

Annexure- IA

Supervisor's Certificate

This is to certify that Ms Anchal a student of B.Com. Honours in Accounting & Finance in Business of Shri Shikshayatan College under the University of Calcutta has worked under my supervision and guidance for her Project Work and prepared a Project Report with the title **FINANCIAL RATIO ANALYSIS A STUDY OF TATA MOTORS AND MAHINDRA MOTORS** which she is submitting, is her genuine and original work to the best of my knowledge.

Place: Kolkata

Name: Ms Fatema Mandlaywala

Date:

Signature:

Designation: Assistant Professor

Name of the College: Shri Shikshayatan
College

Annexure- IB

Student's Declaration

I hereby declare that the Project Work with the title **FINANCIAL RATIO ANALYSIS A STUDY OF TATA MOTORS AND MAHINDRA MOTORS** submitted by me for the partial fulfillment of the degree of B.Com. Honours in Accounting & Finance in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

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PREFACE

Financial Ratio Analysis is a tool brought into play by individuals to carry out an evaluative analysis of information in the financial statements of a company. These ratios are calculated from current year figures and then compared to past years, other companies, the industry, and also the company to assess the performance of the company. Besides, ratio analysis is used predominantly by proponents of financial analysis.

There are numerous ratios that can be estimated from the financial statements pertaining to a business company's activity, performance, liquidity, and financing. Some of the most common ratios include the debt-equity ratio, price-earnings ratio, asset turnover, earnings per share, and working capital.

The objectives of the study is to successfully compare two prominent service sector companies on a common platform, analyze their working and performance, and highlight what they are doing well, while providing suggestions and recommendations for improvement through financial ratio analysis.

TATA MOTORS and MAHINDRA MOTORS were chosen because of their identical pattern of functioning and growth. They are the two major players in the automobile industry, and their customers consider both as interchangeable brands. This is why it is important to study how these brands differentiate themselves from each other, and attempt to improve brand loyalty amongst their customers.

This study is based on secondary data collected from literature available on this field in the forms of books, journals, published articles, authentic websites published financial reports of TATA MOTORS and MAHINDRA MOTORS and other relevant sources.

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1.INTRODUCTION

1.1 BACKGROUND OF THE PROJECT

Ratio analysis is a technique of analyzing the financial statement of industrial concerns. Now a days this technique is sophisticated and used in business concerns. Ratio analysis is not the end but it is only better means of understanding of financial strength and weakness of the firm.

Ratio analysis is one of the most powerful tools of financial analysis of which helps in analyzing and interpreting the health of the firm. Ratio's are proved as a basis instrument in the control process and act as backbone in schemes of business forecast.

NEED FOR THE STUDY

- The study has great significance and provides benefits to various parties whom directly or indirectly interact with the company.
- It is beneficial to management of the company by providing crystal clear picture regarding important aspects like liquidity, leverage, activity and profitability.
- The study is also beneficial to employees and offers motivation by showing how actively they are contributing for company's growth.
- The investors who are interested in investing in the company's shares will also get benefited by going through the study and can easily take a decision whether to invest or not to invest in the company's shares.

1.2 LITERATURE REVIEW

Many researchers have studied financial ratios as a part of working capital.

In a regional study, **Pandey and Parera (1997) Working capital management in Shrilanka by I. M. Pandey and K. L. W. Perera (Working Paper, No. 1997/1349)** provided an empirical evidence of working capital management policies and practices of the private sector manufacturing companies in Sri Lanka. The information and data for the study were gathered through questionnaires and interviews with chief financial officers of a sample of manufacturing companies listed on the Colombo Stock Exchange. They found that most companies in Sri Lanka have informal working capital policy and company size has an influence on the overall working capital policy (formal or informal) and approach (conservative, moderate or aggressive). Moreover, company profitability has an influence on the methods of working capital planning and control.

Another aspect of working capital management has been analyzed by **Morris Lamberson, (1995) "Changes in Working Capital of Small Firms in Relation to Changes in Economic Activity", American Journal of Business, Vol. 10 Iss: 2, pp.45 - 50** who studied how small firms respond to changes in economic activities by changing their working capital positions and level of current assets and liabilities. Current ratio, current assets to total assets ratio and inventory to total assets ratio were used as measure of working capital while index of annual average coincident economic indicator was used as a measure of economic activity. Contrary to the expectations, the study found that there is very small relationship between charges in economic conditions and changes in working capital.

Filbeck, G. and T. Krueger. An Analysis of Working Capital Management Results Across Industries. Mid-American Journal of Business 20 (2):11-18, (2005), highlighted the importance of efficient working capital management by analyzing the working capital management policies of 32 non-financial industries in USA. According to their findings significant differences exist between industries in working capital practices over time.

1.3 OBJECTIVES OF THE STUDY

The major objectives of the resent study are to know about financial strengths and weakness of TATA MOTORS and MAHINDRA MOTORS through FINANCIAL RATIO ANALYSIS.

The main objectives of resent study aimed as:

1. To study the financial ratios of Tata Motors and Mahindra Motors.
2. To know the financial performance of the company.
3. Interpret the financial statement so that the strength and weakness of a firms performance and current financial condition can be determined.
4. To analyze the liquidity, long term solvency and profitability position of the company.
5. To offer appropriate suggestions for the better performance of the organization.

1.4 METHODOLOGY

This study is based on secondary data collected from literature available on this field in the forms of books, journals, published articles, authentic websites published financial reports of TATA MOTORS and MAHINDRA MOTORS and other relevant sources.

2. CONCEPTUAL FRAMEWORK

2.1 CONCEPT OF RATIO ANALYSIS

A ratio is simple arithmetical expression of the relationship of one number to another. It may be defined as the indicated quotient of two mathematical expressions.

A financial ratio (or accounting ratio) is a relative magnitude of two selected numerical values taken from an enterprise's financial statements. Often used in accounting, there are many standard ratios used to try to evaluate the overall financial condition of a corporation or other organization.

Financial ratios may be used by managers within a firm, by current and potential shareholders (owners) of a firm, and by a firm's creditors. Security analysts use financial ratios to compare the strengths and weaknesses in various companies. If shares in a company are traded in a financial market, the market price of the shares is used in certain financial ratios.

Ratio analysis is a process of determining and interpreting relationship between the items of financial statements to provide a meaningful understanding of the performance and financial position of the enterprise. Ratios are calculated from current year numbers and are then compared to previous years, other companies, the industry, or even the economy to judge the performance of the company. Ratio analysis is predominately used by proponents of fundamental analysis.

2.2 CLASSIFICATIONS OF RATIOS

The use of ratio analysis is not confined to financial manager only. There are different parties interested in the ratio analysis for knowing the financial position of a firm for different purposes.

Various accounting ratios can be classified as follows:

1. TRADITIONAL CLASSIFICATION

It includes the following.

- Balance sheet (or) position statement ratio: They deal with the relationship between two balance sheet items, e.g. the ratio of current assets to current liabilities etc., both the items must, however, pertain to the same balance sheet.
- Profit & loss account (or) revenue statement ratios: These ratios deal with the relationship between two profit & loss account items, e.g. the ratio of gross profit to sales etc.,
- Composite (or) inter statement ratios: These ratios exhibit the relation between a profit & loss account or income statement item and a balance sheet items, e.g. stock turnover ratio, or the ratio of total assets to sales.

2. FUNCTIONAL CLASSIFICATION

These include liquidity ratios, long term solvency and leverage ratios, activity ratios and profitability ratios.

3. SIGNIFICANCE RATIOS

Some ratios are important than others and the firm may classify them as primary and secondary ratios. The primary ratio is one, which is of the prime importance to a concern. The other ratios that support the primary ratio are called secondary ratios.

2.3 ADVANTAGES OF RATIOS

Ratio analysis is an important tool for analyzing the company's financial performance. The following are the important advantages of the accounting ratios.

1. Analyzing Financial Statements

Ratio analysis is an important technique of financial statement analysis. Accounting ratios are useful for understanding the financial position of the company. Different users such as investors, management, bankers and creditors use the ratio to analyze the financial situation of the company for their decision making purpose.

2. Judging Efficiency

Accounting ratios are important for judging the company's efficiency in terms of its operations and management. They help judge how well the company has been able to utilize its assets and earn profits.

3. Locating Weakness

Accounting ratios can also be used in locating weakness of the company's operations even though its overall performance may be quite good. Management can then pay attention to the weakness and take remedial measures to overcome them.

4. Formulating Plans

Although accounting ratios are used to analyze the company's past financial performance, they can also be used to establish future trends of its financial performance. As a result, they help formulate the company's future plans.

5. Comparing Performance

It is essential for a company to know how well it is performing over the years and as compared to the other firms of the similar nature. Besides, it is also important to know how well its

different divisions are performing among themselves in different years. Ratio analysis facilitates such comparison.

2.4 DISADVANTAGES OF RATIOS

The following are the important advantages of the accounting ratios.

1. Problem in getting comparable information

It is a known fact that ratios are useless if they are not compared with ratios from similar entity. You must compare likes to have realistic information. In practice, it is impossible to consciously find two companies that are identical in every sense.

2. Ratios are subjective

No two humans will give two exact judgments even while presented with the same information. Personal sense of judgment must be introduced and this makes it prone to having personal investment bias.

3. Analysis cannot be used in isolation

Yes, an investment ratio analysis cannot be used in isolation. It must be combined with some other information from other sources. This makes it possible for element of wrong judgment to be introduced into the decision making variables through the introduction of information from unreliable and unverifiable source.

4. Ratios are not definite

Ratio analyses are just guide and never a definite or concrete assertion. This makes it possible for wrong investment decision to be taken. Investment ratio analysis is not like mathematics and is therefore susceptible to inflows of noise.

5. Ratios have no standard norm

There are no generally acceptable formats for presenting and interpreting ratios. This is in addition to the fact that ratio analyses are subjective in nature.

3.ANALYSIS AND FINDINGS

3.1 SPECIFIC OBJECTIVES OF THE RESEARCH

The specific objectives of the study is to successfully compare two prominent service sector companies on a common platform, analyze their working and performance, and highlight what they are doing well, while providing suggestions and recommendations for improvement.

TATA MOTORS and MAHINDRA MOTORS were chosen because of their identical pattern of functioning and growth. They are the two major players in the automobile industry, and their customers consider both as interchangeable brands. This is why it is important to study how these brands differentiate themselves from each other, and attempt to improve brand loyalty amongst their customers.

3.2 RESEARCH METHODOLOGY

3.2.1 SAMPLE

The sample chosen for this study are the two renowned automobile companies ‘**TATA MOTORS**’ and ‘**MAHINDRA MOTORS**’ because of their identical pattern of functioning and growth.

Tata Motors was established in 1945 as Tata Engineering and Locomotive Co. Ltd. to manufacture locomotives and other engineering products. It is India's largest automobile company, with standalone revenues of Rs. 25,660.79 crores (USD 5.5 billion) in 2008-09. It is the leader in commercial vehicles in each segment, and among the top three in passenger vehicles with winning products in the compact, midsize car and utility vehicle segments. The company is the world's fourth largest truck manufacturer, and the world's second largest bus manufacturer.

Mahindra & Mahindra was established on October 2, 1945 when K.C. Mahindra visited the United States of America as Chairman of the India Supply Mission. He met Barney Roos, inventor of the rugged 'general purpose vehicle' or Jeep and had a flash of inspiration: wouldn't a vehicle that had proved its invincibility on the battlefields of World War II be ideal for India's rugged terrain and its kutcha rural roads. Swift action followed thought. The Mahindra brothers joined hands with a distinguished gentleman called Ghulam Mohammed. And, Mahindra & Mohammed was set up as a franchise for assembling jeeps from Willys, USA.

Two years later, India became an independent nation and Mahindra & Mohammed changed its name to Mahindra & Mahindra. Ghulam Mohammed migrated to Pakistan post-partition and became the first Finance Minister of Pakistan.

3.2.2 DATA TYPE

Secondary data type is being used for making this project.

3.2.3 DATA SOURCE

Most of the information will be gathered through secondary sources. The data have been collected from authentic websites, journals and published financial reports of TATA MOTORS and MAHINDRA MOTORS.

3.2.4 PERIOD OF STUDY

In this study the financial reports of TATA MOTORS and MAHINDRA MOTORS for four consecutive years have been analyzed. The financial years of 2013-2012; 2012-2011; 2011-2010 and 2010-2009 has been used.

3.2.5 TOOLS USED

Ratio analysis of financial statements are being used for both the companies to analysis their growth and to show a comparative study of both the company and their existence in the market.

The ratios used for the study are:

- Liquidity or Solvency ratios
- Profitability ratios

Simple charts, tables, bar diagrams and structures have been used to present and explain the available data more clearly.

3.3 ANALYSIS OF FINDINGS

LIQUIDITY OR SOLVENCY RATIOS

Liquidity or Solvency ratio is one of the various ratios used to measure the ability of a company to meet its short and long term debts. Moreover, the ratio quantifies the size of a company's after tax income, not counting non-cash depreciation expenses, as contrasted to the total debt obligations of the firm. Also, it provides an assessment of the likelihood of a company to continue congregating its debt obligations. Certain ratios used under liquidity or solvency ratio for explaining the financial position of the firm are:

- Current Ratio
- Quick Ratio
- Debt Equity Ratio

CURRENT RATIO

Current Ratio indicates a company's ability to meet short-term debt obligations. The current ratio measures whether or not a firm has enough resources to pay its debts over the next 12

months. The higher the ratio, the more liquid the company is. Commonly acceptable current ratio is 2; it's a comfortable financial position for most enterprises.

FORMULA:-

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

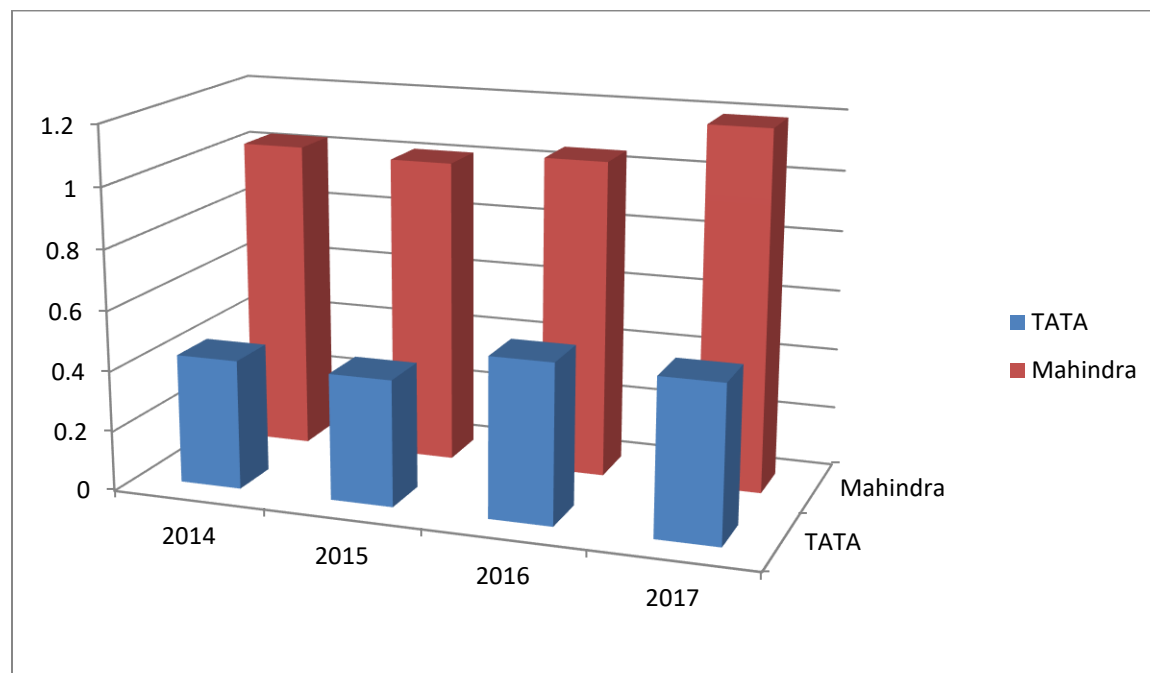
Where;

$$\text{Current Asset} = \text{Stock} + \text{Debtors} + \text{Bills Receivables} + \text{Cash} + \text{Bank} + \text{Marketable Securities} + \text{Prepaid Expense} + \text{Accrued Interest} + \text{Advance (short term)}.$$

$$\text{Current Liabilities} = \text{Creditors} + \text{Bills Payable} + \text{Bank Overdraft} + \text{Outstanding Expenses} + \text{Income Received in Advance} + \text{Short term obligations}.$$

TABLE NO :- 1 (showing a comparison of current ratio of TATA MOTORS and MAHINDRA MOTORS in the consecutive four years)

	2017	2016	2015	2014
TATA	0.52	0.53	0.42	0.43
MAHINDRA	1.03	1.01	1.05	1.19



****NOTE** – The figures calculated above in the table is extracted from the financial annual report of both the companies which is attached as annexure at the end of the project.

GRAPH NO :- 1 (showing the current ratio of both the companies as extracted from table no. 1)

X-axis measure the Current Ratio and **Y-axis** measures the consecutive years

COMMENT:-

By computing the current ratio of both the companies we can clearly observe that none of the company met their standard norm that's 2:1. We can even see that TATA MOTORS is having a average current ratio less than 1 which shows that they may have difficulty meeting their current obligations as compared MAHINDRA MOTORS is at a better position in meeting their current obligations.

QUICK RATIO

Quick Ratio is a measure of a company's ability to meet its short-term obligations using its most liquid assets (near cash or quick assets). Quick assets include those current assets that presumably can be quickly converted to cash at close to their book values. The commonly acceptable current ratio is 1. A company with a quick ratio of less than 1 cannot currently pay back its current liabilities; it's the bad sign for investors and partners.

FORMULA:-

Quick Ratio = Liquid Assets / Liquid Liabilities

Where;

Liquid Assets = Current Assets – Stock – Prepaid Expenses.

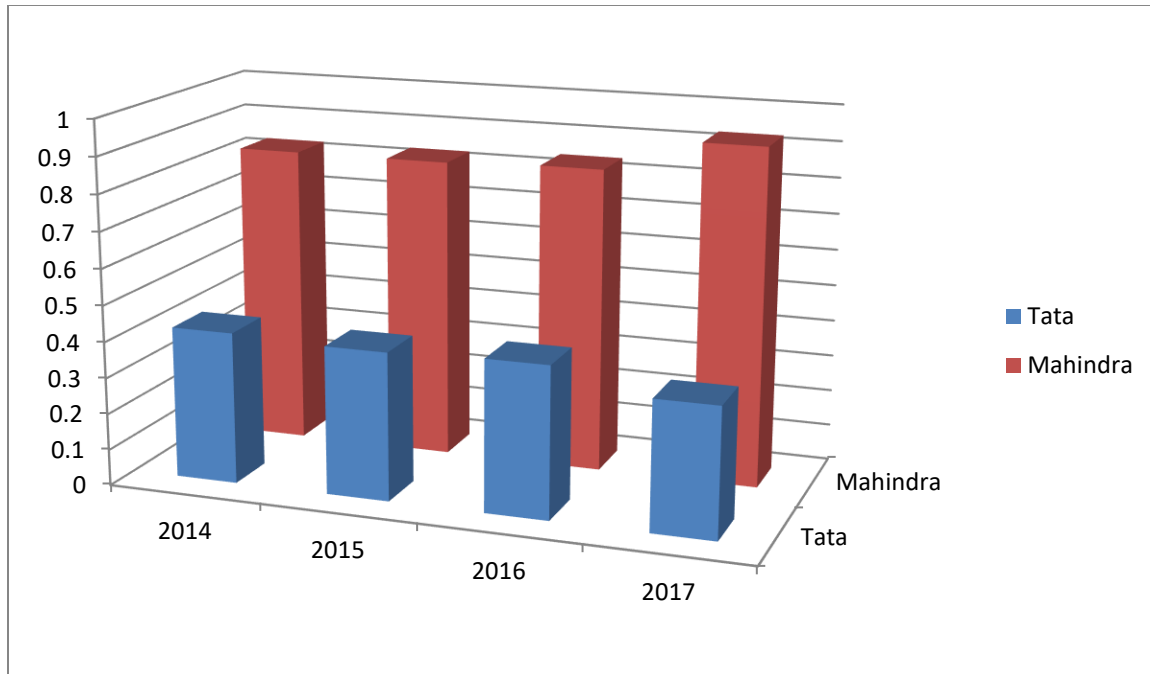
Liquid Liabilities = Current Liabilities – Bank Overdraft.

TABLE NO :- 2 (showing a comparison of quick ratio of TATA MOTORS and MAHINDRA MOTORS in the consecutive four years)

	2017	2016	2015	2014
TATA	0.42	0.41	0.42	0.36
MAHINDRA	0.83	0.83	0.84	0.93

****NOTE** – The figures calculated above in the table is extracted from the financial annual report of both the companies which is attached as annexure at the end of the project.

GRAPH NO :- 2 (showing the quick ratio of both the companies as extracted from table no. 2)



X-axis measure the Quick Ratio and **Y-axis** measures the consecutive years

COMMENT:-

By computing the quick ratio of both the companies we see that MAHINDRA MOTOR is at a better condition than TATA MOTORS and can pay of its current liabilities more soon thus showing a good sign to the investors. So it is better to invest in MAHINDRA MOTORS than in TATA MOTORS from the point of view of creditors, bankers, lenders etc.

DEBT EQUITY RATIO

Debt equity ratio measures the relationship between long-term debts and equity. If debts component of the total funds employed is small, outsiders feel more secure. From security point of view, capital structure with less debt and more equity is considered favorable as it reduces the chance of bankruptcy.

FORMULA:-

$$\text{Debt-equity ratio} = \text{Long term debts} / \text{Shareholders fund}$$

Where,

Long term debts = Debentures + Long-term loans.

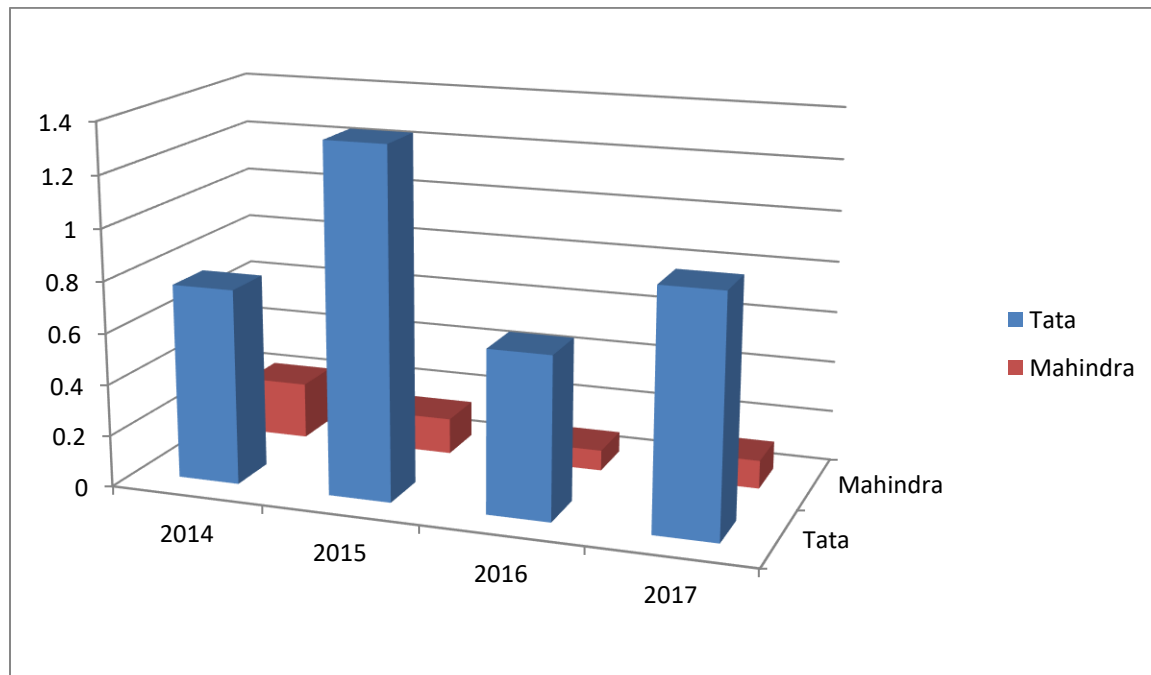
Shareholders fund = Equity Share Capital + Reserves and Surplus – Fictitious Assets + Preference Share Capital.

TABLE NO :- 3 (showing a comparison of debt equity ratio of TATA MOTORS and MAHINDRA MOTORS in the consecutive four years)

	2017	2016	2015	2014
TATA	0.92	0.63	1.35	0.76
MAHINDRA	0.11	0.08	0.14	0.22

****NOTE** – The figures calculated above in the table is extracted from the financial annual report of both the companies which is attached as annexure at the end of the project.

GRAPH NO :- 3 (showing the debt equity ratio of both the companies as extracted from table no. 3)



X-axis measure the Debt Equity Ratio and **Y-axis** measures the consecutive years

COMMENT:-

Lower the ratio better for the Company. Here we can clearly see that Mahindra Motors are having a low debt equity ratio thus has a strong equity and long term financial position which is clearly reflected over the past four years, hence higher degree of protection enjoyed by the lenders. On the other hand Tata Motors have a high debt equity ratio hence risk associated with the lenders are high.

PROFITABILITY RATIO

Profitability ratios are the financial ratios which talk about the profitability of a business with respect to its sales or investments. Since the ratios measure the efficiency of operations of a business with the help of profits, they are called profitability ratios. They are quite useful tools to understand the efficiencies / inefficiencies of a business and thereby assist management and owners to take corrective actions.

Profitability ratios are the tools for financial analysis which communicate about the final goal of a business. For all the profit oriented businesses, the final goal is none other than the profits. Profits are the life blood of any business without which a business cannot remain a going concern. Since, the profitability ratios deal with the profits, they are as important as the profits.

- Gross profit margin
- Net profit margin
- Earnings per share

GROSS PROFIT MARGIN

Gross profit margin (gross margin) is the ratio of gross profit (gross sales less cost of sales) to sales revenue. It is the percentage by which gross profits exceed production costs. Gross margins reveal how much a company earns taking into consideration the costs that it incurs for producing its products or services. A company that boasts a higher gross margin than its competitors and industry is more efficient.

FORMULA:-

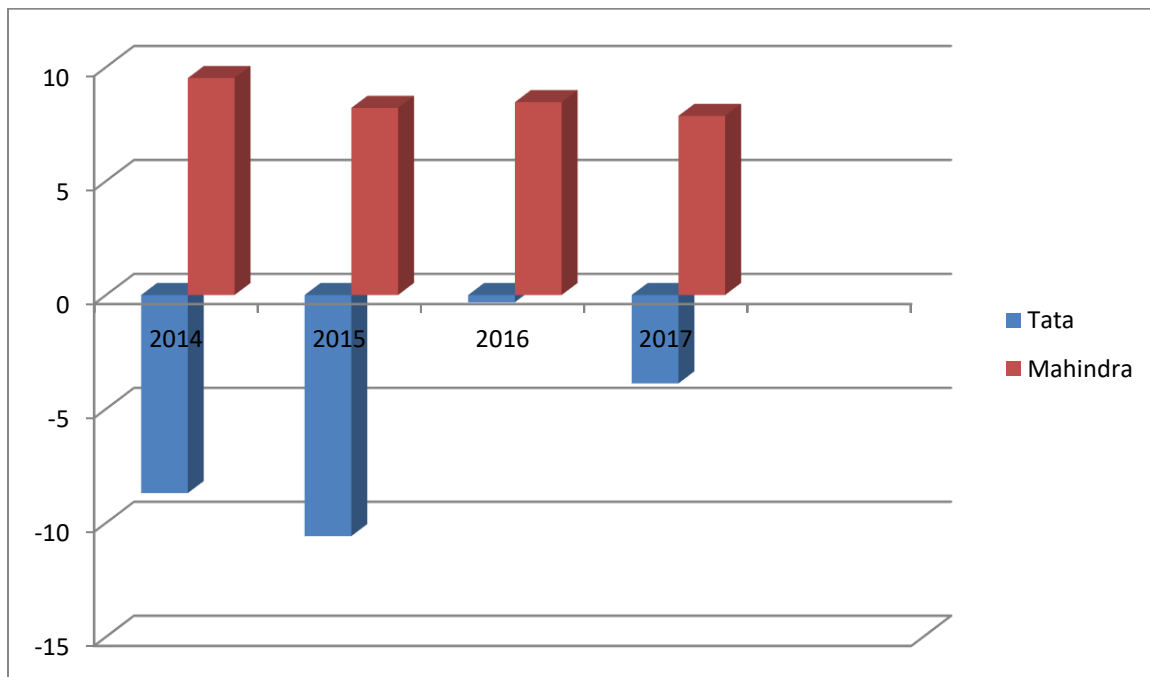
$$\text{Gross Profit Margin} = \text{Gross Profit} / \text{Net Sales} * 100$$

TABLE NO :- 4 (showing a comparison of gross profit margin of TATA MOTORS and MAHINDRA MOTORS in the consecutive four years)

	2017	2016	2015	2014
TATA	-3.88	-0.32	-10.58	-8.69
MAHINDRA	7.86	8.46	8.21	9.52

****NOTE** – The figures calculated above in the table is extracted from the financial annual report of both the companies which is attached as annexure at the end of the project.

GRAPH NO :- 4 (showing the gross profit margin of both the companies as extracted from table no. 4)



X-axis measure the Gross Profit Margin and **Y-axis** measures the consecutive years

COMMENT:-

It is quite obvious from the comparative graph that both the company is declining in its profit margin. Mahindra Motors need to take necessary steps to grow in the market on the other hand we can see that Tata Motors has started suffering from a loss as shown in 2013 and 2014 but still in order to remain in the competitive market, it needs to take remedial measures as soon as possible.

NET PROFIT MARGIN

Net profit margin (or **profit margin, net margin, return on revenue**) is a ratio of profitability calculated as after-tax net income (net profits) divided by sales (revenue). Net profit margin is displayed as a percentage. A higher net profit margin means that a company is more efficient at converting sales into actual profit.

FORMULA:-

Net Profit Margin = Net Profit / Net Sales * 100

TABLE NO :- 5 (showing a comparison of net profit margin of TATA MOTORS and MAHINDRA MOTORS in the consecutive four years)

	2017	2016	2015	2014
TATA	-5.59	0.55	-13.05	0.97
MAHINDRA	9.03	7.74	8.52	9.27

****NOTE** – The figures calculated above in the table is extracted from the financial annual report of both the companies which is attached as annexure at the end of the project.

GRAPH NO :- 5 (showing the net profit margin of both the companies as extracted from table no. 5)



X-axis measure the Net Profit Margin and **Y-axis** measures the consecutive years

COMMENT:-

From the graph extracted for the net profit margin we can see that Tata Motor is declining from the last 4 years and there is no sign of improvement. On the other hand Mahindra Motors is at a flourishing position with constant profit from 4 years it should carry on its business but should take necessary measures to increase its profit as its in a declining trend from 4 years.

EARNINGS PER SHARE

Earnings per share (EPS) is the portion of the company’s distributable profit which is allocated to each outstanding equity share (common share). Earnings per share is a very good indicator of the profitability of any organization, and it is one of the most widely used measures of profitability. EPS when calculated over a number of years indicates whether the earning power of the company has improved or deteriorated.

FORMULA:-

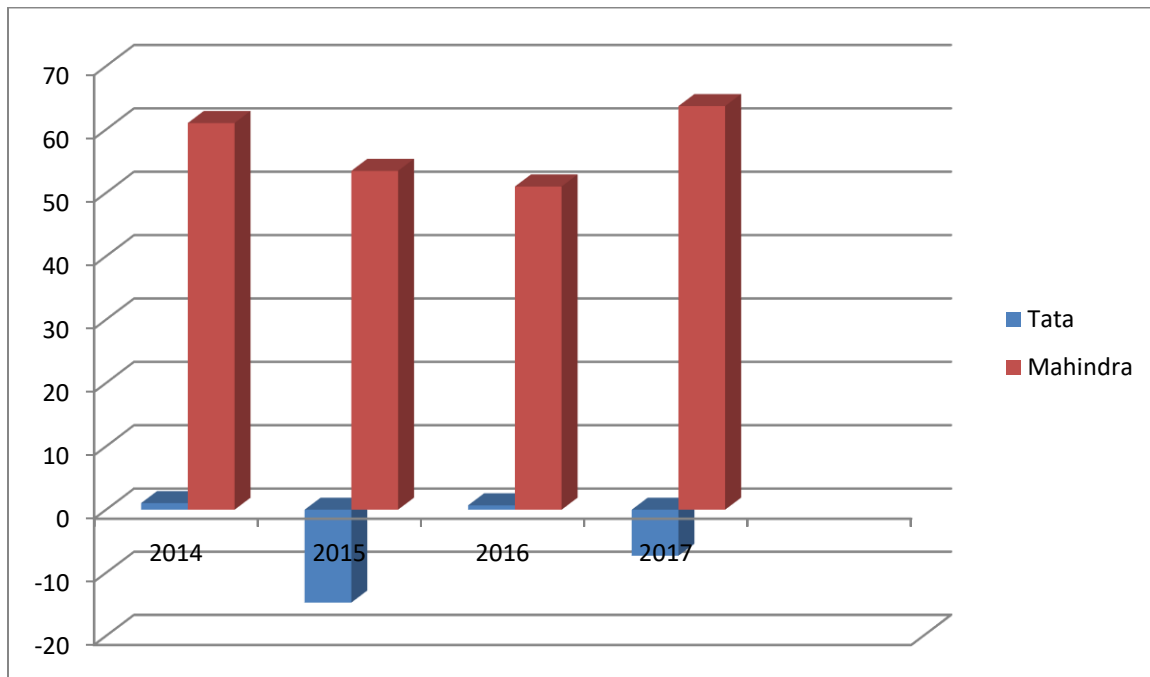
Earnings Per Share = (Net Profit after Tax – Preference Dividend) / Number of Equity Shares

TABLE NO :- 6 (showing a comparison of earnings per share of TATA MOTORS and MAHINDRA MOTORS in the consecutive four years)

	2017	2016	2015	2014
TATA	-7.30	0.69	-14.72	1.04
MAHINDRA	63.69	51.00	53.47	61.02

****NOTE** – The figures calculated above in the table is extracted from the financial annual report of both the companies which is attached as annexure at the end of the project.

GRAPH NO :- 6 (showing the earnings per share of both the companies as extracted from table no. 6)



X-axis measure the Earnings Per Share and **Y-axis** measures the consecutive years

COMMENT:-

By computing the EPS of both the companies we can conclude that the comparative earning power of Tata Motors have deteriorated over the number of years. On the other hand we can see an improved growth in the EPS of Mahindra Motors. Hence investors will invest in the shares of Mahindra Motors because of its growing EPS than in Tata Motors.

4. CONCLUSION & RECOMMENDATION

4.1 SUMMARY OBSERVATIONS

The purpose of the study is to investigate the impact of comparative ratio analysis of TATA MOTORS and MAHINDRA MOTORS over a period of four consecutive years. The study aims to examine the statistical significance by way of computing accounting ratios. The accounting ratios show both increase and decrease in trend but still manages to show a stable economic position.

- The statement of current ratio shows that both the companies have not manage to cover up and reach its ideal ratio at 2:1 in any of the years. TATA MOTORS will be having difficulty in meeting their current obligations as its average current ratio is less than 1 as compared MAHINDRA MOTORS is at a better position in meeting their current obligations.
- The quick ratio of TATA MOTORS is constantly less than 1 from the consecutive 4 yrs thus limiting themselves from a quick payment to its creditors. MAHINDRA MOTORS is trying to achieve its ideal position and can pay off its short term liabilities quite easily.
- In the debt equity ratio we can observe that MAHINDRA MOTORS is moving towards its ideal position from 2011 till 2014 on the other hand TATA MOTORS is constantly moving away from its ideal position hence increasing the risk in investing the company.
- Gross profit margin of TATA MOTORS is going down and down in the last 3 years resulting in a loss of 22% in the year 2012-2013 and 85.9 in the current year 2013-14. MAHINDRA MOTORS is having a good share of profit and can grow further with proper measure.
- Finally from the comparative study of the EPS of both the company we can see that in 2011 TATA MOTORS (28.55) had less difference in EPS than MAHINDRA MOTORS (43.36) but in the following years the EPS of TATA MOTORS has dropped down badly

and the EPS of MAHINDRA MOTORS increased resulting in the present scenario of 2014 where EPS of TATA MOTORS is 1.04 and of MAHINDRA MOTORS is 61.02.

4.2 SUGGESTIONS AND RECOMMENDATIONS

Efforts have been made in this project to fulfill the purpose of knowing the trend of both the companies in the market. The analysis made for the present financial position of TATA MOTORS and MAHINDRA MOTORS by means of comparison of accounting ratios for the fiscal years 2009-2010, 2010-2011, 2011-2012 and 2012-2013 shows us a decreasing trend in the financial position of the TATA MOTORS and a steady growth over the years for the MAHINDRA MOTORS. Though for improvement of TATA MOTOR'S profitability, much emphasis should be given on decreasing current liabilities through reducing the unplanned overhead expenses. A stable current assets position can be ensured by recovery of all the debts on due time. The companies must give importance to unplanned and unproductive expenses and must adopt a strict credit policy. Further, the accounting ratios computed though provide us with a continuous and stable overview on the financial position of the MAHINDRA MOTORS, still in certain cases it has decreased than the previous years. Thus the company must make some extra effort to retain its increasing trend of profitability in the future years. The sales policy and procedure also must be subject to continuous change to retain the interest of consumers. The following recommendations are on the basis of the accounting ratios computed in this case study. Thus the result may or may not be accurate on which the above recommendations are made.

4.3 LIMITATIONS OF STUDY

- The study is limited to few ratios because of non availability of detailed financial data.
- The study is based on secondary data such as annual report of the company.
- The reliability and accuracy of the calculation depends on information found in profit and loss account and balance sheet of the companies.
- Non monetary aspects are not considered making the results unreliable.
- Different accounting procedures may make results misleading.
- Accounting concepts and conventions cause serious limitation to financial ratio analysis.
- The study is confirmed only to a period of four years.

5. REFERENCES

I have taken help from the following sources:-

LITERATURE

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- http://profit.ndtv.com/stock/mahindra-&-mahindra-ltd_m&m/reports
- http://www.readyratios.com/reference/analysis/solvency_ratio.html

WEBSITE ANNUAL REPORT

- <http://www.moneycontrol.com/financials/mahindramahindra/balance-sheet/MM#MM>

- <http://www.moneycontrol.com/financials/tatamotors/balance-sheet/TM03>

6.ANNEXURES

THE FINANCIAL REPORT OF TATA MOTORS AND MAHINDRA MOTORS OF ARE ATTACHED

This data can be easily copy pasted into a Microsoft Excel sheet

Tata Motors

[Previous Years »](#)

Consolidated Balance Sheet	----- in Rs. Cr. -----				
	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	679.22	679.18	643.78	643.78	638.07
Total Share Capital	679.22	679.18	643.78	643.78	638.07
Revaluation Reserves	0.00	22.87	22.87	22.87	39.60
Reserves and Surplus	57,382.67	80,080.62	55,595.27	64,936.80	36,959.63
Total Reserves and Surplus	57,382.67	80,103.49	55,618.14	64,959.67	36,999.23
Total Shareholders Funds	58,061.89	80,782.67	56,261.92	65,603.45	37,637.30
Minority Interest	453.17	888.26	433.34	420.65	370.48
NON-CURRENT LIABILITIES					
Long Term Borrowings	60,629.18	51,876.31	56,071.34	45,258.61	32,110.07
Deferred Tax Liabilities [Net]	1,174.00	3,166.08	1,343.20	1,572.33	2,019.49
Other Long Term Liabilities	28,802.14	9,946.52	9,141.92	2,596.86	3,284.06
Long Term Provisions	9,004.46	11,817.30	15,134.27	12,190.29	8,319.15
Total Non-Current Liabilities	99,609.78	76,806.21	81,690.73	61,618.09	45,732.77
CURRENT LIABILITIES					
Short Term Borrowings	13,859.94	11,223.63	13,140.14	9,695.86	11,612.21
Trade Payables	57,698.33	63,632.89	57,407.28	57,315.73	44,780.14
Other Current Liabilities	38,263.49	27,261.82	23,688.58	17,373.86	22,140.96

Short Term Provisions	5,807.76	8,702.12	6,036.00	7,970.68	7,752.59
Total Current Liabilities	115,629.52	110,820.46	100,272.00	92,356.13	86,285.90
Total Capital And Liabilities	273,754.36	269,297.60	238,657.99	219,998.32	170,026.45
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	59,594.56	63,107.34	52,326.21	40,694.29	32,385.76
Intangible Assets	35,676.20	38,482.89	31,456.29	23,418.55	18,680.15
Capital Work-In-Progress	10,186.83	7,808.51	9,330.47	10,137.30	4,309.26
Intangible Assets Under Development	23,512.01	19,451.93	19,309.62	23,125.26	14,108.44
Fixed Assets	128,969.60	128,850.67	112,422.59	97,375.40	69,483.61
Non-Current Investments	5,296.77	1,253.15	1,240.50	1,114.39	1,515.40
Deferred Tax Assets [Net]	4,457.34	2,726.43	2,733.20	2,347.08	4,428.93
Long Term Loans And Advances	753.66	13,940.82	14,948.31	13,268.84	15,465.46
Other Non-Current Assets	16,771.81	2,374.88	858.00	5,068.45	1,023.95
Total Non-Current Assets	156,922.50	153,982.47	136,899.59	124,152.99	96,019.72
CURRENT ASSETS					
Current Investments	15,041.15	19,212.94	14,096.24	9,572.28	7,542.32
Inventories	35,085.31	33,398.98	29,272.34	27,270.89	20,969.01
Trade Receivables	14,075.55	12,989.96	12,579.20	10,574.23	10,942.66
Cash And Cash Equivalents	36,077.88	32,879.98	32,115.76	29,711.79	21,112.67
Short Term Loans And Advances	710.45	14,757.51	10,746.44	14,055.24	12,608.46
OtherCurrentAssets	15,841.52	2,075.76	2,948.42	4,660.90	831.61
Total Current Assets	116,831.86	115,315.13	101,758.40	95,845.33	74,006.73
Total Assets	273,754.36	269,297.60	238,657.99	219,998.32	170,026.45
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					

Contingent Liabilities	44,108.39	34,026.19	22,345.82	28,191.10	21,360.25
BONUS DETAILS					
Bonus Equity Share Capital	111.29	111.29	111.29	111.29	111.29
NON-CURRENT INVESTMENTS					
Non-Current Investments Quoted Market Value	285.38	210.50	210.61	252.49	210.48
Non-Current Investments Unquoted Book Value	405.38	387.42	395.83	432.30	468.63
CURRENT INVESTMENTS					
Current Investments Quoted Market Value	0.00	0.00	0.00	27.90	0.00
Current Investments Unquoted Book Value	15,041.15	19,212.94	14,096.24	9,550.43	7,542.32

Source : **Dion Global Solutions Limited**

Tata Motors

[Previous Years »](#)

Consolidated Profit & Loss account	----- in Rs. Cr. -----				
	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13
	12 mths	12 mths	12 mths	12 mths	12 mths
INCOME					
Revenue From Operations [Gross]	271,228.30	277,181.45	264,283.25	234,469.87	192,419.16
Less: Excise/Service Tax/Other Levies	4,799.61	4,535.61	3,548.92	3,792.77	4,766.32
Revenue From Operations [Net]	266,428.69	272,645.84	260,734.33	230,677.10	187,652.84
Other Operating Revenues	3,263.82	2,915.27	2,062.00	2,156.56	1,164.79
Total Operating Revenues	269,692.51	275,561.11	262,796.33	232,833.66	188,817.63

Other Income	754.54	981.72	898.74	828.59	811.53
Total Revenue	270,447.05	276,542.83	263,695.07	233,662.25	189,629.16
EXPENSES					
Cost Of Materials Consumed	159,369.55	152,445.39	149,956.54	135,550.04	111,600.44
Purchase Of Stock-In Trade	13,924.53	12,850.27	13,293.82	10,876.95	11,752.07
Operating And Direct Expenses	3,413.57	3,480.43	2,875.17	2,565.21	2,021.59
Changes In Inventories Of FG,WIP And Stock-In Trade	-7,399.92	-2,876.62	-3,330.35	-2,840.58	-3,031.43
Employee Benefit Expenses	28,332.89	29,198.89	25,548.96	21,556.42	16,584.05
Finance Costs	4,238.01	4,623.35	4,861.49	4,733.78	3,553.34
Depreciation And Amortisation Expenses	17,904.99	17,014.18	13,388.63	11,078.16	7,569.30
Other Expenses	59,340.16	60,424.95	50,617.72	43,825.77	35,535.58
Less: Amounts Transfer To Capital Accounts	16,876.96	16,718.43	15,404.18	13,537.85	10,191.97
Total Expenses	262,246.82	260,442.41	241,807.80	213,807.90	175,392.97
Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax	8,200.23	16,100.42	21,887.27	19,854.35	14,236.19
Exceptional Items	1,114.56	-2,119.55	-184.71	-985.38	-602.71
Profit/Loss Before Tax	9,314.79	13,980.87	21,702.56	18,868.97	13,633.48
Tax Expenses-Continued Operations					
Current Tax	3,137.66	1,961.21	4,558.81	4,368.42	2,778.63
Less: MAT Credit Entitlement	0.00	0.00	0.00	0.00	61.89
Deferred Tax	113.57	911.39	3,084.10	396.37	1,054.25
Total Tax Expenses	3,251.23	2,872.60	7,642.91	4,764.79	3,770.99
Profit/Loss After Tax And Before ExtraOrdinary Items	6,063.56	11,108.27	14,059.65	14,104.18	9,862.49
Profit/Loss From Continuing Operations	6,063.56	11,108.27	14,059.65	14,104.18	9,862.49
Profit/Loss For The Period	6,063.56	11,108.27	14,059.65	14,104.18	9,862.49

Minority Interest	-102.20	-105.86	-86.78	-59.45	-83.67
Share Of Profit/Loss Of Associates	1,493.00	21.34	13.42	-53.71	113.79
Consolidated Profit/Loss After MI And Associates	7,454.36	11,023.75	13,986.29	13,991.02	9,892.61
OTHER ADDITIONAL INFORMATION					
EARNINGS PER SHARE					
Basic EPS (Rs.)	22.00	33.00	43.00	44.00	31.00
Diluted EPS (Rs.)	22.00	33.00	43.00	44.00	31.00
DIVIDEND AND DIVIDEND PERCENTAGE					
Equity Share Dividend	73.00	73.00	0.00	648.56	645.20
Preference Share Dividend	0.00	0.76	2.27	0.00	0.00
Tax On Dividend	0.00	37.52	60.21	117.21	110.94

Source : **Dion Global Solutions Limited**

Tata Motors

[Previous Years »](#)

Cash Flow	----- in Rs. Cr. -----				
	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13
	12 mths	12 mths	12 mths	12 mths	12 mths
Net Profit/Loss Before Extraordinary Items And Tax	-2,479.99	234.23	-4,738.95	334.52	301.81
Net CashFlow From Operating Activities	1,381.47	2,346.18	-2,562.67	2,463.46	2,258.44
Net Cash Used In Investing Activities	-2,737.98	-2,925.96	601.74	2,552.91	991.50

Net Cash Used From Financing Activities	1,119.21	-71.14	2,631.53	-5,033.81	-4,045.69
Foreign Exchange Gains / Losses	0.00	0.71	-7.33	10.55	81.68
Net Inc/Dec In Cash And Cash Equivalents	-237.30	-650.21	663.27	-6.89	-714.07
Cash And Cash Equivalents Begin of Year	427.07	861.95	198.68	205.57	919.64
Cash And Cash Equivalents End Of Year	189.77	211.74	861.95	198.68	205.57

Tata Motors

[Previous Years »](#)

Consolidated Key Financial Ratios

----- in Rs. Cr. -----

	Mar '17	Mar '16	Mar '15	Mar '14	Mar '13
Investment Valuation Ratios					
Face Value	2.00	2.00	2.00	2.00	2.00
Dividend Per Share	--	--	--	--	--
Operating Profit Per Share (Rs)	87.13	108.24	121.91	108.24	76.95
Net Operating Profit Per Share (Rs)	794.18	811.50	816.47	723.38	591.88
Free Reserves Per Share (Rs)	--	--	--	--	--
Bonus in Equity Capital	16.38	16.38	17.28	17.28	17.44
Profitability Ratios					
Operating Profit Margin(%)	10.97	13.33	14.93	14.96	13.00
Profit Before Interest And Tax Margin(%)	4.32	7.13	9.80	10.16	8.95
Gross Profit Margin(%)	4.33	7.16	9.83	10.20	8.99

Cash Profit Margin(%)	8.45	10.93	10.47	11.19	9.51
Adjusted Cash Margin(%)	8.45	10.93	10.47	11.19	9.51
Net Profit Margin(%)	2.76	4.00	5.32	6.00	5.23
Adjusted Net Profit Margin(%)	2.75	3.98	5.30	5.98	5.21
Return On Capital Employed(%)	9.38	14.40	21.32	20.39	21.87
Return On Net Worth(%)	12.83	13.64	24.86	21.33	26.31
Adjusted Return on Net Worth(%)	8.52	16.37	25.32	23.00	27.83
Return on Assets Excluding Revaluations	170.98	237.83	174.73	203.75	117.86
Return on Assets Including Revaluations	170.98	237.90	174.80	203.82	117.98
Return on Long Term Funds(%)	10.47	15.62	23.81	22.18	25.52
Liquidity And Solvency Ratios					
Current Ratio	0.78	0.82	0.80	0.94	0.81
Quick Ratio	0.60	0.63	0.66	0.78	0.70
Debt Equity Ratio	1.28	0.78	1.23	0.84	1.16
Long Term Debt Equity Ratio	1.04	0.64	1.00	0.69	0.85
Debt Coverage Ratios					
Interest Cover	2.93	4.48	5.50	5.19	5.01
Total Debt to Owners Fund	1.28	0.78	1.23	0.84	1.16
Financial Charges Coverage Ratio	7.16	8.16	8.26	7.53	7.14
Financial Charges Coverage Ratio Post Tax	6.98	7.06	6.63	6.30	5.91
Management Efficiency Ratios					
Inventory Turnover Ratio	7.82	8.39	9.10	8.68	9.23
Debtors Turnover Ratio	19.93	21.55	22.70	21.64	19.69
Investments Turnover Ratio	7.82	8.39	9.10	8.68	9.23
Fixed Assets Turnover Ratio	2.62	2.18	2.43	2.44	2.51
Total Assets Turnover Ratio	2.79	2.72	2.93	2.52	3.21

Asset Turnover Ratio	1.94	2.04	2.13	2.30	2.45
Average Raw Material Holding	--	--	--	--	--
Average Finished Goods Held	--	--	--	--	--
Number of Days In Working Capital	-71.54	-17.74	-16.28	-4.02	-10.00
Profit & Loss Account Ratios					
Material Cost Composition	65.15	60.74	62.79	63.61	66.06
Imported Composition of Raw Materials Consumed	--	--	--	--	--
Selling Distribution Cost Composition	--	--	--	--	--
Expenses as Composition of Total Sales	--	--	--	--	--
Cash Flow Indicator Ratios					
Dividend Payout Ratio Net Profit	0.97	1.00	0.43	5.47	7.64
Dividend Payout Ratio Cash Profit	0.28	0.39	0.21	3.05	4.33
Earning Retention Ratio	98.53	99.17	99.58	94.93	92.78
Cash Earning Retention Ratio	99.69	99.64	99.79	97.08	95.81
AdjustedCash Flow Times	3.26	2.09	2.50	2.10	2.42

Source : Dion Global Solutions Limited

Mahindra and Mahindra

[Previous Years »](#)

Consolidated Balance Sheet	----- in Rs. Cr. -----				
	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	270.89	296.32	295.70	295.16	295.16
Total Share Capital	270.89	296.32	295.70	295.16	295.16
Revaluation Reserves	0.00	13.67	13.67	13.67	13.99
Reserves and Surplus	29,467.10	28,309.65	25,547.01	22,998.03	19,651.55
Total Reserves and Surplus	29,467.10	28,323.32	25,560.68	23,011.70	19,665.54
Total Shareholders Funds	29,737.99	28,619.64	25,856.38	23,306.86	19,960.70
Minority Interest	6,356.90	6,327.03	5,892.23	5,733.10	5,296.97
NON-CURRENT LIABILITIES					
Long Term Borrowings	30,157.33	25,096.30	22,327.03	25,491.75	19,860.26
Deferred Tax Liabilities [Net]	1,787.45	1,552.03	1,286.83	1,201.97	893.50
Other Long Term Liabilities	3,589.65	2,980.44	2,508.76	2,388.10	2,103.40
Long Term Provisions	3,313.18	3,590.33	3,239.95	2,590.12	2,251.63
Total Non-Current Liabilities	38,847.61	33,219.10	29,362.57	31,671.94	25,108.79
CURRENT LIABILITIES					
Short Term Borrowings	10,124.08	8,250.69	7,177.44	2,780.65	3,368.48
Trade Payables	15,544.60	13,627.62	11,355.20	11,799.84	11,900.28
Other Current Liabilities	12,826.29	15,868.23	12,786.45	10,479.33	8,802.87
Short Term Provisions	1,388.14	2,310.58	2,413.71	2,498.54	2,031.70

Total Current Liabilities	39,883.11	40,057.12	33,732.80	27,558.36	26,103.33
Total Capital And Liabilities	114,825.61	108,222.89	94,843.98	88,270.26	76,469.79
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	17,976.36	19,578.42	17,247.09	16,058.29	15,530.98
Intangible Assets	2,123.43	2,171.49	1,035.38	978.68	779.02
Capital Work-In-Progress	1,887.86	806.00	1,272.54	1,243.60	1,119.50
Intangible Assets Under Development	2,391.08	1,630.03	1,759.60	947.45	511.70
Fixed Assets	24,378.73	24,185.94	21,314.61	19,228.02	17,941.20
Non-Current Investments	9,872.02	8,744.17	7,898.99	5,852.37	4,626.20
Deferred Tax Assets [Net]	906.67	709.14	467.77	381.67	338.36
Long Term Loans And Advances	27,140.51	26,604.06	24,066.47	21,364.41	16,972.59
Other Non-Current Assets	3,082.75	655.13	581.76	505.37	574.00
Total Non-Current Assets	65,939.29	61,677.90	55,093.87	48,675.83	42,449.69
CURRENT ASSETS					
Current Investments	4,639.34	3,432.68	2,128.15	2,229.98	1,814.21
Inventories	8,886.01	10,628.99	8,453.39	8,353.54	8,416.90
Trade Receivables	7,199.26	6,419.04	5,476.16	5,725.42	5,176.97
Cash And Cash Equivalents	4,654.03	4,906.48	4,911.83	6,522.79	4,760.20
Short Term Loans And Advances	21,509.11	20,018.29	17,811.80	15,842.14	13,006.56
OtherCurrentAssets	1,998.57	1,139.51	968.78	920.56	845.26
Total Current Assets	48,886.32	46,544.99	39,750.11	39,594.43	34,020.10
Total Assets	114,825.61	108,222.89	94,843.98	88,270.26	76,469.79
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					
Contingent Liabilities	7,621.74	6,744.45	7,303.14	6,334.18	5,319.43

BONUS DETAILS					
Bonus Equity Share Capital	170.61	170.61	170.61	170.61	170.61
NON-CURRENT INVESTMENTS					
Non-Current Investments Quoted Market Value	16,608.84	15,566.22	19,997.59	12,685.25	6,844.81
Non-Current Investments Unquoted Book Value	2,661.48	2,026.82	2,127.86	1,917.13	1,728.45
CURRENT INVESTMENTS					
Current Investments Quoted Market Value	22.19	137.46	58.09	76.17	90.13
Current Investments Unquoted Book Value	4,617.15	3,295.65	2,070.94	2,154.04	1,724.08

Source : **Dion Global Solutions Limited**

Mahindra and Mahindra

[Previous Years »](#)

Consolidated Profit & Loss account	----- in Rs. Cr. -----				
	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13
	12 mths	12 mths	12 mths	12 mths	12 mths
INCOME					
Revenue From Operations [Gross]	87,279.35	74,436.05	67,403.78	71,160.67	67,921.93
Less: Excise/Service Tax/Other Levies	5,209.98	4,650.08	3,541.23	4,229.70	5,278.39
Revenue From Operations [Net]	82,069.37	69,785.97	63,862.55	66,930.97	62,643.54
Other Operating Revenues	1,703.68	8,229.63	8,086.04	7,069.96	6,092.12
Total Operating Revenues	83,773.05	78,015.60	71,948.59	74,000.93	68,735.66

Other Income	730.10	541.00	525.03	505.09	388.94
Total Revenue	84,503.15	78,556.60	72,473.62	74,506.02	69,124.60
EXPENSES					
Cost Of Materials Consumed	45,230.68	43,173.41	40,386.83	43,252.55	39,062.01
Purchase Of Stock-In Trade	4,849.82	2,690.53	2,188.73	1,879.01	3,001.94
Changes In Inventories Of FG,WIP And Stock-In Trade	-13.83	-524.37	274.13	-238.97	-220.36
Employee Benefit Expenses	8,910.63	7,992.24	7,146.55	6,885.94	6,819.07
Finance Costs	3,648.46	3,372.94	3,156.69	2,953.93	2,297.00
Depreciation And Amortisation Expenses	2,809.11	2,581.64	2,123.83	2,169.57	2,079.86
Other Expenses	15,022.93	15,524.95	13,443.84	12,341.91	11,223.19
Less: Amounts Transfer To Capital Accounts	958.40	488.55	284.78	239.67	265.98
Total Expenses	79,499.40	74,322.79	68,435.82	69,004.27	63,996.73
Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax	5,003.75	4,233.81	4,037.80	5,501.75	5,127.87
Exceptional Items	447.11	5.03	274.90	317.85	452.50
Profit/Loss Before Tax	5,450.86	4,238.84	4,312.70	5,819.60	5,580.37
Tax Expenses-Continued Operations					
Current Tax	2,059.33	1,879.38	1,770.11	1,793.91	1,754.11
Less: MAT Credit Entitlement	0.00	54.42	92.72	490.71	21.11
Deferred Tax	240.40	38.69	42.63	193.02	201.63
Total Tax Expenses	2,299.73	1,863.65	1,720.02	1,496.22	1,934.63
Profit/Loss After Tax And Before ExtraOrdinary Items	3,151.13	2,375.19	2,592.68	4,323.38	3,645.74
Profit/Loss From Continuing Operations	3,151.13	2,375.19	2,592.68	4,323.38	3,645.74
Profit/Loss For The Period	3,151.13	2,375.19	2,592.68	4,323.38	3,645.74
Minority Interest	-352.49	-139.86	-243.91	-486.87	-29.95

Share Of Profit/Loss Of Associates	899.40	975.93	788.70	830.42	483.41
Consolidated Profit/Loss After MI And Associates	3,698.04	3,211.26	3,137.47	4,666.93	4,099.20
OTHER ADDITIONAL INFORMATION					
EARNINGS PER SHARE					
Basic EPS (Rs.)	68.00	54.00	53.00	79.00	70.00
Diluted EPS (Rs.)	68.00	52.00	51.00	76.00	67.00
DIVIDEND AND DIVIDEND PERCENTAGE					
Equity Share Dividend	773.67	745.31	745.31	862.25	798.17
Tax On Dividend	0.00	96.37	101.58	104.04	92.98

Source : **Dion Global Solutions Limited**

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Consolidated Key Financial Ratios

----- in Rs. Cr. -----

	Mar '17	Mar '16	Mar '15	Mar '14	Mar '13
Investment Valuation Ratios					
Face Value	5.00	5.00	5.00	5.00	5.00
Dividend Per Share	--	--	--	--	--
Operating Profit Per Share (Rs)	188.51	155.33	141.58	164.32	148.47
Net Operating Profit Per Share (Rs)	1,471.62	1,256.10	1,158.42	1,201.52	1,119.51

Free Reserves Per Share (Rs)	--	--	--	--	--
Bonus in Equity Capital	62.98	57.57	57.69	57.80	57.80
Profitability Ratios					
Operating Profit Margin(%)	12.80	12.36	12.22	13.67	13.26
Profit Before Interest And Tax Margin(%)	9.37	8.99	9.20	10.67	10.17
Gross Profit Margin(%)	9.45	9.05	9.26	10.74	10.23
Cash Profit Margin(%)	6.52	6.30	6.12	8.28	7.62
Adjusted Cash Margin(%)	6.52	6.30	6.12	8.28	7.62
Net Profit Margin(%)	4.41	4.11	4.36	6.30	5.96
Adjusted Net Profit Margin(%)	4.37	4.08	4.32	6.26	5.93
Return On Capital Employed(%)	12.35	12.27	12.99	16.39	17.19
Return On Net Worth(%)	12.43	11.22	12.14	20.03	20.55
Adjusted Return on Net Worth(%)	9.09	8.28	8.96	17.19	16.00
Return on Assets Excluding Revaluations	634.07	562.44	416.08	378.20	324.88
Return on Assets Including Revaluations	634.07	562.66	416.30	378.42	325.10
Return on Long Term Funds(%)	14.44	14.16	14.93	17.33	18.65
Liquidity And Solvency Ratios					
Current Ratio	1.44	1.37	1.43	1.65	1.47
Quick Ratio	1.71	1.50	1.60	1.64	1.48
Debt Equity Ratio	1.35	1.17	1.14	1.21	1.16
Long Term Debt Equity Ratio	1.01	0.88	0.86	1.09	1.00

Debt Coverage Ratios

Interest Cover	2.37	2.26	2.28	2.86	3.23
Total Debt to Owners Fund	1.35	1.17	1.14	1.21	1.16
Financial Charges Coverage Ratio	3.14	3.02	2.95	3.60	4.14
Financial Charges Coverage Ratio Post Tax	2.78	2.72	2.67	3.31	3.69

Management Efficiency Ratios

Inventory Turnover Ratio	10.01	7.78	8.93	9.36	8.79
Debtors Turnover Ratio	12.30	13.12	12.85	13.58	13.07
Investments Turnover Ratio	10.01	7.78	8.93	9.36	8.79
Fixed Assets Turnover Ratio	1.99	1.77	1.86	2.07	2.03
Total Assets Turnover Ratio	1.14	1.19	1.21	1.35	1.50
Asset Turnover Ratio	1.16	1.20	1.21	1.40	1.55

Average Raw Material Holding	--	--	--	--	--
Average Finished Goods Held	--	--	--	--	--
Number of Days In Working Capital	142.57	141.26	144.14	138.34	112.79

Profit & Loss Account Ratios

Material Cost Composition	60.18	59.27	59.74	61.61	61.87
Imported Composition of Raw Materials Consumed	--	--	--	--	--
Selling Distribution Cost Composition	0.86	1.11	--	--	--

Expenses as Composition of Total Sales	--	--	--	--	--
Cash Flow Indicator Ratios					
Dividend Payout Ratio Net Profit	20.92	26.21	26.99	20.70	21.73
Dividend Payout Ratio Cash Profit	11.88	14.52	16.09	14.13	14.42
Earning Retention Ratio	71.39	64.49	63.47	75.88	72.10
Cash Earning Retention Ratio	85.97	83.01	80.94	84.36	83.11
AdjustedCash Flow Times	7.31	6.73	6.64	4.58	4.41

Source : **Dion Global Solutions Limited**

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Cash Flow	----- in Rs. Cr. -----				
	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13
	12 mths	12 mths	12 mths	12 mths	12 mths
Net Profit/Loss Before Extraordinary Items And Tax	4,639.04	4,161.16	3,833.17	4,316.64	4,356.47
Net CashFlow From Operating Activities	3,971.18	5,478.53	3,219.49	3,727.64	4,145.71

Net Cash Used In Investing Activities	-3,199.39	-3,546.13	-2,423.09	-2,407.08	-2,895.95
Net Cash Used From Financing Activities	-1,055.55	-2,007.11	-1,584.82	-823.93	-1,221.89
Foreign Exchange Gains / Losses	0.09	0.00	0.00	0.00	0.00
Adjustments on Amalgamation / Merger / Demerger / Others	-21.33	0.00	0.00	45.02	-0.02
Net Inc/Dec In Cash And Cash Equivalents	-305.00	-74.71	-788.42	541.65	27.85
Cash And Cash Equivalents Begin of Year	842.31	917.19	1,705.61	1,163.96	1,136.11
Cash And Cash Equivalents End Of Year	537.31	842.48	917.19	1,705.61	1,163.96

Source : Dion Global Solutions Limited