

**“A STUDY ON THE FINANCIAL PERFORMANCE
OF TATA MOTORS LTD”⁹**

Project Report submitted to

SATHYABAMA INSTITUTE OF SCIENCE TECHNOLOGY

In partial fulfillment of the requirement for the award of the degree of

BACHELOR OF BUSINESS ADMINISTRATION

Submitted by

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REG 39280006



SCHOOL OF BUSINESS ADMINISTRATION

SATHYABAMA

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

**Accredited with “A” Grade by NAAC | 12B Status by UGC | Approved by AICTE
Jeppiaar Nagar, RAJIVGANDHI SALAI, CHENNAI-600119**

May –2022



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BACHELOR OF BUSINESS ADMINISTRATION

BONAFIDE CERTIFICATE

This is to certify that this project report is the Bonafide work of Daravath Saleem 39280006 Who have done the project work entitled A STUDY ON THE FINANCIAL PERFORMANCE OF TATA MOTOR LTD under my supervision from 2022

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Dean – school of business administration

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External Examiner

DECLARATION

NISM राष्ट्रीय प्रतिभूति बाजार संस्थान
National Institute of Securities Markets
An Educational Initiative of SEBI

**Kona Kona
Shiksha**



Certificate

This is to certify that

Daravath Saleem

From **Sathyabama Institute of Science and Technology** participated
in the 10 hours session of the program “**Kona Kona Shiksha**”, conducted by National
Institute of Securities Markets (NISM) under
the aegis of CSR program of Kotak Securities Limited
On **10-Mar-2022** and the Quiz conducted On 10-Mar-2022(last date)
subsequent to it.

Mr. Sahil Malik (General Manager, NISM)

DECLARATION

I, Daravath Saleem hereby declare that the project work entitled “A STUDY ON THE FINANCIAL PERFORMANCE OF TATA MOTORS LTD” is a record of independent and bonafide project work carried out by me under the supervision and guidance of **Ms SHEEVA T , M com, MBA, M Phil NET , SET at Sathyabama Instituted of Science Technology**

The information and data given in the report is authentic to the best of my knowledge. The report has not been previously submitted for the award of any Degree, Diploma, Associateship or other similar title of any other university or institute.

Place: Chennai

D SALEEM

Date: 39280006

ACKNOWLEDGEMENT

I would like to take the opportunity to express my sincere gratitude to all people who have helped me with sound advice and able guidance.

Above all, I express my eternal gratitude to the Lord Almighty under whose divine guidance; I have been able to complete this work successfully.

I would like to express my sincere obligation to Rev.Dr. Jolly Andrews, Principal-in-Charge, Christ college Irinjalakuda for providing various facilities.

I am thankful to Prof. K.O.Francis, Co-ordinator of B.Com (Professional), for providing proper help and encouragement in the preparation of this report.

I am thankful to Ms. Teena Thomas, Class teacher for her cordial support, valuable information and guidance, which helped me in completing this task through various stages.

I express my sincere gratitude to Prof. P.G Thomas Assistant Professor, whose guidance and support throughout the training period helped me to complete this work successfully.

I would like to express my gratitude to all the faculties of the Department for their interest and cooperation in this regard.

I extend my hearty gratitude to the librarian and other library staffs of my college for their wholehearted cooperation.

I express my sincere thanks to my friends and family for their support in completing this report successfully.

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Chapter I INTRODUCTION

Introduction

Finance is an integral aspect of every business. The success of an organization depends on how competently the firm is managing the funds available to them. The topic for the project is “a study on the financial performance of Tata Motors Limited”. There are many stakeholders in a company, including trade creditors, bondholders, investors, employees, and management. Each group has its own interest in tracking the financial performance of a company. Understanding financial performance is essential for every organization because most of the organization’s crucial decisions depend on the financials. Understanding financial performance is necessary because they help in the decision-making process of the company. Financial performance analysis is the process of determining the operating and financial characteristics of a firm from accounting and financial statements. The goal of such analysis is to determine the efficiency and performance of firm’s management, as reflected in the financial records and reports.

The study on financial performance of the company is by using ratio analysis, trend analysis and comparative statements to assess the solvency, liquidity, and profitability of the selected company. Ratio analysis is a quantitative method of gaining insight into a company's liquidity, operational efficiency, and profitability by studying its financial statements such as the balance sheet and income statement. A comparative statement is a document used to compare a particular financial statement with prior period statements. Previous financials are presented alongside the latest figures in side-by-side columns, enabling investors to identify trends, track a company's progress and compare it with industry rivals.

1.1 Statement of the problem

The effectiveness of the financial performance involves decision making in the organization with the help of various analytical tools to recognize the profitability, solvency and liquidity position and to check whether the organization is in a position to meet their obligations in properly and timely manner. Here the problem is to study about the financial performance of Tata Motors Ltd.

1.2 Scope of study

The study was conducted in Tata Motors Ltd to analyze the effectiveness of the financial performance of the company during the last five years ranging from 2015-2016 to 2019-2020 to have a clear and a proper outline regarding the financial aspects of the organization by using various analysis tools.

1.3 Significance of study

- Assessing the operational efficiency and managerial effectiveness of the company
- Analyzing the financial strengths and weaknesses and creditworthiness of the company
- Providing information's about the cash position company is holding and how much debit the company has in relation to equity
- Studying the reasonability of stock and debtors held by the company

1.4 Objectives of the study

- To analyze the financial performance of the selected company
- To gain practical knowledge in analysis
- To assess the solvency, liquidity, and profitability.

1.52 Research design

1.52.1 Nature of study

This is an analytical study

1.52.2 Nature of data

Secondary data is used in the study, as the study mainly depended on secondary data.

1.52.3 Source of data

Secondary data is collected from company's website.

1.52.4 Period of study

The study is based on the current year and past four years. That is 2016-2020.

1.6 sample design

1.6.1 Size of sample

The sample size is limited to one company. The company selected is TATA Motors Ltd.

1.7 Tools of analysis

For analysis, the data collected through secondary source especially the financial statements of the company, statistical tools such as ratio analysis and comparative balance sheet are used and the results are interpreted using tables, graphs and bar diagrams.

1.8 Limitations of study

1. Study involves only automotive industry.
2. Study is mainly based on secondary data.

1.9 3 Chapterization

Chapter I: Introduction

Chapter II: Review of

literature

Chapter III: Industry profile and company

profile Chapter IV: Data analysis and

interpretation Chapter V: Finding, suggestion

and conclusion

Chapter II

REVIEW OF LITERATURE

1. Review of Literature

Some important research works undertaken in recent years which are very closely connected with the present study are reviewed.

- Shinde Govind P. & Dubey Manisha (2011) the study has been conducted considering the segments such as passenger vehicle, commercial vehicle, utility vehicle, two and three wheeler vehicle of key players performance and also analyze SWOT analysis and key factors influencing growth of automobile industry.
- Sharma Nishi (2011) studied the financial performance of passenger and commercial vehicle segment of the automobile industry in the terms of four financial parameters namely liquidity, profitability, leverage and managerial efficiency analysis for the period of decade from 2001-02 to 2010-11. The study concludes that profitability and managerial efficiency of Tata motors as well as Mahindra & Mahindra ltd are satisfactory but their liquidity position is not satisfactory. The liquidity position of commercial vehicle is much better than passenger vehicle segment.
- Singh Amarjit & Gupta Vinod (2012) explored an overview of automobile industry. Indian automobile industry itself as a manufacturing hub and many joint ventures have been setup in India with foreign collaboration. SWOT analysis done there are some challenges by the virtue of which automobile industry faces lot of problems and some innovative key features are keyless entry, electrically controlled mechanisms enhanced driving control, soft feel interiors and also need to focus in future on like fuel efficiency, emission reduction safety and durability.
- Zafar S.M.Tariq & Khalid S.M (2012) the study explored that ratios are calculated from financial statements which are prepared as desired policies adopted on depreciation and stock valuation by the management. Ratio is simple comparison of numerator and a denominator that cannot produce complete and authentic picture of business. Results are manipulated and also may not highlight other factors which affect performance of firm by promoters.

- Ray Sabapriya (2012) studied the sample of automobile companies to evaluate the performance of industry through indicators namely sales, production and export trend etc for period of 2003-04 to 2009-10. The study finds that automobile industry has been passing through disruptive phases by over debt burden, under utilization of assets and liquidity instability. The researcher suggested to improving the labour productivity, labour flexibility and capital efficiency for success of industry in future.
- Dawar Varun (2012) Study to analyze the effect of various fundamental corporate policy variables like dividend, debit, capital expenditure on stock prices of automobile companies of India. The study tends that dividend & investment policy are relevant and capital structure irrelevant to stock prices.
- Mistry Dharmendra S. (2012) understood a study to analyze the effect of various determinants on the profitability of the selected companies. It concluded that debt equity ratio, inventory ratio, total assets were important determinants which effect positive or negative effect on the profitability. It suggested to improve solvency as to reduce fixed financial burden on the company profit & give the benefit of trading on equity to the shareholders.
- Murlidhar, A. Lok Hande & Rana Vishal S. (2013) the author tries to evaluate the performance of Hyundai Motors Company with respect to export, Domestic Sales, productions and profit after tax. For this purpose, the pie chart and bar graph are used to show the performance of company various years.
- Dharmaraj, A. and Kathirvel N. (2013) explored an overview of new industrial policy act 1991, which allow 100 percent foreign direct investment. An attempt is made to find out the effect of FDI on financial performance of automobile industry. It is concluded that the liquidity ratios shows minor changes and profitability shows an increasing trend during post FDI when compared to pre FDI. Post FDI efficiency ratio shows that companies are efficiently utilizing the available resources.
- Rapheal Nisha (2013) the author tries to evaluate the financial performance of Indian tyre industry. The study was conducted for period 2003-04 to 2011-12 to

analyze the

performance with financial indicators, sales trend, export trend, production trend etc. The result suggests the key to success in industry is to improve labour productivity and flexibility and capital efficiency.

- Hotwani Rakhi (2013) the author examines the profitability position and growth of company in light of sales and profitability of Tata Motors for past ten years. Data is analyzed through ratios, standard deviations and coefficient of variance. The study reveals that there not exists a strong relationship between sales & profitability of company.
- Sharma Rashmi, Pande Neeraj & Singh Avinash (2013) for understanding how social media monitoring can help diving the consumer decision & also study. The functions of social media i.e. monitor, responses amplify and lead at maruti Suzuki India ltd. The researcher had discussion with social media team median managers for collecting data & also visited the official social media sites of MSIL.
- Daniel A. Moses Joshunar (2013) the study has been conducted to identify the financial strength and weakness of the Tata motors Ltd. using past 5 year financial statements. Trend analysis & ratio analysis used to comment of financial status of company. Financial performance of company is satisfactory and also suggested to increase the loan levels of company for the better performance.
- Dhole Madhavi (2013) Investing the impact of price movement of share on selected company performance. It advise due investors consider various factors before choosing the better portfolio. Sentimental factors do play a role in price movement only in short term but in long run annual performance is sole factor responsible for price movement.
- Shende Vikram (2014) this research will be helpful for the new entrants and existing car manufacturing companies in India to find out the customer expectations and their market offerings. The objective of study is the identification of factors influencing customers performance for particular segment of cars.
- Azhagaiah R. & Gounasegaran (2014) recognized India's per capita real GDP

growth as one of key drivers of growth for country's automobile industry. The central

government would be set up various task forces on issue related to taxation, land acquisitions, labour reform and skill development for auto industry.

- Buvaneswari .R & Kanimozhip (2014) to study the credit worthiness of selected firms in Indian car industry, tiruchy. Professor Edward Altman of New York University developed method Z score analysis to predict the company failure or bankruptcy. To measure the fiscal fitness of a company combined a set of five financial ratios.
- Idhayajothi, R et al (2014) the main idea behind this study is to analyze the financial performance of Ashoka Leyland ltd. at Chennai. The result shows that financial performance is sound and also suggested to improve financial performance by reducing the various expenses.
- Huda Salhe Meften & Manish Roy Tirkey (2014) have studied the financial analysis of Hindustan petroleum corporation ltd. The study is based on secondary data. The company has got excellent gross profit ratio and trend is rising in with is appreciable indicating efficiency in production cost. The net profit for the year 2010-11 is excellent & it is 8 times past year indicating reduction in operating reduction in operating expenses and large proportion of net sales available to the shareholders of company.
- Srivastava Anubha (2014) Data analysis has been done using the top down approach ,i.e. Economic analysis, industry analysis, company and technical analysis to find relationship between automobile sector index with market index. Mahindra and Mahindra have a great position on the stock market and will attract investor and this could lead to expansion and growth. Thus Tata motors and Maruti Suzuki need to take care of their stock and expansion.
- Sarangi Pradeepta K et al (2014) undertook a study to forecast the future trend of automobile industry. The study highlighted the six different experiments have been carried out for period of 12 years data to estimate values for next 3 years. In each experiment graph has been plotted using spreadsheet and then linear trend has been drawn and expanded to calculate future values.

- Kumar Sumesh & Kaur Gurbachan (2014) Automobile sector is the dominant player

in economy of world. After liberalization Indian automobile industry has emerged as a major contributor to India's GDP. The study identified that there is no significant in the means score of various financial ratios of Maruti Suzuki and Tata motors but in meeting their long term obligations and efficacy of utilizing the assets show the significant difference in the efficiency of both the firms.

- Krishnaveni, M. & Vidya, R. (2015) find that Indian automobile industry is a high flying sector these days and emerging as an export hub in wake of liberalisation and globalization. This paper revises the category wise production, sales and exports of automobile industry in India. Industry growth can be viewed in term of pre and post liberalization. As government allows 100 percent FDI, increase 15% in customs duty on cars and MUVs to encourage local manufacturer and concessional import duty on specified parts of hybrid vehicles.
- Sarwade Walmik Kachru (2015) analyzed the effects of liberalization, government de- licensing and liberal trade policies on the growth of Indian auto mobile industry .The study recommends that investing four- wheeler is going to be smart potion not only in India but all around the world.
- Becker Dieter (2015) the report shows about the current state and future prospects of the worldwide automobile industry. This survey report the manufacturer, executive and consumer views about four aspects, mobility culture, technological fit, business model readiness and market share.
- Surekha B. & Krishnalah K.Rama (2015) this study reveals the prosperity of Tata motors company. It can be concluded that inner strength of company is remarkable. Company can further improve its profitability by optimum capital gearing, reduction in administration and financial expenses for the growth of company.
- Anu B. (2015) made an attempt to examine the relationship between capital structure indicators, market price per shares and also to test relationship between debt-equity and market price per share of selected companies in industry. The study concludes that all three companies support the hypothesis that there is relation between debt-equity and MPS.

- Maheswari, V. (2015) made an attempt to analyze the financial soundness of the Hero Honda motors limited have identified three factors, namely liquidity position, solvency position and profitability position based on the study of period 2002 to 2010 using ratio analysis.
- Agarwal, Nidhi (2015) the study focus on the comparative financial performance of Maruti Suzuki and Tata motors ltd. The financial data and information required for the study are drawn from the various annual reports of companies. The liquidity and leverage analysis of both the firms are done. To analyze the leverage position four ratios are considered namely, capital gearing, debt-equity, total debt and proprietary ratio. The result shows that Tata motors ltd has to increase the portion of proprietor's fund in business to improve long term solvency position.
- Nandhini, M. & Sivasalthi, V.(2015) have studied the impact of both financial leverage as well as operating language on the profitability of TVS motor company. The result shows that company suffers from certain weakness & suggested to control fixed cost as well as variable cost to gain adequate profits.
- Jothi, K. & Kalaivani, P. (2015) studied the comparative performance of Honda Motors and Toyota Motor that both companies have satisfactory short term liquidity position. As for as cash ratio concerned Honda company has upper hand upper hand in sound cash management practice during the study period. In case of profitability it is rising from the both of companies but remained much higher earning potential in Honda motor ltd.
- Krishnaveni , M. & Vidya, R (2015) author has selected 87 companies out of 242 companies in capital line database to discuss the standard current ratio of automobile industry is matched with tractor and four sectors like engine parts, lamps, gears and ancillaries with standard norms. The study concludes that current and liquidity ratio of automobile industry is matched with tractor and the four sectors but other sectors have to improve the repaying capacity to strengthen the financial aspects.
- Takeh Ata & Navaprabha Jubiliy (2015) Author has made conceptual model to

outline the impact of capital structure on the financial performance i.e. capital structure is

independent variable that value is measured by using four ratios namely, financial debt, total debt equity, total asset debt and interest coverage ratio where as financial performance is dependent variable that value is measured by using four ratios as return on assets, return on equity , operating profit margin and return on capital employed. Researcher has selected 13 major steel industries and applied various statistical tools like standard deviation, correlation matrix, anova etc are employed for testing hypothesis with help of SPSS22.

- Kumar Rakesh Rasiklalajani & Bhatt Satyaki J. (2015) the proposed research is intended to examine the trend and pattern of financing the capital structure of Indian companies. The study is to analyze the determinants of total debt ratios as well as determinants of short term and long term ratios.
- Kumar Neeraj & Kaur Kuldip (2016) made an attempt to test the size and profitability relationship in the Indian automobile industry. To analyze the relationship linear regression model as well as cross-sectional has been employed for the year 1998to 2014. For profitability analysis two different measures have been used (i) ratio of net profit to total sales turnover (ii) ratio of net income to net assets plus working capital and for form size two indicators used namely, total sales turn over and net assets. The time series analysis showed the positive relationship between firm size and profitability but cross- sectional show no relationship between firm size and profitability.
- Ravichandran, M. & Subramaniam M Venkata (2016) the main idea behind this study is to assessment of viability, stability and profitability of Force motors limited.
Operating position of the company can be measured by using various financial tools such as profitability ratio, solvency ratio, comparative statement & graphs etc. This study finds that company has got enough funds to meet its debts & liabilities. Company can further improve financial performance by reducing the administrative, selling & operating expenses.
- Mathur Shivam & Agarwal Krati (2016) Ratio's are an excellent and scientific way to analyze the financial performance of any firm. The company has received many awards and achievements due to its new innovations and

technological advancement.

These indicators help the investors to invest the right company for expected profits. The

study shows that Maruti Suzuki limited is better than Tata motors limited.

- Jothi, K. & Geethalakshmi, A. (2016) this study tries to evaluate the profitability & financial position of selected companies of Indian automobile industry using statistical tools like, ratio analysis, mean, standard deviation, correlation. The study reveals the positive relationship between profitability, short term and long term capital.
- Kumar Mohan M.S, Vasu. V. and Narayana T. (2016) the study has been made through using different ratios , mean, standard deviation and Altman's Z score approach to study the financial health of the company. The study reveals there is a positive correlation between liquidity and profitability ratios except return on total assets as well as Z score value indicate good health of the company.
- Kaur Harpreet (2016) the author tries to examine the qualities & quantities performer of maruti Suzuki co. & how had both impact on its market share in India, For this study secondary data has been collected from annual reports, journals, report automobile sites.

Result shows that MSL has been successfully leading automobile sector in India for last

Chapter III

INDUSTRY

3.1 INDUSTRY PROFILE AND COMPANY

PROFILE Industry profile

The automotive industry comprises a wide range of companies and organizations involved in the design, development, manufacturing, marketing, and selling of motor vehicles. It is one of the world's largest industries by revenue. The automotive industry does not include industries dedicated to the maintenance of automobiles following delivery to the end-user [citation needed] such as automobile repair shops and motor fuel filling stations.

The word automotive comes from the Greek autos (self), and Latin motivus (of motion), referring to any form of self-powered vehicle.[clarification needed] This term, as proposed by Elmer Sperry [need quotation to verify] (1860- 1930), first came into use with reference to automobiles in 1898.

The automotive industry began in the 1860s with hundreds of manufacturers that pioneered the horseless carriage. For many decades, the United States led the world in total automobile production. In 1929, before the Great Depression, the world had 32,028,500 automobiles in use, and the U.S. automobile industry produced over 90% of them. At that time, the U.S. had one car per 4.87 persons. After 1945, the U.S. produced about 75 percent of world's auto production. In 1980, the U.S. was overtaken by Japan and then became world's leader again in 1994. In 2006, Japan narrowly passed the U.S. in production and held this rank until 2009, when China took the top spot with 13.8 million units. With 19.3 million units manufactured in 2012, China almost doubled the

U.S. production of 10.3 million units, while Japan was in third place with 9.9 million

units. From 1970 (140 models) over 1998 (260 models) to 2012 (684

models), the number of automobile models in the U.S. has grown exponentially.

Safety is a state that implies to be protected from any risk, danger, damage or cause of injury. In the automotive industry, safety means that users, operators or manufacturers do not face any risk or danger coming from the motor vehicle or its spare parts. Safety for the automobiles themselves, implies that there is no risk of damage.

Safety in the automotive industry is particularly important and therefore highly regulated. Automobiles and other motor vehicles have to comply with a certain number of regulations, whether local or international, in order to be accepted on the market. The standard ISO 26262, is considered as one of the best practice framework for achieving automotive functional safety.

In case of safety issues, danger, product defect or faulty procedure during the manufacturing of the motor vehicle, the maker can request to return either a batch or the entire production run. This procedure is called product recall. Product recalls happen in every industry and can be production-related or stem from the raw material.

Product and operation tests and inspections at different stages of the value chain are made to avoid these product recalls by ensuring end-user security and safety and compliance with the automotive industry requirements. However, the automotive industry is still particularly concerned about product recalls, which cause considerable financial consequences.

In 2007, there were about 806 million cars and light trucks on the road, consuming over 980 billion litres (980,000,000 m³) of gasoline and diesel fuel yearly. The automobile is a primary mode of transportation for many developed economies. The Detroit branch of Boston Consulting Group predicted that, by 2014, one-third of world demand would be in the four BRIC markets (Brazil, Russia, India and China). Meanwhile, in the developed countries, the automotive industry has slowed. It is also expected that this trend will continue, especially

as the younger generations of people (in highly urbanized countries) no longer want to own a car anymore, and prefer other modes of transport. Other potentially powerful automotive markets are Iran and Indonesia. Emerging automobile markets already buy more cars than established markets. According to a J.D. Power study, emerging markets accounted for 51 percent of the global light-vehicle sales in 2010. The study, performed in 2010 expected this trend to accelerate. However, more recent reports (2012) confirmed the opposite; namely that the automotive industry was slowing down even in BRIC countries. In the United States, vehicle sales peaked in 2000, at 17.8 million units.

Automotive industry, all those companies and activities involved in the manufacture of motor vehicles, including most components, such as engines and bodies, but excluding tires, batteries, and fuel. The industry's principal products are passenger automobiles and light trucks, including pickups, vans, and sport utility vehicles. Commercial vehicles (i.e., delivery trucks and large transport trucks, often called semis), though important to the industry, are secondary. The design of modern automotive vehicles is discussed in the articles automobile, truck, bus, and motorcycle; automotive engines are described in gasoline engine and diesel engine. The development of the automobile is covered in transportation, history of: The rise of the automobile.

3.2 Although the automotive industry has long been multinational in its organization and operation, beginning in the 1980s and accelerating in the late 1990s, it established a trend toward international consolidation. Larger, more financially secure firms bought controlling interest in financially troubled ones, usually because the weaker firm manufactured a highly prized product, had access to markets that the larger company did not, or both. However, the results were mixed. For example, Chrysler, as discussed above, acquired AMC in 1987 for access to AMC's Jeep vehicles and in 1998 was itself merged with Daimler-Benz, which sought Chrysler's expertise in high-volume manufacturing and design techniques. Recognizing its need to penetrate closed markets in Japan and South Korea, DaimlerChrysler in 2000 took a controlling 34 percent interest in

Mitsubishi Motors Corporation and signed a cooperative venture in trucks with Hyundai Motor Company. Such deals failed to help the struggling DaimlerChrysler, and in 2007 Chrysler was sold to an American private equity firm. Seven years later Chrysler became a subsidiary of Fiat.

Company profile

Tata Motors limited, is an Indian multinational automotive manufacturing company headquartered in Mumbai, Maharashtra, India. It is a part of Tata group, an Indian conglomerate. Its products include passenger cars, trucks, vans, coaches, buses, sports cars, construction equipments and military vehicles.

Formally, known as Tata Engineering and Locomotive Company (TELCO), Tata Motors is a part of the Tata Group. Tata Motors has auto manufacturing and assembly plants in Jamshedpur, Pantnagar, Lucknow, Sanand, Dharwad, and Pune in India, as well as in Argentina, South Africa, Great Britian, and Thailand. It has research and development centers in Pune, Jamshedpur, Lucknow, and Dharwad, India and South Korea, Great Britian and span. Tata Motors' principle subsidiaries purchased the English premium car maker Jaguar Land Rover (the maker of Jaguar and Land Rover cars) and the South Korean commercial vehicle manufacturer Tata Daewoo. Tata Motors has a bus- manufacturing joint venture with Fiat Chrysler which manufactures automotive components and Fiat Chrysler and Tata branded vehicles. Furthermore, Tata Motors has OEMs offering an extensive range of integrated, smart and e- mobility solutions. Its vehicles can now be found on the roads in more than 125 countries. The company generates majority of sales from international markets.

Founded in 1945 as a manufacturer of locomotives, the company manufactured its first commercial vehicle in 1954 in collaboration with Daimler-Benz AG, which ended 1969. Tata Motors entered the passenger vehicle market in 1988 with the launch of the Tata Mobile followed by the Tata Sierra in 1991, becoming the first Indian manufacturer to achieve the capability of developing a

competitive indigenous automobile. In 1998, Tata launched the first fully indigenous Indian passenger car, the Indica, and in 2008 launched the Tata Nano, the world's cheapest car. Tata Motors acquired the South Korean truck manufacturer Daewoo commercial vehicle company in 2004 and purchased Jaguar Land Rover from Ford in 2008. Tata Motors is listed on the BSE (Bombay Stock Exchange), where it is a constituent of the BSE SENSEX index, the National Stock Exchange of India, and the New York Stock Exchange. The company is ranked 265th on the Fortune Global 500 list of the world's biggest corporations as of 2019. On 17 January 2017, Natarajan Chandrasekaran was appointed chairman of the company Tata Group. Tata Motors increases its utility vehicle market share to over 8% in FY2019.

Mission

Tata Motors Ltd innovate mobility solutions with passion to enhance the quality of life.

Vision

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

- Delivering superior financial returns.
- Delivering sustainable mobility solutions.
- Exceeding customer expectations, and

Creating a highly engaged work force.

CHAPTER IV

Data analysis and interpretation

4.1 Data Analysis

Data analysis is a process of inspecting, cleansing, transforming, and modeling data with the goal of discovering useful information, informing conclusions, and supporting decision-making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, and is used in different business, science, and social science domains. In today's business world, data analysis plays a role in making decisions more scientific and helping businesses operate more effectively. Although many groups, organizations, and experts have different ways to approach data analysis, most of them can be distilled into a one-size-fits-all definition. Data analysis is the process of cleaning, changing, and processing raw data, and extracting actionable, relevant information that helps businesses make informed decisions. The procedure helps reduce the risks inherent in decision making by providing useful insights and statistics, often presented in charts, images, tables, and graphs.

Balance sheet

As on 31 March, 2016-2020

(Rs. In crore)

particulars	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019-2020
Equity and liabilities					
Equityshare Capital	679.18	679.22	679.22	679.22	719.54
Reserves and surplus	22582.93	20483.39	19491.76	21483.30	16800.61
Total share holders funds	23262.11	21162.61	20170.98	22162.52	18387.65
Non- current liabilities					

Longterm borrowings	10599.96	13686.09	13155.91	13914.74	14776.51
Deferred tax Liabilities (net)	71.39	147.58	154.61	205.83	198.59
Other long term liabilities	3289.91	1451.47	502.37	404.11	1646.56
Long term provisions	750.89	892.18	1009.48	1281.59	1769.74
Total non-current liabilities	14712.15	16177.32	14822.37	15806.30	18391.40

Current liabilities					
Short term borrowings	3654.72	5158.52	3099.87	3617.72	6121.36
Trade payables	5141.17	11462.24	14225.63	10408.83	8102.25
Other current liabilities	9455.58	4440.42	6030.53	7765.57	10180.46
Short term provisions	450.27	477.17	862.92	1148.69	1406.75
Total current liabilities	18701.74	21538.35	24218.95	22940.81	25810.82
Total capital and liabilities	56676.00	58878.28	59212.30	60909.63	62589.87
Assets					
Non-current					

Assets					
Tangibles assets	17573.25	17897.13	18192.52	18316.61	19540.25
Intangible assets	3502.56	2875.80	3411.23	3970.22	5667.73
Capital work in progress	1557.95	1902.61	1371.45	2146.96	1755.51
Fixed assets	26762.34	28043.92	26800.35	28573.42	29702.78

Non-current investments	15217.48	14858.39	14260.79	15434.19	15730.86
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Long term Loans and advances	252.93	391.46	143.96	143.13	138.46
Other non-current assets	2581.56	2827.44	3035.54	3529.59	3449..09
Total non currents assets	44814.31	46121.21	44240.64	47680.33	49021.11
Current assts					
Current investments	1745.84	2437.42	2502.78	1433.18	885.31
Inventories	5117.92	5553.01	5670.13	4662.00	3831.92
Trade receivable	2045.58	2128.00	3479.81	3250.64	1978.06
Cash and cash equivalents	788.42	326.61	795.42	1306.61	3532.19
Short term Loans and advances	484.44	215.96	140.27	200.08	232.14

Other current Assets	1679.49	2096.07	2383.25	2376.79	3109.14
Total current assets	11861.69	12757.07	14971.66	13229.30	13568.76

Total assets	56676.00	58878.28	59212.30	60909.63	62589.87
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Liquidity Ratio (short term solvency ratio)

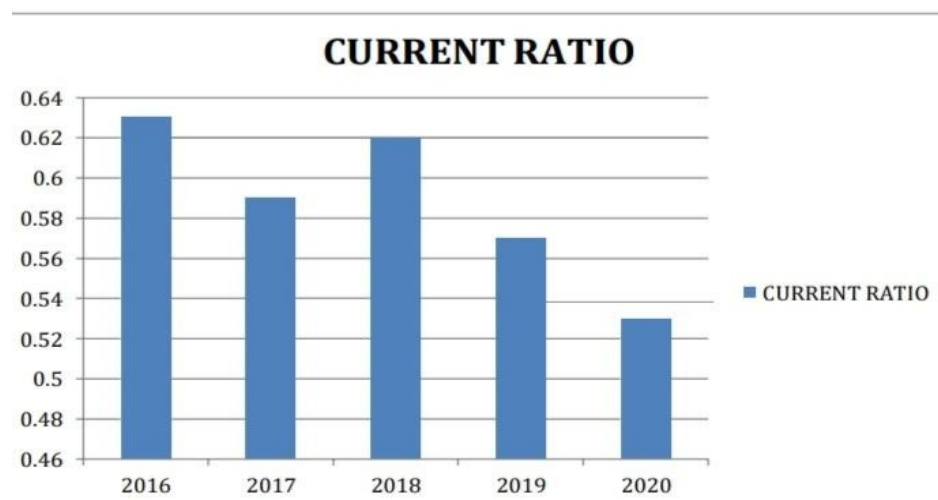
1) **Current Ratio = current assets/current**

liabilities Table 4.1 showing current ratio

YEAR	CURRENT RATIO
2016	$11861.69/18701.74 = 0.63:1$
2017	$12757.07/21538.35 = 0.59:1$
2018	$14971.66/24218.95 = 0.62:1$
2019	$13229.30/22940.81 = 0.57:1$
2020	$13568.76/25810.82 = 0.53:1$

The following table shows current ratio. The current ratio of 2:1 is said to be an ideal one. This ideal ratio means that the current assets shall be at least twice the current liability. The table shows that the current ratio of the company in past five years is below ideal ratio. It is almost consistent for the last five years. So the current ratio of the company is highly unsatisfied. That means it is not able to meet even the current liabilities of the company.

Figure 4.1 showing current ratio



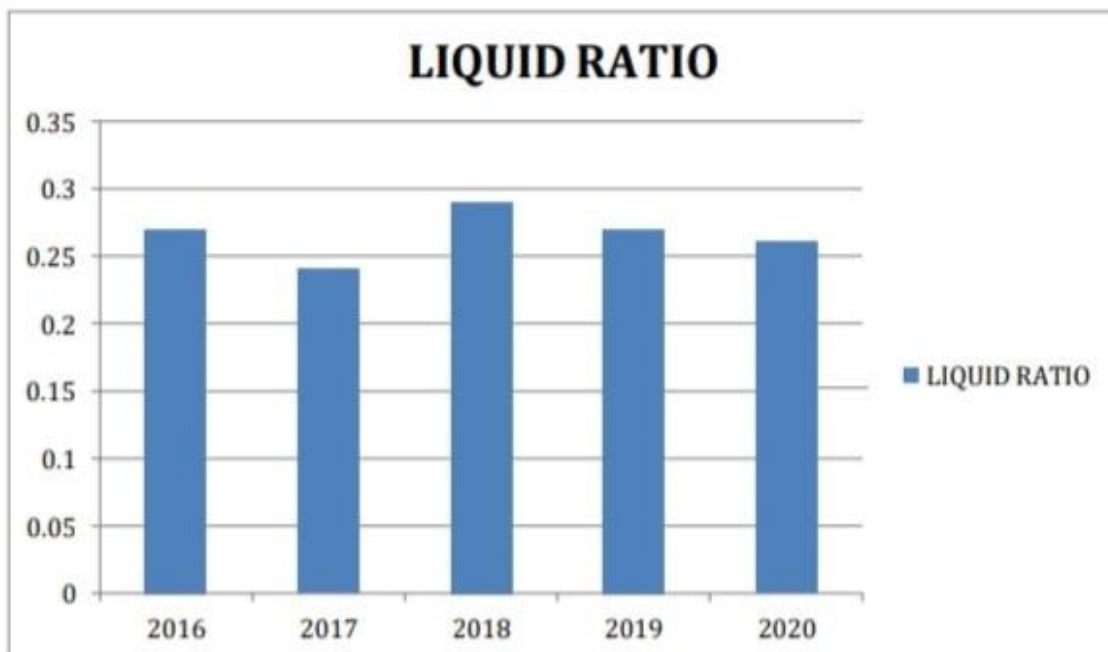
2. Liquid Ratio = liquid assets/current

assets Table 4.2 showing liquid ratio

YEARS	LIQUID RATIO
2016	$5064.28/18701.74 = 0.27:1$
2017	$5107.99/21538.35 = 0.24:1$
2018	$6918.31/24218.95 = 0.29:1$
2019	$6190.51/22940.81 = 0.27:1$
2020	$6627.7/25810.82 = 0.26:1$

The following table shows liquid ratio. Generally, liquid ratio of 1:1 is considered as satisfactory. This means that liquid assets are just equal to the current liabilities. For this company the past five years show a less than liquid ratio, when compared to the satisfactory ratio. It further means that, the company is not able to pay off its current liabilities.

Figure 4.2 showing liquid ratio



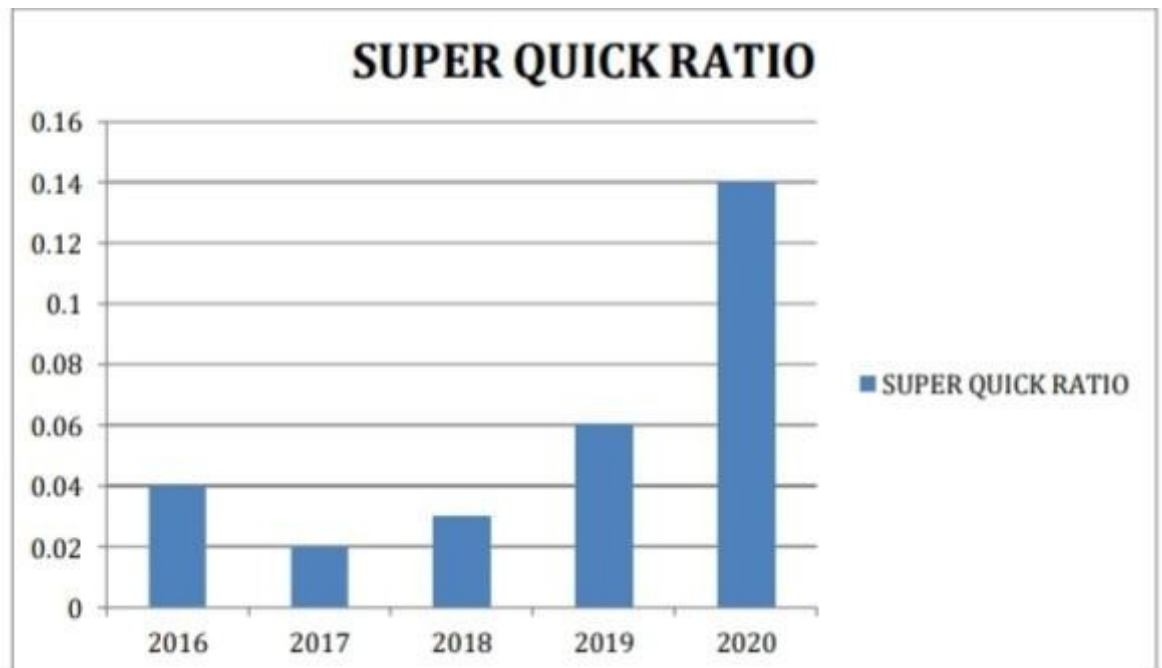
3) **Super quick ratio = super quick assets/current**

liabilities Table 4.3 showing super quick ratio

YEAR	SUPER QUICK RATIO
2016	$788.42/18701.74 = 0.04:1$
2017	$326.61/21538.35 = 0.02:1$
2018	$795.42/24218.95 = 0.03:1$
2019	$1306.61/22940.81 = 0.06:1$
2020	$3532.19/25810.82 = 0.14:1$

The following table shows super quick ratio. The acceptable norm of super quick ratio is 0.5:1. Company's super quick ratio shall be equal to half of current liabilities. Here, the company shows an increasing super quick ratio. But it is not satisfactory because it is lower than the ideal ratio of the super quick ratio.

Figure 4.3 showing super quick ratio



Solvency Ratio (long term solvency ratio)

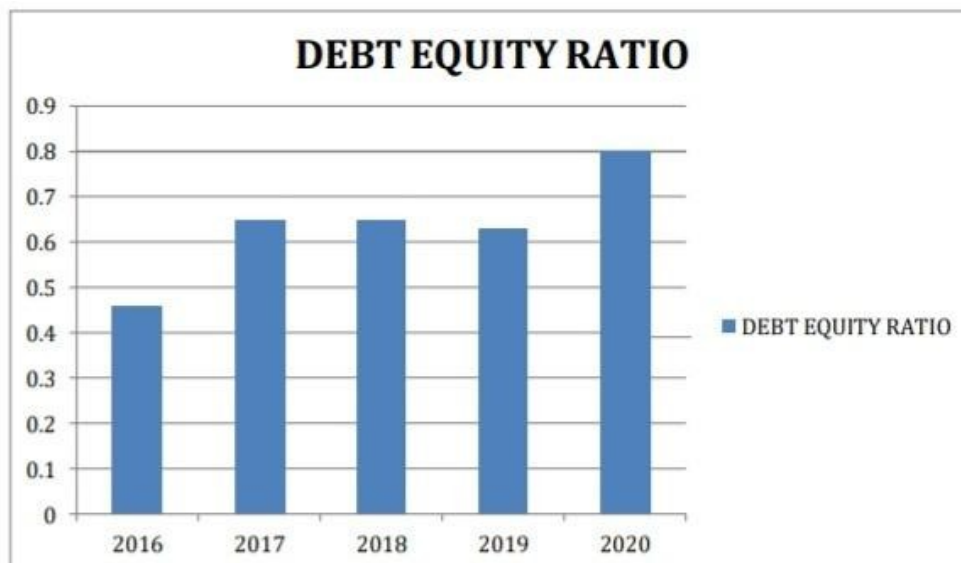
4) Debt-equity ratio = long term debt/share holders' fund Table

4.4 showing debt-equity ratio

YEAR	DEBT-EQUITY RATIO
2016	$10599.96/23262.11 = 0.46:1$
2017	$13686.09/21162.61 = 0.65:1$
2018	$13155.91/20170.98 = 0.65:1$
2019	$13914.74/22162.52 = 0.63:1$
2020	$14776.51/18387.65 = 0.80:1$

The following table shows debt-equity ratio. The standard debt-equity ratio is 1:1. Here, the company shows lower ratio for the past five years. It indicates that it is better for the creditors. But this lower ratio is not a satisfactory ratio for the share holders' as it indicates the firm has not been able to use outsiders fund to manage their earnings.

Figure 4.4 showing debt-equity ratio



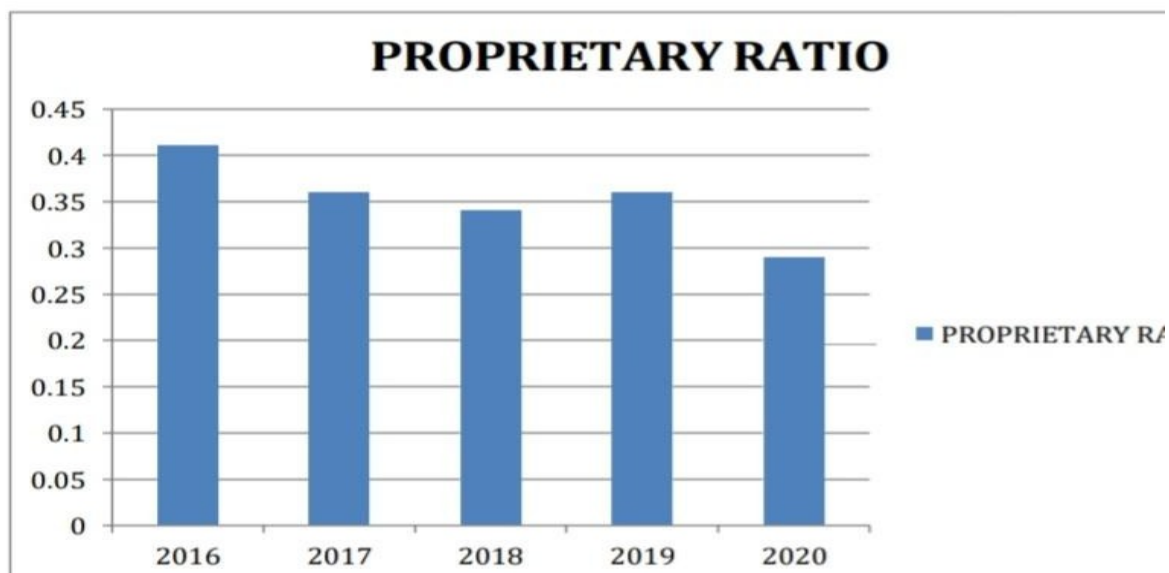
5) Proprietary ratio = share holders' fund/total assets

Table 4.5 showing proprietary ratio

YEAR	PROPRIETARY RATIO
2016	$23262.11/56678 = 0.41:1$
2017	$21162.61/58878.28 = 0.36:1$
2018	$20170.98/59212.30 = 0.34:1$
2019	$22162.52/60909.63 = 0.36:1$
2020	$18387.65/62589.87 = 0.29:1$

The following table shows proprietary ratio. A ratio of 0.5:1 or above is considered as satisfactory. Here, the proprietary ratio is declined for the last five years which is a greater risk to the creditors. In the share holders' point of view, the lower ratio indicates the company is highly dependent on creditors for its working capital. Therefore, the company's financial position for the last five years is not sound.

Figure 4.5 showing proprietary ratio



6) Solvency ratio = total assets/total debt

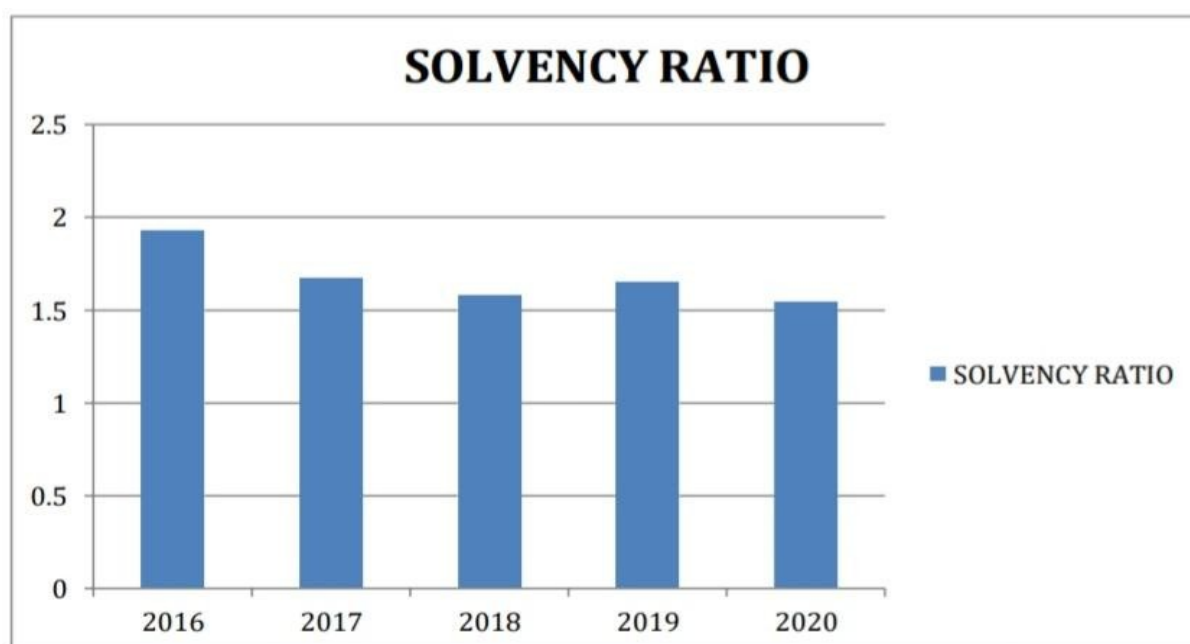
Total debt = long term borrowings + current liabilities

Table 4.6 showing solvency ratio

YEA RS	SOLVENCY RATIO
2016	$56676.00/(10599.96+18701.74) = 1.93:1$
2017	$58878.28/(13686.09+21538.00) = 1.67:1$
2018	$59212.30/(13155.91+24218.95) = 1.58:1$
2019	$60909.63/(13914.74+22940.81) = 1.65:1$
2020	$62589.87/(14776.51+25810.82) = 1.54:1$

The following table shows solvency ratio. If the ratio is more than one it is treated as satisfactory. Here, the company shows higher ratio than the satisfactory ratio which indicates the solvency and financial position are strong. And in the creditors' point of view, it shows a greater margin of safety to them.

Figure 4.6 showing solvency ratio



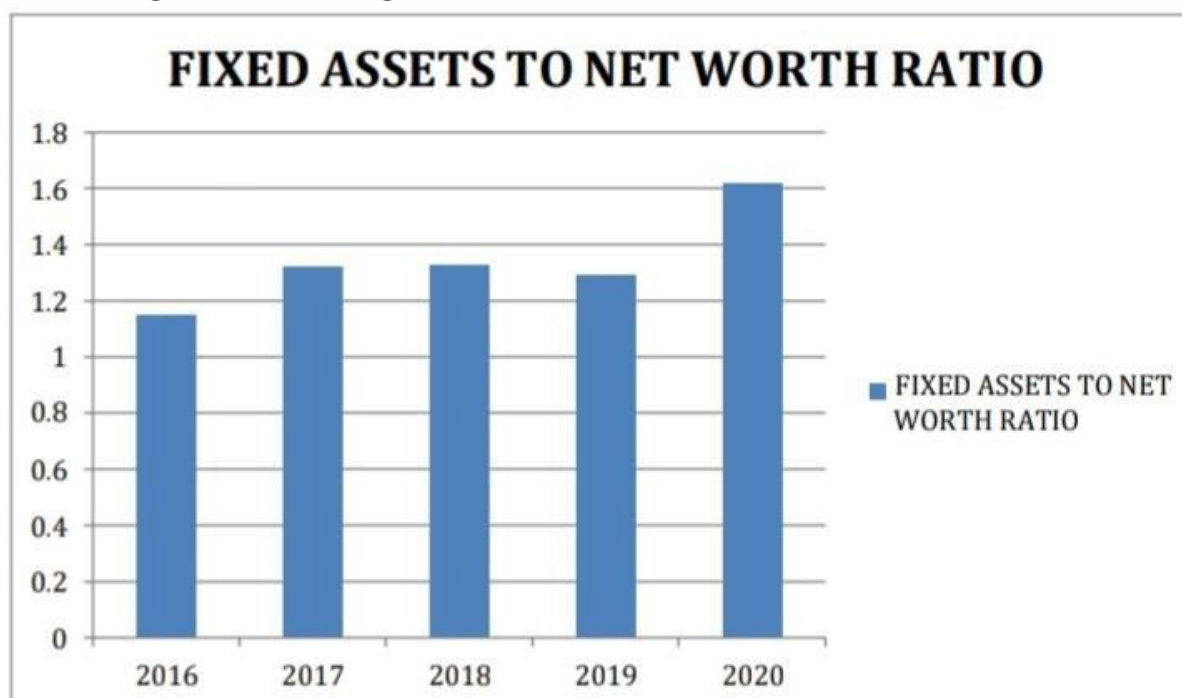
Fixed assets to net worth ratio = fixed assets/total share holders' fund

Table 4.7 showing fixed assets to net worth ratio

YE AR	FIXED ASSETS TO NET WORTH RATIO
2016	$26762.34/23262.11 = 1.15:1$
2017	$28043.92/21162.61 = 1.32 :1$
2018	$26800.35/20170.98 = 1.33:1$
2019	$28573.42/22162.52 = 1.29:1$
2020	$29702.78/18387.65 = 1.62:1$

The following table shows fixed assets to net worth ratio. The standard rate of the fixed assets to net worth ratio is one. The company shows higher ratio for the past five years, when compared to the standard ratio. A higher ratio indicates that the outsiders' funds have been used to acquire a part of fixed assets.

Figure 4.7 showing fixed assets to net worth ratio



7) Fixed assets ratio = (fixed assets/long term funds)*100

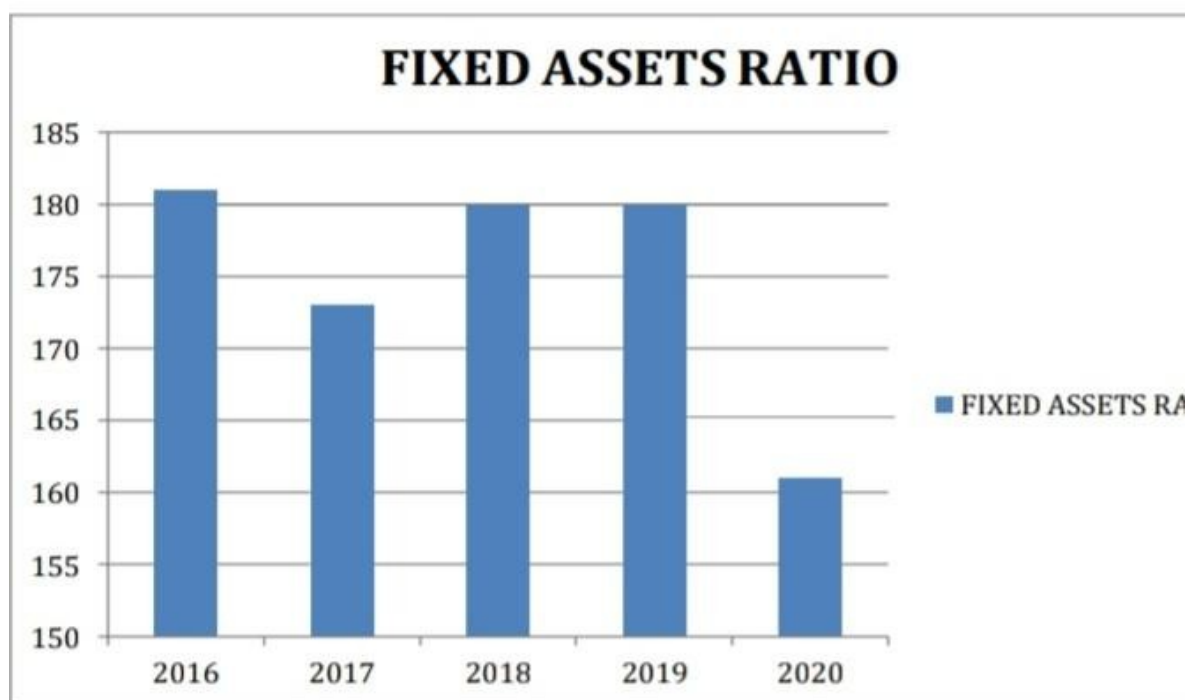
Long term funds = share capital + reserves and surpluses + long term liabilities

Table 4.8 showing fixed assets ratio

YEA RS	FIXED ASSETS RATIO
2016	$(26762.34/14712.15)*100 = 181\%$
2017	$(28043.92/16177.32)*100 = 173\%$
2018	$(26800.35/14822.32)*100 = 180\%$
2019	$(28573.42/15806.30)*100 = 180\%$
2020	$(29702.78/18391.40)*100 = 161\%$

The following table shows fixed assets ratio. The standard percentage is 100%. Here the company shows decreased mode for the past five years but it is higher when compared to the standard rate. This indicates that the company's fixed assets are more than long term funds. That means fixed assets have been financed out of short term funds. So the company's financial position is not sound.

Figure 4.8 showing fixed assets ratio



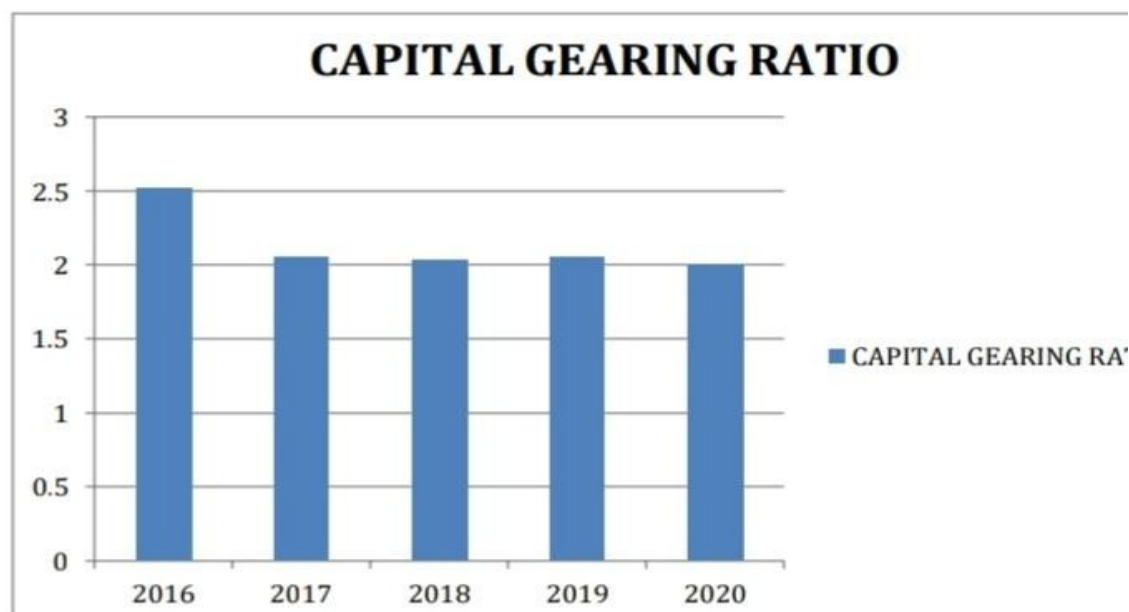
- 8) **Capital gearing ratio = fixed income bearing funds/equity share holders' funds**

Table 4.9 showing capital gearing ratio

YE AR	CAPITAL GEARING RATIO
2016	$26762.34/10599.96 = 2.52:1$
2017	$28043.92/13686.09 = 2.05:1$
2018	$26800.35/13155.91 = 2.04:1$
2019	$28573.42/13914.74 = 2.05:1$
2020	$29702.78/14776.51 = 2.01:1$

The following table shows capital gearing ratio. Here the company shows higher ratio than the standard ratio which is 1:1. This indicates that the company is highly geared. That is, its equity capital is less than its fixed income bearing funds which is not a risky element to the equity share holders.

Figure 4.9 showing capital gearing ratio



Income statement

As on 31 march 2016-2017

(Rs in crore)

particulars	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Income					
Revenue from operations	42845.47	44316.34	58831.41	69202.76	43928.17
Other income	1402.31	981.06	1557.60	2554.66	1383.05
Total revenue	44247.78	45297.40	60389.01	71757.42	45311.22
Expenses					
Cost of materials consumed	24997.40	27651.65	37080.45	43748.77	26171.85
Operating and direct expenses	418.27	454.48	474.98	571.76	830.24
Changes in inventory of FG, WIP, Stock-In - Trade	10.05	-252.14	842.05	144.69	722.68
Employee benefit expenses	3188.97	3764.65	3966.73	4273.10	4384.31
Finance costs	1592.00	1569.01	1744.43	1793.57	1973.00
Depreciation and amortization expenses	2329.22	3037.12	3101.89	3098.64	3375.29

Other expenses	6790.29	8802.57	8396.33	7141.52	7182.25
Total expenses	43820.13	47311.96	60369.27	69155.42	49927.64
Profit/loss before exceptiona l items and tax	427.65	-2014.56	19.74	2602.00	-4616.42
(-)exceptional items and tax	-499.55	-415.04	-1054.59	-581.4	-2673.21
Profit for the period	-62.30	-2429.60	-1034.85	2020.60	-7289.63

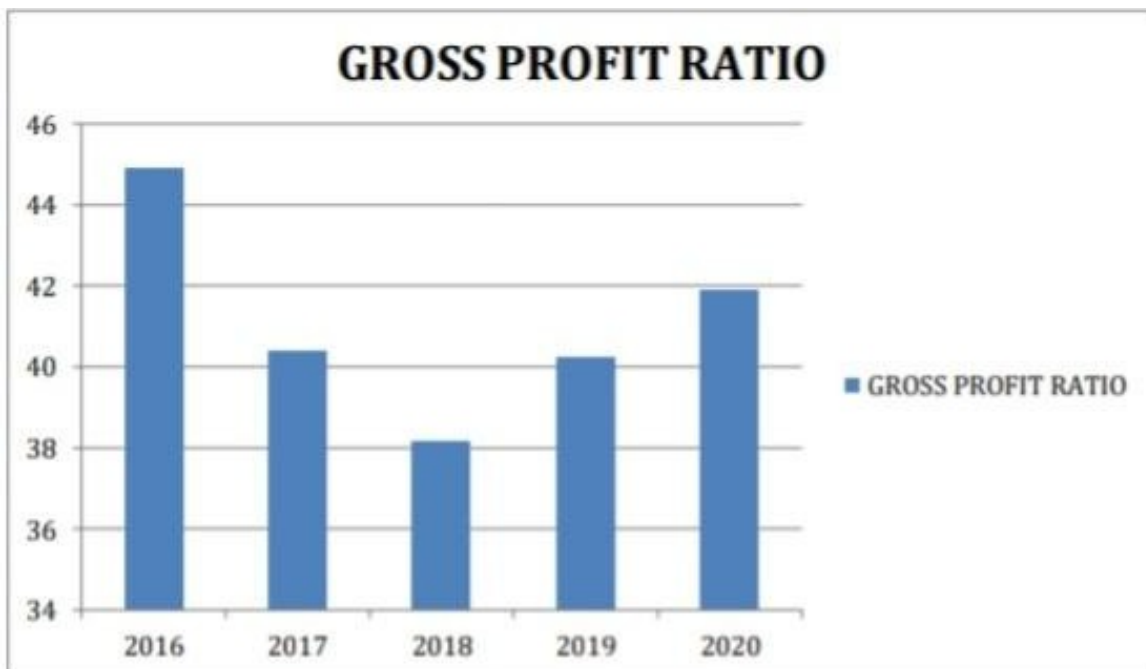
Profitability Ratio

9) **Gross profit ratio = (gross profit/revenue from operation)*100** Table 4.10 showing gross profit ratio

YEAR	GROSS PROFIT RATIO
2016	$(19240.33/42845.47)*100 = 44.91\%$
2017	$(17897.89/44316.34)*100 = 40.39\%$
2018	$(22466.51/58831.41)*100 = 38.19\%$
2019	$(27863.96/69202.76)*100 = 40.26\%$
2020	$(18416.47/43928.17)*100 = 41.92\%$

The following table shows gross profit ratio. There is no norm to interpret gross profit ratio. Generally, a higher ratio is considered better. Here the company has highest ratio for the last five years. So the gross profit ratio is satisfied.

Figure 4.10 showing gross profit ratio



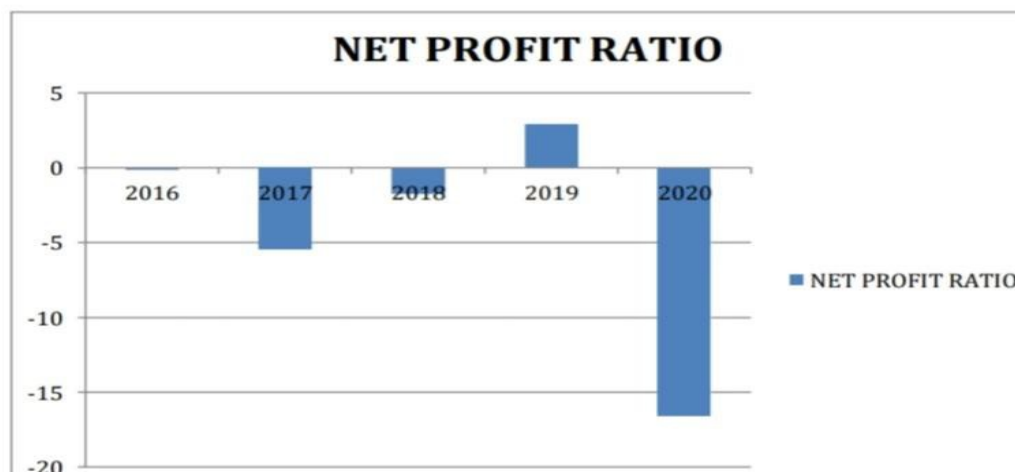
10) **Net profit ratio = (net profit after tax/revenue from operation)*100**

Table 4.11 showing net profit ratio

YEAR	NET PROFIT RATIO
2016	$(-62.30/42845.47)*100 = -0.15\%$
2017	$(-2429.60/44316.34)*100 = -5.48\%$
2018	$(-1034.85/58831.41)*100 = -1.76\%$
2019	$(2020.60/69202.76)*100 = 2.92\%$
2020	$(-7289.68/43928.17)*100 = -16.59\%$

The following table shows net profit ratio. Generally, the ideal net profit ratio is 10%. The company has failed to attain the standard ratio, which means the company is under pricing. Also shows lower profitability and lower return to the share holders of the company. Net profit ratio for the past five years shows negative value because of net loss for the mentioned period except 2018-2019.

Figure 4.11 showing net profit ratio



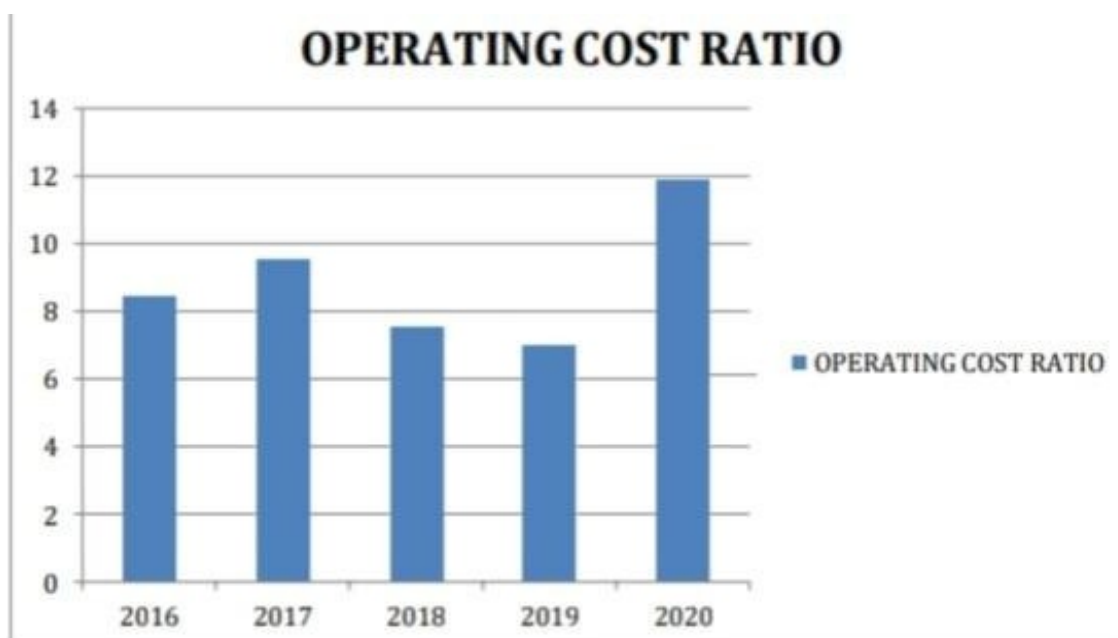
11) Operating cost ratio = (operating cost/revenue from operation)*100 Table

4.12 showing operating cost ratio

YEAR	OPERATING COST RATIO
2016	$(3607.24/42845.47)*100 = 8.42\%$
2017	$(4219.13/44316.34)*100 = 9.52\%$
2018	$(4441.71/58831.41)*100 = 7.55\%$
2019	$(4844.83/69202.76)*100 = 7\%$
2020	$(5214.55/43928.17)*100 = 11.87\%$

The following table shows operating cost ratio. The ideal ratio of operating cost ratio is 60% to 80%. Although, the lower it is, the better. Here, the company has lower ratio, which indicates that the expenses are decreasing. This is a positive sign for the company.

Figure 4.12 showing operating cost ratio



12) Operating profit ratio = (operating profit/revenue from operation)*100

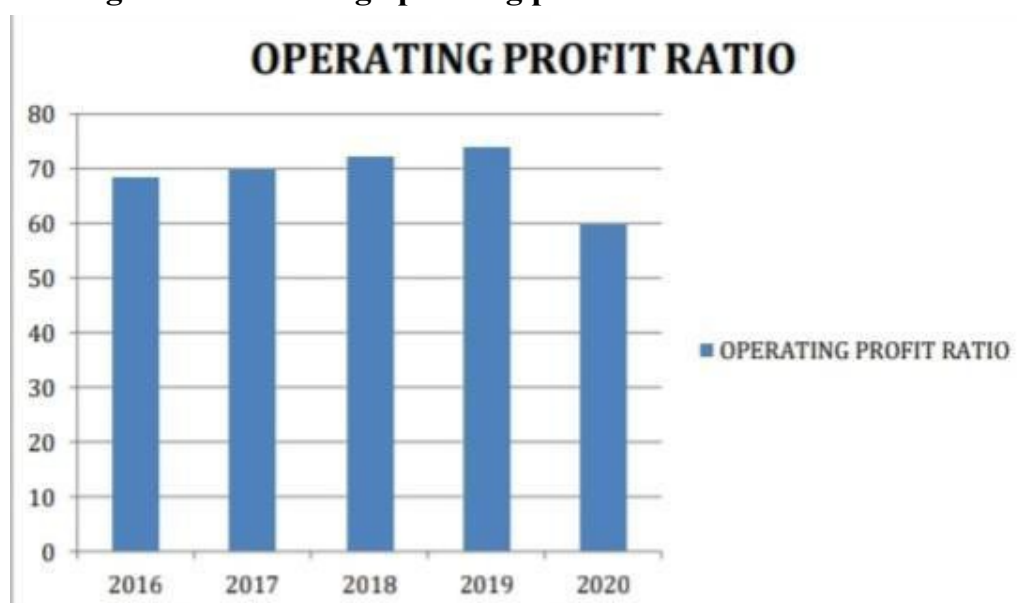
Operating profit = Net profit before taxes + Non-operating expenses – Non-operating incomes

Table 4.13 showing operating profit ratio

YE AR	OPERATING PROFIT RATIO
2016	$(29279.14/42845.47)*100 = 68.34\%$
2017	$(30866.95/44316.34)*100 = 69.65\%$
2018	$(42486.60/58831.41)*100 = 72.22\%$
2019	$(51109.47/69202.76)*100 = 73.85\%$
2020	$(26143.74/43928.17)*100 = 59.47\%$

The following table shows operating profit ratio. An operating profit ratio higher than 15% is considered good. The company has higher ratio for the past five years. So it indicates that the company is earning enough money from business operations to pay for all of the associated costs involved in maintaining the business.

Figure 4.13 showing operating profit ratio



Comparative balance sheet

Table 4.14 showing Comparative balance sheet from 2015-16 to 2016-17

particulars	2015-2016	2016-2017	Increase/decrease in amount	Increase/decrease in percentage
Share capital	679.18	679.22	0.04	0.01%
Reserves and surplus	22582.93	20483.39	-2099.54	-9.30%
Long term borrowings	10599.96	13686.09	3086.13	29.11%
Other LT liabilities	3361.30	1599.05	-1762.25	-52.43%
LT provisions	750.89	892.18	141.29	18.82%
Total non-current liabilities	14712.15	16177.32	1465.17	9.96%
Short term borrowings	3654.72	5158.52	1503.80	41.15%
Other ST liabilities	14596.75	15902.66	1305.91	8.95%
ST provisions	450.27	477.17	26.9	5.97%
Total current liabilities	18701.74	21538.35	2836.61	15.17%
Total liabilities	56676.00	58878.28	2202.28	3.89%
Capital WIP	1557.95	1902.61	344.66	22.12%

Fixed assets	26762.34	28043.92	1281.58	4.79%
Other non-	25431.78	38850.22	13418.44	52.76%

current assets				
Totalnon-current assets	44814.31	46121.21	1306.9	2.92%
Inventories	5117.92	5553.01	435.09	8.50%
Cash and equivalents	788.42	326.61	-461.81	-58.57%
Other current Assets	5955.35	6877.45	922.1	15.48%
Total current assets	11861.69	12757.07	895.38	7.55%
Total assets	56676.00	58878.28	2202.28	3.89%

Table 4.15 showing Comparative balance sheet from 2016-17 to 2017-18

particulars	2016-2017	2017-2018	Increase/Decrease in amount	Increase/decrease in percentage
Share capital	679.22	679.22	0	0%
Reserves and surplus	20483.39	19491.76	-991.63	-4.84%
Longterm borrowings	13686.09	13155.91	-530.18	-3.87%
OtherLT liabilities	1599.05	656.98	-942.07	-58.19%
LT provisions	892.18	1009.48	117.3	13.15%

Total non-current	16177.32	14822.37	-1354.95	-8.38%
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liabilities				
Short term borrowings	5158.52	3099.87	-2058.65	-39.91%
Other ST liabilities	15902.66	20256.16	4353.5	27.38%
ST provisions	477.17	862.92	385.75	80.84%
Total current liabilities	21538.35	24218.95	2680.6	12.45%
Total liabilities	58878.2	59212.30	334.1	0.57%
Capital WIP	1902.61	1371.45	-531.16	-27.92%
Fixed assets	28043.92	26800.35	-1243.57	-4.43%
Other non-current assets	38850.22	39044.04	193.82	0.50%
Total non-current assets	46121.21	44240.64	-1880.57	-4.08%
Inventories	5553.01	5670.13	117.12	2.11%
Cash and equivalents	326.61	795.42	468.81	143.54%

Other current Assets	6877.45	8506.11	1628.66	23.68%
Total current assets	12757.0 7	14971.6 6	2214.59	17.36%
Total assets	58878.2 8	59212.3 0	334.02	0.57%

Table 4.16 showing Comparative balance sheet from 2017-18 to 2018-19

particulars	2017-2018	2018-2019	Increase/decrease in amount	Increase/decrease in percentage
Share capital	679.22	679.22	0	0%
Reserves and surplus	19491.76	21483.30	1991.54	10.22%
Long term borrowings	13155.91	13914.74	758.83	5.77%
OtherLT liabilities	656.98	609.94	-47.04	-7.16%
LT provisions	1009.48	1281.59	272.11	26.96%
Total non-current liabilities	14822.37	15806.30	983.93	6.64%
Short term borrowings	3099.87	3617.72	517.85	16.71%
Other ST liabilities	20256.16	18174.4	-208.76	-10.28%
ST provisions	862.92	1148.69	285.77	33.12%
Total current liabilities	24218.95	22940.81	-1278.14	-5.28%
Total liabilities	59212.30	60909.63	1697.33	2.87%
Capital WIP	1371.45	2146.96	775.51	56.55%
Fixed assets	26800.35	28573.42	1773.07	6.62%
Other non-current assets	39044.04	41393.74	2349.7	6.02%
Total non-	44240.64	47680.33	3439.69	7.77%

current assets				
Inventories	5670.13	4662.00	-1008.13	-17.78%
Cash and equivalents	795.42	1306.61	511.19	64.27%
Other current Assets	8506.11	7260.69	-1245.42	-14.64%
Total current assets	14971.66	13229.30	-1742.36	-11.64%
Total assets	59212.30	60909.63	1697.33	2.87%

Table 4.17 showing Comparative balance sheet from 2018-19 to 2019-20

particulars	2018-2019	2019-2020	Increase/decrease in amount	Increase/decrease in percentage
Share capital	679.22	719.54	40.32	5.94%
Reserves and surplus	21483.30	16800.61	-4682.69	21.80%
Long term borrowings	13914.74	14776.51	861.77	6.19%
Other LT liabilities	609.94	1845.15	1235.21	202.21%
LT provisions	1281.59	1769.74	488.15	38.09%
Total non-current liabilities	15806.30	18391.40	2582.10	16.35%

Short term borrowings	3617.72	6121.36	2503.64	69.20%
Other ST liabilities	18174.4	18282.71	108.31	0.59%
ST provisions	1148.69	1406.75	258.06	22.47%
Total current liabilities	22940.81	25810.82	2870.01	12.51%
Total liabilities	60909.63	62589.87	1680.24	2.76%
Capital WIP	2146.96	1755.51	-391.45	-18.23%
Fixed assets	28573.42	29702.78	1129.36	3.95%
Other non-current assets	41393.74	44526.39	2132.65	5.15%
Total non-current assets	47680.33	49021.11	1340.78	2.81%
Inventories	4662.00	3831.92	-830.08	-17.81%
Cash and equivalents	1306.61	3532.19	2225.58	170.33%
Other current Assets	7260.69	6204.65	-1056.04	-14.54%
Total current Assets	13229.30	13568.76	339.46	2.57%
Total assets	60909.63	62589.87	1680.24	2.76%

Interpretation:

In comparative balance sheet, it shows the changes in the items on it on the

basis of just previous year. In case of current assets and current liabilities, the comparative balance sheet from 2016-17 to 2017-18 shows that current assets

increased to 17.36% and current liabilities to 12.45%. But in case of other three comparative balance sheets, the current liabilities show higher percentage than the current assets. When we analyze the comparative balance sheet from 2017-18 to 2018-19, it shows negative value in case of current assets and liabilities. Thus it results that, the short term financial position of the company is not satisfied.

In case of liquid assets (cash and equivalents), shows an increase in the current year of the comparative balance sheet except that of 2015-16 to 2016-17. This means that, there is an improvement in the liquidity position of the company.

If we analyze the fixed assets, long term liabilities and capital, the share capital of the company is increased only in the comparative balance sheet of 2018-19 to 2019-20 to 5.94%. The share capital is constant for the others. It also shows increasing fixed assets and long term liabilities except 2016-17 to 2017-18. If we compare the increasing fixed assets and long term liabilities in the comparative balance sheets, we can see that long term liabilities are comparatively more than the fixed assets. That means, the fixed assets and part of working capital has also been financed from the long term sources. So, this indicates that the company's long term financial position is satisfied.

In case of reserves and surplus of the company, it is in an increasing rate, when we analyze the last two comparative balance sheets, which means that there is an improvement in the profitability of the company.

So, it can be interpreted that, the company's overall financial position is satisfied if we ignore the short term financial position of the company.

Chapter V

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 Findings

- Current ratio is below the ideal ratio and it is in a declined rate.
- Liquid ratio of the company is not satisfactory because it is lower than the standard ratio.
- Super quick ratio is not satisfactory because it is lower than the ideal ratio of the super quick ratio.
- The company's short term assets are not sufficient to meet the short term liabilities.
- The company is highly dependent on creditors for the working capital and its outsiders' funds are not sufficient to manage their earnings.
- The company's solvency position is strong as they have sufficient total assets to meet their debts.
- The company use share holders' funds and short term funds to finance the fixed assets
- The company's equity share capital is less than fixed income bearing funds, which is a satisfactory element to the share holders.
- The company is in loss for the past five years except 2019, which means that the company is not able to pay the returns to share holders. The company has to improve its net profit.
- The company shows lower ratio in operating cost ratio, which is a satisfactory.
- Operating profit ratio shows higher value indicating that it is a good sign.
- In comparative balance sheet, the company's long term financial position, liquidity position and profitability are satisfactory.

5.2 Company's short term financial position is weak. Suggestions

The company has to improve its short term financial position by increasing its working capital. It has no sufficient funds to finance even short term liabilities. The company is dependent on creditors for working capital, which may lead to increased liabilities. The company's share capital is constant for the past five years. They have to improve its share capital by improving the net earnings.

Generally, the companies do not pay dividend to the investors that they utilize the dividend amount for operations of the business. Here also the company has utilized the dividend. This may create a bad impact on the investors. So it is very important to increase its sales revenue.

5.3 Conclusions

The study highlights, the financial performance of Tata Motors Ltd is satisfactory. To conclude, Tata Motors company has shown its impact on industry. We can see the downfall of the company, but it is expected, as it is such a big company. Looking at all the five years, 2019 is considered the best financial year out of all the five years, as it has improved its profitability in the year 2019. If the company manages its revenue from sales and assets, it is expected to recover from the loss.

LIABILITIES					
CURRENT LIABILITIES					
Short Term Borrowings	6,121.36	3,617.72	3,099.87	5,158.52	3,654.72
Trade Payables	8,102.25	10,408.83	14,225.63	11,462.24	5,141.17
Other Current Liabilities	10,180.46	7,765.57	6,030.53	4,440.42	9,455.58
Short Term Provisions	1,406.75	1,148.69	862.92	477.17	450.27
TOTAL CURRENT LIABILITIES	25,810.82	22,940.81	24,218.95	21,538.35	18,701.74
TOTAL CAPITAL AND LIABILITIES	62,589.87	60,909.63	59,212.30	58,878.28	56,676.00
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	19,540.25	18,316.61	18,192.52	17,897.13	17,573.25
Intangible Assets	5,667.73	3,970.22	3,411.23	2,875.80	3,502.56
Capital Work-In-Progress	1,755.51	2,146.96	1,371.45	1,902.61	1,557.95
Other Assets	0.00	0.00	0.00	0.00	0.00
FIXED ASSETS	29,702.78	28,573.42	26,800.35	28,043.92	26,762.34
Non-Current	15,730.8	15,434.	14,260.	14,858.	15,217.

Investments	6	19	79	39	48
Deferred Tax Assets [Net]	0.00	0.00	0.00	0.00	0.00
Long Term Loans And Advances	138.46	143.13	143.96	391.46	252.93
Other Non-Current Assets	3,449.01	3,529.59	3,035.54	2,827.44	2,581.56
TOTAL NON-CURRENT ASSETS	49,021.11	47,680.33	44,240.64	46,121.21	44,814.31
CURRENT ASSETS					
Current Investments	885.31	1,433.18	2,502.78	2,437.42	1,745.84
Inventories	3,831.92	4,662.00	5,670.13	5,553.01	5,117.92
Trade Receivables	1,978.06	3,250.64	3,479.81	2,128.00	2,045.58
Cash And Cash Equivalents	3,532.19	1,306.61	795.42	326.61	788.42
Short Term Loans And Advances	232.14	200.08	140.27	215.96	484.44
Other Current Assets	3,109.14	2,376.79	2,383.25	2,096.07	1,679.49
TOTAL CURRENT ASSETS	13,568.76	13,229.30	14,971.66	12,757.07	11,861.69
TOTAL ASSETS	62,589.87	60,909.63	59,212.30	58,878.28	56,676.00

Source : [Dion Global Solutions Limited](#)

Profit & Loss account ----- in Rs. Cr. -----					
	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16
	12 mths	12 mths	12 mths	12 mths	12 mths
INCOME					
Revenue From Operations [Gross]	43,485.76	68,764.88	58,234.33	48,078.77	46,883.53
Less: Excise/Service Tax/Other Levies	0.00	0.00	793.28	4,738.15	4,538.14
Revenue From Operations [Net]	43,485.76	68,764.88	57,441.05	43,340.62	42,345.39
Other Operating Revenues	442.41	437.88	1,390.36	975.72	500.08
Total Operating Revenues	43,928.17	69,202.76	58,831.41	44,316.34	42,845.47
Other Income	1,383.05	2,554.66	1,557.60	981.06	1,402.31
Total Revenue	45,311.22	71,757.42	60,389.01	45,297.40	44,247.78
EXPENSES					
Cost Of Materials Consumed	26,171.85	43,748.77	37,080.45	27,651.65	24,997.40
Purchase Of Stock-In Trade	5,679.98	6,722.32	4,762.41	3,945.97	4,101.97
Operating And Direct Expenses	830.24	571.76	474.98	454.48	418.27
Changes In Inventories Of FG, WIP And Stock-In Trade	722.68	144.69	842.05	-252.14	10.05
Employee Benefit Expenses	4,384.31	4,273.10	3,966.73	3,764.35	3,188.97
Finance Costs	1,973.00	1,793.57	1,744.43	1,569.01	1,592.00
Depreciation And Amortization Expenses	3,375.29	3,098.64	3,101.89	3,037.12	2,329.22
Other Expenses	7,959.75	9,895.68	9,251.41	8,083.12	8,216.65
Less: Amounts Transfer To Capital Accounts	1,169.46	1,093.11	855.08	941.60	1,034.40
Total Expenses	49,927.64	69,155.42	60,369.27	47,311.96	43,820.13
	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16
	12 mths	12 mths	12 mths	12 mths	12 mths

Profit/Loss Before Exceptional, Extra Ordinary Items And Tax	-4,616.42	2,602.00	19.74	-2,014.56	427.65
Exceptional Items	-2,510.92	-203.07	-966.66	-338.71	-271.84
Profit/Loss Before Tax	-7,127.34	2,398.93	-946.92	-2,353.27	155.81

Tax Expenses-Continued Operations					
Current Tax	33.05	294.66	92.63	57.06	-7.34
Deferred Tax	129.24	83.67	-4.70	19.27	2.54
Total Tax Expenses	162.29	378.33	87.93	76.33	-4.80
Profit/Loss After Tax And Before Extra Ordinary Items	- 7,289.6 3	2,020.60	- 1,034.8 5	- 2,429.60	160.61
Extraordinary Items	0.00	0.00	0.00	0.00	-222.91
Profit/Loss From Continuing Operations	- 7,289.6 3	2,020.60	- 1,034.8 5	- 2,429.60	-62.30
Profit/Loss For The Period	- 7,289.6 3	2,020.60	- 1,034.8 5	- 2,429.60	-62.30

Source : **Dion Global Solutions Limited**