

A COMPARATIVE STUDY ON THE FINANCIAL PERFORMANCE ANALYSIS OF AUTOMOBILE INDUSTRIES IN INDIA

Submitted in partial fulfillment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

BY

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**DEPARTMENT OF BUSINESS ADMINISTRATION
SCHOOL OF MANAGEMENT STUDIES**

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade “A++” by NAAC I 12B Status by UGC I Approved by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119**

DECEMBER 2023



SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
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CATEGORY - 1 UNIVERSITY BY UGC**

SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **JASMINE ELSY J 42410098** who carried out the Project Training “**A comparative study on the financial performance analysis of automobile industries in India**” under my supervision from September 2023 to December 2023.

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ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to the Board of Management of **SATHYABAMA** for their kind encouragement in doing this project and for completing it successfully. I am grateful to them.

I convey my sincere thanks to **Dr. G. Bhuvaneswari, MBA., Ph.D., Dean - School of Management Studies** and **Dr. A. Palani, M.Com., M.Phil., M.B.A., Ph.D., - Head - School of Management Studies** for providing me necessary support and details at the right time during the progressive reviews.

I would like to express my sincere and deep sense of gratitude to my Project Guide **DR. YASMEEN BANO** for her valuable guidance, suggestions and constant encouragement which paved the way for the successful completion of my project work.

I wish to express my thanks to all Teaching and Non-teaching staff members of the **School of Management Studies** who were helpful in many ways for the completion of the Training.

JASMINE ELSY J

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ABSTRACT

Financial performance is a crucial factor that determines a firm's profitability, long term stability, liquidity and is also an importance aspect of financial risk management. The assessment of financial performance can be achieved by using comparative profit & loss analysis, ratio analysis, trend analysis etc. Financial results may be used to assess a company's success.

The main concern of an organization is its profitability and risk. All the financial decisions that increase the liability will decrease the value of its company on the contrary the financial decisions that improve the profitability would increase the company's value. Financial Performance research is essential to a company's success. The financial performance, liquidity, and solvency of a business must be evaluated by both internal management and external consumers (for example, financial analysts, creditors, and investors) of the companies.

The purpose of financial analysis is to diagnose the information content in financial statements so as to judge the profitability and financial soundness of the firm. In the words of Myers, "Financial Performance Analysis is largely a study of relationship among the various financial factors in a business as disclosed by a single set of statements and a study of the trends of these factors as shown in a series of statements".

Using various financial methods, this study attempted to examine the financial components of the two Indian-made automobiles (TATA Motors and MAHINDRA & MAHINDRA Motors). The research is focused mainly on secondary data from financial reports. This research project presents an analysis on short-term and long-term solvency of both the automobile companies, followed by an evaluation of profitability and efficiency of the companies to compare the financial ratios of the past 5 years of both the companies

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

The cornerstone of a company is finance. It is appropriately referred to as the "science of money." Finance is crucial for the smooth operation of a company. Every business's policy, activities, and decisions are governed by finance. One of the most crucial facets of business is financial management. The strategic planning, organizing, directing, and controlling of financial undertakings in an organization or institute is referred to as financial management. Financial output is used by analysts and investors to compare various companies in the same industry or to compare industries or sectors as a whole. A business's risk and profitability are two key components. A company's financial performance is typically measured by a set of ratios or percentages, however in this study, three ratios' parameters were used to calculate financial performance: solvency ratio, profitability ratio, and efficiency ratio. Financial analysis is a method of determining the feasibility, stability, and profitability of a company. Profit is the engine that propels a company forward. Any firm or business enterprise should be profitable enough to thrive and prosper in the long run. Profitability implies ability to make profit from all the commercial operations of an entity, corporation, firm, or an enterprise. It demonstrates how effectively management can benefit from using all available business capital. The automotive industry has a powerful multiplier effect of industrial growth because of its forward and backward links with many main segments of the economy. Over the course of the year, the industry has evolved, facing challenges such as transition, consolidation, restructuring, and adapting to the new environment.

1.2 INDUSTRY PROFILE

The Indian automotive industry, which includes both automobiles and automotive parts, is one of the country's most important drivers of economic development. It is a significant driver of manufacturing GDP, exports, and jobs because it is closely integrated with other industrial sectors. This industry has expanded due to its conventional strengths in casting, forging, and precision machining, as well as fabrication (grinding, polishing, welding), cost advantages (due to the abundance of low-cost skilled labour), and large foreign direct investment (FDI) inflows.

The automotive industry is made up of a diverse group of companies and organizations that are involved in the design, production, manufacturing, marketing, and the sale of engine automobiles. It is one of the world's most profitable sectors. In 2019, India was the 7th largest commercial vehicle manufacturer and with approximately 3.99 million passenger and commercial vehicles sold in 2019, India surpassed Germany as the world's fourth largest car market. By 2021, India is predicted to overtake Japan as the world's third largest auto market.

The two-wheeler segment dominates the industry in terms of volume due to a rising middle class and young population. Furthermore, the increasing interest of businesses in exploring rural markets helped the sector to expand. India is a major auto exporter, with good export growth prospects in the near future. In addition, multiple initiatives by the Indian government and major vehicle manufacturers are expected to propel India to the forefront of the global two-wheeler and four-wheeler markets by 2020.

Between financial year 2018 and 2020, domestic automotive production grew at a 2.36 percent compound annual growth rate (CAGR), with 26.36 million vehicles produced in FY20. Domestic car sales increased at a 1.29 percent compound annual growth rate (CAGR), with 21.55 million vehicles sold in financial year 2020.

The car industry benefits from a number of factors, including low-cost skilled labour, strong R&D centres and low-cost steel production. The industry also offers excellent

investment opportunities as well as direct and indirect jobs to professional and unskilled workers. By 2026, the Indian automotive industry (which includes component manufacturing) is estimated to be worth Rs 16-18 trillion.

1.3 COMPANY PROFILE

TATA MOTORS

1.3.1 TABLE INCLUDING THE COMPANY PROFILE OF TATA MOTORS

TYPE	Public
PARENT	Tata Group
INDUSTRY	Automotive
FOUNDED	1945
FOUNDER	J.R.D. Tata
HEADQUATERS	Mumbai, Maharashtra, India
KEY PEOPLE	Natarajan Chandrasekaran (chairman) Guenter Butschek (CEO)
AREA SERVED	Worldwide
PRODUCTS	Automobiles Luxury vehicles Commercial vehicles Automotive parts Pickup trucks SUVs
WEBSITE	www.tatamotors.com

Tata Motors Ltd. (formerly known as TELCO, which stands for Tata Engineering and Locomotive Company) is an Indian multinational automaker headquartered in Mumbai, Maharashtra, India and a subsidiary of Tata Group. It is the world's 17th largest automotive manufacture company, 4th largest truck producer, and 2nd largest bus manufacturer in terms of volume. It was also ranked 6th on Fortune India 500 list of top companies in India in 2020. Passenger cars, trucks, vans, coaches, buses and military vehicles are among its offerings.

Established in 1945 as a locomotive maker, the company produced its first commercial vehicle in 1954 as part of a joint venture with Daimler-Benz AG that lasted until 1969. With the introduction of the Tata Sierra in 1991, Tata Motors became the first Indian manufacturer to demonstrate the capability of producing a successful indigenous vehicle.

Tata Motors, India's largest automotive firm and part of the USD 113 billion Tata Group, operates in South Korea, Thailand, United Kingdom, Indonesia and South Africa through a broad global network of 76 subsidiary and associate firms, including Jaguar Land Rover in the United Kingdom and Tata Daewoo in South Korea.

MAHINDRA & MAHINDRA MOTORS

1.3.2 TABLE INCLUDING THE COMPANY PROFILE OF MAHINDRA AND MAHINDRA

TYPE	Public
PARENT	Mahindra Group
INDUSTRY	Automotive
FOUNDED	2 October 1945, Jassowal, Ludhiana, Punjab, India

FOUNDERS	J.C. Mahindra K.C. Mahindra M.G. Muhammad
HEADQUATERS	Mumbai, Maharashtra, India
KEY PEOPLE	Anand Mahindra (chairman) Pawan Kumar Goenka (MD) & (CEO)
AREA SERVED	Worldwide
PRODUCTS	Automobiles Commercial vehicles Motorcycles
WEBSITE	www.auto.mahindra.com

Mahindra & Mahindra Ltd. (M&M) is an Indian car manufacturer. It is one of India's largest automotive producers and also the largest tractor maker in the world. Mahindra & Mahindra was ranked 17th on Fortune India 500 of top company's list in India in 2020. Maruti Suzuki and Tata Motors are two of its biggest rivals in India.

Mahindra & Mahindra was founded in 1945 in Ludhiana as Mahindra & Mohammed by brothers K.C. Mahindra and J.C. Mahindra and Malik Ghulam Mohammed as a steel trading firm. Mohammed moved to Pakistan after India gained independence and the formation of Pakistan. In 1948, Mahindra & Mahindra became the company's new name.

It saw a business chance in venturing into assembling and selling bigger MUVs beginning with the assembly of military vehicle, commencing in 1947 with Willys Jeep under license in India. The business began as India's Jeep manufacturers and later expanded to include the production of light commercial vehicles (LCVs) and agricultural tractors. With its flagship UV Scorpio, Mahindra & Mahindra has

established itself as a major player in the utility vehicle manufacturing and branding sectors of the Indian automotive industry.

1.4 JUSTIFICATION OF THE TOPIC

This study will help the corporate leaders to steer their company in the right direction by tracking financial results over several years. Monitoring key parts of the balance sheet and income statement will help ensure company's financial ability to achieve its operational goals. Otherwise, a business could run out of cash and default on its debts.

Investors may use ratio analysis to examine a company's financial statements in terms of risk, solvency, profitability and how well it performs. Ratios are often used by investors to compare companies within an industry.

1.5 OBJECTIVES OF THE STUDY

1. To analyze the short-term solvency position of both the automobile companies in the past 5years.
2. To analyze the long-term solvency position of both the automobile companies in the past 5 years.
3. To analyze the Profitability position of both the automobile companies in the past 5 years.
4. To analyze the efficiency of both the automobile companies in the past 5 years.

1.6 SCOPE OF THE STUDY

The purpose of this research is to look at the financial results of two Indian automakers. The Indian automobile industry is one of the major contributors to GDP (Gross Domestic Product) growth in the country. It has evolved due to a variety of

factors, including emerging technologies, COV-19, and safety regulations. It is also known that the development of electronic vehicles are opening a way for their production. As a result, it appears that investing in such businesses is profitable.

1.7 LIMITATION OF THE STUDY

There are three significant limitations in this analysis which could be fixed in further studies. Firstly, the research is based primarily on the company's annual reports. Secondly, the secondary information which has been gathered through the company's yearly report could be somewhere fabricated. And thirdly this research is confined to five years duration.

CHAPTER 2

REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE

BALASUNDARAM NIMALATHASAN (2008). A COMPARATIVE STUDY OF FINANCIAL PERFORMANCE OF BANKING SECTOR IN BANGLADESH–AN APPLICATION OF CAMELS RATING SYSTEM.

The Banking sector in Bangladesh is different from the banking as seen in other developed countries. This is one of the Major Service sectors in Bangladesh economy, which divided into four categories of scheduled Banks. These are Nationalized Commercial Banks (NCBs), Government Owned Development Financial Institutions (DFIs), Private Commercial Banks (PCBs), and Foreign Commercial Banks (FCBs). Performance of financial Institution is generally measured by applying quantitative techniques of financial measurement. It is a post – mortem examination techniques of achievement of a bank. Many Studies are conducted in different countries to judge the performance of their banking system. Using different statistical methods such as Data Envelopment Analysis (DEA) and the Stochastic Frontier Approach (SFA). The present Study is initiated a Comparative Study of Financial Performance of Banking Sector in Bangladesh using CAMELS rating system with 6562 Branches of 48 Banks in Bangladesh from Financial year 1999-2006. CAMELS rating system basically quantitative technique, is widely used for measuring performance of banks in Bangladesh. Accordingly, CAMELS rating system shows that 3 banks was 01 or Strong, 31 banks were rated 02 or satisfactory, rating of 07 banks was 03 or Fair, 5 banks were rated 4 or Marginal and 2 banks got 05 or unsatisfactorily rating. 1 NCB had unsatisfactorily rated and other 3 NCBs had marginal rating.

ANTONIO OLIVEIRA DE CARVALHO, IVANO RIBEIRO, CLAUDIA BRITO SILVA CIRANI, RENATO FABIANO CINTRA (2016). ORGANIZATIONAL RESILIENCE: A COMPARATIVE STUDY BETWEEN INNOVATIVE AND NON-INNOVATIVE COMPANIES BASED ON THE FINANCIAL PERFORMANCE ANALYSIS.

Organizational resilience is defined as the ability and capacity of an organization to withstand unexpected changes, discontinuities and environmental risks. Innovation contributes to achieve resilience as it enables organizations to renew over time. Our aim in this article is to analyze the relationship between innovation and resilience from the financial performance analysis with EBITDA, ROE and ROA indicators. We investigated a total of 10 companies divided into two groups, where the first was a group of 5 open-capital companies listed in the ranking of the 50 most innovative companies in Brazil, and the second being a group of 5 open-capital companies not listed in the ranking. We performed an analysis in two stages: the first consisted in calculating the indexes selected in the four fiscal years-2011, 2012, 2013 and 2014- chosen by coinciding with a period after the 2008-2009 crisis; in the second stage, we compared the indexes of the two groups of companies in the four established periods. The results indicate that innovative companies are able to sustain higher financial results than those non-innovative companies. As a main contribution, our study provides a longitudinal comparative analysis, thus providing evidence on the financial performance of innovative enterprises.

CHINTALA BALAJI, G PRAVEEN KUMAR (2016). A COMPARATIVE STUDY ON FINANCIAL PERFORMANCE OF SELECTED PUBLIC & PRIVATE SECTOR BANKS IN INDIA.

Banks form a fundamental component of the financial system and are also active players in financial markets. An efficient banking system capable of mobilizing the savings and channelling them to productive purposes are essential for the development of any economy. The objective of the study is to analyze and compare the overall financial performance of selected public and private sector banks in India. The study is based on secondary data that has been collected from annual reports of the respective banks, Reserve Bank of India website. This research study covers a period of five years i.e., from financial year 2011-2012 to 2015-2016. A quota sample method is used for to select ten banks i.e., five from public sector and five

from private sector has been selected and the criteria is based on highest market capitalization generated by banks during 2015-2016. T Test, mean and graphs are used to analyze the data. Although there was increase in profitability for both sector banks the rate of growth is higher for private sector banks. Public sector banks are lagging in many financial parameters and they are facing many challenges also. It is concluded that public sector banks must redefine their strategies by considering their strengths and weakness and the type of market they are operating.

MUKDAD IBRAHIM (2015). A COMPARATIVE STUDY OF FINANCIAL PERFORMANCE BETWEEN CONVENTIONAL AND ISLAMIC BANKING IN UNITED ARAB EMIRATES.

The purpose of this study is to compare the financial performance of two UAE based Islamic and conventional banks between the years 2002 and 2006. Quantitative analysis was undertaken by looking at various sets of financial ratios that are routinely used to measure bank performance. The main ratios that were employed put a particular focus on the bank's liquidity, profitability, management capacity, capital structure and share performance as reliable indicators of a bank performance. Descriptive statistical analysis was used to rank the performance, measuring the dispersion and the stability-variability of the indicators. The research goes one step further and measures the financial stability of the two banks. Conclusions were then drawn from the computation of the relevant ratios that allowed the author to make an effective comparison of said banks. Subsequently, each bank's performance was then ranked via the use of descriptive statistical analysis. This type of analysis was used to summarize the performance of each bank based on three criteria, mean, coefficient of variation and the overall stability of each bank's performance. The findings showed that both banks performed reasonably well during the period studied. While the bank of Sharjah benefitted by having an overall higher degree of liquidity, profitability, management capacity and capital structure, Dubai Islamic bank was better off in relation to share indicators performance and in terms of overall stability.

**CH SPATHIS, MICHAEL DOUMPOS, CONSTANTINE ZOPOUNIDIS (2002).
DETECTING FALSIFIED FINANCIAL STATEMENTS: A COMPARATIVE STUDY
USING MULTICRITERIA ANALYSIS AND MULTIVARIATE STATISTICAL
TECHNIQUES.**

Falsifying financial statements involves the manipulation of financial accounts by overstating assets, sales and profit, or understating liabilities, expenses or losses. This paper explores the effectiveness of an innovative classification methodology in detecting firms that issue falsified financial statements (FFS) and the identification of the factors associated to FFS. The methodology is based on the concepts of multicriteria decision aid (MCDA) and the application of the UTADIS classification method (Utilities Additives Discriminants). A sample of 76 Greek firms (38 with FFS and 38 non-FFS) described over ten financial ratios is used for detecting factors associated with FFS. A jackknife procedure approach is employed for model validation and comparison with multivariate statistical techniques, namely discriminant and logit analysis. The results indicate that the proposed MCDA methodology outperforms traditional statistical techniques which are widely used for FFS detection purposes. Furthermore, the results indicate that the investigation of financial information can be helpful towards the identification of FFS and highlight the importance of financial ratios such as the total debt to total assets ratio, the inventories to sales ratio, the net profit to sales ratio and the sales to total assets ratio.

**B NIMALATHASAN, RK GANDHI (2012). MUTUAL FUND FINANCIAL
PERFORMANCE ANALYSIS-A COMPARATIVE STUDY ON EQUITY
DIVERSIFIED SCHEMES AND EQUITY MID-CAP SCHEMES.**

This article focused on the financial performance analysis of mutual fund schemes (equity diversified schemes and equity mid-cap schemes) of selected banks (State Bank of India, Canara Bank-Public Bank, ICICI Bank, HDFC Bank-Private Bank). The objectives of this research work are to analysis the financial performance of selected mutual fund schemes through the statistical parameters (Standard Deviation, Beta and Alpha) and ratio analysis (Sharpe Ratio, Treynor Ratio, Jenson Ratio, Information Ratio). The results of the research work concern Among the Open ended–Tax Saving schemes, Canara Robeco Equity Diversified is the preferred and

ranked top most, at the same time among the Open ended–Midcap schemes, HDFC Capital Builder is the preferred and ranked top through various tools. These research findings useful to the investors in terms of understanding the financial performance of the mutual fund schemes. Also, this research finding is useful to the Mutual Fund Company in terms of Behavioural aspects of mutual funds.

PAUL TAE-WOO LEE, CHENG-WEI LIN, SUNG-HO SHIN (2012). A COMPARATIVE STUDY ON FINANCIAL POSITIONS OF SHIPPING COMPANIES IN TAIWAN AND KOREA USING ENTROPY AND GREY RELATION ANALYSIS.

The international trade of Korea and Taiwan has been heavily dependent upon international sea transportation owing to geo-political aspects. Therefore, the two countries have exerted to develop and promote ocean-going shipping industry in order to support their economies. Recent financial crisis in together with the economic slowdown has reduced seaborne trade cargoes, which resulted in remarkably deteriorated revenues of the container shipping sector. Major container shipping companies of both countries such as Evergreen, Yang Ming, Hyundai, and Hanjin under our study are no exception. This paper intends to achieve two-fold aims. The first applies entropy to find the relative weights of financial ratios of the four companies each year. In so doing, we can find the weights variance for the period of 1999–2009 based on the financial performance of the above companies. The second is to rank the companies in the period by grey relation analysis. On the basis of findings in this paper, we suggest business policy implications to mitigate impacts of the financial tsunami in the context of world shipping area.

TITO TOMAS SIUEIA, JIANLING WANG, TAMAKLOE GEOFFREY DELADEM (2019). CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL PERFORMANCE: A COMPARATIVE STUDY IN THE SUB-SAHARAN AFRICA BANKING SECTOR.

There is a growing interest in Corporate Social Responsibility (CSR), both in the professional and academic fields. Building on the Stakeholder theory, this study examines the impact of voluntary CSR disclosure on Financial Performance (FP) in the Sub-Saharan banking sector by comparing the top-ranked banks in Mozambique and the Republic of South Africa. This study applied content analysis

to assess the Corporate Social Responsibility dimensions and the general measure of FP such as Return on Asset (ROA) and Return on Equity (ROE), which are published in the annual reports in accordance with International Financial Reporting Standards (IFRS). Based on a panel data covering the period of 2012–2016, this study regresses FP on CSR disclosure and found a significant and positive relationship between FP and CSR disclosure, suggesting that CSR behaviour is helpful to improve the performance of banks. The findings indicate that the Republic of South Africa banks are slightly over performing Mozambican banks, and the Republic of South Africa banks are disclosing more information regarding CSR than Mozambican banks. Also, the influence of the positive CSR disclosure index is much stronger than that of the negative CSR disclosure index on improving FP. In practical terms, it is believed that the voluntary report on CSR commitment could help the banking sector to improve its FP. The evidence from the study can help regulators and investors to understand the banks' business practices in these two countries.

**ISABEL BRUSCA, FRANCESCA MANES ROSSI, NATALIA AVERSANO (2015).
DRIVERS FOR THE FINANCIAL CONDITION OF LOCAL GOVERNMENT: A
COMPARATIVE STUDY BETWEEN ITALY AND SPAIN.**

This paper aims to analyse the influence of socioeconomic, political and financial factors on the financial condition of Italian and Spanish local governments in a comparative approach. The research is also aimed at understanding to what extent a model for the analysis of the financial condition can be generalized to different contexts. We assume that the financial condition is a multidimensional concept, with the results highlighting that while in Spain there is a high correlation between the long term financial and short-term economic situations and an indicator can combine both dimensions, in Italy both dimensions are differentiated. There are also differences in the drivers of financial sustainability in both countries.

FRANCESCA BARTOLACCI, ANDREA CAPUTO, MICHELA SOVERCHIA (2020). SUSTAINABILITY AND FINANCIAL PERFORMANCE OF SMALL AND MEDIUM SIZED ENTERPRISES: A BIBLIOMETRIC AND SYSTEMATIC LITERATURE REVIEW.

Based on a 20-year dataset collected from the Web of Science database, this study aims to present a comprehensive knowledge map of the intellectual structure of the field of study of sustainability and financial performances in small and medium sized enterprises (SMEs). A bibliometric analysis and a systematic literature review method were employed by analysing articles published between 1999 and 2018, using the VOS Viewer software. The study provides an overview of articles, authors, the most influential journals, and themes of research. The results reveal the existence of three themes in research: the role of innovation and entrepreneurship and their impact on sustainability in SMEs (cluster 1), corporate social responsibility in the context of SMEs (cluster 2), and green management and environmental issues for SMEs (cluster 3). In sum, this paper discusses prominent insights from the research analyses and recommends future research directions for the field.

ZAWADI ALLY (2013). COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE OF COMMERCIAL BANKS IN TANZANIA.

This paper analysed the financial performance of commercial banking sector in Tanzania for the period of 7 years from 2006 to 2012. Financial ratios were employed to measure the profitability and liquidity of banks; in addition, Analysis of Variance (ANOVA) was used to test the significance differences of profitability means among peer banks groups. The study found that overall bank financial performance increased considerably in the first two years of the analysis. A significant change in trend is noticed at the onset of the global financial crisis from 2008 to 2009. However, Tanzania banking sector remained stable; banks are adequately capitalized and profitable and remained in a sound position. The study found that, there is no a significant means difference of profitability among of peer banks groups in term of ROA, however, a significance differences among banks group is existed in term of ROE and NIM.

ANUPAM MEHTA (2012). FINANCIAL PERFORMANCE OF UAE BANKING SECTOR-A COMPARISON OF BEFORE AND DURING CRISIS RATIOS.

Prior to the outbreak of recent global economic crisis, the banking sector of UAE had enjoyed double digit growth, but the global crisis restricted the massive growth of UAE banks. This paper contributes to emerging body of research by examining the financial performance indicators of the banks and identifying whether the financial performance indicators of UAE banks have been impacted by the Global economic crisis. This paper studies all banks listed on Abu Dhabi Stock Exchange. The study covers a period of 2005 to 2010, which has been classified into before crisis, during crisis and after crisis period. The performances of the banks have been measured by financial ratios. Leverage, Liquidity and Profitability ratios of UAE banks have been calculated and analysed to draw interpretations. To find out the impact of crisis on these ratios a difference in the before and during the crisis period have been analysed by Wilcoxon test. The results of the study concludes that the recent global crisis has impacted the UAE bank's financial performance specially the profitability measured by Return on Assets and Return on Equity. All profitability ratios of bank have decreased during the crisis period. Liquidity of banks has also decreased during the crisis period especially in terms of cash & portfolio Investments to deposits. On the contrary the Leverage ratios of UAE's banking sector have increased during the crisis period as compared to the pre-crisis period.

VERONIKA FENYVES (2015). FINANCIAL PERFORMANCE EVALUATION OF AGRICULTURAL ENTERPRISES WITH DEA METHOD.

The evaluation of performance is aiming to continuously monitor efficiency and economy of the company's operation and to provide information for corporate decisions. Benchmarking is one means of comparing corporate performance. Nowadays financial indicators are commonly used means in corporate performance analysis, but they can hardly be used as a complex tool of measurement. Adequate performance evaluation and comparability requires a method, a measuring tool, which can measure corporate performance in a complex way. A method is needed, which allows the use of both quantitative and qualitative characteristics; Data Envelopment Analysis (DEA) is a method like that. DEA may complete traditional indicator analysis, especially if the goal is to get more information regarding

operational and technical efficiency. Based on the analysis of the chosen corporate data, DEA is presented to be suitable for the comparison and analysis of profit-making companies' performance. Variables included in the evaluation are selected by step-wise regression. Benchmarking module of R Statistics is used during the calculations.

MARCOS DIESTE, ROBERTO PANIZZOLO, JOSE ARTURO GARZA-REYES (2021). A SYSTEMATIC LITERATURE REVIEW REGARDING THE INFLUENCE OF LEAN MANUFACTURING ON FIRMS' FINANCIAL PERFORMANCE.

The lean philosophy has demonstrated its effectiveness to improve firms' operational performance. However, the impact of lean practices on financial performance is still unclear due to the poor understanding of the link between operational and financial measures and the conflictive results obtained by previous research. The purpose of this paper is to conduct a systematic literature review to understand whether lean companies have improved their financial performance. Moreover, this article aims to uncover research gaps in the literature and examine which time spans of research have been considered to analyse both the degree of lean implementation and the measurement of financial outcomes.

ALI ALSHEHHI, HAITHAM NOBANEE, NILESH KHARE (2018). THE IMPACT OF SUSTAINABILITY PRACTICES ON CORPORATE FINANCIAL PERFORMANCE: LITERATURE TRENDS AND FUTURE RESEARCH POTENTIAL.

This paper presents an analysis of the literature concerning the impact of corporate sustainability on corporate financial performance. The relationship between corporate sustainable practices and financial performance has received growing attention in research, yet a consensus remains elusive. This paper identifies developing trends and the issues that hinder conclusive consensus on that relationship. We used content analysis to examine the literature and establish the current state of research. A total of 132 papers from top-tier journals are shortlisted. We find that 78% of publications report a positive relationship between corporate sustainability and financial performance. Variations in research methodology and measurement of variables lead to the divergent views on the relationship. Furthermore, literature is slowly replacing total sustainability with narrower corporate

social responsibility (CSR), which is dominated by the social dimension of sustainability, while encompassing little to nothing of environmental and economic dimensions. Studies from developing countries remain scarce. More research is needed to facilitate convergence in the understanding of the relationship between corporate sustainable practices and financial performance.

**MAHFOUDH ABDULKAREM AL-MUSALI, KU NOR IZAH KU ISMAIL (2016).
CROSS-COUNTRY COMPARISON OF INTELLECTUAL CAPITAL
PERFORMANCE AND ITS IMPACT ON FINANCIAL PERFORMANCE OF
COMMERCIAL BANKS IN GCC COUNTRIES.**

The purpose of this paper is to explore the intellectual capital (IC) performance of banks in Gulf Cooperation Council (GCC) countries and to empirically investigate if IC has an impact on financial performance as well as to identify the IC components that may be the drivers of the traditional indicators of bank success. The empirical data are drawn from banks' annual reports over the three-year period of 2008 to 2010. Ordinary least squares regression analysis is constructed to examine the relationships between IC and the banks' financial performance indicators. Public's value-added intellectual coefficient method (VAIC) is applied to measure IC performance. Empirical findings, after controlling for bank size and global financial crisis, indicate that IC is positively associated with bank financial performance indicators in all GCC countries. However, when VAIC is split into its three components, the relationships between these components and bank financial performance indicators are varied.

**RAHMAWATI RAHAYU NINGSIH, HENNY ANDRIYANI WIRANANDA. (2022).
COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE IN BANKING
COMPANIES DURING COVID-19 (COMPARATIVE STUDY ON PT. BANK
NEGARA INDONESIA AND PT. BANK SUMUT)**

The purpose of this study is to ascertain and evaluate whether there are any appreciable variations in ROA, ROE, CAR, and NPL at the Indonesian state bank (BNI) and Bank Sumut over the course of COVID-19. Research of this kind is quantitative. Financial statements in the form of balance sheets at the State Bank of Indonesia (BNI) and Bank of North Sumatra for the four years from 2018 to 2021

served as the research instrument utilized to collect data. The annual financial statements of the Bank of North Sumatra and the Indonesian state bank (BNI) served as the study's population. The census method is the sampling approach employed (total sampling). The independent sample t-test was the method of data analysis applied. In contrast to the ROA and NPL variables, which show a significant difference in financial performance between Bank Negara Indonesia (BNI) and Bank Sumut, the results of the analysis using the independent sample t-test on the CAR and ROE variables show no significant difference in financial performance between Bank Negara Indonesia (BNI) and Bank Sumut.

CAHYO PRAMONO, TEGUH WAHYONO, MERRY AGNES, UCHI LILLA QADRI (2020). ANALYSIS OF FINANCIAL PERFORMANCE COMPARISON BEFORE AND AFTER THE EMERGENCE OF E-COMMERCE IN INDONESIAN RETAIL COMPANY

This research aims to find out how financial performance comparisons in retail companies listed on the Indonesia Stock Exchange before and after the advent of e-commerce. The data used is secondary data obtained from the official website of the Indonesia Stock Exchange. Data used in the years 2016 and 2017. Sample data used by 9 retail companies. The ratio of the financial performance tested and compared is Current Ratio, Gross Profit Margin (GPM), and Return on Investment (ROI). Testing was conducted with Test Paired Sample T-Test with the help of SPSS application version 24.0. The results showed that the Current Ratio, Gross Profit Margin (GPM), and Return on Investment (ROI) did not have significant differences before and after the advent of e-commerce. The correlation results indicate that the Current Ratio, Gross Profit Margin (GPM), and Return on Investment (ROI) have a significant relationship from before and after the emergence of e-commerce.

HAK-SEON KIM (2016). A STUDY OF FINANCIAL PERFORMANCE USING DUPONT ANALYSIS IN FOOD DISTRIBUTION MARKET

This study attempts to measure the financial performance of the food distribution company. In order to achieve the goal, this study have measured the ratios of ROE, ROA applying the DuPont analysis, which have been demonstrated with tables to show the change periodically. DuPont analysis is based on analysis of Return on

Equity (ROE) & Return on Investment (ROI). The return on equity disaggregate performance into three components: Net Profit Margin, Total Asset Turnover, and the Equity Multiplier. The return on investment consists of Assets Turnover ($\text{Operating Income} \times \text{Total Assets}$) and Profit Margin ($\text{EBIT} \times \text{Operating Income}$). From the study it is found that Hyundai Green Food's Financial performance is high followed by Foodmerce and then Dongwon home food and Lotte Food. The four companies are significant at their level. In conclusion, ROE & ROI is the most comprehensive measure of profitability of a firm. It considers the operating and investing decisions can be made as well as the financing and their leverage-related decisions.

KJS JOSE, P AKASHWARAN, S SUCHITRA (2023). A STUDY ON FINANCIAL ANALYSIS OF ULTRATECH CEMENT LIMITED

The study entitled the financial performance analysis of UltraTech Cement company. The analysis of the company is done for the period of five years, ranging from financial year 2018 to 2022. The objective of this study is to compare the current financial performance with last five years and to study the existing financial position of Ultratech. The data used in this study is secondary data through annual report. Various tools like ratio analysis such as current ratio, liquid ratio, net profit ratio, return on assets, expense ratio and other performance ratios were used for the study, that can be helpful in finding the growth aspects of the firm. The study of financial analysis on the Ultratech company has revealed the great deal of their various financial aspects for five years.

SUVITA JHA, XIAOFENG HUI (2012). A COMPARISON OF FINANCIAL PERFORMANCE OF COMMERCIAL BANKS: A CASE STUDY OF NEPAL.

The objective of this study was to compare the financial performance of different ownership structured commercial banks in Nepal based on their financial characteristics and identify the determinants of performance exposed by the financial ratios, which were based on CAMEL Model. Eighteen commercial banks for the period 2005 to 2010 were financially analysed. In addition, econometric model (multivariate regression analysis) by formulating two regression models was used to estimate the impact of capital adequacy ratio, non-performing loan ratio,

interest expenses to total loan, net interest margin ratio and credit to deposit ratio on the financial profitability namely return on assets and return on equity of these banks. The results show that public sector banks are significantly less efficient than their counterpart are; however domestic private banks are equally efficient to foreign-owned (joint venture) banks. Furthermore, the estimation results reveal that return on assets was significantly influenced by capital adequacy ratio, interest expenses to total loan and net interest margin, while capital adequacy ratio had considerable effect on return on equity.

REBECA GARCÍA-RAMOS (2021). BOARD OF DIRECTORS STRUCTURE AND FIRM FINANCIAL PERFORMANCE: A QUALITATIVE COMPARATIVE ANALYSIS

Previous research about the effects of board structure and process on the firm financial performance is based on conflicting theoretical perspectives, and empirical results, mostly based on regression analysis, are inconclusive. Building from Complexity Theory and configurational analysis, this study offers clarity to inconclusive previous empirical results about the link among several board features and firm financial performance. From a sample of 295 non-financial firms from Southern Europe for the period 2001–2010, and by using fuzzy set qualitative comparative analysis, findings of this study show that firm financial performance depends on a complex configuration of several board features (board size, board independence, leadership structure and board activity) and several corporate characteristics (firm size, firm leverage and firm age). This paper has implications for academics. Despite different theoretical arguments and inconclusive results of the wide empirical literature addressing the effect of board characteristics on the firm performance, building from Complexity Theory this paper adds to our knowledge because it empirically explores under which circumstances different board features should contribute positively or negatively to firm performance. The results of this study have also implications for policy makers and practitioners by providing some useful hints to the controversial relationship between corporate governance and financial performance. In this sense, general corporate governance recommendations must be rethought.

AHMED IMRAN HUNJRA (2018). COMPARATIVE FINANCIAL PERFORMANCE ANALYSIS OF CONVENTIONAL AND ISLAMIC BANKS IN PAKISTAN.

Financial performance is a general measure of firm's overall financial health over a given period of time. The aim of this study is to compare financial performance of Islamic and Conventional banks to support depositors, bank managers, shareholders, investors, and regulators by providing true picture of financial position of Islamic as well conventional banks in Pakistan Ratio analysis technique is used to analyze financial performance of both banks. Data is collected from annual financial statements i.e., Balance sheet and Income statement for the period of 2008-2012. Nineteen ratios were estimated to measure these performances in terms of profitability, liquidity, risk and solvency, capital adequacy, operational, deployment and cash flow. Independent sample t test was used to determine significance of mean differences of these ratios between two banks. The study concludes that Conventional banks are more profitable, deployed and operationally efficient while less liquid and riskier as compared to Islamic Banks and also found a significant mean difference in profitability, capital adequacy, and cash flow ratio of both banks. To increase performance banks should conduct internal evaluation to improve its activities and to overcome weakness.

YESIM HELHEL (2013). COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE OF FOREIGN AND DOMESTIC BANKS IN GEORGIA.

The liberalization and globalization of the financial system has also affected Georgia which conquered independence after the collapse of Soviet Union in 1991. Today, banking system in Georgia is consistent with modern banking rules and free market conditions. Since foreign participation in the banking sector contributes to the rivalry for innovations and introductions of new bank products in the market, it seems to be worthy in many emerging markets and transition economies like Georgia where commercial banks are a core of the financial system. The aim of this study is to compare the financial performance of foreign and domestic banks in Georgia between 2009 and 2013 and their performance before and after January 1st 2012. We used profitability ratios along the following dimensions; Return on Assets (ROA), Return on Equity (ROE), Net Interest Margin (NIM) and Profit Expense Margin (PEM). For this purpose, data of nine foreign and six domestic-

partnership commercial banks were used. There were no significant differences of profitability between foreign and domestic banks in terms of ROA, ROE, NIM and PEM, but there were significant differences of profitability among the banks studied in terms of ROA, ROE and NIM, but not in terms of PEM. Pre and post January 1st 2012 profitability performances were found to be significantly different in terms of ROA and NIM, but not in terms of ROE and PEM when the all banks were included in the analysis.

MUHAMMAD TARIQ MAJEED, ABIDA ZAINAB (2021). A COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE OF ISLAMIC BANKS VIS-À-VIS CONVENTIONAL BANKS: EVIDENCE FROM PAKISTAN

In recent years, the fast growth of Islamic banks (IBs) has generated debates among policymakers and economists about the sustainability and performance of these institutions. This paper aims to undertake a comparative analysis of the financial performance of IBs and conventional banks (CBs) in Pakistan over the period 2008–2019 to evaluate how IBs are faring compared to their conventional peers. This paper considers Financial Ratio Analysis (FRA) to analyse and compare the performance of the top-10 IBs and CBs operating in Pakistan. The sample includes five full-fledged IBs and five CBs which offer Islamic windows in Pakistan. The top-five performing CBs offering Islamic windows have been selected in this study.

MUHAMMAD ALI (2018). IMPACT OF CORPORATE GOVERNANCE ON FIRM'S FINANCIAL PERFORMANCE (A COMPARATIVE STUDY OF DEVELOPED AND NON-DEVELOPED MARKETS)

The study has been conducted to compare the impact of corporate governance on firm's financial performance between USA (Developed Country) and Pakistan (Developing Country). The corporate governance is measured by Board's Ownership, Effectiveness, Size and Structure, Its Independency, CEO Duality and Board's education and Experience whereas the firm's financial performance is measure by the Return on Asset and Return on Equity. A sample of 100 listed companies from Karachi Stock Exchange of Pakistan and New York Stock

Exchange of USA has been investigated to analyze the relationship during the period 01 Jan 2010 to 31 Dec 2015 regarding their comparative firm's financial performance in respect of Corporate Governance. The impact of corporate governance in the 100 listed firms that are taken in the sample from Pakistan and USA were analysed through collection primary data by floating the questionnaire physically in Pakistan and online for USA. The internal and external performance of firm's for both countries was measured by taking Return on Asset (ROA) and Return on Equity (ROE) as internal performance measure and Market to Book Value Ratio, of Tobin's Q and Marris, for measuring the external performance. From the study it has been found that corporate governance codes are being followed in both countries but it is better in the developed countries. In Pakistan, due to most family-owned business there exists some conflicts exists between the corporate governance codes drawn by SECP with their already drawn already set procedure whereas in USA strict Corporate Governance codes are being followed. The variables like Board ownership, Board Education & Experience, effectiveness and CEO Duality have positive relationship with the firm's performance but Board Size has negative correlation. The study also found that there is no relationship between independency of director with firm's performance.

FRANCESCA BARTOLACCI, ANDREA CAPUTO, MICHELA SOVERCHIA (2019). SUSTAINABILITY AND FINANCIAL PERFORMANCE OF SMALL AND MEDIUM SIZED ENTERPRISES: A BIBLIOMETRIC AND SYSTEMATIC LITERATURE REVIEW

Based on a 20-year dataset collected from the Web of Science database, this study aims to present a comprehensive knowledge map of the intellectual structure of the field of study of sustainability and financial performances in small and medium sized enterprises (SMEs). A bibliometric analysis and a systematic literature review method were employed by analysing articles published between 1999 and 2018, using the VOS Viewer software. The study provides an overview of articles, authors, the most influential journals, and themes of research. The results reveal the existence of three themes in research: the role of innovation and entrepreneurship and their impact on sustainability in SMEs (cluster 1), corporate social responsibility in the context of SMEs (cluster 2), and green management and environmental

issues for SMEs (cluster 3). In sum, this paper discusses prominent insights from the research analyses and recommends future research directions for the field.

PIETER VAN BEURDEN & TOBIAS GOSSLING (2018). THE WORTH OF VALUES – A LITERATURE REVIEW ON THE RELATION BETWEEN CORPORATE SOCIAL AND FINANCIAL PERFORMANCE.

One of the older questions in the debate about Corporate Social Responsibility (CSR) is whether it is worthwhile for organizations to pay attention to societal demands. This debate was emotionally, normatively, and ideologically loaded. Up to the present, this question has been an important trigger for empirical research in CSR. However, the answer to the question has apparently not been found yet, at least that is what many researchers state. This apparent ambivalence in CSR consequences invites a literature study that can clarify the debate and allow for the drawing of conclusions. The results of the literature study performed here reveal that there is indeed clear empirical evidence for a positive correlation between corporate social and financial performance. Voices that state the opposite refer to out-dated material. Since the beginnings of the CSR debate, societies have changed. We can therefore clearly state that, for the present Western society, “Good Ethics is Good Business.”

ZULFIQAR ALI SHAH, SYED (2011). CORPORATE GOVERNANCE AND FINANCIAL PERFORMANCE A COMPARATIVE STUDY OF DEVELOPING AND DEVELOPED MARKETS

This study has been conducted to compare the impact of corporate governance on various areas of performance between the USA (developed economy) and Pakistan (developing economy). Areas tested in this study are the dividend policy, capital structure, internal and external performance, and multifactor model of publicly traded companies in Pakistan. A specially constructed CG Scorecard and individual corporate governance factors have been used as the measures of corporate governance for the Pakistani perspective and the corporate governance index has been used for the analysis in USA. The Corporate Governance Scorecard has been developed on the basis of a literature review and by a survey of CEO's, COO's, and company secretaries of various listed companies in Pakistan. Dividend policy is

measured by using the payout ratio and Lintner's (1956) Model. A total of 120 listed companies in Pakistan and 1,035 listed companies in the USA have been investigated to analyze the relationship for the period 2002 to 2007. This study also analyses separate proxies of corporate governance. In Pakistan the study found positive relationships between managerial ownership, institutional ownership, and CEO duality with dividend payout. We also found a positive relationship between the Corporate Governance Score and dividend payout. The same relationship has been found in the USA. Using Lintner's Model, the study also found that companies with good governance have higher payout ratios. Descriptive statistics, the correlation matrix, and common effect models have been applied to test the panel data. For capital structure, the study found a negative relationship between leverage and CGI in Pakistan. Managerial ownership has been found positively associated with gearing ratio in both cases. It has also been found that the presence of CEO duality leads to more debt in capital structures.

JYOTIRMOY KOLEY (2019). ANALYSIS OF FINANCIAL POSITION AND PERFORMANCE OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA: A COMPARATIVE STUDY ON SBI AND HDFC BANK.

Indian banking sector is an important component of Indian financial system. It has a strong impact on the economic development and growth of the nation. The present study is made to measure the financial position, performance and efficiency of the largest public sector bank (SBI) and private sector bank (HDFC). The objective of the study is to identify financial position and performance of the selected banks and to examine whether any significant difference exists in their performance. The study is based on secondary data which has been collected from annual reports of the selected banks covering a period of five years from 2013-14 to 2017- 18. The CAMEL model has been used to assess the financial strength of the selected banks. T-test has been used on the important parameters like capital adequacy, asset quality, management efficiency, earnings ability and liquidity to draw the conclusion the study.

**SK ALAMGIR HOSSAIN, MD. NAZMUL ISLAM, MD. SHAHED MAHMUD (2017).
EVALUATION OF FINANCIAL PERFORMANCE OF COMMERCIAL BANKS IN
BANGLADESH: COMPARATIVE STUDY BASED ON CAMEL APPROACH.**

Banking industry plays a very important role to the economy of Bangladesh and the financial performance measurement is one of the majors considering factors for the banks. The study attempts to analyses and compares the financial performance of Islamic and Conventional commercial banks operating in Bangladesh during 2011 to 2015 using secondary data by applying CAMEL model and other relevant statistical tools. The study revealed that Islamic banks perform better than Conventional banks in terms of capital adequacy, assets quality, and management quality and earnings ability. However, Islamic banks had a weaker liquidity position in comparison to Conventional banks. This study also found that, there is no significant difference between the two banking categories except liquidity position. This study also revealed that under Islamic banking system Al-Arafa Islamic Bank and Exim Bank Limited performed better than other Islamic banks and under Conventional banking system Mercantile Bank Limited and Dutch-Bangla Bank Limited performed better than other conventional banks among the selected banks in the selected time period. The findings of the study will help to increase the confidence and consciousness in the partaking banks in Bangladesh. Finally, some suggestions and recommendations have been provided to increase financial performance of selected banks which will insure those banks sound positioning in banking sector of Bangladesh.

**AMINA BUALLAY, RICHARD CUMMINGS, ALLAM HAMDAN (2019).
INTELLECTUAL CAPITAL EFFICIENCY AND BANK'S PERFORMANCE: A
COMPARATIVE STUDY AFTER THE GLOBAL FINANCIAL CRISIS.**

Intellectual capital (IC) plays a pivotal role in the high-tech and knowledge-based economic sectors. With the emergence of FinTech, which, with respect to the banking sector, is merging high-tech with the k-economy, there is an emerging need to highlight the importance and understand the dynamics of bank IC. With respect to Gulf Cooperation Council (GCC) economies, where FinTech has become de rigueur, banking is bifurcated into Islamic and banking sectors. Through comparative

empirical analysis, the purpose of this paper is to examine IC efficiency in Islamic and conventional banks with a view to elucidating the impact of IC, in aggregate and decomposed into its components, on an operational, financial and market performance of Islamic banks juxtaposed with conventional banks.

**SABINA YESMINE¹, MOHAMMAD SAIF UDDIN BHUIYAH² (2015).
DETERMINANTS OF BANKS' FINANCIAL PERFORMANCE: A COMPARATIVE
STUDY BETWEEN NATIONALIZED AND LOCAL PRIVATE COMMERCIAL
BANKS OF BANGLADESH.**

Financial performance is one of the most critical factors having impact on the decision making of the resource providers. And thus, to ensure the existence in the ever-growing competitive business environment, every institution should be more concerned about the factors affecting their financial performance. This paper specially focuses on identifying the factors having impact on the financial performance of the commercial banks operating in Bangladesh. An effort has also been exerted to determine whether the extent of influence of various factors on financial performance varies with respect to local private and nationalized commercial banks. For this purpose, 10 local private commercial banks (PCB) and all nationalized commercial banks (NCB) have been taken covering the period from 2008-2014. Here, data has been collected from the annual reports of the banks under consideration. To draw conclusion a multiple regression has been run by considering financial performance (profitability) as dependent variable and operating efficiency, asset utilization, liquidity, credit risk, capital adequacy and size of the company as independent variables. The study finds that asset utilization and operating efficiency have significant positive impact on banks' financial performance (profitability) whereas credit risk has significant negative impact. However, for PCBs asset utilization is the most critical factor to performance. On the other hand, result shows that in case of NCB 1 taka increase in credit risk is responsible for negative return of 0.968 taka. It is found that financial performance has no significant relationship with size and liquidity of the banks.

DEDEN TARMIDI, GIAWAN NUR FITRIA, ZAMRI AHMAD (2019). FINANCIAL PERFORMANCE AND AUDIT QUALITY: COMPARATIVE STUDY OF INVESTOR REACTION.

The aim of the company to register its shares in the stock exchange is to get additional funds from investors so that the business continues to grow. The company's financial performance is a factor that is highly considered by investors, but what if the information is not quality based on the audit results from the auditor? This study aims to determine investor reactions to financial performance information and audit quality. The uniqueness of this research is the 2x2 method between financial performance and quality audit so that this study can produce information about how 1) investor reaction to high financial performance with high audit quality, 2) investor reaction to high financial performance but low audit quality, 3) investor reaction to low financial performance with high audit quality, 4) investor reaction to low financial performance with low audit quality. The results showed that investors only react to high financial performance but low audit quality with negative react, it shows that investors are concerned about audit procedures in assessing the company's financial performance. High company performance but has a low audit quality makes investors pay more attention to the company because the good value is actually considered to be detrimental to investors because of its doubtful quality.

PETR HAJEK, ROBERTO HENRIQUES (2017). MINING CORPORATE ANNUAL REPORTS FOR INTELLIGENT DETECTION OF FINANCIAL STATEMENT FRAUD - A COMPARATIVE STUDY OF MACHINE LEARNING METHODS.

Financial statement fraud has been serious concern for investors, audit firms, government regulators, and other capital market stakeholders. Intelligent financial statement fraud detection systems have therefore been developed to support decision-making of the stakeholders. Fraudulent misrepresentation of financial statements in managerial comments has been noticed in recent studies. As such, the purpose of this study was to examine whether an improved financial fraud detection system could be developed by combining specific features derived from financial information and managerial comments in corporate annual reports. To develop this system, we employed both intelligent feature selection and

classification using a wide range of machine learning methods. We found that ensemble methods outperformed the remaining methods in terms of true positive rate (fraudulent firms correctly classified as fraudulent). In contrast, Bayesian belief networks (BBN) performed best on non-fraudulent firms (true negative rate). This finding is important because interpretable “green flag” values (for which fraud is likely absent) could be derived, providing potential decision support to auditors during client selection or audit planning. We also observe that both financial statements and text in annual reports can be utilised to detect non-fraudulent firms. However, non-annual report data (analysts’ forecasts of revenues and earnings) are necessary to detect fraudulent firms. This finding has important implications for selecting variables when developing early warning systems of financial statement fraud.

ALMUTAIRI (2022). COVID-19 AND ITS IMPACT ON THE FINANCIAL PERFORMANCE OF KUWAITI BANKS: A COMPARATIVE STUDY BETWEEN CONVENTIONAL AND ISLAMIC BANKS.

COVID-19 struck without warning, and by the first quarter of 2020, the world had plunged into a state of total closure as a means of containing the pandemic's devastating effect. Certainly, the pandemic shook many economies; some countries were able to cope, while third-world countries lost their invulnerability. Based on this, the current study looked at financial reports from Kuwaiti conventional and Islamic banks from 2019 to 2020 (before and after the pandemic) and compared the findings to see how much of an impact Kuwaiti conventional and Islamic banks had during the COVID-19 epidemic. Financial analysis of financial reports was used as a quantitative methodology, and variables were compared and analysed, including (the liquidity ratio, profitability ratio, and financial leverage) within (14) Kuwaiti conventional and Islamic banks. The study found that the pandemic had a detrimental impact on both conventional and Islamic banks in Kuwait, as they were the first line of defence for the Kuwaiti economy during lockdowns and quarantines. Furthermore, there were significant implications on the Rate of Return on Investment, Debt, Financial Leverage, and Return on Equity.

MAHESH JOSHI, DARYLL CAHILL, JASVINDER SIDHU, MONIKA KANSAL (2013). INTELLECTUAL CAPITAL AND FINANCIAL PERFORMANCE: AN EVALUATION OF THE AUSTRALIAN FINANCIAL SECTOR.

The purpose of this paper is to examine the intellectual capital (IC) performance of the Australian Financial Sector for the period 2006-2008. It also aims to examine the relationship between IC performance and the financial performance of the financial sector. The value creation capability of financial sector in Australia is highly influenced by human capital. About two thirds of the sample companies have very low levels of intellectual capital efficiency. The performance of various components of VAIC and overall VAIC differs across all subsectors in the financial sector. Investment companies have high value VAIC due to higher a level of human capital efficiency, as compared to banks, insurance companies, diversified financials and RIETs. Insurance companies are more focussed on physical capital rather than human and structural capital leading to lower VAIC.

ALISHA BHADLIA OZMERAL CPA, MSPH, KRISTIN L. REITER PHD, GEORGE M. HOLMES PHD, GEORGE H. PINK PHD (2012). A COMPARATIVE STUDY OF FINANCIAL DATA SOURCES FOR CRITICAL ACCESS HOSPITALS: AUDITED FINANCIAL STATEMENTS, THE MEDICARE COST REPORT, AND THE INTERNAL REVENUE SERVICE FORM 990.

Medicare Cost Reports (MCR), Internal Revenue Service Form 990s (IRS 990), and Audited Financial Statements (AFS) vary in their content, detail, purpose, timeliness, and certification. The purpose of this study was to compare selected financial data elements and characterize the extent of differences in financial data and ratios across the MCR, IRS 990, and AFS for a sample of nonprofit Critical Access Hospitals (CAHs). the indicators examined, the equity financing ratio most frequently matched between the 3 reports, while salaries and benefits to total expenses and debt service coverage were often different. Variances were driven by differences in individual account balances used to construct the ratios. Relative to AFS, cash was frequently lower on the IRS 990 while marketable securities and unrestricted investments were often higher. Other revenue and net income were consistently lower on the MCR and IRS 990, and depreciation was often higher on the MCR.

MIN SHI, WEI YU (2013). SUPPLY CHAIN MANAGEMENT AND FINANCIAL PERFORMANCE: LITERATURE REVIEW AND FUTURE DIRECTIONS.

The purpose of this paper is to review a sample of the literature relating to the financial impacts of supply chain management (SCM) and suggest future research directions. By conducting content analysis, empirical findings on the relationship between SCM and firm-level financial performance are summarized and classified. Performance drivers are identified from the literature to guide future SC practices. Both accounting- and market-based financial performances are closely related to the effectiveness of SCM. As important performance drivers, sourcing strategy, information technology

SHUN-CHIAO CHANG (2015). A HYBRID FINANCIAL PERFORMANCE EVALUATION MODEL FOR WEALTH MANAGEMENT BANKS FOLLOWING THE GLOBAL FINANCIAL CRISIS

The study constructs a hybrid approach to financial performance evaluation for wealth management (WM) banks affected by the global financial crisis from the middle of 2007 into 2008 utilizing an analytic hierarchy process (AHP) and the VlseKriterijumska Optimizacija I Kompromisno Resenje (VIKOR). Five aspects of multi-criteria group decision making including service, performance, professionalism, risk control, and consumers' confidence (SPPRC) reveal that consumers' confidence, risk control and service are the top three key factors for Taiwan's seven main WM banks in evaluating the performance of banking managers.

HASNAN BABER (2018). A COMPARATIVE STUDY OF ISLAMIC FINANCE AND CONVENTIONAL FINANCE DURING AND POST FINANCIAL CRISIS.

This paper aims to explore Islamic finance's resilience in times of financial crisis and considers Islamic finance's viability as an alternative to the current financial system. Established on a review of theoretical aspects underlying the notion of Islamic finance being proficient of reducing the harshness of financial crises and a latent

solution to financial volatility, this paper assesses actual performance of Islamic and conventional banks during and in the repercussion of the current financial crisis. Interviews were also conducted with managers of Islamic banks. The paper concludes that performance of Islamic banks during the global financial crisis is found to be supportive of their argued resilience and consistency. However, the latest financial crisis has brought to light a number of theoretical and realistic issues that challenge Islamic finance and its absorbing capacity against financial crises.

QIAN WANG, JUNSHENG DOU SHENGHUA JIA (2016). A META-ANALYTIC REVIEW OF CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE FINANCIAL PERFORMANCE: THE MODERATING EFFECT OF CONTEXTUAL FACTORS.

The relationship between corporate social responsibility (CSR) and corporate financial performance (CFP) has long been a central and contentious debate in the literature. However, prior empirical studies provide indefinite conclusions. The purpose of this study is to review systematically and quantify the CSR–CFP link in a meta-analytic framework. Based on 119 effect sizes from 42 studies, this study estimates that the overall effect size of the CSR–CFP relationship is positive and significant, thus endorsing the argument that CSR does enhance financial performance. Furthermore, this work sheds light on the causal relationship between CSR and CFP. Subsequent financial performance is associated with prior social responsibility, while the reverse direction is not supported. This finding supports the instrumental stakeholder theory. As predicted, the meta-analysis results indicate that the measurement strategies of the two key constructs of CSR and CFP explain some variations of the CSR–CFP relationship. Last, this study examines the moderating effect of the environmental context on the CSR–CFP link. This work proposes that CSR in the developed world, with a relatively mature institutional system and efficient market mechanism, will be more visible than CSR in the developing world. The results show that the CSR–CFP relationship is stronger for firms from advanced economies than for firms from developing economies.

MARCJANNA M. AUGUSTYN, IBRAHIM A. ELSHAER & RAPHAEL K. AKAMAVI (2019). COMPETING MODELS OF QUALITY MANAGEMENT AND FINANCIAL PERFORMANCE IMPROVEMENT.

Six competing models of quality management and financial performance improvement are hypothesized and statistically tested, using data from a survey of general managers of 288 four- and five-star hotels in Egypt and structural equation modelling. The comparative analysis of the conceptually and structurally different models suggests that financial performance can be improved when quality management is viewed holistically as a commonality of its interconnected practices (top management leadership; employee management; customer focus; supplier management; process management; quality data and reporting). Managers must therefore integrate stakeholders into design and implementation of effective quality management systems. This study: advances knowledge of the roles of alternative models of quality management in improving financial performance; deepens our understanding of the main features of a quality management system capable of enhancing organizational performance; and contributes to ongoing debates in quality and service management literature on factors that impact financial performance.

SERENA SANTIS, GIUSEPPE GROSSI, MARCO BISOGNO (2018). PUBLIC SECTOR CONSOLIDATED FINANCIAL STATEMENTS: A STRUCTURED LITERATURE REVIEW.

The purpose of this paper is to review and analyze the literature on consolidated financial statements (CFS) in the public sector published from 1980 to 2015 in public sector accounting and management journals, and propose a future research agenda. Adopting a structured literature review methodology, the authors investigate how the CFS literature is developing and what its focus is. The authors identify five major topics: the definition of the consolidation area; the identification of the reporting entity; the private vs public sector accounting standard dichotomy; the relationship with the statistical rules; and the usefulness of CFS. The authors analyze these topics, highlighting the growing implementation of CFS in different contexts (mainly focusing on governments outside the USA) and provide suggestions for future research.

ABDOLHAMID SAFAEI GHADIKOLAEI (2014). APPLYING FUZZY MCDM FOR FINANCIAL PERFORMANCE EVALUATION OF IRANIAN COMPANIES.

Financial performance evaluation is very important in a highly competitive business environment. Accordingly, an accurate and appropriate performance evaluation is critical. Financial performance indicators reflect the competitiveness of a company and they must be carefully identified in the evaluation process. Generally, accounting measures are used for performance evaluation. However, these measures are not sufficient for performance evaluation in the today's competitive economy. Therefore, value-based measures have recently been introduced to express the company value. In this study, a hybrid approach is proposed for financial performance evaluation of automotive companies of Tehran stock exchange (TSE). For this purpose, a hierarchical financial performance evaluation model is structured based on the accounting measures and economic value measures. In this approach Fuzzy Analytic Hierarchy Process (FAHP) is applied to determine weights of criteria. Then the companies are ranked by using Fuzzy VIKOR (VlseKriterijumska Optimizacija I Kompromisno Resenje (in Serbian), Fuzzy Additive Ratio Assessment (ARAS-F) and Fuzzy Complex Proportional Assessment (Fuzzy COPRAS), simultaneously. Also results of three outranking methods are combined by using the mean ranks. The results represented the highest importance of economic value measures than accounting measures in financial performance evaluation of companies. Six companies were ranked applying the proposed approach.

TESFATSION SAHLU DESTA (2016). FINANCIAL PERFORMANCE OF “THE BEST AFRICAN BANKS”: A COMPARATIVE ANALYSIS THROUGH CAMEL RATING.

This study analysed the financial performance of the African banks. Only seven banks were observed among the 30 African best banks as identified by the Global Finance Magazine. These banks have completed and consolidated financial statements for a period of the recent three fiscal years (i.e., 2012 to 2014). It has applied the CAMEL composite and component rating. The study found that the banks are rated as strong and satisfactory when rated in terms of capital adequacy ratio and earnings ability. Conversely, they were rated as less satisfactory, deficient

and critically deficient when rated in terms of asset quality, management quality and liquidity. All the banks were aggregately rated as composite 3 (i.e., Fair). Standard Bank of South Africa Ltd. (South Africa) ranked last among the banks under study, but it was selected as the winner best regional bank by the Global Finance Magazine in 2015. The banks are recommended to employ the CAMEL composite and component rating on a periodic basis in order to withstand business fluctuations and vulnerability to outside influences. Similarly, institutions like the Global Finance Magazine are recommended to apply the CAMEL composite and component rating while ranking best banks. Finally, further research is worth pursuing for constructing a complete ratio's rating scale and weight for all ratios that constitute the composite CAMEL components.

DONG JIN KIM (2015). A COMPARATIVE STUDY OF FINANCIAL PERFORMANCE ANALYSIS BETWEEN HOTELS AND RESTAURANTS.

Financial information users have long been using financial ratios in order to evaluate companies' financial conditions and various types of financial ratios have been devised. This study is designed to investigate financial ratios of hotels and restaurants which represent two segments of the hospitality industry. Specifically, this study tests if there are any differences in liquidity ratios, solvency ratios, activity ratios, and profitability ratios between the two segments. The results reveal that liquidity and activity ratios are higher in the hotel segment compared with the restaurant segment. In terms of solvency ratios, the restaurant segment has more capability to satisfy its long-term financial obligations. In contrast, there is no significant difference in profitability ratios among the two segments.

PETER SARLIN (2015). DATA AND DIMENSION REDUCTION FOR VISUAL FINANCIAL PERFORMANCE ANALYSIS

This article assesses the suitability of data and dimension reduction methods, and data–dimension reduction combinations, for visual financial performance analysis. Motivated by no comparable quantitative measure of all aspects of dimension reductions, this article attempts to capture the suitability of methods for the task

through a qualitative comparison and illustrative experiments. While the discussion deals with differences of data–dimension reduction combinations in terms of their properties, the experiments illustrate their general applicability for financial performance analysis. The main conclusion is that topology-preserving data–dimension reduction combinations with predefined, regular grid shapes, such as the self-organizing map, are ideal tools for this task. We illustrate advantages of these types of methods with a visual financial performance analysis of large European banks.

RAAD NASER HANOON, NOR HANANI AHAMAD RAPANI (2020). THE CORRELATION BETWEEN INTERNAL CONTROL COMPONENTS AND THE FINANCIAL PERFORMANCE OF IRAQI BANKS A LITERATURE REVIEW.

This paper primarily examines how internal control affects the financial performance of the six banking sectors in Iraq. The inductive approach used in this paper entails the surveying, studying, comparing and summarizing of all papers published in prominent journals in the past seven years. This paper found that internal control is weak in Iraq compared to developing countries in the analysed studies. It also found that internal control is more positively correlated to financial performance 94.28 % than negatively linked to it 5.72 %. After defining the studies through a systematic review, the researchers concluded that most studies on the two variables i.e., internal control and financial performance had indicated a significant and positive relationship between both. In addition, the researchers also found that none of the previous studies had addressed the abovementioned correlation in the context of the Iraqi banking sector.

CARLOS LASSALA, ANDREEA APETREI, UAN SAPENA (2017). SUSTAINABILITY MATTER AND FINANCIAL PERFORMANCE OF COMPANIES.

The relationship between social and environmental performance and financial performance in companies has been a subject widely debated in the literature but the results obtained to date are not conclusive. This research employs the fuzzy-set qualitative comparative analysis (fsQCA) and offers new evidence on the

relationship between both types of performance in a sample of companies listed in the Spanish capital market. Financial performance is measured by the return on equity (ROE) ratio, variable that is widely used in Finance and Accounting related research. The corporate performance of the company is measured by its inclusion or not in the sustainability index used as reference for the Spanish capital market, the FTSEGood4 IBEX. The model also incorporates other business variables that might affect the relationships between both types of performance, such as return on assets (ROA) ratio, company size, debt ratio, and industry. The results suggest that, for specific industries, return on assets is a necessary condition for companies with leverage to reduce the cost of debt due to their sustainability profile and consequently boost their ROE.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 RESEARCH METHODOLOGY

Analytical Analysis is the research approach used in this study. A number of quantitative elements have been taken to find out the financial performance of both the companies (Tata Motors and Mahindra & Mahindra Motors). The techniques used in this report are financial techniques i.e., ratio analysis to calculate short term and long-term solvency, profitability position and efficiency of the companies.

3.2 RESEARCH DESIGN

The proposed study is of DESCRIPTIVE IN NATURE. Research design is needed because it facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible. Research design for a particular problem usually involves the consideration of the following factors.

3.3 SOURCE OF DATA

- The Secondary data have been collected from company annual report and website.
- Period of Study: 5 years from 2018 to 2022.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 TO ANALYZE THE SHORT-TERM SOLVENCY POSITION

The ease with which cash can be acquired to pay bills and other short-term commitments is referred to as liquidity. Liquid assets include those that can be traded quickly, such as stocks and bonds, while cash is by far the most liquid of all. A liquidity ratio is a form of financial ratio that is used to assess a company's ability to meet short-term debt obligations. The metric is used to calculate whether a company's existing assets, or liquid assets, will cover its current liabilities.

1. CURRENT RATIO

The current ratio is a widely used business indicator for evaluating a company's short term liquidity in relation to available assets and pending liabilities. To put it another way, it measures a company's ability to raise enough cash to pay off all of its obligations as they become due. It's a metric that's used all over the world to assess a company's overall financial health.

The current ratio is measured using the data available on the company's website: current assets and current liabilities. Cash, accounts receivable, inventory, and other current assets that are scheduled to be liquidated or converted into cash in less than one year are listed as current assets on a company's balance sheet. Accounts payable, salaries, taxes payable, short-term debts, and the present part of long-term debt are all examples of current liabilities. The greater the ratio, the more liquid the company. The most common reasonable current ratio is 2, which is a good financial condition for most businesses. Low current ratio values (less than 1) mean that a company will have trouble meeting its current obligations. However, in order to get a better understanding of a company's liquidity, an analyst should look at its operating cash flow. A high operating cash flow may also sustain a low current ratio.

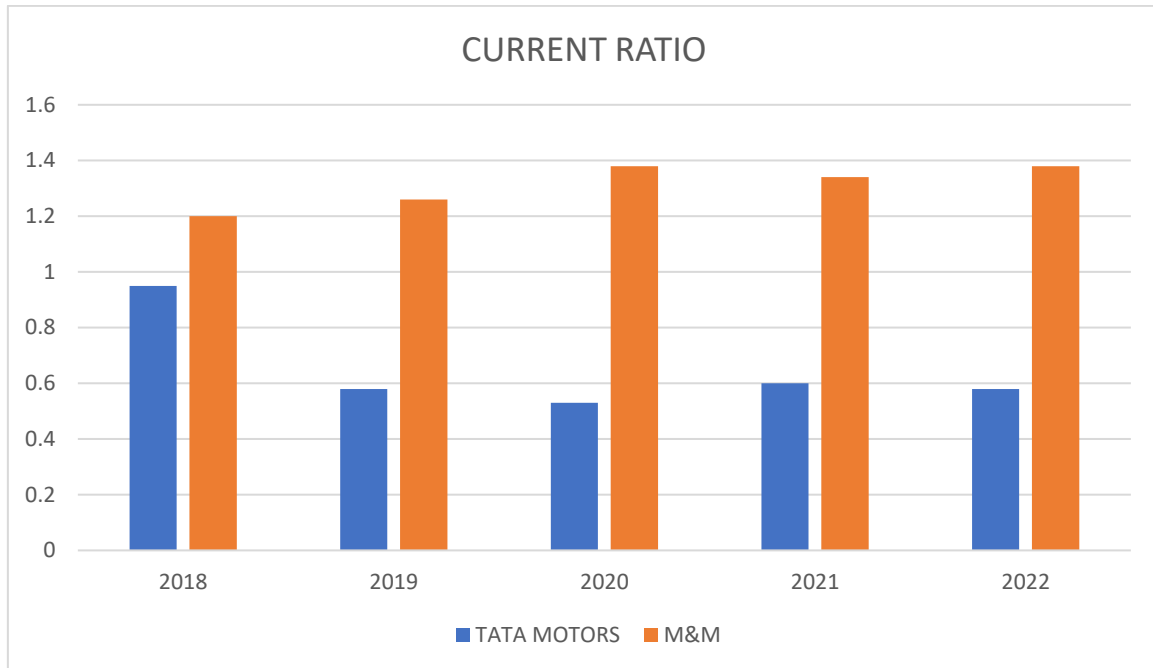
If the current ratio is too high (greater than 2), the organization may not be effectively using its current assets or short-term lending facilities. This may also be a sign of an issue with working capital management.

Current ratio= Current assets/ Current liabilities.

4.1.1 TABLE INCLUDING THE CURRENT RATIO

YEARS	TATA MOTORS	MAHINDRA & MAHINDRA
2018	0.95	1.20
2019	0.58	1.26
2020	0.53	1.38
2021	0.60	1.34
2022	0.58	1.38

Graph 4.1.1



INTERPRETATION

The current ratios have been plotted into a chart and Trend line has been given. The trend shows a Decreasing trend in the coming year (2023) to be expected.

2. QUICK RATIO

The quick ratio is a measure of a company's ability to fulfil short-term obligations with its most liquid assets and is an indication of a company's short-term liquidity status. It's also known as the acid test ratio because it shows a company's ability to pay down current liabilities rapidly using near-cash assets (assets that can be converted quickly to cash). A good liquidity ratio is regarded as an indication of an organization's competence, as it ensures healthy business performance and, as a result, can contribute to long-term growth. Lenders, vendors, and investors use the

quick ratio to see if a business has enough liquid assets to cover its short-term obligations.

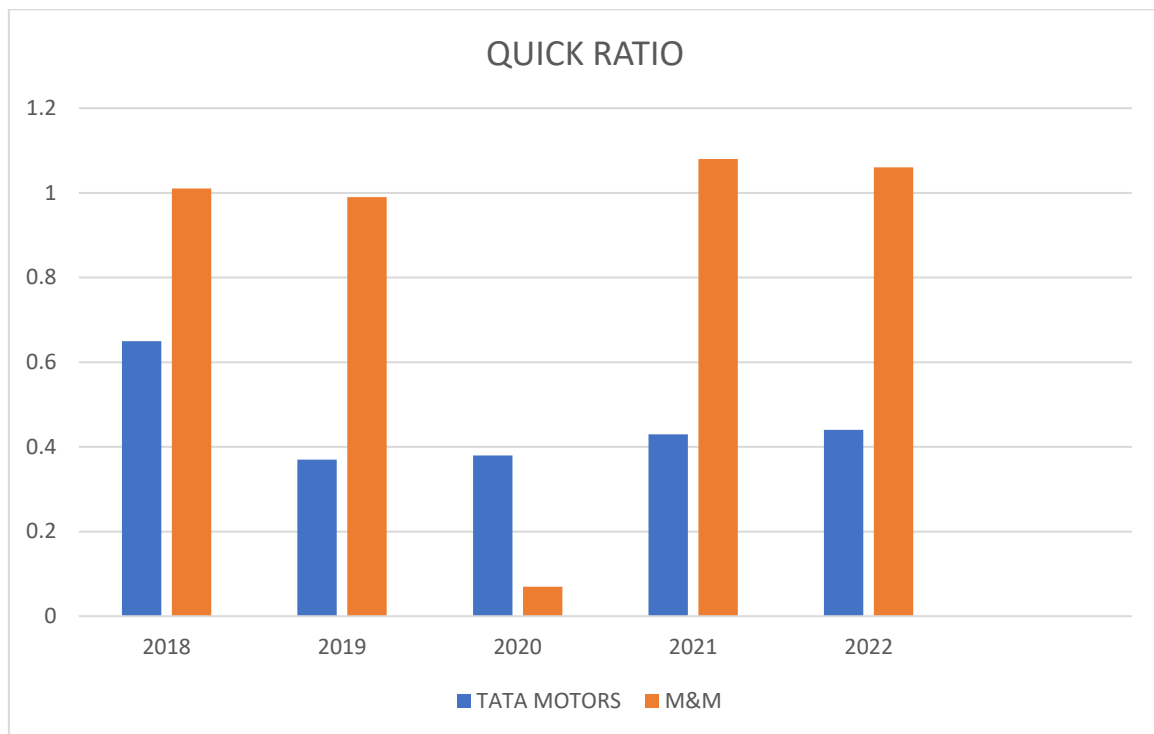
The ideal quick ratio is 1:1, which means that the firm has enough assets in its hands that can be liquidated immediately to pay off current liabilities. If the quick ratio is less than one, the firm will not be able to pay off any of its existing liabilities in the short term. If the ratio is greater than one, the company holds enough liquid assets to pay off its current liabilities right away.

Quick Ratio= Liquid assets/ Quick liabilities

4.1.2 TABLE INCLUDING THE QUICK RATIO

YEARS	TATA MOTORS	MAHINDRA & MAHINDRA
2018	0.65	1.01
2019	0.37	0.99
2020	0.38	0.07
2021	0.43	1.08
2022	0.44	1.06

GRAPH 4.1.2



INTERPRETATION

The quick ratios have been plotted into a chart and Trend line has been given. The trend shows a Decreasing trend in the coming year to be expected.

4.2 TO ANALYZE THE LONG-TERM SOLVENCY POSITION

A leverage ratio is one of many performance parameters that examines how much capital comes from debt (loans) and evaluates a company's ability to fulfil its financial obligations. The leverage ratio category is essential because businesses use a combination of equity and debt to fund their operations, and understanding how much debt a company has will help decide if it will be able to pay off its debts when they are due

1. DEBT TO EQUITY RATIO

Divide a company's total liabilities by its shareholder equity to get the debt-to-equity (D/E) ratio. The ratio is used to determine the financial leverage of a business. In corporate finance, the D/E ratio is a crucial measure. It's an indicator of how much a corporation relies on debt to finance its activities rather than wholly-owned funds. In the event of a market downturn, it represents the willingness of shareholder equity to pay all outstanding debts. The debt-to-equity ratio should be between 1 and 1.5. A high debt-to-equity ratio suggests that a corporation is dependent on debt to fund its expansion. Companies that spend a lot of money in their properties and activities have a higher debt to equity ratio. If the debt-to-equity ratio is low, it usually means the company hasn't used debt to fund operations. If a company's debt interest rates are higher than its return on investment, it has a negative debt to equity ratio. A business with a negative net worth will also have a negative debt to equity ratio.

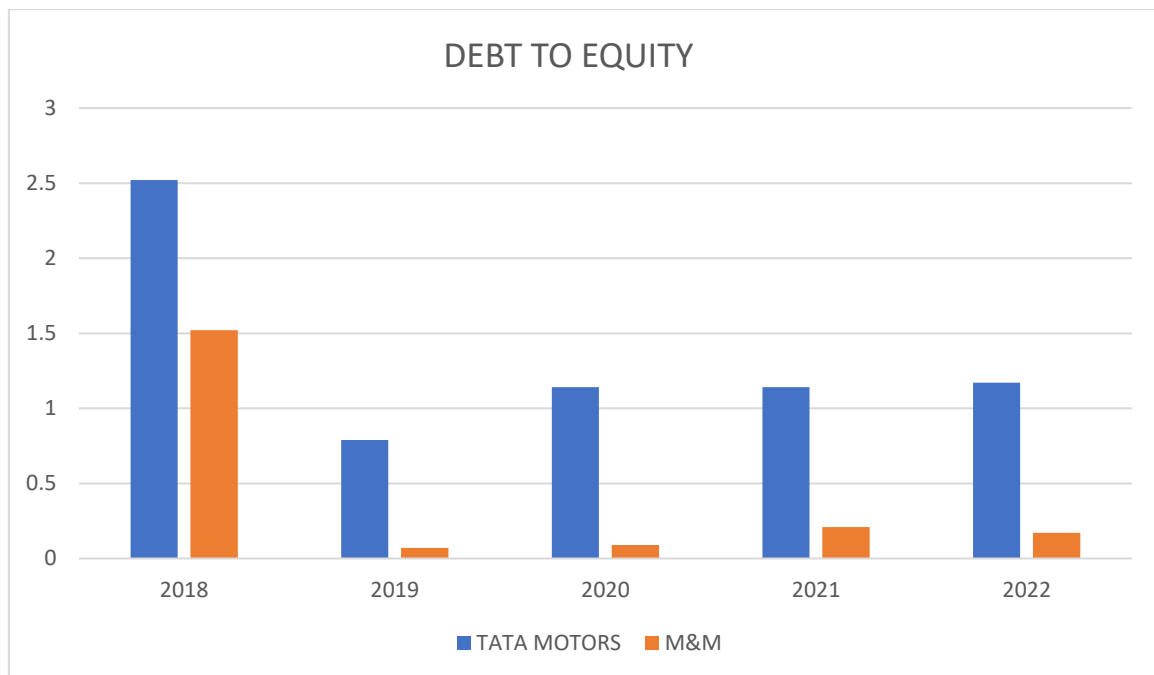
Debt to Equity Ratio = Total Debt / Shareholders' Equity

4.2.1 TABLE INCLUDING THE DEBT-TO-EQUITY RATIO

YEAR	TATA MOTORS	MAHINDRA & MAHINDRA
2018	2.52	1.52
2019	0.79	0.07
2020	1.14	0.09
2021	1.14	0.2

2022	1.17	0.17
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GRAPH 4.2.1



INTERPRETATION

The debt-to-equity ratio has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming year to be expected.

2. INTEREST COVERAGE RATIO

The interest coverage ratio is a metric that assesses a company's ability to manage its debt. It's one of the debt ratios that can be used to assess a business's financial health. Market analysts and investors value a high interest coverage ratio because a business cannot prosper and may not even be able to survive unless it can pay the interest on its current obligations to creditors.

If a company's interest coverage ratio is poor, it's more likely that it won't be able to

pay its debt, placing the company at risk of bankruptcy. To put it another way, a low interest coverage ratio implies that there is a small amount of profit sufficient to fund the debt's interest cost.

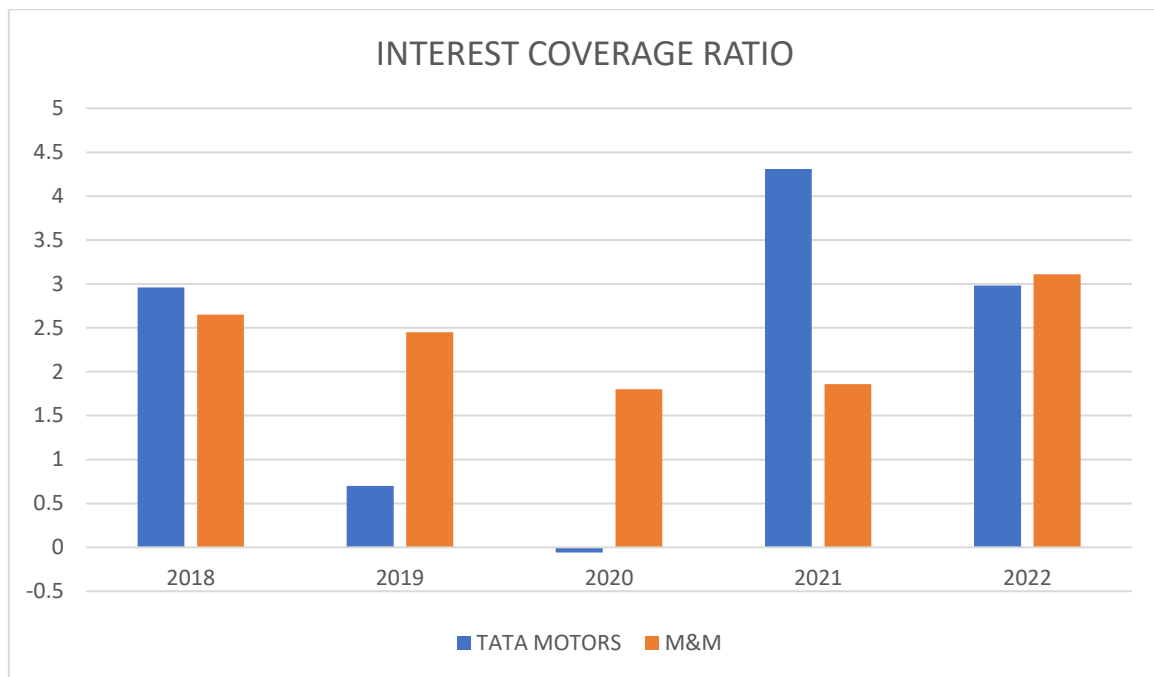
A high ratio means that there are sufficient earnings to repay the debt, but it may also suggest that the company is misusing the debt. For example, if a company does not borrow enough, it will not be able to invest in new products and innovations to remain competitive in the long run.

Interest coverage ratio= earnings before interest, taxes, depreciation and amortization/ interest expenses.

4.2.2 TABLE INCLUDING THE INTEREST COVERAGE RATIO

YEARS	TATA MOTORS	MAHINDRA & MAHINDRA
2018	2.96	2.65
2019	0.70	2.45
2020	-0.06	1.80
2021	4.31	1.86
2022	2.98	3.11

GRAPH 4.2.2



INTERPRETATION

The interest coverage ratio has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming year to be expected.

4.3 TO ANALYZE THE PROFITABILITY POSITION

Analysts and investors use profitability ratios to calculate and analyze a company's ability to produce revenue in relation to sales, balance sheet assets, operational costs, and shareholders' equity for a given time period. They demonstrate how effectively a corporation uses its assets to generate gain and value for its shareholders.

Most businesses strive for a higher ratio or valuation because it indicates that the company is doing well in terms of sales, earnings, and cash flow. When analysing the averages, they are most useful when compared to similar companies or previous years.

1. MARGIN RATIO

At different levels of calculation, margin ratios reflect a company's ability to turn revenue into profits. Gross profit margin, operating cost ratio, net profit margin, cash flow margin, operating profit margin, EBITDA, EBITDAR are all examples of profit margins.

(a) GROSS PROFIT MARGIN

Gross profit margin is calculated by dividing gross profit by sales revenue. This illustrates how much money a company makes after deducting the costs of producing its products and services. A high gross profit margin ratio indicates that core activities are more efficient, allowing the company to pay operating expenses, fixed costs, dividends, and depreciation while still generating net earnings. A low profit margin implies a high cost of products sold, which can be caused by poor buying practices, low selling costs, low profits, strong market competition, or ineffective sales promotion policies.

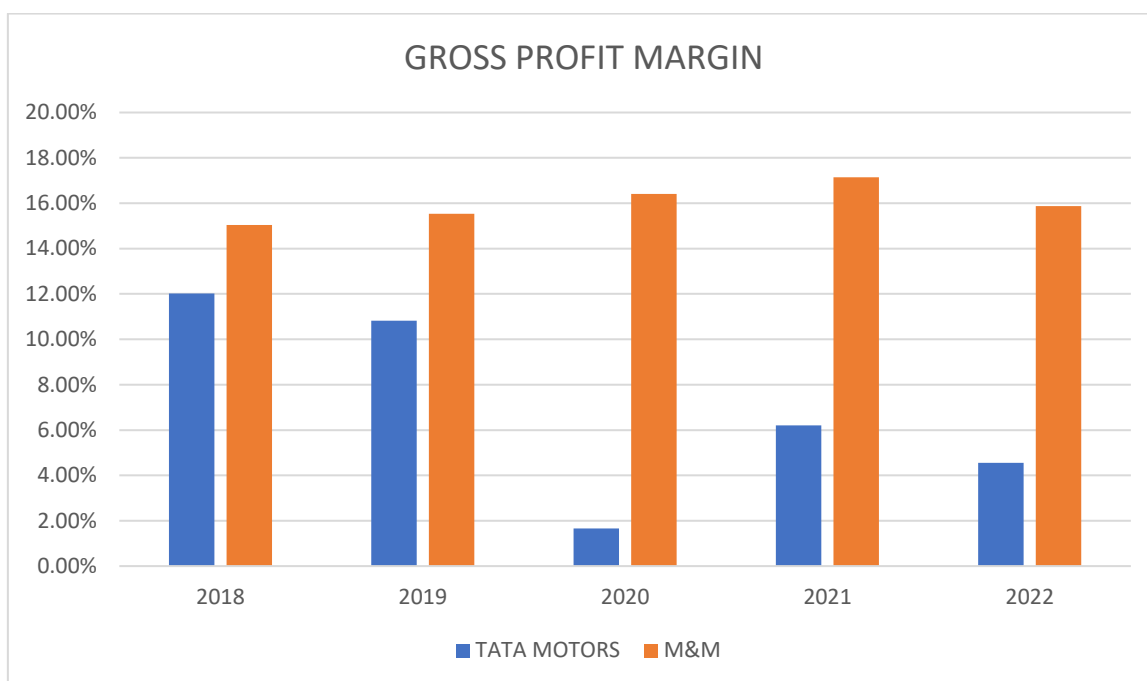
Gross profit margin = gross profit/ total revenue

4.3.1 TABLE INCLUDING THE GROSS PROFIT MARGIN

YEARS	TATA MOTORS	MAHINDRA & MAHINDRA
2018	12.02%	15.04%
2019	10.82%	15.53%
2020	1.66%	16.41%

2021	6.21%	17.15%
2022	4.56%	15.87%

GRAPH 4.3.1



INTERPRETATION

The gross profit margin or PBDIT margin has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.

(b) OPERATING PROFIT MARGIN

Operating Profit Margin measures earnings as a percentage of revenue before deducting interest and income taxes. Companies with high operating profit margins are better able to fund fixed costs and interest on obligations, have a better chance

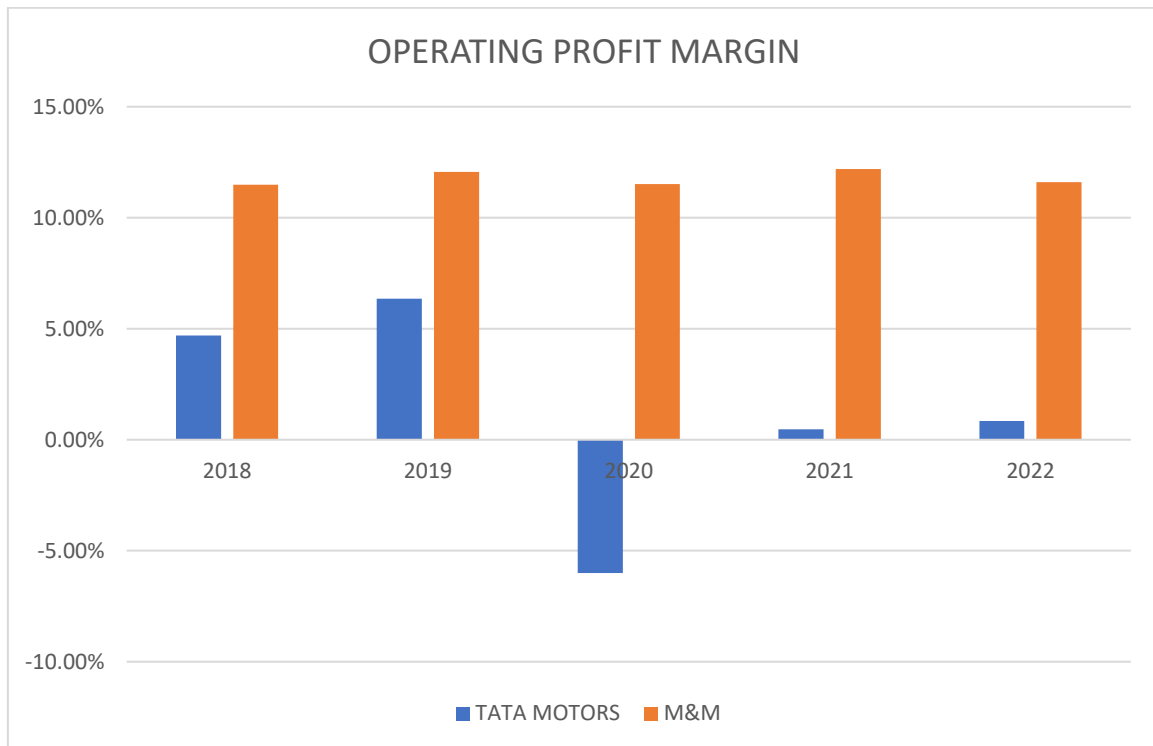
of surviving an economic downturn, and can deliver lower rates than their rivals with lower profit margins. Since good management can greatly boost a company's financial performance by managing its operating costs, the operating profit margin is often used to measure the strength of its management.

Operating profit margin = Operating income/ Total revenue

4.3.2 TABLE INCLUDING THE OPERATING PROFIT MARGIN

YEARS	TATA MOTORS	MAHINDRA & MAHINDRA
2018	4.70%	11.48%
2019	6.35%	12.06%
2020	-6.01%	11.52%
2021	0.47%	12.19%
2022	0.84%	11.60%

GRAPH 4.3.2



INTERPRETATION

The operating profit margin or PBIT margin has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming year to be expected.

(c) NET PROFIT MARGIN

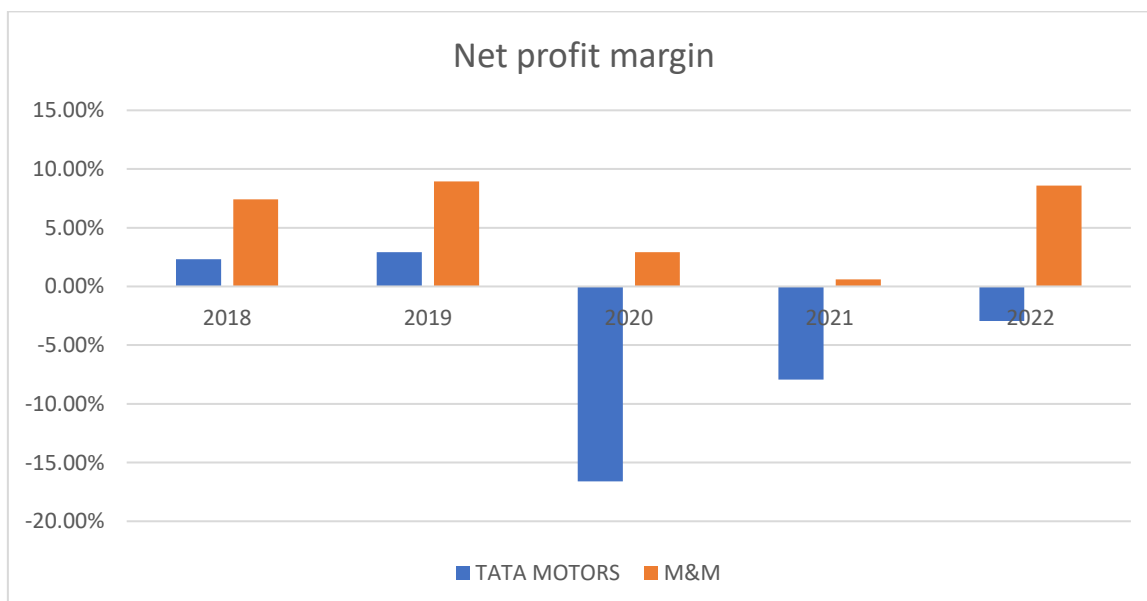
The ratio of after-tax gains to net revenue is known as the net profit percentage. It shows how much profit is left after all manufacturing, administration, and finance costs have been deducted from sales and income taxes have been taken into account. As a result, it's one of the best indicators of a company's overall success, particularly when combined with a look at how well it manages its working capital. It's also used to contrast a company's output to those of its rivals.

Net Profit margin = $\text{Net Profit} / \text{Total revenue} \times 100$

4.3.3 TABLE INCLUDING THE NET PROFIT MARGIN

YEARS	TATA MOTORS	MAHINDRA & MAHINDRA
2018	2.31%	7.43%
2019	2.91%	8.94%
2020	-16.59%	2.92%
2021	-7.93%	0.59%
2022	-2.94%	8.59%

GRAPH 4.3.3



INTERPRETATION

The net profit margin has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming year to be expected.

2.RETURN RATIO

The capacity of a business to produce returns for its shareholders is expressed by return ratios. Return on assets, return on debt, return on equity, return on income, cash return on assets, return on retained earnings, risk-adjusted return, return on capital employed, return on invested capital are all examples of financial returns

(a) RETURN OF ASSETS

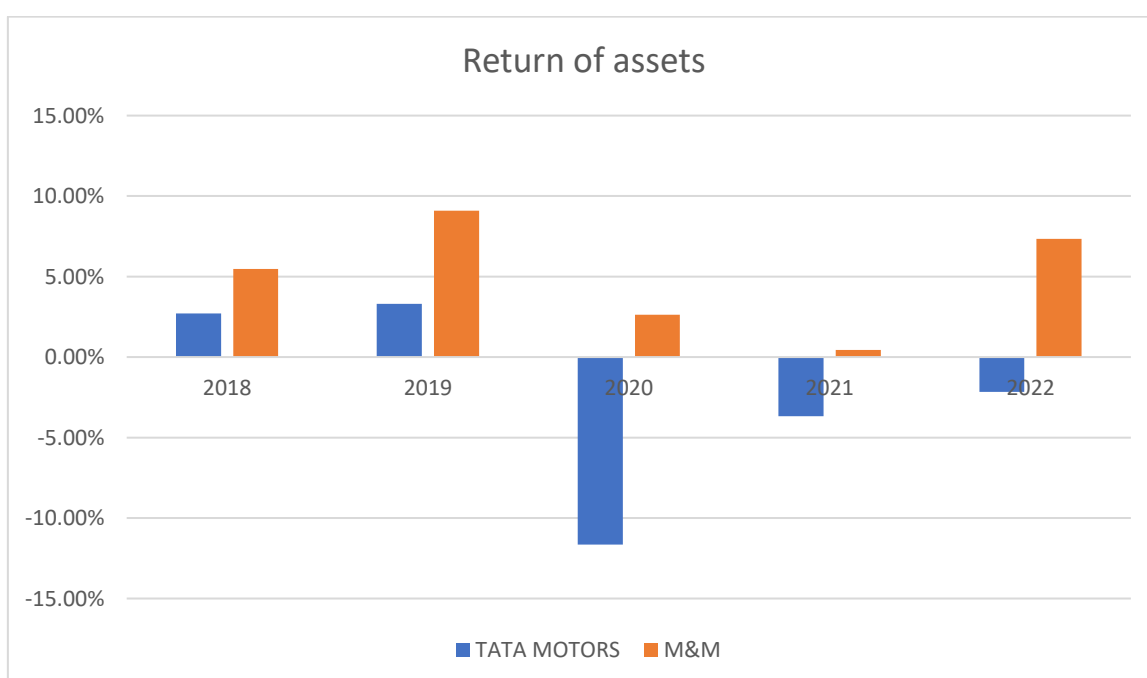
The return on assets (ROA) is a profitability ratio that shows how much profit a business can make from its resources. Return on assets, in other words, tests how effective a company's management is at producing profits from its economic capital or assets on its balance sheet. The higher the amount return of assets, the better a company's management is at handling its balance sheet to produce income.

$$\text{ROA} = \text{Net Income} / \text{Total Assets}$$

4.3.4 TABLE INCLUDING THE RETURN OF ASSETS

YEARS	TATA MOTORS	MAHINDRA & MAHINDRA
2018	2.71%	5.47%
2019	3.31%	9.10%
2020	-11.64%	2.63%
2021	-3.68%	0.45%
2022	-2.17%	7.35%

GRAPH 4.3.4



INTERPRETATION

The return of assets has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming year to be expected.

(a) RETURN ON INVESTED CAPITAL

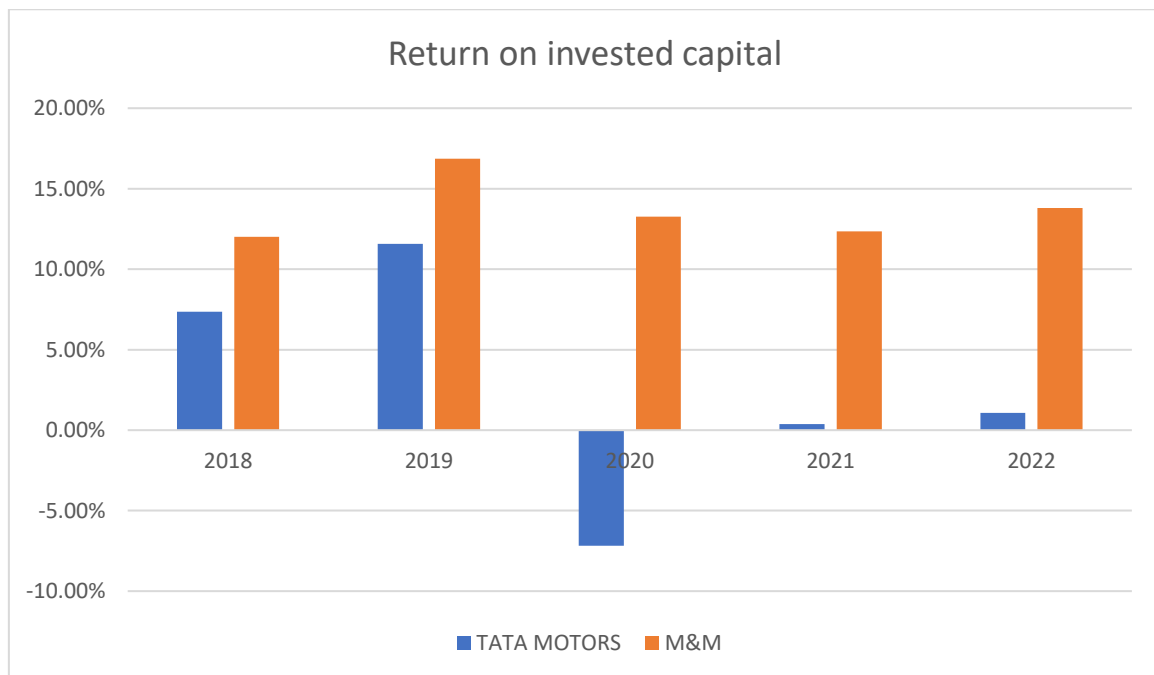
The return on invested capital (ROIC) is a metric that calculates an efficiency of a company in allocating its capital to productive investments. The return on invested capital (ROIC) ratio shows how efficiently a business uses its capital to produce income. The return on invested capital ratio can be used to assess a company's progress. Any company that generates excess returns on acquisitions that exceed the cost of raising capital is a value creator and, as a result, typically trades at a premium.

$$\text{ROIC} = \text{NOPAT} / \text{Invested Capital}$$

4.3.5 TABLE INCLUDING THE RETURN ON INVESTED CAPITAL

YEARS	TATA MOTORS	MAHINDRA & MAHINDRA
2018	7.36%	12.01%
2019	11.57%	16.86%
2020	-7.18%	13.26%
2021	0.37%	12.35%
2022	1.07%	13.80%

GRAPH 4.3.5



INTERPRETATION

The return on invested capital has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming year to be expected.

(a) RETURN ON EQUITY

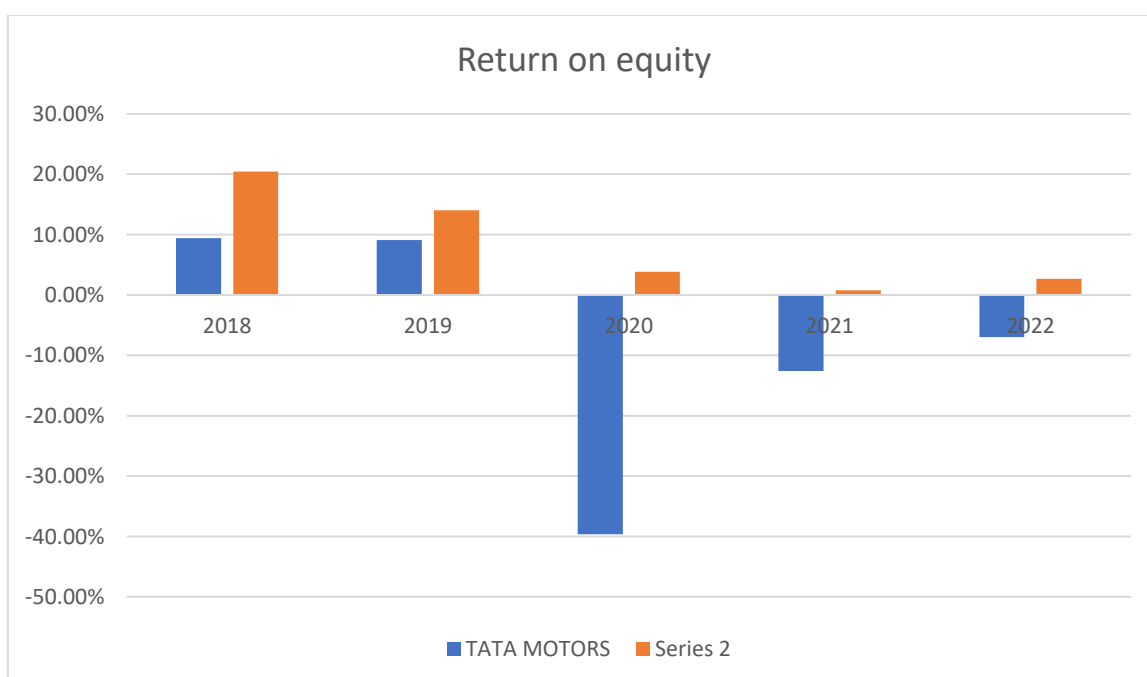
The percentage of net profits relative to stockholders' equity, or the rate of return on the capital that equity investors have put into the company, is known as return on equity (ROE). Stock analysts and investors pay close attention to the return on equity (ROE) ratio. A high Return of equity ratio is commonly listed as a justification to buy a company's stock. Companies with a high return on equity are more likely to be able to generate cash internally, reducing their reliance on debt funding.

ROE = Net Income / Shareholders' Equity.

4.3.6 TABLE INCLUDING THE RETURN ON EQUITY

YEARS	TATA MOTORS	MAHINDRA & MAHINDRA
2018	9.41%	20.42%
2019	9.11%	14.01%
2020	-39.64%	3.86%
2021	-12.57%	0.77%
2022	-6.97%	2.66%

GRAPH 4.3.6



INTERPRETATION

The return on equity has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming year to be expected.

4.4 TO ANALYZE THE EFFICIENCY OF THE COMPANIES

An efficiency ratio assesses a company's ability to produce revenue from its properties. An efficiency ratio, for example, can consider a variety of factors, such as the time it takes to receive cash from consumers or the time it takes to turn inventory to cash. These ratios can be compared to those of rivals in the same sector to classify companies that are better run than the rest. Sales to inventory, accounts payable to sales, sales to net working capital, fixed asset turnover stock turnover ratio is some of the most commonly used efficiency ratios.

1. ASSET TURNOVER RATIO

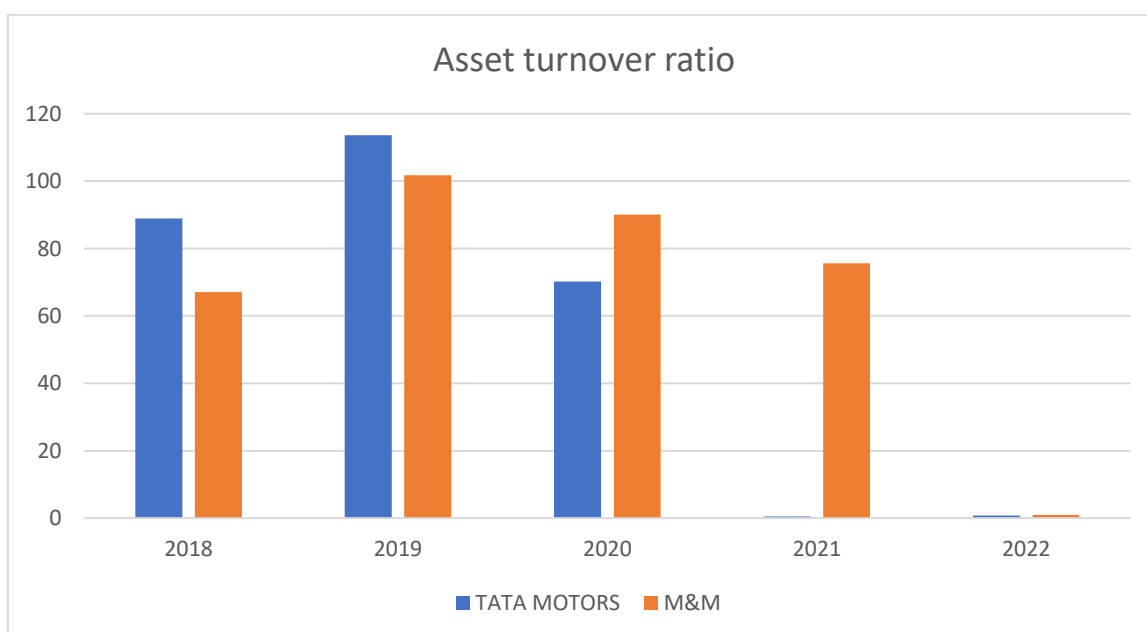
The asset turnover ratio compares the value of a company's assets to the value of its sales or profits. It is a metric that measures how effectively a business uses its assets to produce revenue. A company's ability to generate revenue from its assets is measured by its asset turnover ratio. The higher the asset turnover ratio, the more effective it is. A low asset turnover ratio, on the other hand, means that a business is not effectively using its assets to produce revenue.

Asset turnover ratio = net sales / average total sales

4.4.1 TABLE INCLUDING THE ASSET TURNOVER RATIO

YEARS	TATA MOTORS	MAHINDRA & MAHINDRA
2018	88.91	67.11
2019	113.61	101.74
2020	70.18	90.07
2021	0.47	75.58
2022	0.73	0.91

GRAPH 4.4.1



INTERPRETATION

The asset turnover ratio has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.

2. INVENTORY TURNOVER RATIO

Inventory turnover is a financial ratio that indicates how many times a company's inventory has been sold and replaced in a given timeframe. The days it takes to sell the inventory on hand can then be calculated by multiplying the number of days in the timeframe by the inventory turnover formula.

The higher the inventory turnover, the better, since it indicates that a company sells items quickly and that there is enough demand for its products. Low inventory turnover is a sign of slow sales and weakening demand for a company's goods. Inventory turnover is a metric that analysts use to assess how quickly a business sells inventory to market averages. Low turnover indicates slow sales and possibly surplus inventory (also known as overstocking). It may be the result of insufficient promotion or a problem with the products being offered for sale.

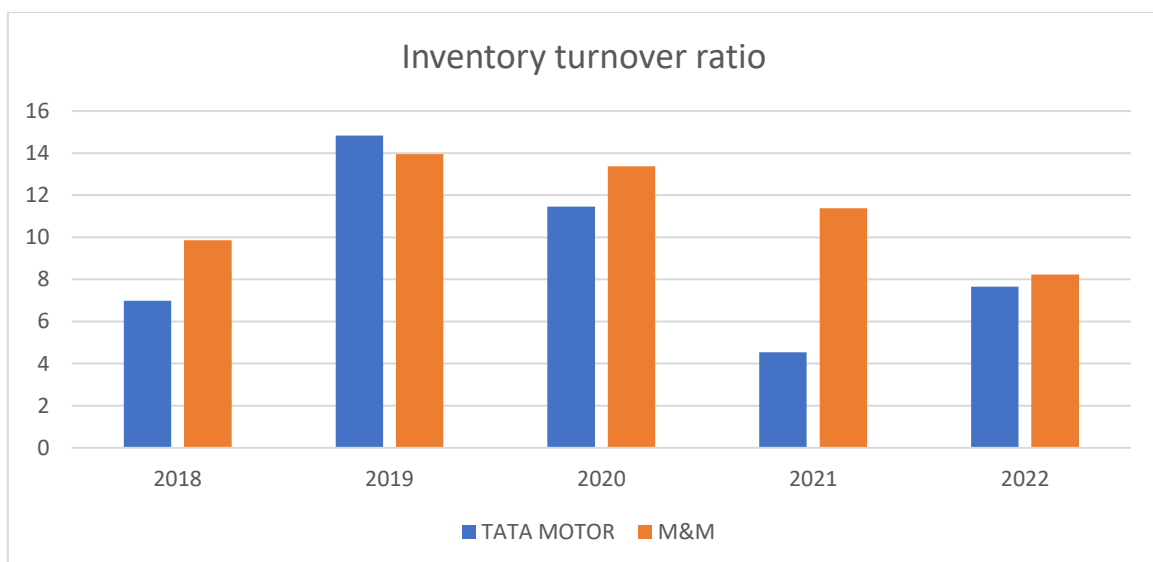
Inventory Turnover Ratio = Cost of Goods Sold/ Average Inventory

4.4.2 TABLE INCLUDING THE INVENTORY TURNOVER RATIO

YEARS	TATA MOTORS	MAHINDRA & MAHINDRA
2018	6.99	9.86
2019	14.84	13.96

2020	11.46	13.38
2021	4.54	11.39
2022	7.66	8.23

GRAPH 4.4.2



INTERPRETATION

The inventory turnover ratio has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

- The current ratios have been plotted into a chart and Trend line has been given. The trend shows a Decreasing trend in the coming years to be expected.
- The quick ratios have been plotted into a chart and Trend line has been given. The trend shows a Decreasing trend in the coming years to be expected.
- The debt-to-equity ratio has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The interest coverage ratio has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The gross profit margin or PBDIT margin has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The operating profit margin or PBIT margin has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The net profit margin has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.

- The return of assets has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The return on invested capital has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The return on equity has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The asset turnover ratio has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The inventory turnover ratio has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.

5.2 SUGGESTIONS

- At this time of lower valuations in Tata Motors, an investor can build up a position in the company. Whereas, Mahindra & Mahindra has consistently outperformed its peers, albeit at a slower rate of growth.
- From the above findings we can say that the company is making losses or, more accurately, decreasing its profitability, but it has promising potential prospects. To avoid meeting tough financial conditions in the future, it must closely monitor prices, reduce expenditures, and manage its finances.

- Both the companies may look into the measures how to reduce the loans and advances in the coming periods.
- Companies may look into and maintain the current assets and current liabilities. Current liabilities may reduce coming periods.
- It is suggested to both the companies can strongly focus on cost reduction strategy that will make a company more profitability.
- Both the companies have a bright future if it concentrates more on its short term solvency position, thus achieving the overall objectives of the company.
- Both the automobile companies have better long-term solvency position, the Profitability position, and efficiency of the companies have to maintain same in the future.

5.3 CONCLUSION

The efficient and smooth functioning of all the activities of the companies depends upon the financial performance of the companies. The financial performance analysis thus is a forward-looking exercise as it is helpful in future financial planning decision making. It determines to analysis and forecasting the future financial position. Through financial statement analysis, the present position and operating efficiency of the firm as a whole and its different departments can be identified. Further, the reasons for change in the debt-to-equity ratio of the firm can be found and necessary measures can be taken. Financial performance can improve the financial strength of companies. The companies short term solvency position has to increase and it will solve future problem. The company is maintaining the reserves and surplus better so it can face financial stress in the future. To proper maintain of financial performance to achieve the company's goal. By analysing the financial performance of both the companies, it is inferred that the company's financial

position is found to be good. The ratios of the companies are satisfactory. The profitability of the company is satisfactory but does not show a higher change in the profit when compared with the previous years. The company has increasing liabilities over years. The company has also raised its investments and reserves for future purpose. This clearly shows that the company is in the developing nature and their position in the society is satisfactory.

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ANNEXURE I - RESEARCH ARTICLE

A COMPARATIVE STUDY ON THE FINANCIAL PERFORMANCE ANALYSIS OF AUTOMOBILE INDUSTRIES IN INDIA

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ABSTRACT

Financial performance is a crucial factor that determines a firm's profitability, long term stability, liquidity and is also an importance aspect of financial risk management. The assessment of financial performance can be achieved by using comparative profit & loss analysis, ratio analysis, trend analysis etc. Financial results may be used to assess a company's success. The main concern of an organization is its profitability and risk. All the financial decisions that increase the liability will decrease the value of its company on the contrary the financial decisions that improve the profitability would increase the company's value. Financial Performance research is essential to a company's success. The financial performance, liquidity, and solvency of a business must be evaluated by both internal management and external consumers (for example, financial analysts, creditors, and investors) of the companies. The purpose of financial analysis is to diagnose the information content in financial statements so as to judge the profitability and financial soundness of the firm. In the words of Myers, "Financial Performance Analysis is largely a study of relationship among the various financial factors in a business as disclosed by a single set of statements and a study of the trends of these factors as shown in a series of statements". Using various financial methods, this study attempted to examine the financial components of the two Indian-made automobiles (TATA Motors and MAHINDRA & MAHINDRA Motors). The research is focused mainly on

secondary data from financial reports. This research project presents an analysis on short-term and long-term solvency of both the automobile companies, followed by an evaluation of profitability and efficiency of the companies to compare the financial ratios of the past 5 years of both the companies

INTRODUCTION

The cornerstone of a company is finance. It is appropriately referred to as the "science of money." Finance is crucial for the smooth operation of a company. Every business's policy, activities, and decisions are governed by finance. One of the most crucial facets of business is financial management. The strategic planning, organizing, directing, and controlling of financial undertakings in an organization or institute is referred to as financial management. Financial output is used by analysts and investors to compare various companies in the same industry or to compare industries or sectors as a whole. A business's risk and profitability are two key components.

A company's financial performance is typically measured by a set of ratios or percentages, however in this study, three ratios' parameters were used to calculate financial performance: solvency ratio, profitability ratio, and efficiency ratio. Financial analysis is a method of determining the feasibility, stability, and profitability of a company. Profit is the engine that propels a company forward. Any firm or business enterprise should be profitable enough to thrive and prosper in the long run. Profitability implies ability to make profit from all the commercial operations of an entity, corporation, firm, or an enterprise. It demonstrates how effectively management can benefit from using all available business capital. The automotive industry has a powerful multiplier effect of industrial growth because of its forward and backward links with many main segments of the economy. Over the course of the year, the industry has evolved, facing challenges such as transition, consolidation, restructuring, and adapting to the new environment.

OBJECTIVES OF THE STUDY

1. To analyze the short-term solvency position of both the automobile companies in the past 5 years.

2. To analyze the long-term solvency position of both the automobile companies in the past 5 years.
3. To analyze the Profitability position of both the automobile companies in the past 5 years.
4. To analyze the efficiency of both the automobile companies in the past 5 years.

SCOPE OF THE STUDY

The purpose of this research is to look at the financial results of two Indian automakers. The Indian automobile industry is one of the major contributors to GDP (Gross Domestic Product) growth in the country. It has evolved due to a variety of factors, including emerging technologies, COV-19, and safety regulations. It is also known that the development of electronic vehicles are opening a way for their production. As a result, it appears that investing in such businesses is profitable.

REVIEW OF LITERATURE

The Banking sector in Bangladesh is different from the banking as seen in other developed countries. This is one of the Major Service sectors in Bangladesh economy, which divided into four categories of scheduled Banks. These are Nationalized Commercial Banks (NCBs), Government Owned Development Financial Institutions (DFIs), Private Commercial Banks (PCBs), and Foreign Commercial Banks (FCBs). Performance of financial Institution is generally measured by applying quantitative techniques of financial measurement. It is a post – mortem examination techniques of achievement of a bank. Many Studies are conducted in different countries to judge the performance of their banking system. Using different statistical methods such as Data Envelopment Analysis (DEA) and the Stochastic Frontier Approach (SFA). The present Study is initiated a Comparative Study of Financial Performance of Banking Sector in Bangladesh using CAMELS rating system with 6562 Branches of 48 Banks in Bangladesh from Financial year 1999-2006. CAMELS rating system basically quantitative technique, is widely used for measuring performance of banks in Bangladesh. Accordingly,

CAMELS rating system shows that 3 banks was 01 or Strong, 31 banks were rated 02 or satisfactory, rating of 07 banks was 03 or Fair, 5 banks were rated 4 or Marginal and 2 banks got 05 or unsatisfactorily rating. 1 NCB had unsatisfactorily rated and other 3 NCBs had marginal rating.

ANTONIO OLIVEIRA DE CARVALHO, IVANO RIBEIRO, CLAUDIA BRITO SILVA CIRANI, RENATO FABIANO CINTRA (2016). ORGANIZATIONAL RESILIENCE: A COMPARATIVE STUDY BETWEEN INNOVATIVE AND NON-INNOVATIVE COMPANIES BASED ON THE FINANCIAL PERFORMANCE ANALYSIS.

Organizational resilience is defined as the ability and capacity of an organization to withstand unexpected changes, discontinuities and environmental risks. Innovation contributes to achieve resilience as it enables organizations to renew over time. Our aim in this article is to analyze the relationship between innovation and resilience from the financial performance analysis with EBITDA, ROE and ROA indicators. We investigated a total of 10 companies divided into two groups, where the first was a group of 5 open-capital companies listed in the ranking of the 50 most innovative companies in Brazil, and the second being a group of 5 open-capital companies not listed in the ranking. We performed an analysis in two stages: the first consisted in calculating the indexes selected in the four fiscal years-2011, 2012, 2013 and 2014- chosen by coinciding with a period after the 2008-2009 crisis; in the second stage, we compared the indexes of the two groups of companies in the four established periods. The results indicate that innovative companies are able to sustain higher financial results than those non-innovative companies. As a main contribution, our study provides a longitudinal comparative analysis, thus providing evidence on the financial performance of innovative enterprises.

CHINTALA BALAJI, G PRAVEEN KUMAR (2016). A COMPARATIVE STUDY ON FINANCIAL PERFORMANCE OF SELECTED PUBLIC & PRIVATE SECTOR BANKS IN INDIA.

Banks form a fundamental component of the financial system and are also active players in financial markets. An efficient banking system capable of mobilizing the savings and channelling them to productive purposes are essential for the development of any economy. The objective of the study is to analyze and compare

the overall financial performance of selected public and private sector banks in India. The study is based on secondary data that has been collected from annual reports of the respective banks, Reserve Bank of India website. This research study covers a period of five years i.e., from financial year 2011-2012 to 2015-2016. A quota sample method is used for to select ten banks i.e., five from public sector and five from private sector has been selected and the criteria is based on highest market capitalization generated by banks during 2015-2016. T Test, mean and graphs are used to analyze the data. Although there was increase in profitability for both sector banks the rate of growth is higher for private sector banks. Public sector banks are lagging in many financial parameters and they are facing many challenges also. It is concluded that public sector banks must redefine their strategies by considering their strengths and weakness and the type of market they are operating.

MUKDAD IBRAHIM (2015). A COMPARATIVE STUDY OF FINANCIAL PERFORMANCE BETWEEN CONVENTIONAL AND ISLAMIC BANKING IN UNITED ARAB EMIRATES.

The purpose of this study is to compare the financial performance of two UAE based Islamic and conventional banks between the years 2002 and 2006. Quantitative analysis was undertaken by looking at various sets of financial ratios that are routinely used to measure bank performance. The main ratios that were employed put a particular focus on the bank's liquidity, profitability, management capacity, capital structure and share performance as reliable indicators of a bank performance. Descriptive statistical analysis was used to rank the performance, measuring the dispersion and the stability-variability of the indicators. The research goes one step further and measures the financial stability of the two banks. Conclusions were then drawn from the computation of the relevant ratios that allowed the author to make an effective comparison of said banks. Subsequently, each bank's performance was then ranked via the use of descriptive statistical analysis. This type of analysis was used to summarize the performance of each bank based on three criteria, mean, coefficient of variation and the overall stability of each bank's performance. The findings showed that both banks performed reasonably well during the period studied. While the bank of Sharjah benefitted by having an overall higher degree of liquidity, profitability, management capacity and

capital structure, Dubai Islamic bank was better off in relation to share indicators performance and in terms of overall stability.

**CH SPATHIS, MICHAEL DOUMPOS, CONSTANTINE ZOPOUNIDIS (2002).
DETECTING FALSIFIED FINANCIAL STATEMENTS: A COMPARATIVE STUDY
USING MULTICRITERIA ANALYSIS AND MULTIVARIATE STATISTICAL
TECHNIQUES.**

Falsifying financial statements involves the manipulation of financial accounts by overstating assets, sales and profit, or understating liabilities, expenses or losses. This paper explores the effectiveness of an innovative classification methodology in detecting firms that issue falsified financial statements (FFS) and the identification of the factors associated to FFS. The methodology is based on the concepts of multicriteria decision aid (MCDA) and the application of the UTADIS classification method (Utilities Additives Discriminants). A sample of 76 Greek firms (38 with FFS and 38 non-FFS) described over ten financial ratios is used for detecting factors associated with FFS. A jackknife procedure approach is employed for model validation and comparison with multivariate statistical techniques, namely discriminant and logit analysis. The results indicate that the proposed MCDA methodology outperforms traditional statistical techniques which are widely used for FFS detection purposes. Furthermore, the results indicate that the investigation of financial information can be helpful towards the identification of FFS and highlight the importance of financial ratios such as the total debt to total assets ratio, the inventories to sales ratio, the net profit to sales ratio and the sales to total assets ratio.

RESEARCH DESIGN

The proposed study is of DESCRIPTIVE IN NATURE. Research design is needed because it facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible. Research design for a particular problem usually involves the consideration of the following factors.

CURRENT RATIO

The current ratio is a widely used business indicator for evaluating a company's short term liquidity in relation to available assets and pending liabilities. To put it another way, it measures a company's ability to raise enough cash to pay off all of its obligations as they become due. It's a metric that's used all over the world to assess a company's overall financial health.

The current ratio is measured using the data available on the company's website: current assets and current liabilities. Cash, accounts receivable, inventory, and other current assets that are scheduled to be liquidated or converted into cash in less than one year are listed as current assets on a company's balance sheet. Accounts payable, salaries, taxes payable, short-term debts, and the present part of long-term debt are all examples of current liabilities. The greater the ratio, the more liquid the company. The most common reasonable current ratio is 2, which is a good financial condition for most businesses. Low current ratio values (less than 1) mean that a company will have trouble meeting its current obligations. However, in order to get a better understanding of a company's liquidity, an analyst should look at its operating cash flow. A high operating cash flow may also sustain a low current ratio.

If the current ratio is too high (greater than 2), the organization may not be effectively using its current assets or short-term lending facilities. This may also be a sign of an issue with working capital management.

Current ratio= Current assets/ Current liabilities.

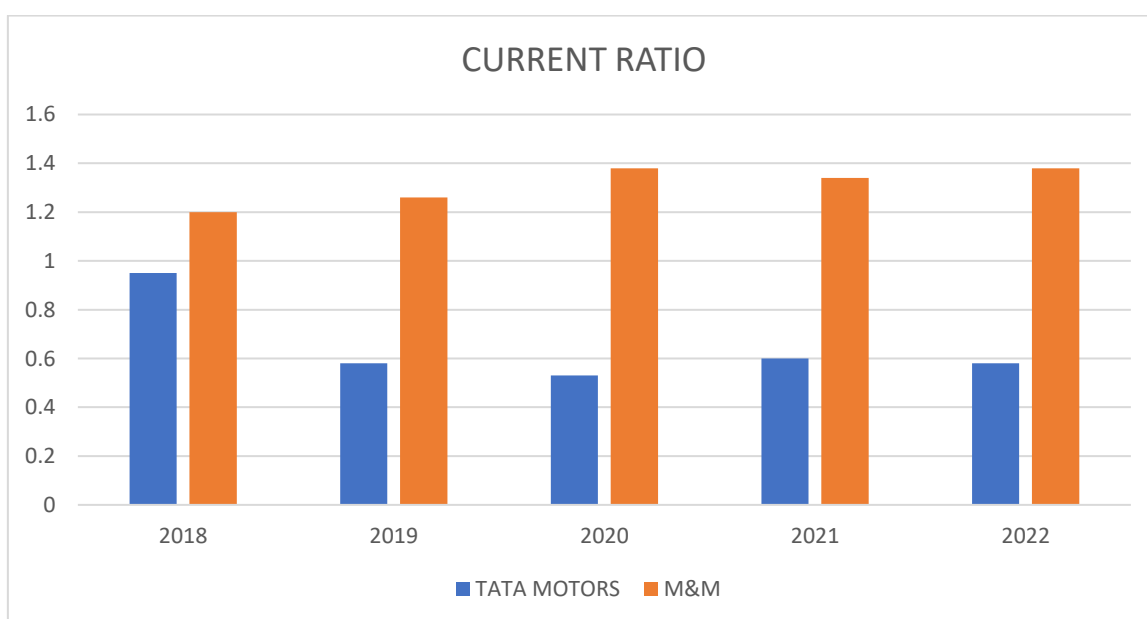
DATA ANALYSIS

The ease with which cash can be acquired to pay bills and other short-term commitments is referred to as liquidity. Liquid assets include those that can be traded quickly, such as stocks and bonds, while cash is by far the most liquid of all.

4.1.1 TABLE INCLUDING THE CURRENT RATIO

YEARS	TATA MOTORS	MAHINDRA & MAHINDRA
2018	0.95	1.20
2019	0.58	1.26
2020	0.53	1.38
2021	0.60	1.34
2022	0.58	1.38

Graph 4.1.1



INTERPRETATION

The current ratios have been plotted into a chart and Trend line has been given. The trend shows a Decreasing trend in the coming year (2023) to be expected.

FINDINGS

- The current ratios have been plotted into a chart and Trend line has been given. The trend shows a Decreasing trend in the coming years to be expected.
- The quick ratios have been plotted into a chart and Trend line has been given. The trend shows a Decreasing trend in the coming years to be expected.
- The debt-to-equity ratio has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The interest coverage ratio has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The gross profit margin or PBDIT margin has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The operating profit margin or PBIT margin has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.

- The net profit margin has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The return of assets has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The return on invested capital has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The return on equity has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The asset turnover ratio has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.
- The inventory turnover ratio has been plotted into a chart and Trend line has been given. The trend shows an Increasing trend in the coming years to be expected.

SUGGESTIONS

- At this time of lower valuations in Tata Motors, an investor can build up a position in the company. Whereas, Mahindra & Mahindra has consistently outperformed its peers, albeit at a slower rate of growth.
- From the above findings we can say that the company is making losses or, more accurately, decreasing its profitability, but it has promising potential

prospects. To avoid meeting tough financial conditions in the future, it must closely monitor prices, reduce expenditures, and manage its finances.

- Both the companies may look into the measures how to reduce the loans and advances in the coming periods.
- Companies may look into and maintain the current assets and current liabilities. Current liabilities may reduce coming periods.
- It is suggested to both the companies can strongly focus on cost reduction strategy that will make a company more profitability.
- Both the companies have a bright future if it concentrates more on its short term solvency position, thus achieving the overall objectives of the company.
- Both the automobile companies have better long-term solvency position, the Profitability position, and efficiency of the companies have to maintain same in the future.

CONCLUSION

The efficient and smooth functioning of all the activities of the companies depends upon the financial performance of the companies. The financial performance analysis thus is a forward-looking exercise as it is helpful in future financial planning decision making. It determines to analysis and forecasting the future financial position. Through financial statement analysis, the present position and operating efficiency of the firm as a whole and its different departments can be identified. Further, the reasons for change in the debt-to-equity ratio of the firm can be found and necessary measures can be taken. Financial performance can improve the financial strength of companies. The companies short term solvency position has to increase and it will solve future problem. The company is maintaining the reserves and surplus better so it can face financial stress in the future. To proper maintain of

financial performance to achieve the company's goal. By analysing the financial performance of both the companies, it is inferred that the company's financial position is found to be good. The ratios of the companies are satisfactory. The profitability of the company is satisfactory but does not show a higher change in the profit when compared with the previous years. The company has increasing liabilities over years. The company has also raised its investments and reserves for future purpose. This clearly shows that the company is in the developing nature and their position in the society is satisfactory.

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