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Financial Analysis of Indian Automobile Original Equipment Manufacturing Companies

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ABSTRACT

This research report provides a comprehensive financial analysis of 5 selected automobile companies of different segments, focusing on evaluating their financial health through key metrics such as profitability, liquidity, and solvency. The study aims to identify current trends, strengths, and opportunities for improvement in the sector, providing important information to investors and stakeholders.

The study utilizes data from secondary sources such as annual reports, books, internet databases, magazines, and newspapers to test hypotheses and draw relevant conclusions. By evaluating these companies' financial performance, the study improves our understanding of the Indian automobile industry's economic climate.

The findings of this research not only shed light on the current financial structure and position of the selected companies but also provide a framework for promoting competitiveness and sustainable growth in a rapidly changing global market. This study focuses on contributing to the ongoing discourse on economic stability and development, emphasizing the significance of financial health in driving the automotive sector forward.

Keywords: Financial Analysis, Profitability, Liquidity, Solvency, Automobile Industry

1. INTRODUCTION

The automobile industry is a crucial driver of economic development, playing a significant role in the industrial and economic advancement of countries worldwide. In India, this sector holds great importance due to its contributions to GDP, employment generation, and technological innovation. As the industry faces a dynamic and competitive environment, it is essential to analyze the financial health of automobile companies to understand their performance, stability, and growth potential.

This research report focuses on the financial analysis of selected automobile companies in India. By evaluating key financial metrics such as profitability, liquidity, and solvency, the study aims to provide a comprehensive understanding of the financial position and performance of these companies. The insights derived from this analysis will be valuable for investors, stakeholders, and policymakers, aiding in informed decision-making and strategic planning. The study utilizes data collected from secondary sources, including annual reports, books, internet databases, magazines, and newspapers. Analytical tools such as trend analysis, ratio analysis, and DuPont analysis are employed to examine the data and test relevant hypotheses.

Through this approach, the research seeks to identify trends, strengths, and areas for improvement within the sector. Understanding the financial dynamics of the automobile industry is essential not only for academic purposes but also for practical implications in fostering competitiveness and sustainable growth. As the global market continues to evolve, this study aims to contribute to the broader discourse on economic stability and development by offering a detailed financial assessment of the Indian automobile sector.

STATEMENT OF THE PROBLEM

The automobile sector is essential to economic growth, but it faces challenges like market volatility, intense competition, and regulatory changes. Despite its importance, there is little understanding of the financial performance of businesses in this industry. The present research seeks to fill this void by looking at significant financial indicators such as profitability, liquidity, and solvency for a sample of Indian vehicle companies. The goal is to identify trends, strengths, and areas for improvement, thereby providing significant insights to investors, stakeholders, and policymakers aiming to improve competitiveness and sustainable long-term growth.

OBJECTIVES OF THE STUDY

1. To identify trends in financial performance over recent years and understand their implications for the industry.
2. To examine the liquidity position of these companies to determine their ability to meet short-term obligations.
3. To assess the profitability of selected automobile companies in India by analyzing key financial ratios and metrics.
4. To develop a framework for promoting competitiveness and sustainable growth in the Indian automobile industry amidst a dynamic global market.

SCOPE OF THE STUDY

The study focuses on 5 recognized automobile companies that represent different market areas, including passenger automobiles, and commercial vehicles. The analysis evaluates significant financial parameters such as profitability, liquidity, and solvency, using ratios such as Return on Equity (ROE), Current Ratio, Debt to Equity Ratio, and Price to Equity Ratio. The study utilizes a variety of statistical tools, such as trend analysis, ratio analysis, and Dupont analysis, to analyze the data gathered and make relevant results. The findings aim to provide insights into the financial health and sustainability of the overall automobile sector, helping investors, stakeholders, and governments with strategic planning and decision- making.

2. RESEARCH METHODOLOGY

The research comprises 5 automobile companies listed on NSE and BSE and with a market capitalization of more than 10,00,000 crore. The research methodology for the investigation of the financial performance of Indian automobile companies is multi-step. The first step would include an extensive literature review to understand existing frameworks, as well as key financial metrics relevant to the automobile sector. About data collection, emphasis is placed on secondary sources in the form of annual reports, financial statements, and industry reports of a representative sample of major Indian automobile companies over the last decade. Calculation of key financial ratios, such as profitability, liquidity, solvency, and efficiency, for testing financial health. For the purpose of establishing trends through trend analysis, identification of cause-effect relationships through ratio analysis, and relative assessment with other phenomena through DuPont analysis, one can apply various statistical tools and techniques. It may also call for the application of econometric models to establish relationships between financial performance parameters and macroeconomic variables.

RESEARCH DESIGN

Financial analysis in terms of Indian automobile companies covers different bases that could be considered for the overall health and market performance by the companies. At this stage, the financial position of the companies is established through a comprehensive review of their financial statements, including balance sheets, income statements, and cash flow statements. The key financial ratios that need to be evaluated for the profitability, liquidity, and leverage of the business efficiency, financial strengths, and leverage are as below. It is also crucial to consider revenue growth trends, cost structures, and profit margins to identify the drivers or deterrents of growth.

SAMPLE SELECTION

The selection of the automobile sector is based on its economic contribution made towards the Gross Domestic Product (GDP) of the country. Several auto businesses are active across the nation. The research focused on the firms that were deemed trustworthy in order to determine the representativeness of the topper forming automakers.

DATA COLLECTION

In this study, data was collected from secondary sources including annual reports, books, online articles, magazines, and newspapers. Primary data was not considered, as the analysis focuses on financial performance, which is inherently historical.

TOOLS USED FOR ANALYSIS

The tools used for analysis are: -

1. Trend Analysis
2. Ratio Analysis
3. DuPont Analysis

PERIOD OF STUDY

The secondary data was collected for a period of five financial years from 2019-20 to 2023-24.

3. REVIEW OF LITERATURE

Mrs. K. Bhagyalakshmi and Dr. S. Saraswathi (2019) evaluated the performance of ten automobile companies listed on the NSE from 2013 to 2017 using DuPont analysis, focusing on Return on Common Stockholder's Equity (ROE) and utilizing secondary data from published annual financial statements. Their study found a positive relationship among most variables, except the equity multiplier (EM), and significant differences in financial performance concerning ROE and ROA among the selected companies. [1]

A. Dharmaraj and Dr. N. Kathirvel (2013) examined the impact of FDI on the financial performance of the Indian automobile industry after the New Industrial Policy Act of 1991, analyzing sixteen companies using financial ratios and statistical tools. Their study found that post-FDI, there was little change in liquidity, an increase in profitability, improved resource utilization efficiency, and an overall positive impact on financial variables, contributing to the industry's average growth rate of 17% per year, significant turnover, investment, employment generation, and tax contributions. [2]

V. L. Govindarajan, U. Parthiban, and V. Balu (2020) analyzed the financial performance of selected companies over ten years (2009-10 to 2018-19) using secondary data from annual reports and financial websites like Moneycontrol.com and BSE.com. They employed Edward Altman's Z-score, Internal Growth Rate (IGR), and Sustainable Growth Rate (SGR) under DuPont analysis as dependent variables, with profitability ratios, liquidity ratios, and per share ratios as independent variables, referencing previous studies that used metrics such as EPS, DPS, ROCE, and operating profit. [3]

Dr. P. Santhi and T. S. Amruthavarshini (2021) evaluated the financial performance of six leading Indian automobile companies—Bajaj Auto Limited, Eicher Motors Limited, Hero MotoCorp Limited, Mahindra and Mahindra Limited, Maruti Suzuki Limited, and Tata Motors Limited—during 2015-2019. Their study aimed to measure financial performance using the Extended DuPont approach, which breaks down Return on Equity (ROE) into five components: pre-interest/pre-tax margin, asset turnover, interest burden, tax efficiency, and the equity multiplier. [4]

Manjit Kour, Rajinder Kaur, Arshan Bhullar, and Ritika Chaudhary (2020) examined the adoption of green practices in the automobile industry and their impact on financial performance. They define green practices as those that ensure purity through fairness in price, quality, and value in dealings. These practices are increasingly being adopted by the automobile industry to enhance brand value, achieve long-term cost savings, improve compliance with regulations, and attract higher investor interest and talent. However, the industry faces dual pressure to maintain financial performance while also focusing on environmental sustainability. [5]

Nithya Sri.M & Mrs. L. Priya (2024) analyzed the financial performance of selected Indian automobile companies, focusing on profitability, liquidity, and solvency to identify sector trends and improvement areas. Utilizing secondary data from sources such as annual reports and online content, the research employs trend and ratio analysis. This enhances our understanding of the sector's economic conditions and aids in promoting sustainable growth and competitiveness in a dynamic global market. [6]

ANALYSIS OF THE STUDY

Conducting an analysis of five companies over five years, focusing on trend analysis, ratio analysis, and DuPont analysis using the following tables and figures.

I. TREND ANALYSIS

Trend analysis is a method used to evaluate the performance of companies over a specific period by identifying patterns and fluctuations in financial metrics. **Table 1** presents a comprehensive study on trend analysis for five companies, examining their financial data over the past five years, while **Figure 1** shows the year-on-year growth for these companies during the same period.

Table 1. Showing data for Five Companies

Year	Tata Motors Net Sales (In USD Bn)	Y-o-Y Growth	Ashok Leyland Net Sales (In USD Bn)	Y-o-Y Growth	Mahindra Net Sales (In USD Bn)	Y-o-Y Growth	Maruti Net Sales (In USD Bn)	Y-o-Y Growth	Eicher Motors Net Sales (In USD Bn)	Y-o-Y Growth
2020	30.9	0%	2.60	0%	16.52	0%	16.12	0%	1.98	0%
2021	29.5	-4.53%	2.32	10.77%	14.49	-12.29%	13.44	16.63%	1.73	12.63%
2022	32.9	11.53%	3.13	34.91%	10.77	-25.67%	10.01	25.52%	1.23	28.90%
2023	40.95	24.47%	4.96	58.47%	8.87	-17.64%	7.95	20.58%	1.04	15.45%
2024	51.95	26.86%	5.45	9.88%	9.00	1.47%	8.56	-7.67%	1.09	-4.81%

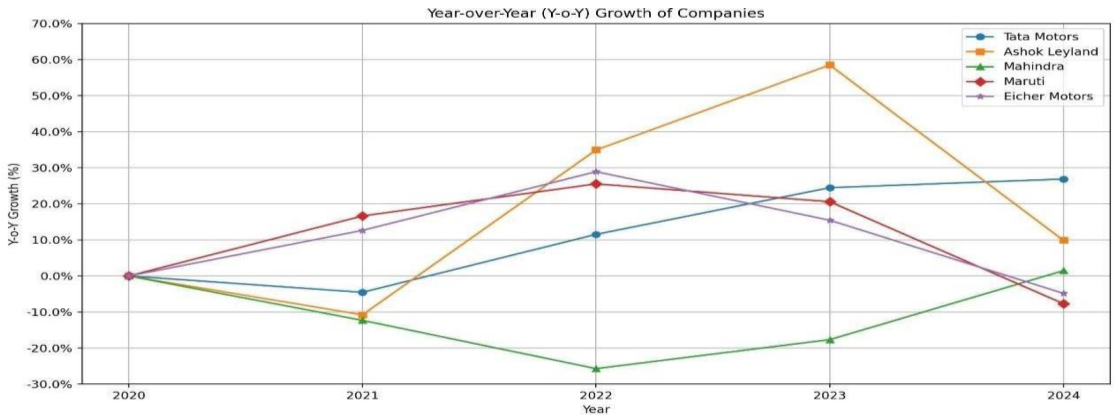

Fig. 1 – Year Over-Year Growth of Companies

FINDINGS

TATA MOTORS - Tata Motors' financial performance saw a substantial shift between 2020 and 2024. The business generated $30.9 billion in net sales in 2020. On the other hand, sales decreased by 4.53% to $29.5 billion in the subsequent year. Tata Motors bounced back in 2022, with net sales of $32.9 billion, up 11.53% from the year before, despite this setback. With net sales rising to $40.95 billion in 2023—a significant 24.47% increase— this increasing trajectory persisted. Continued progress resulted in net sales of $51.95 billion in 2024, up a strong 26.86% year over year. After overcoming early obstacles, Tata Motors has shown a steady and growing growth pattern during this time, highlighting the company's tenacity and impressive comeback.

ASHOK LEYLAND - Improvement of Finances: From 2020 to 2024, the financials of Ashok Leyland were on an amazing recovery path. The net sales of this company started in 2020 at $2.6 billion. However, in 2021 it got a jolt when the sales fell to $2.32 billion, showing a fall of 10.77%. However, the company came back very strongly in the year 2022 with a net sale of $3.13 billion, which was higher by 34.91% over the previous year. This positive trend further continued in the year 2023, where net sales soared to $4.96 billion, representing incredible growth at approximately 58.47%. In 2024, the company maintained this growth trajectory when it was able to net sales totaling

$5.45 billion, increasing at a rate of 9.88%. This period manifests Ashok Leyland's ability to achieve steady recovery and growth on the way to achieving the highs after a fall.

MAHINDRA & MAHINDRA- The chart depicts a steady decline in net sales from 2020 to 2023, followed by a slight uptick in 2024. Starting at approximately 16 billion USD in 2020, net sales fell to about 14 billion USD in 2021, 11 billion USD in 2022, and 8 billion USD in 2023, reflecting significant challenges such as market downturns or increased competition. In 2024, net sales rebounded to around 9 billion USD, indicating that the company's strategic interventions are starting to yield positive results. This upward trend signals potential stabilization and growth, underscoring the importance of continuous monitoring and adaptation of these strategies for sustained recovery.

MARUTI - The bar chart illustrates net sales in USD billion from 2020 to 2024, revealing a clear downward trend followed by a slight recovery. In 2020, net sales peaked at approximately 16 billion USD. However, over the next three years, sales steadily declined to about 12 billion USD in 2021, 10 billion USD in 2022, and 8 billion USD in 2023. This continuous decline indicates significant challenges, possibly due to market saturation, increased competition, or external factors like economic downturns or pandemics. In 2024, a slight recovery occurs, with net sales rising to around 9 billion USD, suggesting the potential effectiveness of new strategies or market adjustments. The data indicates a need for sustained strategic efforts to maintain and enhance this recovery.

EICHER MOTORS - The net sales from 2020 to 2024 show an overall downward trend, starting at 2.0 USD billion in 2020 and decreasing to 1.0 USD billion by 2023, before recovering to 1.2 USD billion in 2024. The decline from 2020 to 2022 suggests challenges like market share loss and operational issues, possibly exacerbated by the COVID-19 pandemic. The slight recovery in 2024 indicates successful strategic initiatives. The company should investigate the causes of the decline, strengthen core offerings, expand market reach, invest in marketing, and adapt to market trends to sustain growth.

II. RATIO ANALYSIS

Ratio analysis is a critical tool used to assess the financial health and operational efficiency of companies by comparing various financial metrics.

Table 2 and **Figure 2** present data on the current ratio for five companies, detailing a comprehensive ratio analysis conducted over the past five years.

Table 2. Showing data for the Current Ratio

Years	Tata Motors	Ashok Leyland	Mahindra	Maruti	Eicher
2020	0.53	0.77	1.38	0.75	3.4
2021	0.60	0.90	1.34	1.15	3.6
2022	0.58	1.00	1.38	0.99	1.91
2023	0.45	1.06	1.33	0.58	1.15
2024	0.56	0.97	1.35	0.77	1.15
Mean	0.544	0.94	1.356	0.848	2.242
Standard Deviation	0.06	0.11	0.02	0.22	1.19

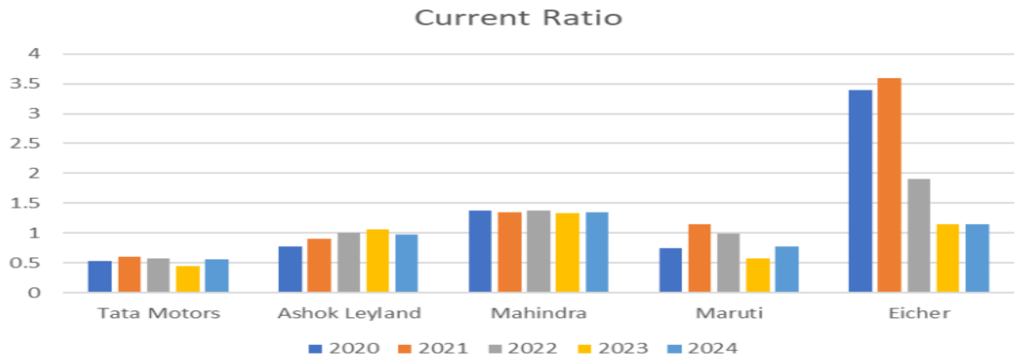

Fig.2 – Current ratio of the companies

FINDINGS

TATA MOTORS – Tata Motors has consistently recorded a low current ratio, fluctuating between 0.45 and 0.60, with an average of 0.544 and a standard deviation of 0.06. This suggests potential liquidity difficulties and challenges in meeting short-term obligations due to minimal variation over the years.

ASHOK LEYLAND – Ashok Leyland's current ratio has shown improvement from 0.77 in 2020 to a peak of 1.06 in 2023 before a slight decrease in 2024, with an average of 0.94 and a standard deviation of 0.11. This indicates moderate liquidity with some variance, though it has not consistently reached the optimal level of 1.0.

MAHINDRA & MAHINDRA – Mahindra & Mahindra has maintained a stable and sufficient liquidity position, with its current ratio oscillating between 1.33 and 1.38, resulting in a mean of 1.356 and a standard deviation of 0.02. This stability reflects Mahindra's strong ability to cover short-term obligations.

MARUTI - Maruti current ratio has been highly fluctuating, ranging from 0.58 to 1.15, with a mean of 0.848 and a standard deviation of 0.22. This instability in liquidity suggests variability in Maruti's ability to meet short-term obligations.

EICHER MOTORS - Eicher has experienced a gradual decrease in its current ratio from 3.4 to 1.15 by 2023, stabilizing in 2024. With a mean of 2.242 and a high standard deviation of 1.19, Eicher's liquidity remains reasonable despite significant fluctuation in liquidity management.

Table 2.1 and **Figure 2.1** present data on the debt-to-equity ratio for five companies, detailing a comprehensive ratio analysis conducted over the past five years.

Table 2.1 Showing data for the Debt-to-Equity Ratio

Years	Tata Motors	Ashok Leyland	Mahindra	Maruti	Eicher
2020	1.14	0.42	0.09	0.00	0.00
2021	1.14	0.53	0.21	0.01	0.00
2022	1.17	0.48	0.17	0.01	0.00
2023	0.84	0.38	0.11	0.02	0.01
2024	0.46	0.26	0.03	0.00	0.01
Mean	0.95	0.414	0.122	0.008	0.004
Standard Deviation	0.31	0.10	0.07	0.01	0.001

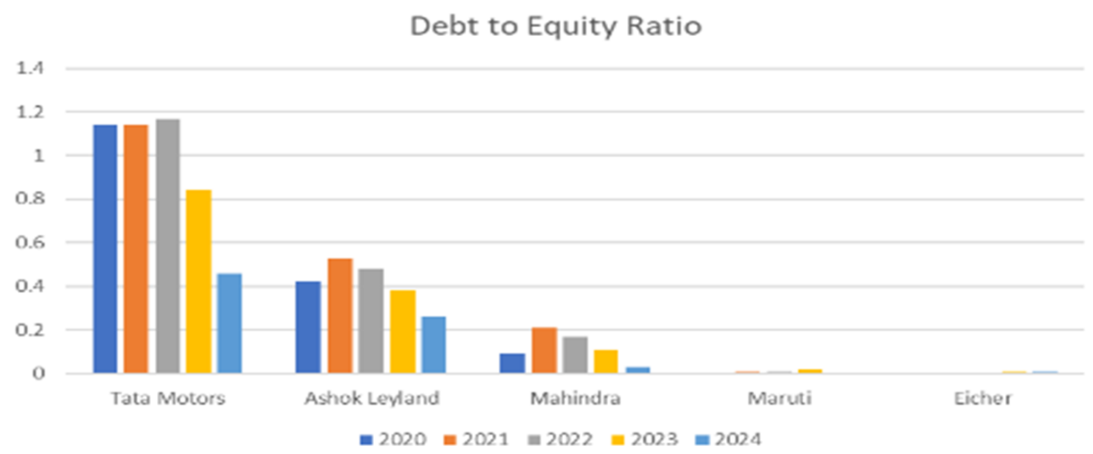

Fig. 2.1 - Debt to Equity Ratio

FINDINGS

TATA MOTORS – Tata Motors started at the beginning of 2020 with a high debt-to-equity ratio of 1.14 and continued at such a level in 2021. Only in 2022 did it slightly improve, amounting to 1.17, after which there was a

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considerable decrease in the consecutive two years, reaching 0.84 in 2023 and 0.46 in 2024. This is a pattern of declining debt or rising equity making the financial health of Tata Motors better in these years.

ASHOK LEYLAND – The debt-to-equity of the company moved upward from 0.42 in 2020 to 0.53 in 2021 and then started to decrease, standing at 0.48 in 2022, 0.38 in 2023, and finally 0.26 in 2024. This trend also shows a reduction in debt or an increase in equity capital, which signals improvement in financial health over those years.

MAHINDRA & MAHINDRA – The ratio for debt to equity for Mahindra is very low, from 0.09 in 2020 to 0.21 in 2021 with a downtrend to 0.03 in 2024, suggesting the company maintains its equity strong and depends minimally on debt.

MARUTI – Maruti has always maintained a very low debt-to-equity ratio in the vicinity of 0.01. In fact, in a few years, it was exactly 0. Thus, Maruti can be said to be a company that operates solely on equity with almost nil debt.

EICHER MOTORS – Eicher Motors did not take any debt over the five years under consideration. The debt-to-equity ratio was zero for the first three years and moved slightly up to 0.01 in the last two years. This indicates that Eicher is highly provided for by equity and does not have any debt.

Table 2.2 and **Figure 2.2** present data on the price-to-equity ratio for five companies, detailing a comprehensive ratio analysis conducted over the past five years.

Table 2.2 Showing data for Price-to-Equity Ratio

Years	Tata Motors	Ashok Leyland	Mahindra	Maruti	Eicher
2020	-2.04	37.43	-247.78	22.82	1.96
2021	-8.16	-20.68	48.70	47.21	52.82
2022	-14.52	-96.11	13.62	58.87	40.06
2023	66.90	32.91	12.54	30.51	27.67
2024	12.11	20.24	19	29.37	27.5
Mean	10.86	-41.64	-30.78	37.76	30.00
Standard Deviation	32.84	105.52	122.20	14.84	18.84

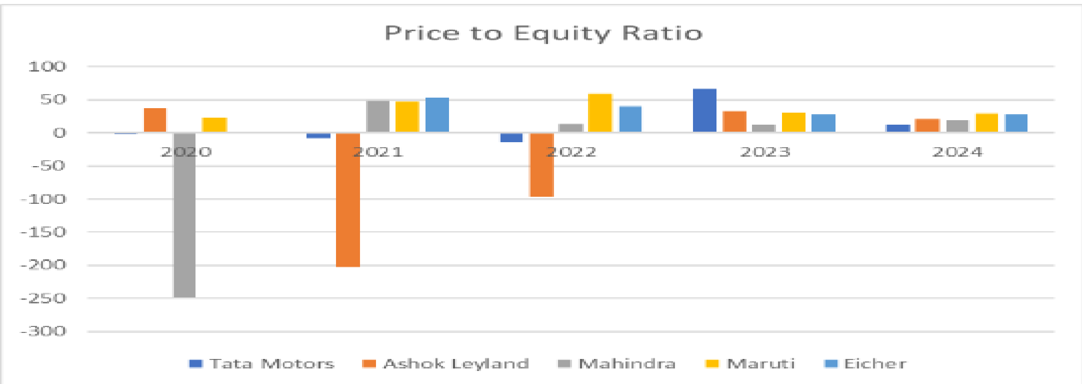

Fig 2.2 - Price to Equity ratio

FINDINGS

TATA MOTORS - Tata Motors exhibits significant fluctuations in its P/E ratio, starting negative in 2020 and 2021, followed by a dramatic increase to 66.90 in 2023, and then stabilizing somewhat by 2024. The mean P/E ratio is 10.86, indicating a recovery and upward trend after initial losses, with a relatively high standard deviation of 32.84 reflecting its volatility.

ASHOK LEYLAND - Ashok Leyland shows high volatility with negative P/E ratios in most years except 2020 and 2024, indicating periods of financial distress or low earnings relative to its stock price. The mean P/E ratio is

-41.64, which is significantly low, and a high standard deviation of 105.52 suggests extreme unpredictability in its market valuation.

MAHINDRA & MAHINDRA - Mahindra had an extremely low P/E ratio in 2020 (-247.78) suggesting substantial losses. However, the subsequent years show a recovery toward a more stable and moderate valuation by 2024. The mean of -30.78 and a very high standard deviation of 122.20 suggest initial financial instability followed by gradual stabilization.

MARUTI - Maruti demonstrates the most stable and consistently positive P/E ratios among the group, with values reflecting steady profitability and investor confidence. The mean P/E ratio is 37.76 with the lowest standard deviation of 14.84 among the five, indicating stable performance and investor expectations.

EICHER MOTORS - Eicher maintains relatively stable and positive P/E ratios throughout the period, showing slight growth and minor fluctuations but generally indicating a healthy financial standing and consistent market confidence. Its mean P/E ratio is 30.00, and a standard deviation of 18.84 points to moderate stability.

III. DUPONT ANALYSIS

DuPont analysis is a comprehensive method used to break down the components of return on equity (ROE) to understand the drivers of a company's financial performance. In this study, a DuPont analysis for five companies over a five-year period. **Table 3 & Figure 3** shows data for return on equity and gives a manufacturer comparison.

Table 3. Showing data for Return on Equity

MANUFACTURER	March 2024	March 2023	March 2022	March 2021	March 2020
TATA MOTORS	0.30	0.13	-0.07	-0.13	-0.79
ASHOK LEYLAND	0.30	0.18	0.08	-0.04	0.07
MAHINDRA & MAHINDRA LTD	0.22	0.16	0.13	0.01	0.08
MARUTI SUZUKI	0.18	0.14	0.07	0.08	0.23
EICHER MOTORS LTD	0.26	0.22	0.15	0.15	0.46

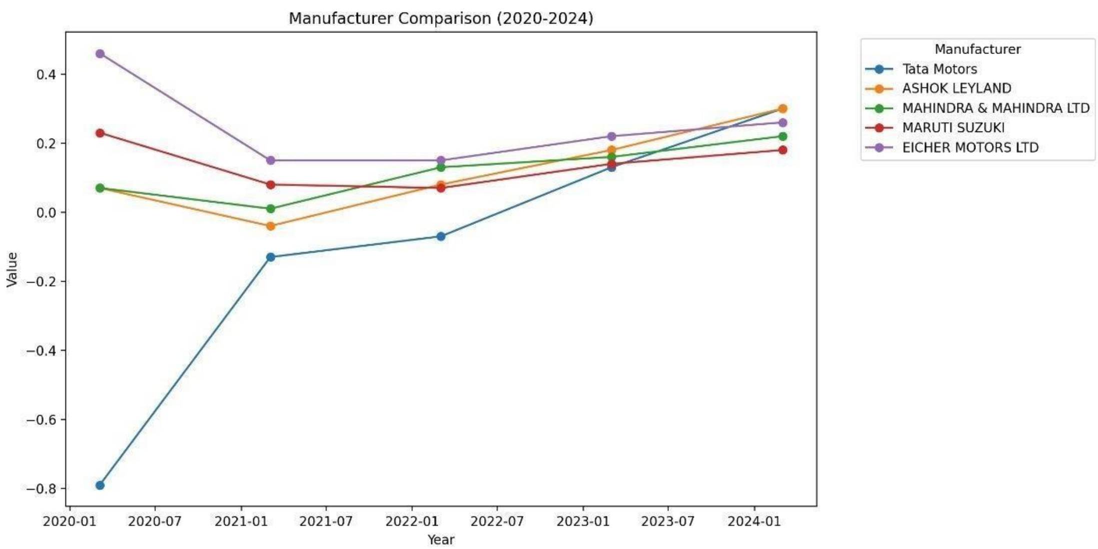

Fig.3 – Manufacturer Comparison

FINDINGS

TATA MOTORS - The financial analysis of Tata Motors Ltd from March 2020 to March 2024 shows substantial improvements across several key metrics. Notably, the net income has reversed from a loss of 0.0868 in March 2020 to a profit of 0.0941 by March 2024, indicating a significant turnaround in profitability. This recovery is further underscored by an increase in revenue from 0.5178 in March 2020 to 0.8660 in March 2024. The Return on Equity

(RoE) has also dramatically improved from -0.79 in March 2020 to 0.30 in March 2024, highlighting enhanced efficiency in generating profits from shareholders' equity. Asset management has shown improvements as well, with asset turnover increasing significantly, demonstrating a higher efficiency in using assets to generate revenue. Additionally, the financial leverage ratio has decreased from 0.34 to 0.24, suggesting a reduction in dependency on debt. The net profit margin has improved from -0.17 to 0.11, reflecting better cost control and profitability. Tax and interest burdens have stabilized, indicating improved financial management and stability. Overall, Tata Motors Ltd has displayed a strong recovery and stabilization in financial health, transitioning from financial difficulties in 2020 to robust profitability and operational efficiency by 2024.

ASHOK LEYLAND - The financial performance of Ashok Leyland from March 2020 to March 2024 demonstrates significant improvement, particularly in the last reported year. Net income has consistently increased from a low of 0.0029 in March 2020 to 0.0312 in March 2024, reflecting a strong recovery and growth in profitability. Revenue has similarly seen growth from 0.0206 in March 2020 to 0.0455 in March 2024. The Return on Equity (ROE) has shown a remarkable turnaround from -0.04 in March 2021 to 0.30 in March 2024. This indicates not only recovery but also that the company has become increasingly efficient at generating profit from its shareholders' equity. The Net Profit Margin has improved significantly, moving from a negative value of
-0.20 in March 2021 to an impressive 0.69 by March 2024. This drastic improvement in profitability metrics indicates better cost management and efficiency in operations. In terms of asset management, the Asset Turnover has remained relatively stable, with a notable increase over the period, indicating that the company has maintained its efficiency in utilizing its assets to generate revenue. The Financial Leverage Ratio has shown slight fluctuations but remained relatively stable, suggesting that the company's capital structure has not changed drastically. Overall, Ashok Leyland has demonstrated strong financial recovery and growth over these years, marked by improvements in profitability, efficiency, and asset utilization. This performance highlights the company's ability to navigate challenges and improve its financial health sustainably.

MAHINDRA & MAHINDRA - Mahindra & Mahindra Ltd's financial analysis from March 2020 to March 2024 shows a steady upward trajectory in financial performance, culminating in significant improvements by March 2024. Net income has notably increased from 0.0159 in March 2020 to 0.1274 by March 2024, indicating a robust growth in profitability. Revenue also grew substantially from 0.5351 in March 2020 to 1.1543 in March 2024, reflecting the company's expanding business operations. The Return on Equity (RoE) improved markedly from a mere 0.01 in March 2021 to 0.22 in March 2024, showcasing a strong recovery and enhanced efficiency in generating profits from shareholders' equity. The Net Profit Margin increased from 0.03 in March 2020 to 0.11 by March 2024, signifying improved cost management and operational efficiency. Asset management has seen progressive improvement, with Asset Turnover recovering from a low of 0.80 in March 2021 to 1.21 in March 2024. This indicates better utilization of assets in generating revenue. The Financial Leverage Ratio remained relatively high, increasing slightly from 1.46 in March 2020 to 1.67 in March 2024, suggesting a consistent use of debt in the company's capital structure. Overall, Mahindra & Mahindra Ltd has demonstrated consistent growth in profitability, effective asset utilization, and stable financial leverage, positioning the company for sustained financial health and operational efficiency. This financial trajectory highlights the company's effective management and strategic operations enhancement over the past few years.

MARUTI - Maruti India Ltd's financial performance from March 2020 to March 2024 highlights a robust recovery and growth, particularly in the latter years. Net income increased significantly from 0.0449 in March 2022 to 0.1576 by March 2024, demonstrating a strong rebound in profitability. Revenue also saw a marked rise from 0.8542 in March 2020 to 1.6080 by March 2024, indicating substantial business expansion. The Return on Equity (RoE) improved from 0.07 in March 2022 to 0.18 in March 2024, reflecting enhanced efficiency in profit generation from equity. Net Profit Margin stabilized at 0.10 by March 2024, up from earlier lows, suggesting improved operational efficiency. Despite a slight decrease in Asset Turnover from its peak in March 2020, asset management remains efficient, and the Financial Leverage Ratio was stable at around 1.34 in March 2024. Overall, Maruti Suzuki's latest financial year showed strong health across profitability, revenue growth, and asset management, underpinned by effective strategic management and adaptability in a dynamic market.

EICHER MOTORS - Eicher Motors Ltd's financial performance from March 2020 to March 2024 demonstrates significant recovery and growth. Net income rose steadily from 0.0159 in March 2021 to 0.0447 in March 2024, with corresponding increases in revenue from 0.1022 to 0.1881 over the same period, indicating robust business expansion. The Return on Equity (RoE) improved notably from 0.15 to 0.26, reflecting greater efficiency in profit generation from shareholders' equity. Net Profit Margin also increased, highlighting improved operational efficiency. Although Asset Turnover decreased, suggesting more conservative asset utilization, Financial Leverage remained stable, indicating a balanced approach to debt use in the capital structure. Overall, Eicher Motors has shown strong financial health and operational improvements, positioning it well for ongoing growth.

4. CONCLUSION

This report provides financial analysis for some Indian automobile firms that are very important in gaining insight into their financial health and operational efficiency. It consequently sets the frameworks for future stability and growth within the sector. The companies chosen for this study have demonstrated considerable resilience and strategic adaptability against buffeting by market volatility and intense competition—in markedly different ways. The comprehensive assessment, as done through key financial ratios and trend analysis, depicts that while companies such as Tata Motors and Ashok Leyland have made remarkable recoveries in profitability and debt management, others like Mahindra and Maruti pose a slow yet steady pace toward growth. It emphasizes that the strong financial health of auto companies is one such ingredient that will enable them to remain competitive in the fast-changing global environment; it also provides good guidance for investors and policymakers toward developing a vigorous and robust automotive sector in India.

5. SUGGESTIONS

To enhance product development and reduce time to market, share innovation efforts through strategic partnerships.

To expand into new geographic or demographic markets, leverage partner networks and market presence.

To stay ahead of industry trends, invest in research and development aligned with the latest technological advancements.

To safeguard against market downturns, diversify products, services, or investments across various sectors or regions.

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