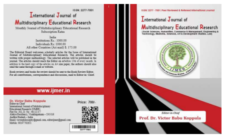
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A STUDY ON FINANCIAL ANALYSIS OF SELECT AUTOMOBILE COMPANIES IN INDIA

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Abstract

A study on financial analysis of select automobile companies in India examines their financial health by evaluating key metrics like liquidity, solvency and profitability. It aims to recognize trends, metiers, and areas of improvement within the sector, fundamental insights for stakeholders. To study the financial structure and financial position of the select Automobile Companies in India. This type of research absorbed on what is currently in existence, what can be the new facts and meaning. In the current study data has been collected by using secondary source. The data is collected from annual report, books, internet, magazines, newspaper etc. The following tools which were used in the research study is Trend analysis, Ratio analysis, Anova for testing the hypothesis. The financial analysis study of the chosen automobile industry not only improves our considerate of the economic development growth of the sector but also offers an outline for promoting competitiveness and sustainable growth in a constantly shifting international market.

Keywords: Financial Analysis, Financial Structure, Economic Development And Growth, Competiveness.

INTRODUCTION

Finance is one of the basic foundations of all kinds of economic activities. Finance is the life-line of all commercial activities. In other words, it can be said to be "heart" of an organization. It is the master key, which provides access to all the sources being employed in manufacturing. Hence, it is rightly said that finance is lifeline of any business enterprise, besides being the scarcest element; it is also the most indispensable requirement. Without finance, neither any business can be started nor successfully run. Provision of sufficient funds at the required time is the key to success of a concern. As a matter of fact, finance may be said to be the circulatory system of economic body, making possible the needed co-operation among many units of activity. Research methodology

Finance is Omni-present in every sphere of economic and business life. Finance is considered a critical factor in the history of a business enterprise. Financial Performance is the process of identifying the financial strengths and weaknesses of the firm by properly establishing relationship between the items of the balance sheet and the profit and loss account. The objective is to identify any weakness in the firm's financial health that could lead to future problems and to determine strength that the firm might capitalize upon.[1] Financial performance is measured by applying various analytical tools and techniques to the financial statements and also drawing meaningful conclusions and useful information for making predictions that may have a direct impact on the decisions made by the different users of the financial statements.

In the modern world, all the activities are concerned with the economic activities and very particular to earning profit through any venture or activities. The entire business activities are directly related with making profit. (According to the economics concept of factors of production, rent given to landlord, wage given to labour, interest given to capital and profit given to shareholders or proprietors), a business concern needs finance to meet all the requirements. Hence finance may be called as capital, investment, fund etc., but each term is having different meanings and unique characters. Increasing the profit is the main aim of any kind of economic activity.

STATEMENT OF THE PROBLEM

In today's highly competitive era where trade barriers in the international market are lessening, survival of any industry depends on its cost advantage over others. The rising productivity levels, which are associated to lower costs and increased production play a crucial role in the economic growth of a nation and also ensure sustained competitiveness at

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global front. Scarcity of resources has been recognized as a limiting factor on the process of economic growth. It is relevant to mention here that output expansion based on increased use of resources may be feasible but it cannot be sustainable. Therefore, efficiency or productivity of resources becomes a critical factor in economic growth. The optimum utilization of resources, efficient management of activities, control on the costs and expenses, and enhancement of productivity is essential for the survival of the organization. Financial performance analysis is the process of determining the operation and financial characteristics of affirm from accounting and financial statements. The automobile industry in India had been facing the problem of overcapacity by 2000 and the auto-component sector was not so developed modify able to deliver products of world-class quality.

OBJECTIVES OF THE STUDY:

- To study the capital structure of the select Automobile Companies in India.
- To evaluate the current ratio of Select Automobile Companies in India
- To analyse the Earnings per share ratio of Select Automobile Companies in India and
- To assess the Dividend per share ratio of Select Automobile Companies in India

SCOPE AND LIMITATIONS OF THE STUDY

The study is confined to select automobile companies only. The annual reports of the sample companies are readjusted and recast as by 31st March every year. The figures reported in the annual reports are rounded to two reported in the annual reports are rounded to two decimals of rupees in crores. These do not act as deterrents for the validity of the research report. This study based on secondary data taken from published annual reports and accounts of selected companies and as such its finding depends entirely on such data. The major limitation of the study is non – availability of the information as required by the research forms.

SAMPLE DESIGN

According to the Society of Indian Automobile Manufacturers (SIAM), the universe for the study consists of 50 companies. For the purpose of the study the top four companies have been selected conveniently that have highest sales and production in 2024. The select sample companies included viz., Ashok Leyland Ltd., Maruti Suzuki India Ltd., Mahindra & Mahindra Ltd., and Tata Motors Ltd.

PERIOD OF THE STUDY

The period of the study was taken for five years i.e., from 2019-20 to 2023-24.

SOURCES OF DATA

The study is based on the secondary data only. The secondary data have been collected from books, journals, magazines, daily newspapers, Internet, Govt. of India, Ministry of Finance issued by Economic Survey; various reports issued by Govt. of India, Society of Indian Automobile Manufacturers (SIAM), published annual reports of the select Automobile companies in India and Automobile Industry Annual Review etc.

TOOLS USED FOR ANALYSIS:

The simple mathematical and statistical tools are used as measures for judging the degree of efficiency of financial analysis of the select Automobile companies in India. Further, various statistical tools are deployed such as percentages, ratios, mean, Standard Deviation and 'F' test are applied at an appropriate context to analyze the data.

REVIEW OF LITERATURE

Krishnaveni (2018) in her study evaluated the impact of policy changes since 1982-92 on profitability and growth of firms in the industry using Tobin's q as a measure of profitability. The study finds no evidence to show that firms have made

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supernormal profits. Profitability is found to be explained mainly by age of the firms, vertical integration, diversification and industry policy dummy variables. Important determinants of the growth of firms are found as diversification, industry policy dummy variable, gross retained profits and expansion of capacities. It is revels that the differences in performance between car and non-car sectors as well as within the sectors of the industry.

Singh and Ahmed khan (2014) have attempted to examine the production and sales performance and production efficiency of automobile industry in India between 1965 and 1985.

They found that the performance of the Indian automobile industry in terms of production and sales has been reasonable. Further the labour productivity in case of industry as a whole and motor vehicles and parts has observed an increasing trend with decline in 1979-80. Moreover, capital productivity in case of industry as a whole declined over the period.

Narender and Abhinav Sharma (2020) have found that the tangibility of assets plays a significant role in determining the leverage of the PEs, as the result for non-debt tax shield and Tax, inferred that the PEs are not utilizing debt to pay less tax, instead using their internal resources for the PEs in expansion and financing.

Kale (2019) has investigated that the last decade the Indian automobile industry has shown increasing levels of technological sophistication and significant growth. The Indian automobile industry consists of local firms with indigenous design and development capability, well established global brands and has marketing presence in Indian as well as other emerging markets. This paper tracks capability development in the Indian auto industry and seeks to understand the factors, both internal and external to firms that have shaped innovative capabilities. It points out that the Indian Government's industrial policy secured development of basic capabilities but restricted innovative capability development in auto manufacturing. This paper revealed that key attributes of firm ownership such as managerial vision and diversified nature of business, helped Indian firms in the development of the innovative capabilities.

Ray Sarbapriya, (2020) in her paper entitled "An insight into the performance of Indian automobile industry", this paper has made an attempted to evaluate the performance of Indian automobile industry in terms of various financial indicators, sales trend, production trend, export trend etc for the period from 2003-04 to 2009-10. It is suggested that the automobile industry has been passing through turbulent phases characterized by enhanced debt burden, low utilization of assets, and above all, huge liquidity crunch. The key to success in the industry is to improve labour productivity, labour flexibility, and capital efficiency.

ANALYSIS OF STUDY:
TREND ANALYSIS:

TABLE 1: NET SALES & PROFIT AFTER TAX OF ASHOKLEYLAND 2019-2020 TO 2023-2024

YEARS	NET SALES	PROFIT AFTER TAX
2020	17,591	240
2021	15,421	-314
2022	21,688	542
2023	36,144	1,380
2024	38,367	2,618
Mean	25,842	893
Std. Deviation	10688	1142

Source: Annual Reports of Ashok Leyland

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INTERPRETATION:

The analysis of Net Sales and Profit After Tax (PAT) of Ashok Leyland from 2020 to 2024 indicates an overall improving financial performance. During 2021, the company faced a decline in both sales and profitability, where net sales decreased to 15,421 and PAT recorded a loss of -314. This reflects a temporary financial setback. From 2022 onwards, the company showed continuous recovery and growth. Net sales increased significantly from 21,688 in 2022 to 38,367 in 2024. Similarly, PAT improved steadily from 542 in 2022 to 2,618 in 2024, showing enhanced profitability and operational efficiency. The increase in profits along with rising sales indicates that the company effectively managed its costs and improved its business operations. The average net sales of 25,842 and average PAT of 893 reflect satisfactory overall performance during the study period. The higher standard deviation values indicate fluctuations in financial performance, but the overall trend remains positive. The financial performance of Ashok Leyland reveals that the company successfully recovered from the downturn experienced in 2021. The continuous increase in both net sales and PAT from 2022 to 2024 demonstrates strong business growth, better financial management, and improved profitability. Overall, the company maintained a positive growth trend and strengthened its financial position during the study period.

TABLE 2: THE NET SALES & PROFIT AFTER TAX OF MARUTI SUZUKI 2019-2020 TO 2023-2024

YEARS	NET SALES	PROFIT AFTER TAX
2020	71,690.40	5,650.60
2021	66,562.10	4,229.70
2022	83,798.10	3,766.30
2023	1,12,500.80	8,049.20
2024	1,34,937.80	13,209.40
Mean	93,897.84	6,981.04
Std. Deviation	29,037.76	3,860.31

Source: Annual Reports of Maruti Suzuki Ltd.

INTERPRETATION:

The above table shows the consolidated Net Sales and Profit After Tax (PAT) of Maruti Suzuki for the period from 2020 to 2024. The analysis indicates fluctuations in the company's financial performance during the initial years, followed by strong growth in the later years. In 2020, the company recorded Net Sales of ₹71,690.40 crore and PAT of ₹5,650.60 crore. In 2021, both Net Sales and PAT declined to ₹66,562.10 crore and ₹4,229.70 crore respectively, indicating the impact of adverse market conditions and reduced business activity. During 2022, Net Sales increased significantly to ₹83,798.10 crore, showing recovery in sales performance. However, PAT further declined to ₹3,766.30 crore, which may indicate rising production costs, operational expenses, or lower profit margins. A major improvement was observed in 2023 and 2024. Net Sales increased sharply to ₹1,12,500.80 crore in 2023 and further to ₹1,34,937.80 crore in 2024. Similarly, PAT rose substantially to ₹8,049.20 crore in 2023 and ₹13,209.40 crore in 2024. This reflects improved operational efficiency, higher demand, stronger market performance, and better profitability. The mean Net Sales during the study period stood at ₹93,897.84 crore, while the mean PAT was ₹6,981.04 crore. The standard deviation of Net Sales was ₹29,037.76 crore and PAT was ₹3,860.31 crore, indicating noticeable variation in financial performance over the years. Overall, the consolidated financial performance of Maruti Suzuki shows a positive growth trend. Although the company experienced a temporary decline in profitability during 2021 and 2022, it recovered strongly in 2023 and 2024 with substantial increases in both sales and profits. The company's overall financial position appears strong and improving during the study period.

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TABLE:3 NET SALES & PROFIT AFTER TAX OF MAHINDRA & MAHINDRA 2019-2020 TO 2023-2024

YEARS	NET SALES	PROFIT AFTER TAX
2020	47,156.00	1,331.00
2021	45,829.00	984.00
2022	59,841.00	4,870.00
2023	87,568.00	6,549.00
2024	1,03,158.00	10,718.00
Mean	68,710.40	4,890.40
Std. Deviation	25,539.49	4,020.00

Source: Annual Reports of Mahindra & Mahindra Ltd.

INTERPRETATION:

The table shows the Net Sales and Profit After Tax (PAT) of Mahindra & Mahindra from 2019–2020 to 2023–2024. The analysis indicates the company's financial performance over five years. In 2020, the company recorded net sales of 47,156.00. Net sales slightly decreased to 45,829.00 in 2021, showing the impact of unfavorable business conditions. From 2022 onwards, sales increased significantly to 59,841.00. In 2023, net sales sharply rose to 87,568.00. The highest sales were achieved in 2024 at 1,03,158.00. PAT was 1,331.00 in 2020 and decreased to 984.00 in 2021. The company showed strong recovery in 2022 with PAT increasing to 4,870.00. Profit continued to improve in 2023 to 6,549.00, the highest PAT of 10,718.00 was recorded in 2024. The overall analysis shows that Mahindra & Mahindra experienced strong growth in both net sales and profitability after 2021. The company achieved continuous improvement from 2022 to 2024, indicating better operational efficiency, higher market demand, and improved financial performance. Despite fluctuations, the company maintained a positive growth trend during the study period.

TABLE: 4 NET SALES & PROFIT AFTER TAX OF TATA MOTORS 2019-2020 TO 2023-2024

YEARS	NET SALES	PROFIT AFTER TAX
2020	45,311.22	-7,289.63
2021	47,874.43	-2,395.44
2022	47,923.59	-1,390.86
2023	66,578.27	2,728.13
2024	74,452.96	7,902.08
Mean	56,428.09	-89.14
Std. Deviation	13,200.36	5,715.27

Source: Annual Reports of TATA Motors Ltd.

INTERPRETATION:

The table shows the consolidated performance of Tata Motors in terms of Net Sales and Profit After Tax (PAT) during the period 2019–2020 to 2023–2024. In 2020, the company recorded net sales of 45,311.22 crores. Net sales slightly increased to 47,874.43 crores in 2021 and 47,923.59 crores in 2022. A significant growth was observed in 2023, where sales increased to 66,578.27 crores. In 2024, net sales further increased to 74,452.96 crores, which is the highest during the study period. The mean net sales during the period stood at 56,428.09 crores, indicating overall growth in revenue performance. The standard deviation of 13,200.36 shows noticeable fluctuations in sales, especially due to the sharp rise during 2023 and 2024. The company suffered a heavy loss of -7,289.63 crores in 2020. Losses reduced to -2,395.44 crores in 2021 and further to -1,390.86 crores in 2022. In 2023, the company recovered and earned a profit of 2,728.13 crores. Profit increased substantially to 7,902.08

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crores in 2024, indicating strong financial recovery and improved operational efficiency. The average PAT during the period was -89.14 crores, showing that overall profitability was affected by earlier losses. The standard deviation of 5,715.27 indicates high variability in profit performance over the years. Concluded, the financial performance of Tata Motors shows a transition from losses to strong profitability. While the company faced financial difficulties during 2020–2022, it achieved remarkable recovery in 2023 and 2024 with substantial growth in both sales and profits. The increasing sales trend and improved PAT reflect better operational performance, higher market demand, and effective financial management in recent years.

RATIO ANALYSIS

Table 5: Current ratio

YEARS/ COMPANIES	ASHOK LEYLAND	MARUTI SUZUKI	MAHINDRA& MAHINDRA	TATA MOTORS
2020	0.77	0.75	1.38	0.53
2021	0.90	1.12	1.34	0.60
2022	0.99	0.99	1.38	0.58
2023	1.05	0.58	1.33	0.45
2024	0.96	0.77	1.35	0.56
Mean	1	0.86	1.36	0.54
Std. Deviation	0.11	0.21	0.02	0.06

Source: Annual Reports of Select Automobile Companies in India

INTERPRETATION:

The table shows the four major Indian automobile companies—Ashok Leyland, Maruti Suzuki, Mahindra & Mahindra (M&M), and Tata Motors—over a five-year period (2020–2024), along with descriptive statistics (Mean and Standard Deviation). Mahindra & Mahindra (M&M): Consistently displays the strongest liquidity position. With a mean ratio of 1.36, it is the only company that maintains a ratio consistently above 1.0 throughout the five-year period, indicating a very comfortable buffer to meet short-term obligations. Ashok Leyland Shows a stable trajectory, with a mean ratio of 1. It improved from a low of 0.77 in 2020 to cross the 1.0 threshold by 2023, suggesting improved liquidity management. Maruti Suzuki Exhibits significant volatility. Its ratio peaked at 1.12 in 2021 before dropping significantly to 0.58 in 2023. With a standard deviation of 0.21, it is the most unstable of the group, indicating inconsistent liquidity management. Tata Motors: Displays the lowest liquidity ratios, consistently remaining below 0.60. While this is common in some capital-intensive industries where inventory turns over rapidly, it signifies a tighter dependency on operational cash flows to meet short-term debts compared to the others. M&M (0.02) shows the highest consistency in maintaining its liquidity ratio. Maruti Suzuki (0.21) shows the highest fluctuation in its ability to cover short-term liabilities over the period. Average Performance (Mean) Mahindra & Mahindra maintains the highest average liquidity, followed by Ashok Leyland, Maruti Suzuki, and finally Tata Motors. Mahindra & Mahindra is the most conservative and liquid. Ashok Leyland has demonstrated a trend toward stabilization. Maruti Suzuki has experienced noticeable fluctuations, reflecting potential shifts in working capital management or business cycles. Tata Motors maintains a lower current ratio, which may warrant further investigation into its debt maturity profile and cash conversion cycle to understand if this level is sustainable or indicates potential liquidity pressure.

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Table: 6 ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.146	3	0.715	37.63	0.05
Within Groups	0.304	16	0.019		
Total	2.450	19			

Note: *significant at 5% level.

The calculated value of 'F' test is higher than its table value at 5% level of significance. Hence, the null hypothesis is rejected. From the analysis, it can be concluded that there is a relationship between the current ratio of select automobile companies in India.

Table: 7 DEBT/EQUITY RATIO

YEARS/ COMPANIES	ASHOK LEYLAND	MARUTI SUZUKI	MAHINDRA & MAHINDRA	TATA MOTORS
2020	0.29	0.06	0.15	1.00
2021	0.46	0.05	0.29	1.04
2022	0.47	0.04	0.25	0.85
2023	0.37	0.04	0.15	0.60
2024	0.31	0.04	0.11	0.29
Mean	0	0.05	0.19	0.75
Std. Deviation	0.08	0.01	0.08	0.31

Source: Annual Reports of Select Automobile Companies in India

INTERPRETATION:

The table shows the debt/equity ratio trend for four automobile companies from 2020 to 2024. Overall, *Suzuki has the lowest and most stable leverage, while Tata Motors has the highest average ratio and the greatest fluctuation. Ashok Leyland moved from 0.29 in 2020 to a peak of 0.47 in 2022, then declined to 0.31 in 2024. This suggests moderate borrowing, with leverage easing in the later years. Maruti Suzuki stayed very low throughout the period, falling from 0.06 in 2020 to 0.04 in 2022–2024. This indicates a conservative capital structure and minimal dependence on debt. Mahindra & Mahindra rose from 0.15 in 2020 to 0.29 in 2021, then gradually declined to 0.11 in 2024. Its ratio shows a temporary increase in borrowing followed by deleveraging. Tata Motors had the highest ratios in every year, starting at 1.00 in 2020 and remaining above the others despite falling to 0.29 in 2024. This means Tata relied much more on debt financing than the other firms, though its leverage reduced sharply over time. The consolidated table indicates that Maruti Suzuki is the least leveraged and most financially conservative company, while Tata Motors is the most leveraged but also shows the strongest improvement in reducing debt dependence. Ashok Leyland and Mahindra & Mahindra fall in the middle, showing moderate leverage with declining trends toward 2024.

Table : 8 ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.545	3	0.515	24.41	0.05
Within Groups	0.312	16	0.0195		
Total	1.857	19			

Note: *significant at 5% level.

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The calculated value of 'F' test is higher than its table value at 5% level of significance. Hence, the null hypothesis is rejected. From the analysis, it can be concluded that there is a relationship between the debt equity ratios of select automobile companies in India.

Table: 9 EARNINGS PER SHARE (EPS)

YEARS/ COMPANIES	ASHOK LEYLAND	MARUTI SUZUKI	MAHINDRA & MAHINDRA	TATA MOTORS
2020	0.82	187	11.16	-21.06
2021	-1.07	140	8.24	-6.59
2022	1.85	125	40.73	-3.63
2023	4.7	266	54.7	7.11
2024	8.92	431	89.42	20.61
Mean	3.04	229.80	40.85	-0.71
Std. Deviation	3.89	125.1	33.53	15.60

Source: Annual Reports of Select Automobile Companies in India

INTERPRETATION:

The following is an analysis of the provided data for the four companies from 2020 to 2024. Ashok Leyland Performance Showing recovery and growth. Trend After facing a loss in 2021 (-1.07), the company successfully turned around, with EPS growing steadily to 8.92 in 2024. Stability It has the lowest mean (3.04) of the group, but it shows a positive trajectory, moving from negative to positive profitability. Maruti Suzuki Performance Consistently the highest performer in the group. Trend After a dip in 2021 (140) and 2022 (125), it showed a strong recovery, reaching a peak of 431 by 2024.Stability With a high Mean (229.80) and a high Standard Deviation (125.17), it indicates significant growth potential, though its earnings have been volatile over this period. Mahindra & Mahindra Performance Shows a clear, impressive upward trend. Trend It grew from a modest 11.16 in 2020 to 89.42 by 2024, demonstrating consistent operational improvement. Stability the growth is steady, though the high standard deviation (33.53) relative to its mean (40.85) highlights the rapid pace of that growth over the five years. Tata Motors Performance Turnaround story. Trend the company faced significant challenges in 2020–2022, reporting negative EPS (losses). However, it achieved a strong turnaround starting in 2023 (7.11) and reaching 20.61 by 2024.Stability It has the most volatile history, evidenced by the negative mean (-0.71) and high standard deviation (15.60) compared to its recent positive earnings. I concluded While 2020 and 2021 were challenging years for the industry (indicated by losses in Ashok Leyland and Tata), all four companies show a clear upward trend in EPS by 2024. Growth Leaders Maruti Suzuki remains the dominant player in terms of absolute profitability per share, while Mahindra & Mahindra has shown the most consistent, robust growth trajectory. Turnaround Success Both Ashok Leyland and Tata Motors successfully pivoted from losses to profitability, suggesting improved operational efficiency or market recovery in the latter half of the observed period. Investor Outlook For an investor, the recent trends (2023–2024) are encouraging, as all four companies are currently on an upward growth curve, which is generally a positive indicator of future performance.

Table: 10 DIVIDEND PER SHARE (DPS)

YEARS/ COMPANIES	ASHOK LEYLAND	MARUTI SUZUKI	MAHINDRA & MAHINDRA	TATA MOTORS
2020	0.5	60	47	0
2021	0.6	45	175	0
2022	1	60	231	0

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2023	2.6	90	325	2
2024	4.95	125	422	6
Mean	1.93	76.00	240.00	1.60
Std. Deviation	1.89	31.90	143.09	2.61

Source: Annual Reports of Select Automobile Companies in India

INTERPRETATION:

Ashok Leyland This Company shows steady, incremental growth, starting from a low base of 0.5 in 2020 and reaching 4.95 by 2024. Its low mean (1.93) and standard deviation (1.89) suggest a conservative dividend policy with very gradual increases. Maruti Suzuki Maruti Suzuki maintains a robust and relatively stable dividend policy compared to the others. It shows a consistent upward trend, growing from 60 in 2020 to 125 in 2024. With a mean of 76.00 and a standard deviation of 31.90, it represents a more balanced growth-to-stability profile. Mahindra & Mahindra This Company shows the most significant growth and highest dividend pay-outs throughout the period. Starting from 47 in 2020, the dividend increased substantially to 422 by 2024. It also records the highest mean (240.00) and the highest standard deviation (143.09), indicating high dividend yield coupled with significant volatility or rapid growth in playouts. Tata Motors Tata Motors exhibits the most conservative dividend behavior in this set. For the first two years (2020-2021), it declared no dividends. It began issuing nominal dividends starting in 2023, showing only very recent and minor growth (up to 6 in 2024). Consequently, it has the lowest mean (1.60) and a relatively low standard deviation.

FINDINGS:

- Examining the revenue trends of the select automobile companies in India over the past five years.
- Calculating and analyzing ratios such as debt equity ratio, earnings per share ratio.
- Measuring the liquidity position through metrics like the current ratio.
- Examine the debt structure by analyzing the debt-to-equity.
- Appraise the impact of debt levels on the financial constancy and risk profile of the companies.
- Assess how innovation and technological advancements contribute to the financial analysis of the companies.
- Determine how well companies can meet short-term obligations and identify any liquidity challenges.
- Classifying any correlations between market share and financial analysis.

CONCLUSION:

Overall, the consolidated financial performance of Maruti Suzuki shows a positive growth trend. Although the company experienced a temporary decline in profitability during 2021 and 2022, it recovered strongly in 2023 and 2024 with substantial increases in both sales and profits. The company's overall financial position appears strong and improving during the study period. Overall, the consolidated financial performance of Maruti Suzuki shows a positive growth trend. Although the company experienced a temporary decline in profitability during 2021 and 2022, it recovered strongly in 2023 and 2024 with substantial increases in both sales and profits. The company's overall financial position appears strong and improving during the study period. Tata motors while the company faced financial difficulties during 2020–2022, it achieved remarkable recovery in 2023 and 2024 with substantial growth in both sales and profits. The increasing sales trend and improved PAT reflect better operational performance, higher market demand, and effective financial management in recent years. Average Performance (Mean) Mahindra & Mahindra maintains the highest average liquidity, followed by Ashok Leyland, Maruti Suzuki, and finally Tata Motors. Mahindra & Mahindra is the most conservative and liquid. Ashok Leyland has demonstrated a trend toward stabilization. Maruti Suzuki has experienced noticeable fluctuations, reflecting potential shifts in working capital management or business cycles. Tata Motors maintains a lower current ratio, which may warrant further investigation into its debt maturity profile and cash conversion cycle to understand if this level is sustainable or indicates potential liquidity pressure. . The consolidated table indicates that Maruti Suzuki is the least leveraged and most financially conservative company, while Tata Motors is the most leveraged but also shows the strongest improvement in reducing debt dependence. Ashok Leyland and Mahindra & Mahindra fall in the middle, showing moderate leverage with declining trends toward 2024.

While 2020 and 2021 were challenging years for the industry (indicated by losses in Ashok Leyland and Tata Motors), all four companies show a clear upward trend in EPS by 2024. Growth Leaders Maruti Suzuki remains the dominant player in terms of absolute profitability per share, while Mahindra & Mahindra has shown the most consistent, robust growth trajectory.

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