

A Project Report on

**“A STUDY OF FINANCIAL PERFORMANCE
ANALYSIS OF BAJAJ AUTO”**

Submitted to:

DMSR

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Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

In partial fulfilment for the award of the degree of

Master of Business Administration

Submitted by:

Ms. Arti Ramrao Dhurve

Under the Guidance of:

Dr. Afsar Sheikh

**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited “A” Grade Institution**



Academic Year 2022-23

**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited "A" Grade Institution**



Academic Year 2022-23

CERTIFICATE

This is to certify that **Ms. Arti Ramrao Dhurve** has submitted the project report titled, "**A Study of Financial Performance Analysis of Bajaj Auto**", towards the partial fulfillment of **MASTER 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 she has ingeniously completed her project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.**

Dr. Afsar Sheikh
(Project Guide)

Dr. Sonali Gadekar
(Co-ordinator)

Place: Nagpur

Date: 24/06/2023

**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited "A" Grade Institution**



Academic Year 2022-23

DECLARATION

I here-by declare that the project with title “**A Study of Financial performance Analysis of Bajaj Auto**” has been completed by me in partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by **DMSR, G. S.College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to 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 under taken by me.

Ms. Arti Ramrao Dhurve

Place: Nagpur

Date: 24/06/2023

**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited “A” Grade Institution**



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Place: Nagpur

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CHAPTER 1

1.1 Introduction

Bajaj auto ltd is one of the foremost automobile companies in the automobile industry in India. It produced more two-wheelers and three-wheelers in a year and also had tremendous goodwill among the Customers. And another investor's point of view it had a strong and positive mindset. And therefore, a New study about its financial performance is necessary to attract new investors and easy to make Additional on Bajaj Auto ltd by existing investors. The present study will be focused on the analysis of The financial performance of Bajaj auto ltd from 2020-2022. In this regard liquidity ratio, Profitability Ratio, Solvency ratio, Turnover ratio, and Earning ratio were used in the study for accurate results and to Make a decision based upon these results.

Keywords: Automobile Industry, Investment, Financial Performance, Bajaj Auto and Ratio Analysis.

The contribution of the automobile industry to Indian economic development is very high. In India's GDP, automobile industry involvement is prominent. And also India is a developing country and Its nature and environment are more suitable for starting a new business. So, that year by year the Number of manufacturing and other industries increased. Bajaj Auto Limited, Maruthi Suzuki, Hyundai, Tata Motors, Mahindra and Mahindra, Honda Motor Company, and Ashok Leyland are the leading Automobile companies doing automobile business in India.

Our study is conducted on Bajaj Auto Limited Over a century ago; a philanthropist instinctively took the unprecedented step of using business to serve society. He was the founder of the Bajaj Group, Mr. Jamnalal Bajaj. He strongly believed that, 'common good was more important than individual gain'. His philosophy which has stood the test of time,

was successfully taken forward by his sons Mr. Kamalnayan Bajaj and Mr. Ramkrishna Bajaj and is now spearheaded by Mr. Rahul Bajaj. This has taken the group to higher levels of success and respect.

The Group now stands tall in the Corporate World. The Group has a market capitalization of about Rs. 8,55,000 crores (about US\$ 105 billion) with 40 Group Companies and approximately 36,000 employees. It offers an extensive range of products and services including motorised two and three wheelers, home appliances, electric lamps, wind energy, special alloys and stainless steel, cranes, material handling equipment, travel, general and life insurance and investment, consumer finance and asset management.

For society however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment. It is the reason behind the smile that lights up a million faces. Its goodwill resonates in the two simple words that live in the collective consciousness of Indians – Hamara Bajaj. Bajaj Auto Ltd is one of the leading two & three wheeler manufacturers in India. The company is well known for their R&D, product development, process engineering and low-cost manufacturing skills. The company is the largest exporter of two and three-wheelers in the country with exports forming 18% of its total sales. The company has two subsidiaries, namely Bajaj Auto International Holdings BV and PT Bajaj Indonesia.

The company was incorporated on April 30, 2007 as a wholly owned subsidiary of erstwhile Bajaj Auto Ltd (the holding company) with the name Bajaj Investment & Holding Ltd. The company received the certificate of commencement of business on May 7, 2007. The holding company operated in the segments, such as automotive, insurance and investment, and others. Considering the growth opportunities in the auto, wind-energy, insurance and finance sectors,

the holding company de-merged their activities into three separate entities, each of which can focus on their core businesses and strengthen competencies.

The auto business of the holding company along with all assets and liabilities pertaining thereto including investments in PT Bajaj Auto Indonesia and in a few vendor companies transferred to Bajaj Investment & Holding Ltd. In addition a total of Rs 15,000 million in cash and cash equivalents also transferred to Bajaj Investment & Holding Ltd. As the part of the scheme, Bajaj Holdings and Investment Ltd were renamed as Bajaj Auto Ltd. The appointed date of this de-merger was closing hours of business on March 31, 2007.

In April 9, 2007, the company inaugurated their green field plant at Pantnagar in Uttarakhand. In the first year of operations, the plant produced over 275,000 vehicles. The companys vehicle assembly plant at Akurdi was shut down from September 3, 2007 due to higher cost of production.

In November 2007, Bajaj Auto International Holdings BV, a wholly owned subsidiary company acquired 14.51% equity stake in KTM Power Sports AG of Austria, Europes second largest sport motorcycle manufacturer for Rs 345 crore.

During the year 2007-08, the company launched XCD 125 DTS-Si and the Three-wheeler Direct Injected auto rickshaw. The Chakan plant completed the cumulative production of over 2 million Pulsar.

During the year 2009-10, the company expanded the production capacity of Motorised Two & Three Wheelers by 300,000 Nos to 4,260,000 Nos. The company launched Pulsar 220 F, Pulsar 180 UG, Pulsar 150 UG, Pulsar 135 LS and Discover DTS-si in the market.

During the year 2010-11, the company expanded the production capacity of Motorised Two & Three Wheelers by 780,000 Nos to 5,040,000 Nos. The company launched Avenger 220 DTS-I, KTM Duke 125, Discover 150 and Discover 125 in the market.

The company plans to maintain the capacity of two and three-wheelers at the current level of 5,040,000 numbers per annum during the year ending 31 March 2012. The 4 wheel vehicle development work is under progress and commercial launch of the first product from this platform is scheduled for 2012. In 2012, Bajaj Auto tied up with Japans Kawasaki in Indonesia. In 2013, the Company has introduced another variant of premium motorcycles under the Bajaj-KTM joint venture namely Duke 390cc for a price of Rs 1.83 lakh. The company also received CII Design Excellence Award

In 2014, Bajaj Auto bagged order in Sri Lanka -Peoples Choice Bike of the Year – CNBC TV18 Overdrive Awards. The Company has also received Bike of the Year BBC Topgear Awards.

In 2015, Bajaj Auto has introduced the all-new Platina electric start 100 cc bike to the long-distance commuter

The Bajaj Group is amongst the top 10 business houses in India. Its footprint stretches over a wide range of industries, spanning automobiles (two wheelers manufacturer and three wheelers manufacturer), home appliances, lighting, iron and steel, insurance, travel and finance. The group's flagship company, Bajaj Auto, is ranked as the world's fourth largest three and two wheeler manufacturer and the Bajaj brand is well-known across several countries in Latin America, Africa, Middle East, South and South East Asia. Founded in 1926, at the height of India's movement for independence from the British, the group has an

illustrious history. The integrity, dedication, resourcefulness and determination to succeed which are characteristic of the group today, are often traced back to its birth during those days of relentless devotion to a common cause. Jammnalal Bajaj, founder of the group, was a close confidant and disciple of Mahatma Gandhi. In fact, Gandhiji had adopted him as his son. This close relationship and his deep involvement in the independence movement did not leave Jammnalal Bajaj with much time to spend on his newly launched business venture. We are celebrating 125th Birth anniversary of Shri. Jammnalal Bajaj on 4th of November 2014.

His son, Kamalnayan Bajaj, then 27, took over the reins of business in 1942. He too was close to Gandhiji and it was only after Independence in 1947, that he was able to give his full attention to the business. Kamalnayan Bajaj not only consolidated the group, but also diversified into various manufacturing activities. The present Chairman of the group, Rahul Bajaj, took charge of the business in 1965. Under his leadership, the turnover of the Bajaj Auto the flagship company has gone up from INR.72 million to INR. 120 billion, its product portfolio has expanded and the brand has found a global market. He is one of India's most distinguished business leaders, bike manufacturer india and internationally respected for his business acumen and entrepreneurial spirit

Bajaj Auto Limited is an Indian automobile manufacturing company. It manufactures two and three-wheeler machines. It manufactures and sells motorcycles, scooters and auto rickshaws. Bajaj Auto Limited is a part of Bajaj Group of industries. The Bajaj Auto was founded by Jammnalal Bajaj in Rajasthan in the year 1940s. It has its plants in Mumbai, Pune, Chakan, Waluj, Pantnagar in Uttarakhand. Its oldest plant was in Akurdi(Pune) which is known transformed into the R&D center.

Bajaj Auto is the world's 6th largest motorcycles manufacturing company and the 2nd largest in India. It is the world largest three-wheeler manufacturer. It gave a start to the manufacturing of scooters from getting license from Vespa. The most popular scooter by Bajaj was the Chetak scooter. This scooter had a waiting period of about a year, and its production lasted for about 34 years. By around 1990's Bajaj Auto started focusing more on motorcycles since the market trend was shifting. It also came as a surprise to all when it announced that the company will withdraw from scooter manufacturing since the scooter had created the goodwill for Bajaj Auto Limited. Saffire was the last scooter produced by Bajaj. It then mainly focused on motorcycles and Bajaj Boxer and Bajaj discover were its commuter brand in the country and the sales of this motorcycles rised very fast. Then it came with Bajaj Avenger which still remains the most Affordable cruiser in India. But it was mainly because of Bajaj Pulsar the name of Bajaj came into existence and cemented its position in the motorcycle segment in India. It was positioned as the performance bike-maker in Indian market. The main feature of the bikes where because of its value for money without compromising on its features, power, technology. The pulsar range of Bajaj motorcycles has grown a lot and at a steady pace with many iterations and a 400cc Pulsar version in a power cruiser form is launched in the market in August,2016 in the form of Bajaj Pulsar CS400.

Bajaj currently sells its products through 2 formats, 1. Bajaj showrooms which sells all Bajaj bikes.2. Pro-biking showrooms which sells bikes of KTM and Kawasaki.

On May 2015, its market capitalization was ₹640 Billion (US \$9.9 Billion), making it the India's 23rd largest publicly traded company by market value. The Forbes Global 2000 list for the year 2012 ranked Bajaj Auto at 1,416 Rank.

Founder's

Jamnallal Bajaj (1889–1942)

Founded by the freedom fighter, philanthropist and close confidante of Mahatma Gandhi Jamanalal Bajaj, the Bajaj Group is one of the most respected and renowned business houses of India. Started around eighty years back with a sugar factory in Lakhimpur Kheri of Uttar Pradesh, the group has since diversified into a wide variety of business areas. The group's first sugar plant was one among only 30 sugar mills that pioneered the establishment of the sugar industry in India. Today, Bajaj Hindusthan Sugar Ltd is Asia's Number One Sugar company and among the top four globally. In addition, the Group includes Bajaj Corp Ltd, a recently setup, Bajaj Energy Limited, Lalitpur Power Generation Company Ltd. And Bajaj Infrastructure Development Co. Ltd. The Bajaj Group is a leading presence with diversified interest in the sugar and growing Infrastructure sector including Power, Coal mining and Real Estate; FMCG, and Ethanol. Bajaj Hindusthan Sugar Limited, the Group's flagship company, was set up in November 1931.

Kamalnayan Bajaj (1915–1972)

Kamalnayan Bajaj the eldest son of Jamanalal Bajaj, after completing his education from University of Cambridge, England, returned to India to assist his father both in business and in social service. Kamalnayan Bajaj also a man of strict principles, earmarked a large portion of the income from his family business for public causes and social service programs. He always had a sense of a larger social mission, transcending the dictates of business and the bottom line. Every new business venture that Kamalnayan got into, testified to his business

acumen. With foresight and a spirit of zestful enterprise, Kamalnayan acquired ailing industrial units and then turned them around. He went on to expand the business by branching into manufacture of scooter, three-wheeler, cement, alloy casting and electricals. In 1954, Kamalnayan took over active management of the Bajaj Group companies.

Ramakrishna Bajaj (1924–1994)

Ramakrishna Bajaj, the younger son of Jamanalal, took over after the death of his elder brother Kamalnayan Bajaj in 1972. In addition to shouldering business responsibilities, Ramakrishna's energies were largely directed towards the social service and social welfare programs of the Bajaj Group. He was of the firm conviction that he could make an impactful and meaningful contribution to the community through social work. Ramakrishna had a flair and panache for working with youth. He was elected as the Chairman of World Assembly for Youth (India) in 1961. He also held the office of the Managing Trustee of the Indian Youth Centres Trust, which conceived and created the Vishwa Yuvak Kendra in 1968, a youth development organization.

Rahul Bajaj(1938 – 2022)

Rahul Bajaj, the chairman and managing director of the Bajaj group is the grandson of Jamanalal Bajaj. He completed his schooling from Cathedral, a school in Bombay. Then he further pursued his studies from St Stephen's College, Delhi, Government Law College, Mumbai and Harvard University, USA. He took over control of the Bajaj Group in 1965 and successfully established one of India's largest conglomerates.

Niraj Bajaj(2022 – present)one of the richest men in Asia, is leading the Bajaj Group after Rahul Bajaj's death. In 2021, he took over as the chairman of the group. He is also a board member of Bajaj Auto which makes many popular two-wheelers. That's not all, Niraj Bajaj had been on the board of directors at Bajaj Allianz and General Insurance.

1.2 Company Profile

- **Company Introduction**

BAJAJ AUTO LIMITED

Bajaj Auto limited is one of the largest two-wheeler manufacturing company in India apart From producing two wheelers they also manufacture three wheelers. The company had started Way back in 1945. Initially it used to import the two wheelers from outside, but from 1959 it Started manufacturing of two wheelers in the country. By the year 1970 Bajaj Auto had rolled Out their 100,000th vehicle. Bajaj scooters and motor cycles have become an integral part of The Indian milieu and over the years have come to represent the aspirations of modern India. Bajaj Auto also has a technical tie up with Kawasaki heavy industries of Japan to produce the Latest motorcycles in India which are of world class quality The Bajaj Kawasaki eliminator has Emerged straight out of the drawing board of Kawasaki heavy industries. The core brand values Of Bajaj Auto limited includes Learning, Innovation, Perfection, Speed and Transparency. Bajaj Auto has three manufacturing units in the country at Akurdi, Waluj and Chakan in Maharashtra, western India, which produced 2,314,787 vehicles in 2005-06. The sales are Backed by a network of after sales service and maintenance work shops all over the country. Bajaj Auto has products which cater to every segment of the Indian two-wheeler market Bajaj CT 100 Dlx offers a great value for money at the entry level. Similarly, Bajaj Discover 125 Offers the consumer a great performance without making a big hole in the pocket.

- COMPANY'S HISTORY

Bajaj Auto is a major Indian automobile manufacturer. It is Indian's 4th largest two and three-wheeler maker. It is based in Pune, Maharashtra, with plants in Waluj near Auranga Akurdin and Chakan, near Pune. Bajaj Auto makes motor scooters, motorcycles and the auto rickshaw. Bajaj Auto came into existence on November 29, 1945 as M/s Bachraj Trading Corporation Private Limited. It started off by selling imported two- and three-wheelers in India. In 1959, it Obtained license from the Government of India to manufacture two-and three-wheelers and it Went public in 1960. In 1970, it rolled out its 100,000th vehicle. In 1977, it managed to produce and sell 100,000 vehicles in a single financial year. In 1985, it started producing at Waluj in Aurangabad. In 1986, it managed to produce and sell 500,000 vehicles in a single financial Year. In 1995, it rolled out its ten millionth vehicles and produced and sold 1 million vehicles in a year.

Logo:

Rebranding from Hamara Bajaj to Distinctly Ahead



Earlier Bajaj used “B” logo in a hexagon that was known for” Hamara Bajaj” was replaced with a more attracting, stylish, vibrant, dynamic look moving from the lower caps to upper caps which symbolize the rejuvenated Bajaj auto ltd.

The change in the logo was the ongoing change Bajaj has transformed its facilities like manufacturing process, service and distribution network, created its benchmark in research and development activities. When customer has changed in terms of quality and style then change in the identity became the necessary change for the Bajaj to invite the paradigm shift in the consumer’s perception regarding the company.

Bajaj pulsar joined hands with MTV India in the year 2009 in order to launch pulsar MTV stunt mania which was India’s first ever bike stunt reality show. The main intention of the Bajaj to target the youth of the India and MTV being the youth centric for the excellent choice.

Mission:

To create value by enabling innovation, creativity, integrity and service to community in everything we do.

Vision:

To attain a world-class excellence by demonstrating the value-added products to customers.

Achievement

Born in India. Loved by the World

The World's Favourite Indian

With more than 18 million motorcycles sold in over 70 countries, the Bajaj brand is truly 'The World's Favourite Indian'. It is India's No.1 motorcycle exporter with two out of three bikes sold internationally carrying a Bajaj badge. The company is also the world's largest manufacturer of three-wheelers. Bajaj Auto is the first two-wheeler and three-wheeler company in the world to have reached a market capitalisation of INR one trillion and continues to be the world's most valuable two and three-wheeler company.

Bajaj is loved not only in India but 70 countries around the world.

From motorcycles to three-wheelers and now quadricycles, from Mumbai Mexico and Bogota to Bengaluru, there's a Bajaj for everyone

1.3 Tagline of Bajaj Auto



CHAPTER 2

Literature Review

Muruganathamand Barkavi (2020) conducted research for analysis of the financial performance of TVS Motors by using 5 years of annual audited reports. And finally, these studies concluded business is Good and they have better performance. In addition to that want to increase their sales volume, and produce more from the owner's funds and available funds. This helps firms to increase their Performance in their competitive world.

Pravin Narayanan Mahamuni and Anil Arun Poman (2019) executed a study to find out the Comparative financial performance between Bajaj Auto and Hero Motor Corp By using Du Pont Analysis made by calculating Return on Assets and Return on Equity. The result concluded Bajaj Auto's Financial performance is better than Hero Motor Corp.

Srinivas, Saroj (2013) investigated a study to judge the financial performance of Housing Development Financial Corporation and Industrial Credit and Investment Corporation of India Bank by using the CAMEL rating model. The result of these studies shows there is no significant difference between ICICI And HDFC Bank's financial position. When compare to HDFC bank, the ICICI bank wants to slight Improvement in its financial conditions.

Siva and Nagarajan (2011) conducted research by using CAMEL norms and its key impact on the State Bank of India groups. The researcher concluded that the CAMEL model helps to identify the Financial strength and weaknesses.

CHAPTER 3

3.1 Research Methodology

- **Source of Data**

In this project the research done is based the concept of Descriptive Research, as the data will be collected to clarify the facts. The data used for the analysis and interpretation is the primary data.

Primary data is the kind of data that is collected directly from the data source without going through any existing sources. It is mostly collected specially for a research project and may be shared publicly to be used for other research.

3.2 Research Design

Flow chart of Research Methodology



Research design is the framework of research methods and techniques chosen by a researcher. The design allows researchers to hone in on research methods that are suitable for the subject matter and set up their studies up for success.

The research design use in the study is analytical research has to analysis the financial statement which is historical data derive conclusion form it.

Analytical analysis is a type of study that entails the use of critical thinking skills as well as the assessment of facts and relevant data for the study.

The design of a research topic explains the type of research (experimental, survey, correlation, semi experimental, review) and also its sub-type (experimental design, research problem, descriptive case-study).

Tools used for data analysis:

The type of research problem an organization is facing will determine the research design and not vice-versa. The design phase of a study determines which tools to use and how they are used. The last 3 years annual report of the company is compiled and tabulated for the purpose of study.

The techniques used are:

- Comparative study of Balance sheet
- Comparative study of Profit and loss account for the FY 2013-14& 2014-15.
- Trend Analysis
- Ratio Analysis
 - Profitability ratio.
 - Turnover ratio.
 - Solvency ratio
 - Current ratio.

Data collection tools

- For the success of the present study data was collected mainly from secondary sources like annual reports of Bajaj from the FY 2018 -19 to FY 2021-22, newsletter, magazines and journals of the company. Research involves gathering data that describe events and then organizes, tabulates, depicts and describes the data collection it often uses visual aids such as graphs and charts to aid the reader in understanding the data.

Period of study:

- The data for a period of 3 years from 2018-19 to 2021-22 has been taken into consideration to assess the financial strength and weaknesses of the company

3.3 Objectives of the Study

- 1.1 To evaluate the liquidity and profitability position of Bajaj auto ltd.
- 1.2 To Examine the Solvency and turnover position of Bajaj auto ltd
- 1.3 To offer suitable suggestions based on the results of the study.

3.4 Scope of the Study

- The current research has a very wide and broad scope.
- The scope of this report is restricted to profitability analysis, liquidity analysis, short-term financial strength analysis through working capital management, and long-term financial strength analysis through solvency ratios analysis
- The current research focuses specifically on monetary issues.
- The present study did not cover non-monetary factors that could have a direct effect on the financial output of the two-wheeler industry and selected two-wheeler firms.
- Other financial issues such as capital budgeting, the effect of social, economic, and political conditions on the two-wheeler industry, the impact of government policies on trade and industry, and so on are not covered in this report.

3.5 Hypothesis

Null Hypothesis (H₀): There is increase in profitability ratio of Bajaj auto ltd.

Alternate Hypothesis: There is decrease in solvency and turnover position of Bajaj auto ltd.

3.6 Limitation of study

1. The Bajaj Auto was studied using secondary data from published reports and journal articles from 2020 to 2022. The information gathered from the above sources may not contain all of the necessary details. As a result, the current research would take into account all of the short comings that are inherent in the secondary data from financial reports.
2. The sample size for the current study is very small. Only one two- wheeler companies are included in the sample. Therefore, the limitation of the small sample is also applicable to the present study

CHAPTER 4

4.1 Data Analysis and Interpretation

1. Liquidity ratio:

The liquidity ratio is used to measure the liquidity position of any organization. It means whether the financial organization is able to pay its short-term obligations.

1.1 Current Ratio:

The current ratio is one of the important ratios to measure liquidity position. The ideal ratio of the current ratio was 2:1. The result will come to two and more than two means its short-term liquidity position is strong.

The formula for calculating the current ratio was = $\text{Current Assets} / \text{Current Liabilities}$

Current Assets included cash balance in hand, bank account balance, bills receivable, inventories, and prepaid expenses.

Current liabilities included bills payable, outstanding expenses, and other short-term obligations.

Table 1

Current Ratio

Year	Current assets (Rs.)	Current liabilities (Rs.)	Ratio (Times)
2018	9,235.63	4111.29	2.25
2019	7,062.66	4,873.68	1.45
2020	6,596.96	4,253.21	1.55
2021	14,175.13	5,643.21	2.51
2022	9,994.47	4,689.44	2.13

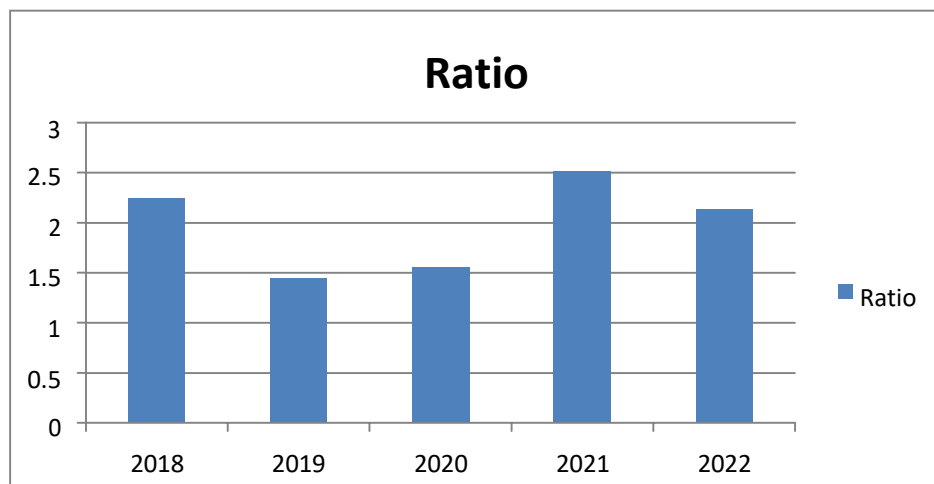


Table 3:1 shows the Current ratio of Bajaj auto ltd. The current ratio of that firm shows a fluctuating trend. The current ratio decreased from 2.25 times in the year 2018 to 1.45 times in the year 2019. Due to this reason, current assets decreased from Rs.9,235.63 in the year 2018 to Rs. 7,062.66 in the year 2019. From the overall analysis, the current ratio results are more than the standard norm of 2:1 except in the years 2019 and 2020. Due to the impacts of Covid - 19 lockdown in India.

1.2 Quick Ratio

The quick ratio helps to measure the Company's ability to pay its immediate liabilities without the sale of its stocks. It is a more conservative measure when compared to the current ratio. The ideal norm of the quick ratio was 1:1.

The formula for calculating the quick ratio was = Quick Assets/ Quick Liabilities

Quick assets include all current assets except inventories and prepaid expenses, Quick liabilities include all current liabilities except bank over draft.

Table 2

Quick Ratio

Year	Quick assets (Rs.)	Quick liabilities (Rs.)	Ratio (Times)
2018	8,493.05	4,111.29	2.06
2019	6,101.15	4,873.68	1.25
2020	5,333.46	4253.21	1.30
2021	12,681.24	5,643.21	2.25
2022	8,763.96	4,689.44	1.87

The above table 3.2 denotes the quick ratio of Bajaj Auto Ltd from 2018 to 2022. The ratio decreased from 2.06 times in 2018 to 1.30 times in the year 2020 after that it increased from 1.30 times in the year 2020 to 1.87 times in the year 2022. The results of quick ratios are more than the standard norm of 1:1.

So, so the firm can easily meet its current strong and its liquidity position is too strong.

2. Profitability Ratio

Earning profit is the first and foremost objective of any business. And it is a major source of internal funds by the way of retained earnings and reserve and surplus. The dividend paid to the equity shareholders depends upon the company's profitability.

2.1 Operating Profit Ratio

The operating profit ratio helps to measure the operating efficiency of the business. Operating profit comes from the company's regular courses of business. And it is the major source of income.

The formula for calculating operating profit ratio = Operating profit/ Net Sales

Table 3

Operating Profit Ratio

Year	Operating Profit (Rs.)	Total revenue (Rs.)	Ratio (%)
2018	25,218.92	26512.17	95.12
2019	30,357.57	31899.27	96.48
2020	29,918.65	31652.21	95.16
2021	27,741.08	29017.54	94.52
2022	33,144.71	34353.95	95.60

From the above table, 3.3 clearly shows the operating profit position of the firm. The operating profit ratios show a constant trend. The operating profit ratio increased from 95.12 percent to 95.60 in the year 2018-2022. It is an appreciable one. So, the company tries to increase revenue from the operations of the business.

2.2 Return on Equity Ratio

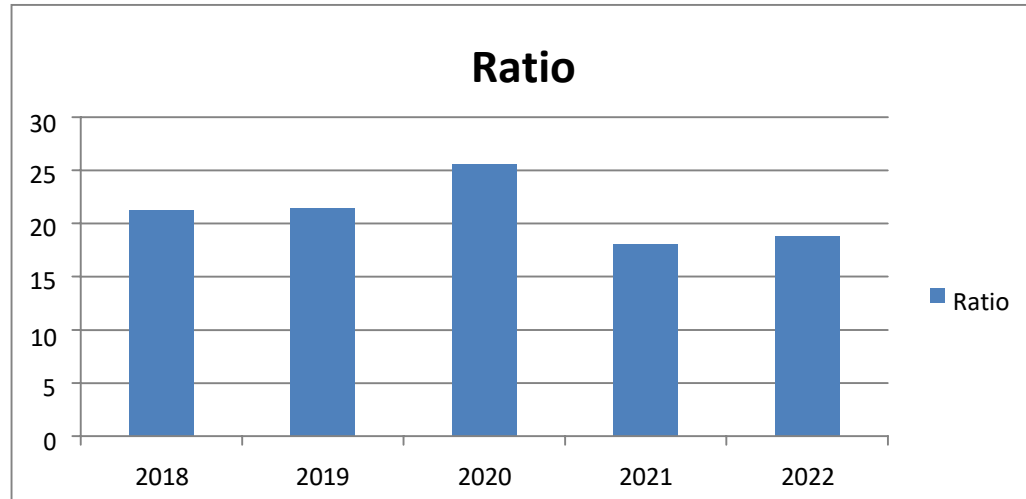
The return on equity ratio indicates the profitability of any business in relation to the equity shareholders' funds. We can calculate the shareholder's equity by deducting all liabilities from all assets.

The formula for calculating Return on equity = Net Income/Shareholders' equity

Table 4

Return on Equity Ratio

Year	Net income (Rs.)	Shareholder equity (Rs.)	Ratio %
2018	2,646.70	16,518.29	21.29
2019	3,890.34	19,563.63	21.46
2020	5,099.98	19,925.49	25.59
2021	4,554.59	25,202.26	18.07
2022	5018.17	26,668.80	18.82



The above table 4 clearly explains the return on equity ratio of Bajaj Auto Ltd. The highest return on equity ratio shown in the year 2020 was 25.59 percent. The lowest ratio shown in the year 2021 was 18.07 percent. This ratio suddenly decreased from 25.59 percent in the year 2020 to 18.82 percent in the year 2022. Because of that the firm had increased equity shareholders fund in their capital structure.

2.3 Return on Investment Ratio

The return on investment is helping to measure used to assess the efficiency or profitability of an investment. Income from investment is not a main source of business. Investment may be invested in other companies' equity shares, debenture, and another mode.

The formula for calculating Return on Investment ratio = $\text{Net Profit} / \text{Investment} \times 100$

Table 5

Return on Investment Ratio

Year	Net Profit (Rs.)	Total Investments (Rs.)	Ratio %
2018	2,646.70	17,588.30	23.13
2019	3,890.34	19,159.36	20.13
2020	5,099.98	18,195.95	28.03
2021	4,554.59	22,630.95	24.40
2022	5018.17	23,818.76	23.13

Table 5 shows the return on investment ratio of Bajaj auto limited. This ratio increased from 23.13 percent to 28.03 percent in the year 2018 to 2020. After that, the ratio decreased from 28.03 percent to 23.23 percent in the year 2020 to 2022. It is not an appreciable factor. So, the firm must want to concentrate on returns from investments by the way of selecting the best investment securities when choosing investments.

3.Solvency Ratio

The solvency ratio is used to measure a firm's ability to its long-term obligation of the business. It includes the debt-equity ratio and proprietary ratio.

3.1 Debt- Equity Ratio

Debt- equity ratio is the important ratio to measure long-term obligations. It matches the total liabilities with the total shareholders' equity fund. High debt equity shows a levered firm and low debt-equity ratio low levered firms.

Table 6

Debt- Equity Ratio

Year	Debt (Rs.)	Equity (Rs.)	Ratio (Times)
2018	120.77	16,518.29	0.007
2019	124.52	19,563.63	0.006
2020	125.59	19,925.49	0.006
2021	121.46	25,202.26	0.005
2022	159.07	26,668.80	0.006

The above table shows the Debt – Equity ratio of Bajaj Auto Ltd. As per the standard norms, the debt equity ratio was 1:1. The above results are below 1:1. So, we Know the firm can easily able paid its outsiders' funds by using its total shareholders' funds.

3.2 Proprietary Ratio

The proprietary is another important ratio to evaluate the proportion of shareholders' equity to the total assets of the firm. It is also called as a net-worth ratio or equity ratio or shareholders' equity ratio. The result of this ratio reveals how much the equity shareholders will get if the company goes to liquidation. The formula for calculating proprietary ratio = Shareholders fund/ Total Asset

Table 7

Proprietary Ratio

Year	Share holder fund (Rs.)	Total Assets (Rs.)	Ratio (Times)
2018	19,103.86	23,819.49	0.80
2019	21,779.90	27,380.39	0.80
2020	19,925.49	24,773.30	0.80
2021	25,202.26	31,530.20	0.80
2022	26,668.80	31,921.94	0.84

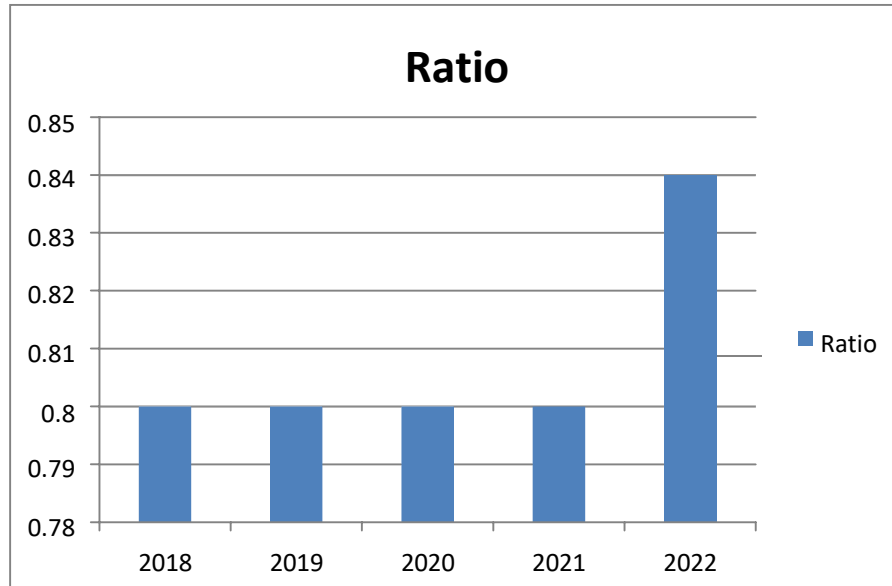


Table 3.9 Shows the Proprietary ratio of the firm and highlights the general financial strength of the firm. The proprietary ratio was increased from 0.80 times to 0.84 times in the year 2018 to 2022. The results of the proprietary ratios were above the standard norm. It denotes the firm has enough assets to meet its shareholders' fund. So, that firm can easily compensate their equity shareholders fund.

4. Turnover Ratio

Turnover ratios help to calculate the business efficiency and how the business uses its assets to generate revenue. It includes the Assets turnover ratio, inventory turnover ratio, fixed assets turnover ratio, and current assets turnover ratio.

4.1 Assets Turnover ratio

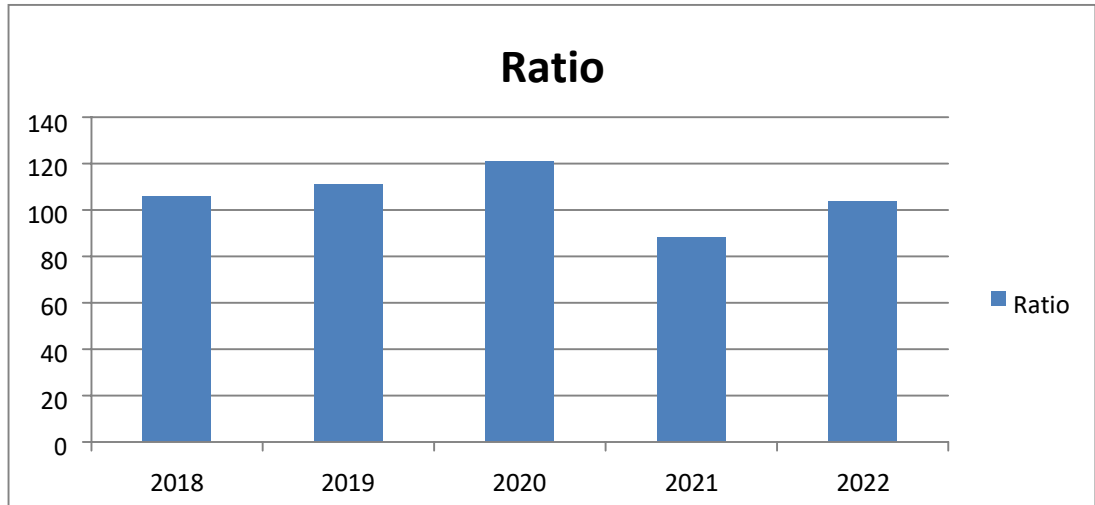
The assets turnover ratio measures how the firm utilized its total assets in that business and how it helps to generate revenue for the business. The higher the ratio denotes the company's better performance.

The formula for calculating assets turnover ratio = Revenue/Total assets

Table 8

Assets Turnover ratio

Year	Total Revenue (Rs.)	Total assets (Rs.)	Ratio (Times)
2018	25,218.92	23,819.49	105.88
2019	30,357.57	27,380.39	110.87
2020	29,918.65	24,773.30	120.77
2021	27,741.08	31,530.20	87.98
2022	33,144.71	31,921.94	103.83



From the above table 3.11 shows the assets turnover ratio of Bajaj Auto Ltd from 2017 to 2021. This ratio increased from 105.88 times to 120.77 times in the year 2018 to 2020. After that results suddenly decreased from 120.77 to 87.98 due to the post-impact of Covid-19. Then the ratio slowly increased to 103.83.

CHAPTER 5

5.1 Findings

MAJOR FINDINGS

The study was conducted on the basis of ratio analysis of Bajaj Auto Limited. The following were the observations from the analysis.

- The profitability ratio of Bajaj auto limited was considered to be more favorable
- Bajaj motors have a favorable generating revenue from its assets.
- Company have got an average and yet favorable leverage ratio.

MINOR FINDINGS

- There was no significant increase or decrease in the companies leverage ratio.
- There was an Decreased in the coverage ratio Bajaj motors ratio

5.2 Conclusion

Over the last decade, the two-wheeler industry has grown significantly. Increased demand in urban and semi-urban regions, as well as a relatively low cost of ownership, are two major factors, two - wheelers industry is growing in India. Its success is boosted by the fact that it is the favored mode of transportation over public transportation and four-wheelers. With increasing fuel costs, raising safety concerns, numerous road crashes, higher insurance premiums, and speculation about the electrification of motorcycles, the industry has recently been facing downturns and showing signs of decline. There are roadblocks to the industry's expansion.

The primary motive of this report is to analyze financial statement of the Bajaj it measures the performance in term of assets utilization, and profitability. This study tries to forecast the annual growth rate of income of the company with the help of trend analysis. It also provides some suggestion to improve the overall financial performance of the Bajaj. The secondary data is used from published reports and journal article to study Two-wheeler Industry.

Firm should examine their leverage ratios, as it has got an average yet favorable ratio. As a result, firm are less reliant on external liabilities. Investor should always check on the financial analysis of the companies before investing. The firm is considered to be favorable for the investors to invest.

5.3 Suggestions

1. Except 2019 & 2020, the results of the current ratios were shown above the standard Norm of 2:1. So, it is appreciable that the firm must maintain equal or above the Standard Norm in their future periods
2. The results of the operating profit ratios were no great improvement when compared to Previous years. If the firm concentrates on its operating sources means it furthermore helps The company's growth.
3. The debt-equity ratio of the firm was too good. The firm tries to follow that same Improvement in the future also.
4. The results of the proprietary ratios were above the standard norm. It helps to the easy to Meet its shareholder's fund by its assets of the firms. So, they continue to follow this same Strategy in the future period.
5. The overall Assets turnover ratio was appreciable. In Addition, to that, the firm tries to Increase the utilization of its resources. It creates a positive appearance among the investors.

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- Top Gear India
- Business Today

5.5 Annexure

Particulars	Mar 2022 (₹).Cr	Mar 2021 (₹).Cr	Mar 2020 (₹).Cr	Mar 2019 (₹).Cr	Mar 2018 (₹).Cr
SOURCES OF FUNDS :					
Share Capital	289.37	289.37	289.37	289.37	289.37
Reserves Total	26379.43	24912.89	19636.12	21490.53	18814.49
Equity Share Warrants	0.00	0.00	0.00	0.00	0.00
Equity Application Money	0.00	0.00	0.00	0.00	0.00
Total Shareholders Funds	26668.80	25202.26	19925.49	21779.90	19103.86
Secured Loans	0.00	0.00	0.00	0.00	0.00
Unsecured Loans	122.77	121.46	125.59	124.52	120.77
Total Debt	122.77	121.46	125.59	124.52	120.77
Other Liabilities	37.60	41.13	122.63	59.63	160.15
Total Liabilities	26829.17	25364.85	20173.71	21964.05	19384.78
APPLICATION OF FUNDS :					
Gross Block	4631.22	4344.30	4157.32	4295.63	4518.80
Less : Accumulated Depreciation	2797.20	2679.37	2458.30	2531.69	2640.47
Less:Impairment of Assets	0.00	0.00	0.00	0.00	0.00

Less:Impairment of Assets	0.00	0.00	0.00	0.00	0.00
Net Block	1834.02	1664.93	1699.02	1763.94	1878.33
Lease Adjustment	0.00	0.00	0.00	0.00	0.00
Capital Work in Progress	76.82	15.98	60.19	48.02	56.47
Producing Properties	0.00	0.00	0.00	0.00	0.00
Investments	23818.76	22630.95	18195.95	19159.36	17588.30
Current Assets, Loans & Advances					
Inventories	1230.51	1493.89	1063.50	961.51	742.58
Sundry Debtors	1516.38	2716.85	1725.10	2559.69	1491.87
Cash and Bank	588.34	527.36	308.27	922.81	778.00
Loans and Advances	1690.11	1408.92	720.34	1042.17	457.77
Total Current Assets	5025.34	6147.02	3817.21	5486.18	3470.22
Less : Current Liabilities and Provisions					
Current Liabilities	4511.54	5466.69	4079.50	4717.32	3969.95
Provisions	177.90	176.52	173.71	156.36	141.34
Total Current Liabilities	4689.44	5643.21	4253.21	4873.68	4111.29

Net Current Assets	335.90	503.81	-436.00	612.50	-641.07
Miscellaneous Expenses not written off	0.00	0.00	0.00	0.00	0.00
Deferred Tax Assets	56.02	55.88	117.95	80.33	202.66
Deferred Tax Liability	459.35	578.02	464.33	622.99	526.08
Net Deferred Tax	-403.33	-522.14	-346.38	-542.66	-323.42
Other Assets	1167.00	1071.32	1000.93	922.89	826.17
Total Assets	26829.17	25364.85	20173.71	21964.05	19384.78
Contingent Liabilities	1583.38	1564.28	1627.16	1785.06	1719.70