entire production to Maruti Suzuki. All manufacturing facilities have a combined production capacity of 2,250,000 vehicles annually (1.5 million from Maruti Suzuki's two plants and 750,000 from Suzuki Motor Gujarat).

Many of the auto component companies, other than Maruti Suzuki, started to offer compatible components and accessories. This caused a serious threat and loss of revenue to Maruti Suzuki. Maruti Suzuki started a new initiative under the brand name Maruti Genuine Accessories to offer accessories like alloy wheels, body cover, carpets, door visors, fog lamps, stereo systems, seat covers and other car care products.

**MARUTI SUZUKI INDIA LIMITED**

FORMERLY	MARUTI UDYOG LIMITED
TYPE	PUBLIC
TRADED AS	BSE :- 532500 NSE :- MARUTI BSE SENSEX CONSTITUENT NSE NIFTY 50 CONSTITUENT
INDUSTRY	AUTOMOTIVE
FOUNDED	24 FEB 1981
FOUNDER	GOVERNMENT OF INDIA
HEADQUATER	NEW DELHI,INDIA
AREA SERVED	INDIA
KEY PEOPLE	R.C BHARGAVA(CHAIRMAN) HISHAHI TAKEUCHI(CEO& MD) KENICHI AGRAWAL(EXECUTIVE VICE CHAIRMAN)
REVENUE	RS.73,278.9 CRORE
TOTAL ASSESTS	RS.70,067.4 CRORE
NO.OF EMPLOYEES	16,025

## **MISSION AND VISION STATEMENT OF MARUTI SUZUKI:-**

### **MISSION:-**

Maruti Suzuki's mission statement says, "**To be The Leader in the Indian Automobile Industry, Creating Customer Delight and Shareholder's Wealth; A pride of India.**"

### **VISION:-**

The Leader in the Indian Automobile Industry, Creating Customer Delight<sup>1</sup> and Shareholder's Wealth<sup>2</sup>; eventually become a pride of India”

Customer Delight is making sure that performance, after sales service and customer support are best and beyond expectation. Shareholder’s wealth is the prime concern for running business smoothly.

### **VALUES:-**

#### **ClientCentric:-**

We put our clients first in everything we do. We actively listen to our clients to understand their needs and expectations.

#### **QualityandExcellence:-**

We go above and beyond to deliver the highest quality solution and exceed our client’s expectations.

#### **Trust:-**

We consider trust as the basis for working together, between colleagues and in collaboration with partners and clients.

#### **Credibility:-**

We act with professionalism and conduct ourselves with the highest sense of professionalism and ethics, and promote honesty, integrity and competency in our people.



**Commitment:**

Full of spirit and drive we engage ourselves to achieve set goals together with our clients. We are only satisfied when our clients are satisfied.

**SWOT ANALYSIS OF MARUTI SUZUKI:-**

**STRENGTHS:-**

- **Market Share:** Maruti Suzuki has a large market share with a share value of 45 percent which is comparatively more if compared to its competitors and this is one of the biggest strengths of Maruti Suzuki.
- **Brand Value:** Maruti Suzuki has high brand recognition and a large consumer base. Also earned a good reputation for selling second-hand vehicles of good quality through its true value chain.
- **Product Quality:** Maruti Suzuki engine capacity is supreme which provides more mileage as compared to its competitors, their cars require less maintenance and service cost is the lowest in the market. These advantages give Maruti Suzuki a complete edge over its competitors in terms of capturing the market of the lower and middle class which percentage is more as compared to the rich class.

## **WEAKNESS:-**

- **Weak Interior Quality:** Maruti Suzuki's interior quality is weak in comparison with the high-quality interior of Hyundai, Maruti Suzuki, Volkswagen etc. Also, the build quality of Maruti Suzuki cars is a little bit low compared to these competitors.
- **Government Intervention:** Government intervenes because of having a share in Maruti Suzuki as it's owned by the government and a public company. Strategic decisions are dependent upon government approvals.
- **Diversification in the Workforce:** The workforce at Maruti Suzuki Motors is analyzed with mostly local workers, and low amounts of workers from other ethnical backgrounds. Lack of diversification makes it difficult for employees from different ethnical backgrounds to adapt at the workplace, leading to loss of talent.

## **OPPORTUNITY:-**

- **Collaborations:** Maruti Suzuki can jointly work with big car manufacturers to bring innovations in the market by improving relations. Just like recently, Maruti Suzuki is working with Toyota on a project to launch small electric SUVs in the market.
- **Technological Developments:** Technology succeeds with numerous advantages among many departments. Operations can be automated to diminish costs. Technology enables better data to be obtained from customers and improves trading accomplishments.
- **Immense Production Potential:** Maruti Suzuki has immense potential in foreign markets and it is a rapidly growing market for automobiles. It can tap into European and other untouched markets where growth potential is even more.

## **THREATS:-**

- **Fall in Market Share:** Maruti Suzuki has experienced a great fall in its market share because of the higher increment in market share of other brands, such as Figgo, Ford, Volkswagen. Also, Maruti Suzuki registered a sales drop in January 2022.
- **Intense Competition:** China intends to join the Indian car market which can create immense competition. Also, Maruti Suzuki has other competitors from global automotive brands.
- **Controversies:** Maruti Suzuki is facing certain controversies such as its cars are failing accident tests and safety benchmarks which is one of the most important aspects customers look into before purchasing any car.
- **Costs and Expenses:** Higher fuel costs including demonetization expenses and economic recession has caused decreasing purchases by customers.

# **RESEARCH STUDY**

**Shinde Govind P. & Dubey Manisha (2011) :**

The study has been conducted considering the segments such as passenger vehicle, commercial vehicle, utility vehicle, two and three wheeler vehicle of key players performance and also analyze SWOT analysis and key factors influencing growth of automobile industry.

**Dawar Varun (2012):-**

Study to analyze the effect of various fundamental corporate policy variables like dividend, debit, capital expenditure on stock prices of automobile companies of India. The study tends that dividend & investment policy are relevant and capital structure irrelevant to stock prices.

**Murlidhar, A. Lok Hande & Rana Vishal S. (2013):-**

The author tries to evaluate the performance of Hyundai Motors Company with respect to export, Domestic Sales, productions and profit after tax. For this purpose, the pie chart and bar graph are used to show the performance of company various years.

**Shende Vikram (2014):-**

This research will be helpful for the new entrants and existing car manufacturing companies in India to find out the customer expectations and their market offerings. The objective of study is the identification of factors influencing customers performance for particular segment of cars.

**Shivam Mathur and Krati Agarwal (2016)**

“Financial analysis of automobile industries (A comparative study of Tata Motors and Maruti Suzuki)” in their research study show that net sales of Maruti Suzuki is higher than the net sales of Tata motors. This means Maruti has more sales. In Maruti Suzuki the proportion of debt is lower as compared to Tata Motors. The earning per share of Maruti Suzuki is more than tata motors which shows Maruti Suzuki is earning more. Study show that Maruti Suzuki is better than Tata Motors.

**Priyanka R Gowda (2017)**

“Financial Performance Analysis as a determinant of Profitability in Indian Automobile Industry” This study show that ratio analysis helps to compare the financial statements of the firms and comparison of financial performance also investigated over a period of time. The study found the positive strong relationship between current ratio and quick ratio. Many analyst believe that quick ratio indicates an adequate ability to satisfy current obligations but one should aware that such general rule do not apply to all situations. A more significant evaluation is obtained by comparing the current ration and quick ratio.

**Kallu Rao (1993)**

“A study of intercompany financial analysis of tea industry- retrospect and prospect”. An attempt has been made in this study to analyse the important variables of tea industry and projected future trends regarding sales and profit for next 10 years periods, with a view to help the policy makers to take appropriate decisions. Various financial ratios have been calculated for analysing the financial health of the industry. The recent changes in Indian economic policies will boost up the foreign exchange earnings, which will benefit those companies, which are exporting to hard currency areas.

**Jothi K. & Greethalakshmi, A. (2017)**

this study tries to evaluate the profitability and financial position of selected companies of Indian automobile industry using statistical tools like ratio analysis, mean, standard deviation, correlation. The study reveals the positive relationship between profitability, short term and long-term cap.

## **PROBLEM DEFINATION**

The automotive industry is a highly competitive sector, and companies are continuously striving to gain an edge over their competitors. Two prominent players in the Indian automobile industry are Tata Motors and Maruti Suzuki. Both companies have a significant market share and a strong presence in the country.

The purpose of this research project is to conduct a comparative ratio analysis of Tata Motors and Maruti Suzuki. Ratio analysis is a tool used to evaluate a company's financial performance, and it involves calculating and analyzing various ratios that measure different aspects of a company's financial health.

## **OBJECTIVES OF STUDIES**

The purpose of the study is to analyze the financial performance of automobile companies in India.

. The specific objectives are: -

1. To study the automobile sector and its current trends.
2. To evaluate the liquidity position of companies in automobile industry.
3. To measure the profitability of companies in automobile industry.
4. To evaluate the financial strength of companies in automobile industry.



## **HYPOTHESIS**

Hypothesis for the study are as follows:

- 1) H<sub>0</sub>: There is no significant difference between high or low financial efficiency of companies in automobile industry in India.
  
- 2) H<sub>1</sub>: There will be significant difference between high or low Financial efficiency of companies in automobiles in India.

## **SCOPE OF STUDY**

- 1) **Financial Performance:** Analyzing the financial performance of both companies by comparing their profitability ratios, liquidity ratios, solvency ratios, and efficiency ratios over a period of time.
- 2) **Market Share:** Examining the market share of Tata Motors and Maruti Suzuki in the automobile industry in India and globally.
- 3) **Competitive Advantage:** Assessing the competitive advantage of both companies in terms of their product offerings, pricing strategies, distribution networks, and branding efforts.
- 4) **Industry Analysis:** Conducting an analysis of the overall automobile industry in India and globally, including market trends, key drivers, and challenges, and assessing how each company is performing in the industry.
- 5) **Corporate Governance:** Analyzing the corporate governance practices of both companies, including board composition, executive compensation, and shareholder rights.

# **RESEARCH METHODOLOGY**

The research design of the present study is basically exploratory in nature. This Include following sections: -

**Sample size and Period of study: -**

Top two companies have been selected for the present study and proposed study are limited to a select sample of automobile companies during the period of 2017-21.

**Data collection: -**

The present study is based on secondary data. Data has been collected from published annual reports, companies website and PROWESS database(CMIE).

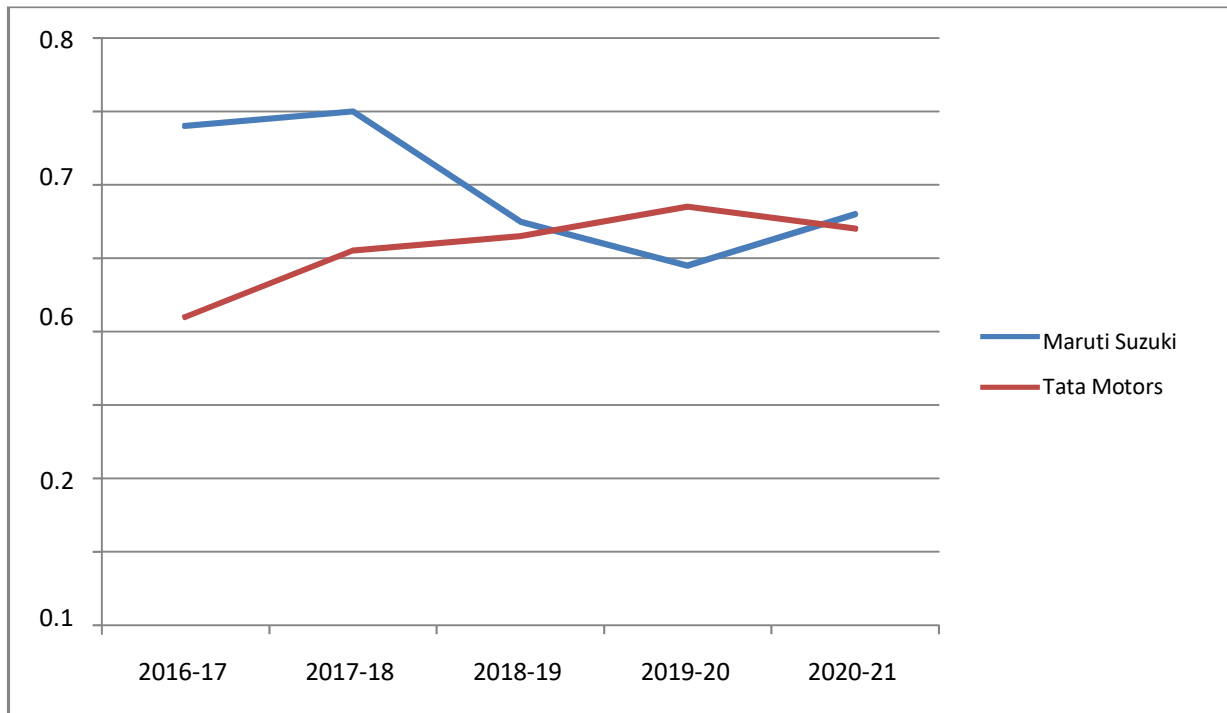
**Tools and Techniques for Analysis: -**

- Ratio Analysis
- Arithmetic mean
- Standard deviation

# **DATA ANALYSIS AND INTERPRETATION**

## 1. CURRENT RATIO:-

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21
Maruti Suzuki India	0.68	0.7	0.55	0.49	0.56
Tata Motors	0.42	0.51	0.53	0.57	0.54

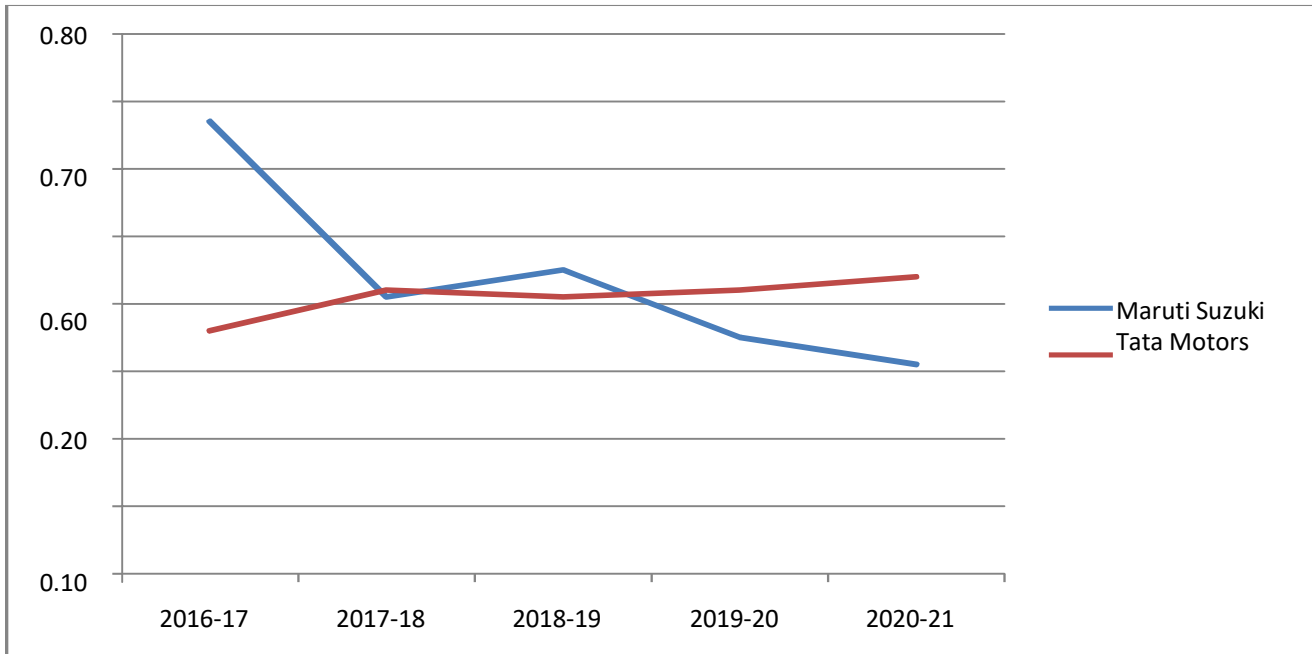


### Interpretation:-

This ratio is used to assess the firm's ability to meet its short-term liabilities on time. In the above graph, the current ratio of Tata Motors from 2017 to 2021 was respectively 0.68, 0.7, 0.55, 0.49, and 0.56, and Maruti Suzuki from 2017 to 2021 was respectively 0.42, 0.51, 0.53, 0.57, and 0.54. In 2021, Tata Motors was more than Maruti Suzuki's ability to meet its short-term liabilities.

## 2. QUICK RATIO:-

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21
Maruti Suzuki India	0.67	0.41	0.45	0.35	0.31
Tata Motors	0.36	0.42	0.41	0.42	0.44



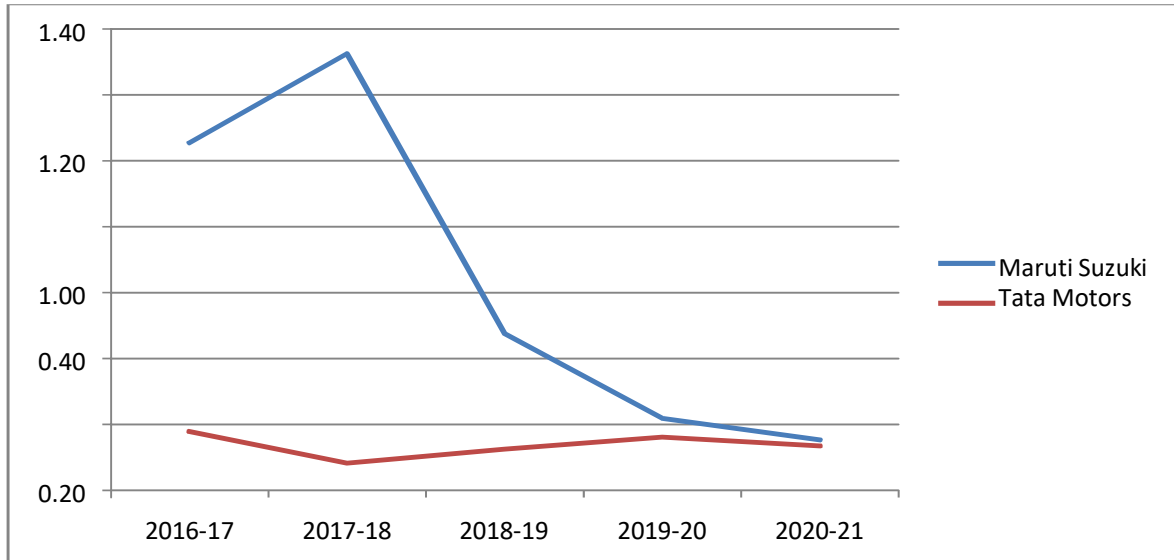
### Interpretation:-

The quick ratio of Tata Motors in the year 2016-17 was very low at 0.36. Thereafter it increases to 0.42 in the year 2017-18. In the year 2018-19 it is quite similar to 0.41 and it again increases to 0.42 and 0.44 in the year 2019-20 and 2020-21.

The Quick ratio of Maruti Suzuki declines steeply from the year 2017-21 whereas the Quick Ratio of Tata Motors shows a considerably less movement toward up between 0 to 0.8 from the year 2017-21.

### 3. CASH RATIO:-

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21
Maruti Suzuki India	1.05	1.32	0.47	0.22	0.15
Tata Motors	0.18	0.08	0.12	0.16	0.13



#### Interpretation:

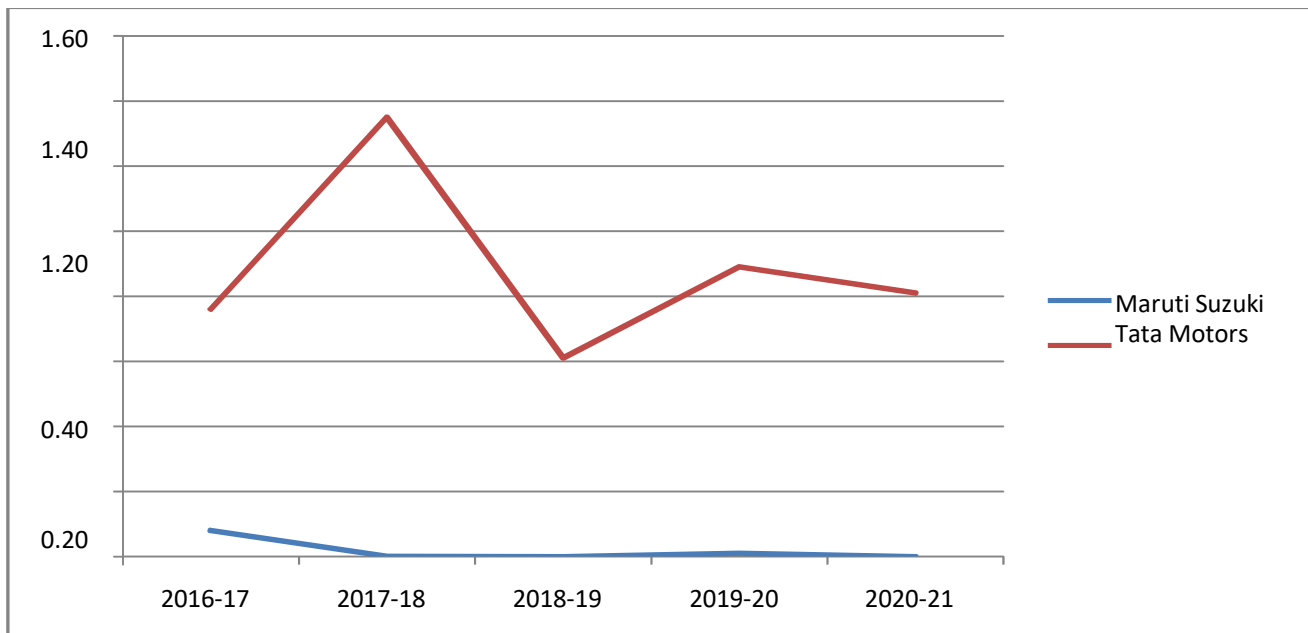
The cash ratio of Maruti Suzuki was 1.05 in the year 2016-17. It increased to 1.32 in the year 2017-18. It declined to 0.47 in the 2018-19. It further decreased to 0.22 in the year 2019-20. In 2020-21 it observed the lowest among all the stated years. The cash ratio of Tata Motors in the year 2016-17 was 0.18. It declined in 2017-18 to 0.08. In the next year it observed an increase to 0.12. It further increased to 0.16 in the year 2019-20. And in the year 2020-21 it declined to 0.13.

The Cash ratio of Maruti Suzuki declines steeply from the year 2017-19 and then has a stable movement whereas the Cash Ratio of Tata motors shows a considerably less movement between 0 to 0.2 from the year 2016-19 and then becomes stable.



#### 4. DEBT-TO-EQUITY RATIO

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21
Maruti Suzuki India	0.08	0.01	0.00	0.01	0.00
Tata Motors	0.76	1.35	0.61	0.89	0.81



#### Interpretation:

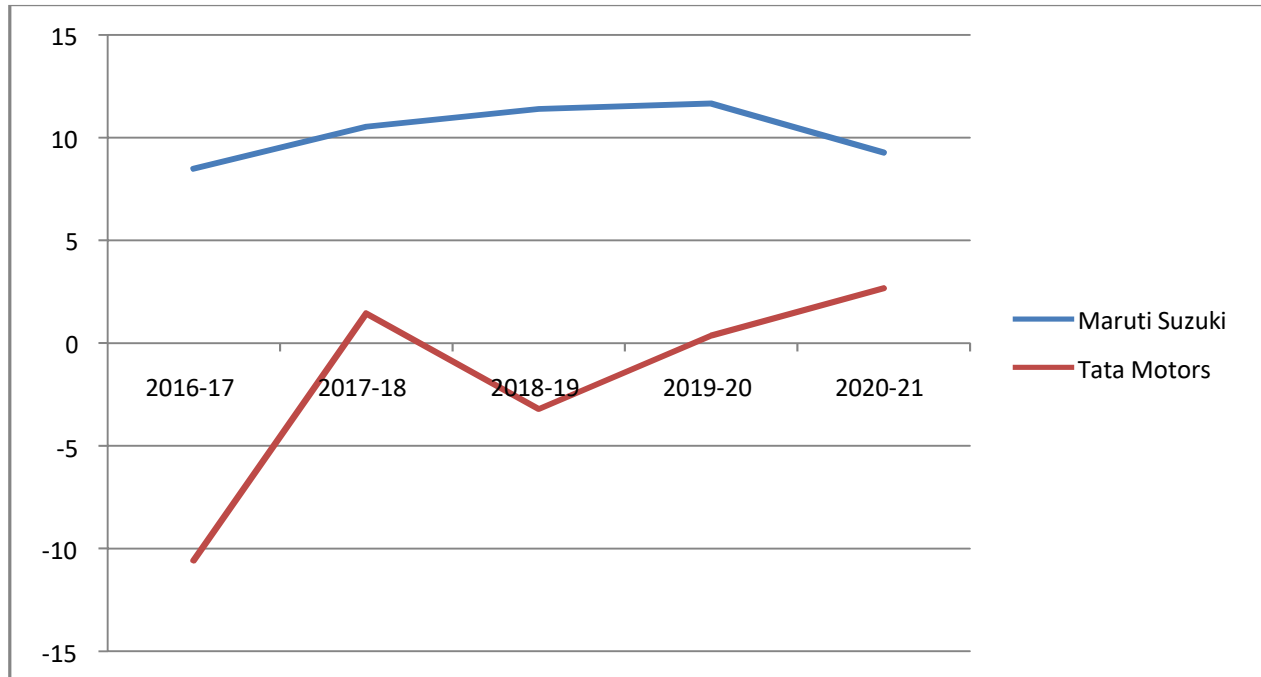
The Debt Equity Ratio of Maruti Suzuki was 0.08 in the year 2016-17. It declined to 0.01 in the year 2017-18. It stood at nil in the next year. It again increased to 0.01 in the year 2019-20 and it stood at nil in the year 2020-21.

The debt equity ratio of Tata Motors of the year 2016-17 was that is 0.76. It increased to 1.35 in the year 2017-18. In the year 2018-19 it declined to 0.61. It increased to 0.89 in 2019-20. In the year 2020-21 it declined to 0.81.

The Debt-to-Equity ratio of Maruti Suzuki decline steeply for the year 2017-18 and then has a maintain until 2021 whereas the Debt-to-Equity ratio of Tata motors shows a considerably good movement between 0.7 to 0.1 from the year 2017-21 and then becomes likely stable.

## 5. GROSS PROFIT RATIO:-

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21
Maruti Suzuki India	8.49	10.53	11.39	11.66	9.27
Tata Motors	-10.58	1.44	-3.21	0.35	2.66



### Interpretation:

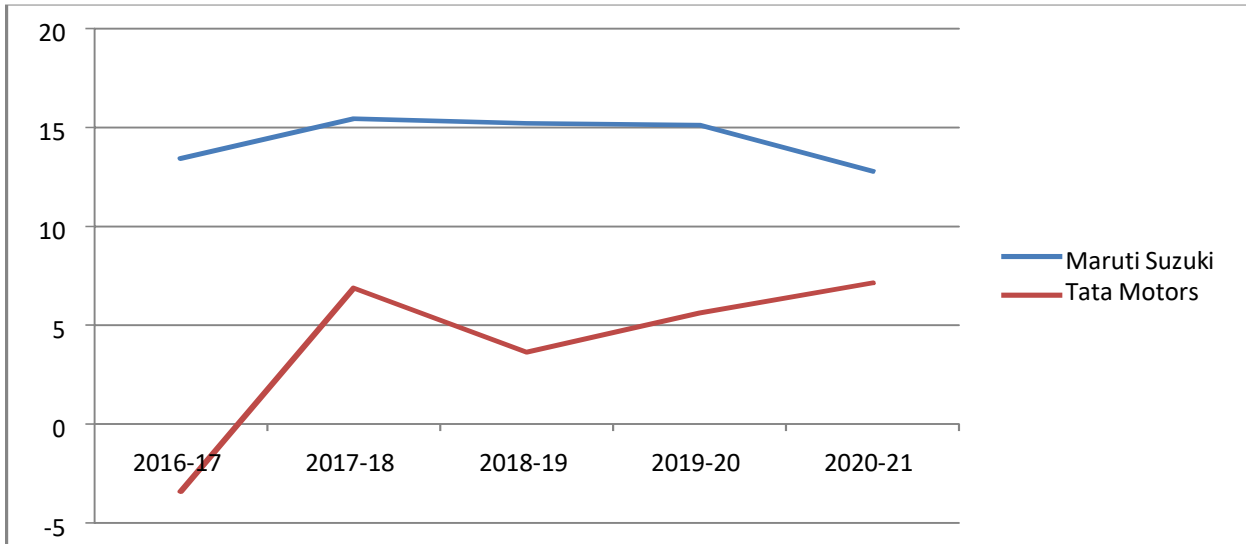
The gross profit ratio of Maruti Suzuki is 6.86 in the year 2015-16 .it increased to 8.37 in the year 2016-17. It observed increment in the further years .it was 9.74 in 2017-18 .in the year 2017-18 and 2018—19 was 11.32 and 14.61 respectively.

The gross profit ratio of Tata motors is 1.32 in the year 2015-16 .it declined to 1.42 in the year 2016-17 .it observed a further decline to -9.84 in the year 2017-18 .it increased slightly to 1 in the year 2018-19 .it again declined to -5.26 in the year 2019-20.

The Gross Profit ratio of Maruti Suzuki increases continuously from the year 2015-20 whereas the Gross Profit ratio of Tata motors fluctuates between 1 to - 10.

## 6. OPERATING PROFIT RATIO:-

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21
Maruti Suzuki India	13.43	15.44	15.21	15.12	12.78
Tata Motors	-3.4	6.87	3.63	5.62	7.13



### Interpretation:

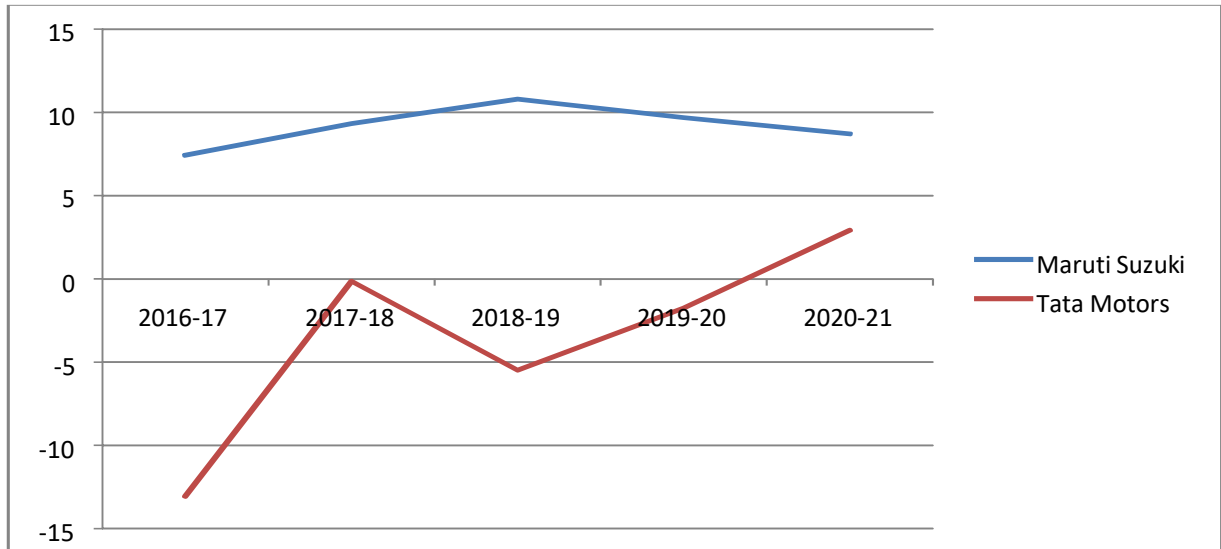
The operating profit ratio of Maruti Suzuki is 6.86 in the year 2015-16 .it increased to 8.37 in the year 2016-17 . Itobserved increment in the further years. It was 9.74 in 2017-18 .in the year 2018-19 and 2019-2020 was 11.32 and 14.61 respectively.

The operating profit ratio of Tata motors is 1.32 in the year 2015-16 .it declined to -1.42 in the year 2016-17 .it observed a further decline to -9.84 in the year 2017-18 .it increased slightly to 1 in the year 2018-19 .it again declined to -5.26 in the year 2019-20

The Operating Profit ratio of Maruti Suzuki increases continuously from the year 2015-19 whereas the Operating Profit ratioof Tata motors fluctuates between 1 to -10.

## 7. NET PROFIT RATIO:-

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21
Maruti Suzuki India	7.42	9.32	10.8	9.68	8.71
Tata Motors	-13.05	-0.14	-5.48	-1.75	2.91



### Interpretation:

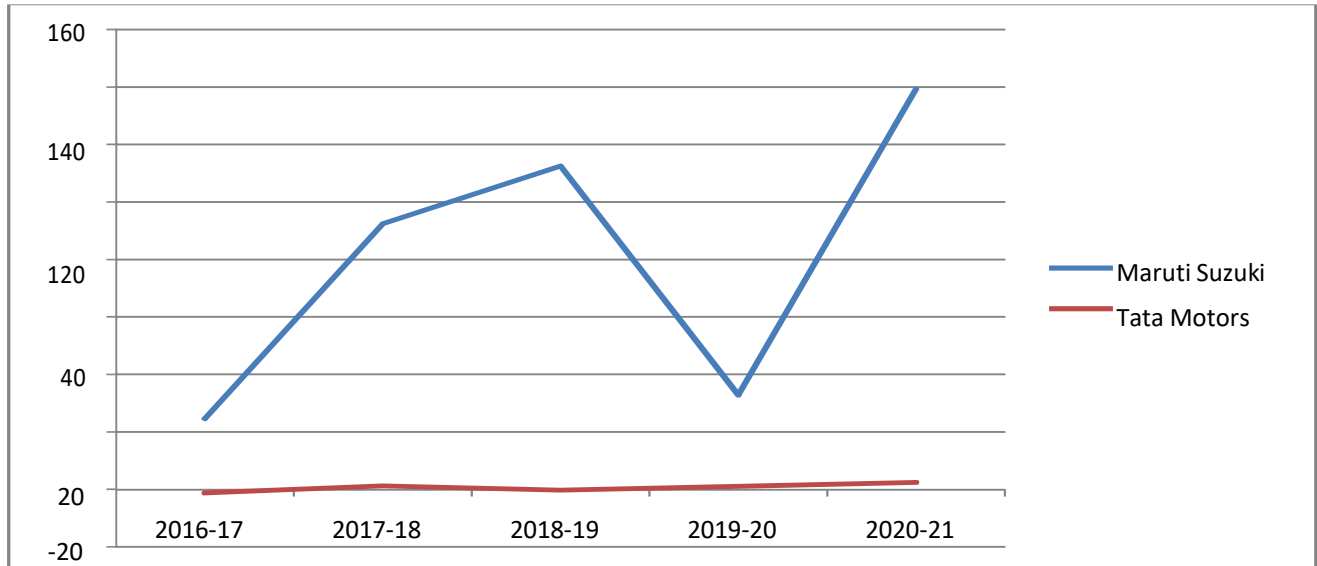
The net profit ratio of Maruti Suzuki is increasing in all the years successively .It is 5.49 in the year 2015-16 .it increased to 6.37, 7.43, 7.92, 10.79 in the years 2016-17, 2017-18, 2018-19 , 2019-20 respectively.

The net profit ratio of Tata motors is increasing in the year 2015-16 and 2016-17 that is 0.67 and 0.98 respectively. It observed a downfall in the year 2017-18 to -13.06. It moved up to -0.15 in the year 2018-19 .in the next year it stood to -5.59.

The Net Profit Margin ratio of Maruti Suzuki increases continuously from the year 2015-19 whereas the Net ProfitMargin ratio of Tata motors fluctuates between 1 to -14.

## 8. INTEREST COVERAGE RATIO:-

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21
Maruti Suzuki India	24.63	92.33	112.41	32.83	139.07
Tata Motors	-1.22	1.27	-0.28	1.01	2.45



### Interpretation:

The interest coverage ratio of Maruti Suzuki increased in the coming years. it stood at 15.76 in the year 2015-16 .it further increased to 20.8, 23.63, 80.18, 111.2 in the Year 2016,2017,2018,2019 respectively.

The interest coverage ratio of Tata motors is almost same over the years. It is 0.43 in the year 2015-16 .it declined to -0.36,-2.22 in the years 2016-17 and 2017-18.it increased to 0.27 in the year 2018-19 .It again declined to -1.47 in 2019-20.

The Interest coverage ratio of Maruti Suzuki increases steeply from the year 2017-19 whereas the Net Profit Margin ratio of Tata motors fluctuates between 0 to - 1.

## **Hypothesis result:-**

**H1:-** There will be significant difference between high or low financial efficiency of companies in automobiles in India.

As we had done the data analysis of various financial ratios of both automobile industries and we got that there is a significant difference between high or low financial efficiency of companies in automobiles industry in India.

## **CONCLUSION AND LIMITATION**

## **CONCLUSION:-**

The study of financial performance of automobile companies (Tata and Maruti) would reflect the company's performance on the basis of its financial ratios and statistical tools involved. It is concluded that financial ratios are the basic and most important part of any business. It describes the firm's financial position. As the data indicates that automobile company has expanded its business on the large geographical area and also offers the large range of products. After applying all the ratios the study concludes that Maruti Suzuki Ltd. is a profitable company in year 2012-13 to 2016-17 because we found that the company is getting a profitable return on short term and long term investment; the ratio increases every year and they are in a position to pay their debts with their resources. Further study revealed that Tata Motors Ltd. is not a profitable company in year 2013 to 2018 because the company is not getting a profitable return on short term and long term investment; the ratio decreases every year and they are not in a position to pay their debts with their resources.

In short, the net sales of Maruti Suzuki are higher than net sales of Tata Motors. It is good for Maruti Suzuki. The gross profit of Maruti Suzuki is higher than Tata Motors. This means Maruti has more sales. In Maruti Suzuki, the proportion of debt is lower as compared to Tata Motors. The earnings per share of Maruti Suzuki are more than Tata Motors, which shows Maruti Suzuki is earning more. After analyzing all the aspects, concerning this research, the study concludes that Maruti Suzuki is better than Tata Motors.



## **LIMITATION OF STUDY:-**

### **Limitations of the study are: -**

- The selection of automobile industry.
- This study is based on secondary data.
- The present study is based on ratio analysis. Ratios has its own limitations.

**RECOMMENDATION AND SUGGESTION**

### **RECOMMENDATION SUGGESTION:-**

From this study it would be clear that Maruti Suzuki has better financial position compare to Tata motors.

Tata motors should be more flexible to capture more customer. Use different models and technique which help to increasing sales.

Tata motors should try to decrease its expense and try to increase sales. Maruti Suzuki has also try to increase it sales and maintain the present percentage of sales.

Tata motors has declining trends in Net profit ratio, so Tata motors can increasing by reducing debts

Operating profit ratio of Tata motor is lower than Maruti Suzuki. Thus, for improving operating Profit ratio Tata motors should reduce cost of goods, reduce labour cost, reduce operating expenses and increase efficiencies of manpower and machinery.

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[www.ace.tatamotors.com](http://www.ace.tatamotors.com)

[www.marutisuzukitruevalue.com](http://www.marutisuzukitruevalue.com)

**ANNEXURE**

Corporate Overview

Statutory Reports

Financial Statements

	Note	Page	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS</b>				
(a) Share capital	2	F-15	679.18	643.78
(b) Reserves and surplus	3	F-17	<u>21,688.90</u>	<u>14,218.81</u>
			<b>22,368.08</b>	14,862.59
<b>2. NON-CURRENT LIABILITIES</b>				
(a) Long-term borrowings	4	F-18	10,687.94	12,318.96
(b) Other long-term liabilities	7	F-20	210.12	286.80
(c) Long-term provisions	9	F-21	<u>1,409.05</u>	<u>2,104.19</u>
			<b>12,307.11</b>	14,709.95
<b>3. CURRENT LIABILITIES</b>				
(a) Short-term borrowings	5	F-18	3,351.74	7,762.01
(b) Trade payables [includes dues of micro and small enterprises <b>R127.39 crores</b> (March 31, 2015 : R139.28 crores)]	11	F-21	8,916.60	8,852.65
(c) Other current liabilities		F-20	4,267.23	3,142.88
(d) Short-term provisions	8	F-21	<u>1,215.49</u>	<u>613.09</u>
	10		<b>17,751.06</b>	<u>20,370.63</u>
<b>TOTAL</b>			<u><b>52,426.25</b></u>	<u>49,943.17</u>
<b>II. ASSETS</b>				
<b>1. NON-CURRENT ASSETS</b>				
(a) Fixed assets		F-22	12,252.78	12,260.50
(i) Tangible assets		F-22	3,511.19	3,522.73
(ii) Intangible assets	12		1,469.71	1,349.95
(iii) Capital work-in-progress	13		<u>5,011.18</u>	<u>4,690.84</u>
(iv) Intangible assets under development			<b>22,244.86</b>	21,824.02
(b) Non-current investments		F-23	16,975.46	16,966.95
(c) Long-term loans and advances	14	F-26	2,363.22	2,403.56
(d) Other non-current assets	16	F-27	<u>136.80</u>	<u>175.67</u>
	18		<b>41,720.34</b>	41,370.20
<b>2. CURRENT ASSETS</b>				
(a) Current investments		F-25	1,736.00	20.22
(b) Inventories		F-28	4,902.20	4,802.08
(c) Trade receivables	15	F-28	1,568.46	1,114.48
(d) Cash and bank balances	20	F-28	452.08	944.75
(e) Short-term loans and advances(f)	21	F-26	1,794.32	1,574.41
Other current assets	22	F-27	<u>252.85</u>	<u>117.03</u>
	17		<b>10,705.91</b>	8,572.97
<b>TOTAL</b>	19		<u><b>52,426.25</b></u>	<u>49,943.17</u>
<b>III. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>				

Independent Auditors' Report	Balance Sheet (F-8)	Statement of Profit and Loss (F-9)	Cash Flow Statement	Notes to Accounts	
		Note	Page	2015-2016	2014-2015
<b>I. REVENUE FROM OPERATIONS</b>		23 (1)	F-29	<b>46,646.67</b>	39,531.23
Less: Excise duty				<u>(4,276.85)</u>	<u>(3,229.60)</u>
				<b>42,369.82</b>	36,301.63
				<u>2,132.92</u>	<u>1,881.41</u>
<b>II. OTHER INCOME</b>		23 (2)	F-29	<u><b>44,502.74</b></u>	<u>38,183.04</u>
<b>III. TOTAL REVENUE (I + II)</b>					
<b>IV. EXPENSES:</b>					
(a) Cost of materials consumed		39	F-41		22,155.23
(b) Purchase of products for sale		35	F-39		5,765.24
(c) Changes in inventories of finished goods, work-in-progress, and products for sale					
(d) Employee cost / benefits expense		24	F-30	<b>24,313.08</b>	(878.82)
(e) Finance cost		25	F-30	<b>5,259.27</b>	3,091.46
(f) ) Depreciation and amortisation expense			F-22		1,611.68
(g) Product development expense / Engineering expenses					2,603.22
(h) Other expenses		26	F-30	<b>22.94</b>	<u>437.47</u>
(i) Expenditure transferred to capital and other accounts				<b>3,026.75</b>	8,087.28
<b>TOTAL EXPENSES</b>				<b>1,481.11</b>	(1,118.75)
				<b>2,453.75</b>	41,754.01
				<b>424.61</b>	
				<b>8,041.81</b>	
				<b>(1,034.18)</b>	
<b>V. PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND TAX (III - IV)</b>				<u><b>43,989.14</b></u>	
<b>VI. EXCEPTIONAL ITEMS</b>				<b>513.60</b>	(3,570.97)
(a) Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans				<b>91.37</b>	320.50
(b) Provision for investment and costs associated with closure of operations of a subsidiary				<b>97.86</b>	-
(c) Employee separation cost				<b>10.04</b>	83.25
(d) Impairment of capitalised fixed assets				<b>163.94</b>	<u>-</u>
<b>VII. PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)</b>				<u><b>363.21</b></u>	<u>403.75</u>
VIII. Extraordinary items				<b>150.39</b>	(3,974.72)
<b>IX. PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (VII - VIII)</b>				<u><b>150.39</b></u>	<u>(3,974.72)</u>
X. Tax expense / (credit) (net)		6 (b)	F-19	<u>(83.84)</u>	<u>764.23</u>
<b>XI. PROFIT / (LOSS) AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS (IX - X)</b>				<u><b>234.23</b></u>	<u>(4,738.95)</u>
<b>XII. EARNINGS PER SHARE</b>		27	F-31		
A. Ordinary shares (Face value of R 2 each)					
a. Basic		R		<b>0.68</b>	(14.57)
b. Diluted		R		<b>0.68</b>	(14.57)
B. 'A' Ordinary shares (Face value of R 2 each)					
a. Basic		R		<b>0.78</b>	(14.57)
b. Diluted		R		<b>0.78</b>	(14.57)



Corporate Overview

Statutory Reports

Financial Statements

(Standalone)

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>I. ASSETS</b>				
<b>1. NON-CURRENT ASSETS</b>				
(a) Property, plant and equipment	3	17,364.77	17,573.25	17,389.90
(b) Capital work-in-progress		1,870.93	1,557.95	1,516.91
(c) Goodwill		99.09	99.09	99.09
(d) Other intangible assets	5	2,773.69	3,403.47	3,221.45
(e) Intangible assets under development		5,366.03	4,128.58	3,841.00
(f) Investments in subsidiaries, joint ventures and associates	6	14,778.87	14,590.41	14,581.90
(g) Financial assets				
(i) Investments	8	528.37	627.07	626.26
(ii) Loans and advances	10	389.61	252.93	310.73
(iii) Other financial assets	12	196.32	102.92	158.60
(h) Non-current tax assets (net)		724.58	799.63	647.24
(i) Other non-current assets	14	1,856.28	1,679.01	1,612.76
		<b>45,948.54</b>	<b>44,814.31</b>	<b>44,005.84</b>
<b>2. CURRENT ASSETS</b>				
(a) Inventories	16	5,504.42	5,117.92	5,019.46
(b) Investments in subsidiaries, joint ventures and associates	7	-	-	15.54
(c) Financial assets				
(i) Investments	9	2,400.92	1,745.84	4.68
(ii) Trade receivables	17	2,128.00	2,045.58	1,448.39
(iii) Cash and cash equivalents	19	188.39	427.07	1,066.47
(iv) Bank balances other than (iii) above	20	97.67	361.35	83.94
(v) Loans and advances	11	231.35	484.44	342.58
(vi) Other financial assets	13	100.76	125.20	40.47
(d) Current tax assets (net)		129.49	3.84	106.62
(e) Other current assets	15	1,807.06	1,550.45	1,345.91
		<b>12,588.06</b>	<b>11,861.69</b>	<b>9,474.06</b>
		<b>58,536.60</b>	<b>56,676.00</b>	<b>53,479.90</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital	21	679.22	679.18	643.78
(b) Other equity	22	20,129.93	22,582.93	14,505.58
		<b>20,809.15</b>	<b>23,262.11</b>	<b>15,149.36</b>
<b>LIABILITIES</b>				
<b>1. NON-CURRENT LIABILITIES</b>				
(a) Financial liabilities				
(i) Borrowings	23	13,686.09	10,599.96	12,234.88
(ii) Other financial liabilities	25	1,123.66	2,911.84	3,749.76
(b) Provisions	27	850.71	750.89	711.54
(c) Deferred tax liabilities (net)	29	97.95	71.39	66.34
(d) Other non-current liabilities	30	321.24	378.07	380.86
		<b>16,079.65</b>	<b>14,712.15</b>	<b>17,143.38</b>
<b>2. CURRENT LIABILITIES</b>				
(a) Financial liabilities				
(i) Borrowings	24	5,375.52	3,654.72	8,173.02
(ii) Trade payables [includes dues of micro and small enterprises ₹ 123.27 crores (as at March 31, 2016 ₹ 128.40 crores and as at April 1, 2015 ₹ 139.43 crores)]		7,015.21	5,141.17	5,000.18
(iii) Acceptances		4,379.29	3,887.28	3,950.53
(iv) Other financial liabilities	26	2,465.14	3,784.19	2,324.90
(b) Provisions	28	467.98	450.27	378.77
(c) Current tax liabilities (net)		80.64	79.27	60.50
(d) Other current liabilities	31	1,864.02	1,704.84	1,299.26
		<b>21,647.80</b>	<b>18,701.74</b>	<b>21,187.16</b>
		<b>58,536.60</b>	<b>56,676.00</b>	<b>53,479.90</b>

See accompanying notes to financial statements  
In terms of our report attached

For and on behalf of the Board

		Year ended March 31,	
		2017	2016
	Note		
<b>I.</b>	Income from operations	49,100.41	47,383.61
<b>II.</b>	Other Income	978.84	1,402.31
<b>III.</b>	<b>Total Income (I + II)</b>	<b>50,079.25</b>	<b>48,785.92</b>
<b>IV.</b>	<b>Expenses:</b>		
(a)	Cost of materials consumed	27,654.40	24,997.40
(b)	Purchases of products for sale	3,945.97	4,101.97
(c)	Changes in inventories of finished goods, work-in-progress, and products for sale	(251.43)	10.05
(d)	Excise duty	4,736.41	4,538.14
(e)	Employee benefits expense	3,558.52	3,188.97
(f)	Finance costs	1,590.15	1,592.00
(g)	Foreign exchange (gain)/loss (net)	(252.45)	222.91
(h)	Depreciation and amortisation expense	2,969.39	2,329.22
(i)	Product development/Engineering expenses	454.48	418.27
(j)	Other expenses	8,697.42	8,216.65
(k)	Amount capitalised	(941.55)	(1,034.40)
	<b>Total Expenses (IV)</b>	<b>52,161.31</b>	<b>48,581.18</b>
<b>V.</b>	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>	<b>(2,082.06)</b>	<b>204.74</b>
<b>VI.</b>	<b>Exceptional Items</b>		
(a)	Provision for impairment of investments and cost associated with closure of operations of a subsidiary	-	97.86
(b)	Provision for impairment of investment in a subsidiary	123.17	-
(c)	Impairment of capitalised property, plant and equipment and other intangible assets	-	163.94
(d)	Employee separation cost	67.61	10.04
(e)	Others	147.93	-
<b>VII.</b>	<b>Profit/(loss) before tax (V-VI)</b>	<b>(2,420.77)</b>	<b>(67.10)</b>
<b>VIII.</b>	<b>Tax expense/(credit) (net)</b>		
(a)	Current tax	44.52	(7.34)
(b)	Deferred tax	14.70	2.54
	<b>Total Tax Expense/(credit)</b>	<b>59.22</b>	<b>(4.80)</b>
<b>IX.</b>	<b>Profit/(loss) for the year from continuing operations (VII-VIII)</b>	<b>(2,479.99)</b>	<b>(62.30)</b>
<b>X.</b>	<b>Other comprehensive income/(loss):</b>		
A.	(i) Items that will not be reclassified to profit or loss:		
	a. Remeasurement gains and (losses) on defined benefit obligations (net)	10.18	20.77
	b. Equity instruments fair value through other comprehensive income	73.84	81.19
	(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss	(3.79)	(7.19)
B.	(i) Items that will be reclassified to profit or loss - gains and (losses) in cash flow hedges	23.32	(13.98)
	(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss	(8.07)	4.68
	<b>Total other comprehensive income/(loss), net of taxes</b>	<b>95.48</b>	<b>85.47</b>
<b>XI.</b>	<b>Total comprehensive income/(loss) for the year (IX+X)</b>	<b>(2,384.51)</b>	<b>23.17</b>
<b>XII.</b>	<b>Earnings per equity share (EPS)</b>		
A.	Ordinary shares (face value of ₹ 2 each):		
	(i) Basic	₹ (7.30)	(0.18)
	(ii) Diluted	₹ (7.30)	(0.18)
B.	'A' Ordinary shares (face value of ₹ 2 each):		
	(i) Basic	₹ (7.30)	(0.18)
	(ii) Diluted	₹ (7.30)	(0.18)

See accompanying notes to financial statements

		Notes As at March 31, 2018	(in crores) As at March 31, 2017	
<b>I. ASSETS</b>				
<b>(1) NON-CURRENT ASSETS</b>				
(a)	Property, plant and equipment	3	18,192.52	17,897.12
(b)	Capital work-in-progress		1,371.45	1,902.61
(c)	Goodwill		99.09	99.09
(d)	Other intangible assets	5 (a)	3,312.14	2,776.71
(e)	Intangible assets under development	5 (b)	3,825.15	5,368.38
(f)	Investments in subsidiaries, joint ventures and associates	6	13,950.60	14,330.02
(g)	Financial assets			
(i)	Investments	8	310.19	528.37
(ii)	Loans and advances	10	143.96	391.46
(iii)	Other financial assets	12	793.40	196.32
(h)	Non-current tax assets (net)		695.75	772.67
(i)	Other non-current assets	14	1,546.39	1,858.45
			<b>44,240.64</b>	<b>46,121.20</b>
<b>(2) CURRENT ASSETS</b>				
(a)	Inventories	16	5,670.13	5,553.01
(b)	Investments in subsidiaries and associate (held-for-sale)	7	681.91	-
(c)	Financial assets			
(i)	Investments	9	1,820.87	2,437.42
(ii)	Trade receivables	17	3,479.81	2,128.00
(iii)	Cash and cash equivalents	19	546.82	228.94
(iv)	Bank balances other than (iii) above	20	248.60	97.67
(v)	Loans and advances	11	140.27	215.96
(vi)	Other financial assets	13	646.31	141.54
(d)	Current tax assets (net)		73.88	129.49
(e)	Assets classified as held-for-sale	47(iv)	223.33	-
(f)	Other current assets	15	1,439.73	1,825.05
			<b>14,971.66</b>	<b>12,757.08</b>
	<b>TOTAL ASSETS</b>		<b>59,212.30</b>	<b>58,878.28</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a)	Equity share capital	21	679.22	679.22
(b)	Other equity		19,491.76	20,483.39
			<b>20,170.98</b>	<b>21,162.61</b>
<b>LIABILITIES</b>				
<b>(1) NON-CURRENT LIABILITIES</b>				
(a)	Financial liabilities			
(i)	Borrowings	23	13,155.91	13,686.09
(ii)	Other financial liabilities	25	211.28	1,130.23
(b)	Provisions	27	1,009.48	892.18
(c)	Deferred tax liabilities (net)		154.61	147.58
(d)	Other non-current liabilities	30	291.09	321.24
			<b>14,822.37</b>	<b>16,177.32</b>
<b>(2) CURRENT LIABILITIES</b>				
(a)	Financial liabilities			
(i)	Borrowings	24	3,099.87	5,158.52
(ii)	Trade payables [includes dues of micro and small enterprises ` 141.59 crores (as at March 31, 2017 ` 125.11 crores)]		9,411.05	7,082.95
(iii)	Acceptances		4,814.58	4,379.29
(iv)	Other financial liabilities	26	4,091.16	2,485.94
(b)	Provisions	28	862.92	477.17
(c)	Current tax liabilities (net)		21.77	83.68
(d)	Other current liabilities	31	1,917.60	1,870.80
			<b>24,218.95</b>	<b>21,538.35</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>59,212.30</b>	<b>58,878.28</b>

(in crores)

	Notes	Year ended March31, 2018	Year ended March 31, 2017
<b>I. Revenue from operations</b>	32	59,624.69	49,054.49
<b>II. Other Income</b>	33	1,557.60	981.06
<b>III. Total Income (I+II)</b>		<b>61,182.29</b>	<b>50,035.55</b>
<b>IV. Expenses</b>			
(a) Cost of materials consumed		37,080.45	27,651.65
(b) Purchases of products for sale		4,762.41	3,945.97
(c) Changes in inventories of finished goods, work-in-progress and products for sale		842.05	(252.14)
(d) Excise duty	32(2)	793.28	4,738.15
(e) Employee benefits expense	34	3,966.73	3,764.35
(f) Finance costs	35	1,744.43	1,569.01
(g) Foreign exchange (gain)/loss (net)		17.14	(252.78)
(h) Depreciation and amortisation expense		3,101.89	3,037.12
(i) Product development/Engineering expenses		474.98	454.48
(j) Other expenses	36	9,234.27	8,335.90
(k) Amount capitalised		(855.08)	(941.60)
<b>Total Expenses (IV)</b>		<b>61,162.55</b>	<b>52,050.11</b>
<b>V. Profit/(loss) before exceptional items and tax (III-IV)</b>		19.74	(2,014.56)
<b>VI. Exceptional items</b>			
(a) Provision for impairment of investment in a subsidiary		-	123.17
(b) Employee separation cost		3.68	67.61
(c) Provision for impairment of capital work-in-progress and intangibles under development	37(a)	962.98	-
(d) Others	37(b)	-	147.93
<b>VII. Profit/(loss) before tax (V-VI)</b>		<b>(946.92)</b>	<b>(2,353.27)</b>
<b>VIII. Tax expense/(credit) (net)</b>			
(a) Current tax		92.63	57.06
(b) Deferred tax		(4.70)	19.27
<b>Total tax expense/(credit)</b>		<b>87.93</b>	<b>76.33</b>
<b>IX. Profit/(loss) for the year from continuing operations (VII-VIII)</b>		<b>(1,034.85)</b>	<b>(2,429.60)</b>
<b>X. Other comprehensive income/(loss):</b>			
(A) (i) Items that will not be reclassified to profit and loss:			
(a) Remeasurement gains and (losses) on defined benefit obligations (net)		18.24	8.24
(b) Equity instruments at fair value through other comprehensive income		44.04	73.84
(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		(6.27)	(3.12)
(B) (i) Items that will be reclassified to profit or loss - gains and (losses) in cash flow hedges		(19.56)	23.32
(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss		6.77	(8.07)
<b>Total other comprehensive income/(loss), net of taxes</b>		<b>43.22</b>	<b>94.21</b>
<b>XI. Total comprehensive income/(loss) for the year (IX+X)</b>		<b>(991.63)</b>	<b>(2,335.39)</b>
<b>XII. Earnings per equity share (EPS)</b>	39		
(A) Ordinary shares (face value of ₹2 each):			
(i) Basic		(3.05)	(7.15)
(ii) Diluted		(3.05)	(7.15)
(B) 'A' Ordinary shares (face value of ₹2 each):			
(i) Basic		(3.05)	(7.15)
(ii) Diluted		(3.05)	(7.15)

	As at March 31, 2019	As at March 31, 2018
<b>I. ASSETS</b>		
<b>(1) NON-CURRENT ASSETS</b>	18,316.61	18,192.52
(a) Property, plant and equipment	2,146.96	1,371.45
(b) Capital work-in-progress(c) Goodwill	99.09	99.09
(d) Other intangible assets	3,871.13	3,312.14
(e) Intangible assets under development	4,139.63	3,825.15
(f) Investments in subsidiaries, joint ventures and associates	14,770.81	13,950.60
(g) Financial assets		
(i) Investments	663.38	310.19
(ii) Loans and advances	143.13	143.96
(iii) Other financial assets	994.39	793.40
(h) Non-current tax assets (net)	715.30	695.75
(i) Other non-current assets	1,819.90	1,546.39
	<b>47,680.33</b>	<b>44,240.64</b>
<b>(2) CURRENT ASSETS</b>		
(a) Inventories	4,662.00	5,670.13
(b) Investments in subsidiaries and associates (held-for-sale)(c) Financial assets	257.81	681.91
(i) Investments		
(ii) Trade receivables	1,175.37	1,820.87
(iii) Cash and cash equivalents	3,250.64	3,479.81
(iv) Bank balances other than (iii) above	487.40	546.82
(v) Loans and advances	819.21	248.60
(vi) Other financial assets	200.08	140.27
(d) Current tax assets (net)	1,279.68	646.31
(e) Assets classified as held-for-sale	-	73.88
(f) Other current assets	162.24	223.33
	934.87	1,439.73
	<b>13,229.30</b>	<b>14,971.66</b>
<b>TOTAL ASSETS</b>	<b>60,909.63</b>	<b>59,212.30</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital		
(b) Other equity	679.22	679.22
	21,483.30	19,491.76
<b>LIABILITIES</b>	<b>22,162.52</b>	<b>20,170.98</b>
<b>(1) NON-CURRENT LIABILITIES</b>		
(a) Financial liabilities		
(i) Borrowings		
(ii) Other financial liabilities		
(b) Provisions		
(c) Deferred tax liabilities (net)	13,919.81	13,155.91
(d) Other non-current liabilities	180.80	211.28
	1,281.59	1,009.48
	205.86	154.61
<b>(2) CURRENT LIABILITIES</b>	218.24	291.09
(a) Financial liabilities	<b>15,806.30</b>	<b>14,822.37</b>
(i) Borrowings		
(ii) Trade payables		
(a) Total outstanding dues of micro and small enterprises		
(b) Total outstanding dues of creditors other than micro and small enterprises	3,617.72	3,099.87
(iii) Acceptances		
(iv) Other financial liabilities	126.96	141.59
(b) Provisions	10,281.87	9,269.46
(c) Current tax liabilities (net)	3,093.28	4,814.58
(d) Other current liabilities	2,237.98	4,091.16
	1,148.69	862.92
	78.30	21.77
<b>TOTAL EQUITY AND LIABILITIES</b>	2,356.01	1,917.60
	<b>22,940.81</b>	<b>24,218.95</b>
	<b>60,909.63</b>	<b>59,212.30</b>

			(in crores)	
			As at	As at
			March 31, 2020	March 31, 2019
			Notes	
<b>I. ASSETS</b>				
<b>(1) NON-CURRENT ASSETS</b>				
(a)	Property, plant and equipment	3	18,870.67	18,316.61
(b)	Capital work-in-progress		1,755.51	2,146.96
(c)	Right of use assets	4 (a)	669.58	-
(d)	Goodwill		99.09	99.09
(e)	Other intangible assets	5 (a)	5,568.64	3,871.13
(f)	Intangible assets under development	5 (b)	2,739.29	4,139.63
(g)	Investments in subsidiaries, joint ventures and associates	7	15,182.29	14,770.81
(h)	Financial assets			
(i)	Investments	9	548.57	663.38
(ii)	Loans and advances	11	138.46	143.13
(iii)	Other financial assets	13	1,512.96	994.39
(i)	Non-current tax assets (net)		727.97	715.30
(j)	Other non-current assets	15	1,208.08	1,819.90
			<b>49,021.11</b>	<b>47,680.33</b>
<b>(2) CURRENT ASSETS</b>				
(a)	Inventories	17	3,831.92	4,662.00
(b)	Investments in subsidiaries and associate (held for sale)	8	-	257.81
(c)	Financial assets			
(i)	Investments	10	885.31	1,175.37
(ii)	Trade receivables	18	1,978.06	3,250.64
(iii)	Cash and cash equivalents	20	2,145.30	487.40
(iv)	Bank balances other than (iii) above	21	1,386.89	819.21
(v)	Loans and advances	12	232.14	200.08
(vi)	Other financial assets	14	1,546.56	1,279.68
(d)	Assets classified as held for sale	50 (iv)	191.07	162.24
(e)	Other current assets	16	1,371.51	934.87
			<b>13,568.76</b>	<b>13,229.30</b>
<b>TOTAL ASSETS</b>			<b>62,589.87</b>	<b>60,909.63</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a)	Equity share capital	22	719.54	679.22
(b)	Other equity		17,668.11	21,483.30
			<b>18,387.65</b>	<b>22,162.52</b>
<b>LIABILITIES</b>				
<b>(1) NON-CURRENT LIABILITIES</b>				
(a)	Financial liabilities			
(i)	Borrowings	24	14,776.51	13,914.74
(ii)	Lease liabilities		522.24	5.07
(iii)	Other financial liabilities	26	854.74	180.80
(b)	Provisions	28	1,769.74	1,281.59
(c)	Deferred tax liabilities (net)		198.59	205.86
(d)	Other non-current liabilities	31	269.58	218.24
			<b>18,391.40</b>	<b>15,806.30</b>
<b>(2) CURRENT LIABILITIES</b>				
(a)	Financial liabilities			
(i)	Borrowings	25	6,121.36	3,617.72
(ii)	Lease liabilities		83.30	3.64
(iii)	Trade payables			
(a)	Total outstanding dues of micro and small enterprises		101.56	134.12
(b)	Total outstanding dues of creditors other than micro and small enterprises		8,000.69	10,274.71
(iv)	Acceptances		2,741.69	3,093.28
(v)	Other financial liabilities	27	5,976.35	2,234.34
(b)	Provisions	29	1,406.75	1,148.69
(c)	Current tax liabilities (net)		31.49	78.30
(d)	Other current liabilities	32	1,347.63	2,356.01
			<b>25,810.82</b>	<b>22,940.81</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>62,589.87</b>	<b>60,909.63</b>

	Note	As at 31 <sup>st</sup> mar20	As At 31st mar21
<b>Revenue from operations</b>			
Revenue			43,485.76
Other operating revenue			442.41
<b>I. Total revenue from operations</b>		3	43,928.17
		3	
<b>II. Other Income</b>		3	1,383.05
		4	
<b>III. Total Income (I+II)</b>			<b>45,311.22</b>
<b>IV. Expenses</b>			
(a) Cost of materials consumed			26,171.85
(b) Purchases of products for sale			5,679.98
(c) Changes in inventories of finished goods, work-in-progress and products for sale			722.68
(d) Employee benefits expense		3	4,384.31
		5	
(e) Finance costs		3	1,973.00
		6	
(f) Foreign exchange loss (net)			239.00
(g) Depreciation and amortisation expense			3,375.29
(h) Product development/Engineering expenses			830.24
(i) Other expenses		3	7,720.75
		7	
(j) Amount transferred to capital and other accounts		3	(1,169.46)
		8	
<b>Total Expenses (IV)</b>			<b>49,927.64</b>
<b>V. Profit/(loss) before exceptional items and tax (III-IV)</b>			<b>(4,616.42)</b>
<b>VI. Exceptional items</b>			
(a) Employee separation cost			2.69
(b) Write off/(reversal) of provision/ impairment of capital work-in-progress and intangibles under development (net)		39	(73.03)
		(a)	
(c) Provision for loan given to/investment in subsidiary companies/joint venture			385.62
(d) Profit on sale of investment in a subsidiary company		39	-
		(b)	
(e) Provision for impairment of Passenger Vehicle Business		6	1,418.64
		(a)	
(f) Provision for Onerous Contracts		6	777.00
		(b)	
(g) Others		39	-
		(c)	
<b>VII. Profit/(loss) before tax (V-VI)</b>			<b>(7,127.34)</b>
<b>VIII. Tax expense (net)</b>		3	
		0	
(a) Current tax			33.05
(b) Deferred tax			129.24
<b>Total tax expense</b>			<b>162.29</b>
<b>IX. Profit/(loss) for the year from continuing operations (VII-VIII)</b>			<b>(7,289.63)</b>
<b>x. Other comprehensive income/(loss):</b>			
(A) (i) Items that will not be reclassified to profit or loss:			
(a) Remeasurement losses on defined benefit obligations (net)			(105.32)
(b) Equity instruments at fair value through other comprehensive income			(115.72)
(ii) Income tax credit relating to items that will not be reclassified to profit or loss			33.71
(B) (i) Items that will be reclassified to profit or loss - losses in cash flow hedges			(294.19)
(ii) Income tax credit relating to items that will be reclassified to profit or loss			102.80
<b>Total other comprehensive loss, net of taxes</b>			<b>(378.72)</b>
<b>XI. Total comprehensive income/(loss) for the year (Ix+x)</b>			<b>(7,668.35)</b>
<b>xII. Earnings per equity share (EPS)</b>		4	
		1	
(A) Ordinary shares (face value of `2 each):			
(i) Basic		`	(21.06)
(ii) Diluted		`	(21.06)
(B) 'A' Ordinary shares (face value of `2 each):			
(i) Basic		`	(21.06)
(ii) Diluted		`	(21.06)

