

A PROFITABILITY STUDY OF AUTOMOBILE SECTOR – AN APPLICATION OF NET PROFIT RATIO FOR LISTED COMPANIES OF INDIA

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Abstract

This research is carried out to examine the financial structure in terms of profit. Ten leading automobile companies are examined for their performance on bases of Net Profit of the firms.

Objective: To evaluate financial performance analysis of selected automobile companies in India in terms of different ratios. It assumed that there is no significant difference in profitability and efficiency ratio of the selected automobile companies during the period the study.

Time Taken for Study: Normally it is not possible for the researcher to study the financial performance of automobile companies in India for longer period because there is constrain of the time, money and efforts. So the present study is done for seven years of period because of convenience for proper data collection and analysis for the period of seven years for the study. The present study is made for a period of seven accounting years from 2013-2014 to 2019-20.

Parameters of the Study: Profitability Ratios – Net Profit Ratio

Tools Used For Study: Descriptive Statistics and Analysis of Variance

Findings of the Study: Maruti Suzuki Ltd, Atul Auto, TVS Motors, Force Motors and Hero Motor Corp were having consistent development in NPR. The industry were getting effective systems in overseeing net deals and related costs.

Keywords: Financial Ratios, ANOVA

1. INTRODUCTION

In Indian economy, the Indian automotive industry has emerged as a 'sunrise sector'. India is emerging as one of the world's fastest growing passenger car markets and second largest two-wheeler manufacturer. India is the largest base to export compact cars to Europe. On the automobile canvas, hybrid and electronic vehicles are new developments and India is one of key markets for them. Global and Indian manufacturer are focusing their efforts to develop innovative products, technologies and supply chain. Automobile industry, the business of producing and selling self-powered vehicles, including passenger cars, trucks, farm equipment and other commercial vehicles. By allowing consumers to commute long distances for work, shopping and entertainment, the auto industry has encouraged the development of an extensive road system, made possible the growth of suburbs and shopping centers around major cities, and played a key role in the growth of the ancillary industries such as the oil and travel businesses.

The word 'Automobile' comes via the French automobile from the ancient Greek word (auto's, 'self') and Latin mobile ('Movable') means a vehicle that moves itself, rather than being pulled or pushed by a separated animal or another vehicle. By definition, an automobile or car is a wheeled vehicle that carries its own motor and transport passengers, as we know the automobile was not invented in a single day or by single inventor.

For most of the history of automobile, a car was expected to do little more than travel from place to another place with some degree of reliability and economy. Cars were expected to go little faster, ride more comfortably and last long enough to make the investment worthwhile because of roads and technology improved and more people began to use them. Any new car could do these things well by early 1930s, and even as technology advanced over the next 40 years, what the world expected of a car remained basically the same. There was increased speed, convenience and reliability steadily, but for more than 60 to 70 years, a car was expected to do nothing more than move people and their stuff. After than Government got involved in automobile design. State xsgovernment started requiring certain items such as safety glass, electric light and redundant throttle return springs because the technology became practical. Federal Motor Vehicle Safety Standard was created in 1966 in US. The mission of the automobile began changing due to Environment Protection Agency in 1973. Cars were eventually required to protect occupants in crash, retain all unburned fuel vapors, convert the byproduct of combustion into less harmful gases and report their malfunction instead of just carrying people and their stuff

quickly, comfortably and reliably. Society of automotive Engineers set many types of safeties and performance requirements which the automobile companies must meet these requirements. The buyer's idea of an automobile has also gone light years beyond reliable, economical transportation as if new technical design standards weren't enough. The 'automotive style' referred to a range of economic cars at one spectrum and luxury cars at the other, has now include a dozens of different types of automobiles.

Today's automobile designers and engineering are nothing less than heroes. They must create a car that meets more safety and emissions regulations and wildly imaginative market demands which were undreamed of a generation ago. Always they have to figure out how to produce these type of machines at a specific cost because the selling price is pretty much set before the design work is not yet begun. Now a day, automobile companies have major portion in the market. A company record, Ford sold 7.2 million vehicles worldwide in 1999. Ford also record for the net income \$ 7.2 billion and EPS \$5.86 while the total cost reduced by \$1 billion. General Motors recorded earning \$8.53 per share in 1999 which was double the \$4.32 per share earned in 1998. Its revenues jumped 14%, operating cost reduced by \$3.7 billion and its profit margin doubled to 3.2%. Daimler Chrysler reported a net income of \$5.8 billion in 1998, a 19% gain over 1998. Worldwide sales were up and operating profit has increased 28%. In 1993 total automobile industry production reached 42 trillion yet which was 13.4% of the total for all manufacturers. The total number of persons employed directly and indirectly is 7.2 million. Nissan Motor Co. Ltd. is building a \$930 million vehicle manufacturing plant in Canton that will cover 2.6 million square feet and produce about 25,000 units annually.

A full-size pickup truck, a full size sport utility vehicle and a newly designed minivan will be produced at this facility. This production has stated to begin in mid-2003. Initially the plant will employ around 3,300 workers. Throughout 20th century, the automobile reconfirmed and updated its status as a triumph of engineering through continuous improvement and apprehensive application of new technology. The automobile industry is often regarded as the main engine of industrial growth of the 20th century. Its effects on urban life and the environment are evident everywhere. The industry is a complex and ever changing system of manufacturing, sub-contractor and alliances. The transformation from craft production to mass production, heralded an explosion of manufacturing capacity which has had a pervasive effect of human activity in this century. New technological development like the use of fuel cells as a power source will undoubtedly keep the automobile on the leading edge of technology in the 21st century. Automakers must offer features such as multiple air bags, driver information system, comfort controls and so on to remain competitive. Consolidation of global automobile industry is moving forward at the breathtaking pace.

PROFITABILITY RATIO

Analysis of profitability ratios helpful in assessing the adequacy of profit earned by the company. It also indicates that whether the profitability is increasing or declining. The profitability of the firm is the net result of a large number of policies and decision. The profitability ratio shows the combined effect of liquidity, asset management and debt management on operating results. A lower profitability may arise due to lack of control over the expenses as poor operational performance may indicate poor sales and hence poor profit. Financial Institutions, bankers and other creditors are interested in profitability ratio as it indicates whether the firm can have ability to repay interest for the borrowed fund or not and for the repayment capacity of borrowed funds. Owners are interested in profitability as it indicates the return which they can get on their investment.

Profit is the excess amount of revenue over the expenses over a period of time. Profit is the only outcome of the company and it will have no future if it fails to generate sufficient profit. So the financial manager is continuous evaluate the efficiency of company in terms of profit. Profitability ratio are measured with reference to sales, capital employed, total assets employed, shareholders' funds etc. Generally, the profitability ratio can be calculated on the basis of his two type:

- Profitability in relation to sales
- Profitability in relation to the Investments

For the analysis of performance of selected automobile companies, the following ratios are used:

NET PROFIT RATIO

The ratio is designed to focus attention on the net profit margin arising from business. The convention is to express profit after tax and interest as a percentage of sales. The ratio is also known as "Net Margin". Net profit ratio is arrived by dividing the earnings after tax with sales.

$$\text{Net Profit Ratio (NPR)} = \frac{\text{Net Profit}}{\text{Sales}} \times 100$$

This ratio takes into an account income from operations as well as investments. It is the indicator of management's ability to operate the business with success not only to recover from revenue of the period, the total cost, expenses of operating the business and cost of borrowed funds but also to leave a margin of reasonable compensation to the owners for providing their capital at risk. These ratios could be compared with

that of the previous years and with that of competitors to determine the trend in the net profit margins of the company and performance in the industry. This major state the correct trend of performance of the company. This ratio helps in determining the efficiency of the operations of the business. This ratio states the improvement in the efficiency of the business if there is increase in the previous period. To check the profitability of the business, this ratio is an effective measure. From this ratio, the investor has to judge the adequacy, cost of capital, and the return in the industry as a whole and market conditions such as boom or depression period. However, there is definite indication of improving conditions of the business if there is constant increase in the above ratio year by year.

Table 1.1 Net Profit Ratio of Selected Automobile Companies for 2013-14 to 2019-20 (NPR In %)

	Maruti Suzuki ltd	Tata Motors	M & M Ltd	Ashok Leyland	Bajaj Auto	Atul Auto	TVS Motor	Force Motor	Hero Moto Corp	Eicher Motor Ltd
2013-14	6.36	0.97	9.27	0.29	16.09	6.92	3.28	3.84	8.34	18.43
2014-15	7.42	-13.05	8.52	2.46	13.01	8.23	3.44	4.28	8.64	20
2015-16	9.32	-0.14	7.83	2.05	17.39	8.92	4.4	5.86	10.95	21.16
2016-17	10.8	-5.48	8.27	6.07	17.58	7.79	4.59	5.86	11.84	22.16
2017-18	9.68	-1.75	8.94	6.51	16.16	8.3	4.37	4.29	11.47	19.12
2018-19	8.71	2.91	8.94	6.82	15.45	7.96	3.68	4.03	10.05	20.97
2019-20	7.47	-16.59	2.92	1.37	17.04	8.37	3.6	1.88	12.59	20.97
Avg	8.54	-4.73	7.81	3.65	16.10	8.07	3.91	4.29	10.55	20.40
SD	1.54	7.43	2.21	2.72	1.57	0.62	0.53	1.35	1.61	1.29
CV	18.02	-156.99	28.29	74.60	9.72	7.68	13.54	31.56	15.28	6.33

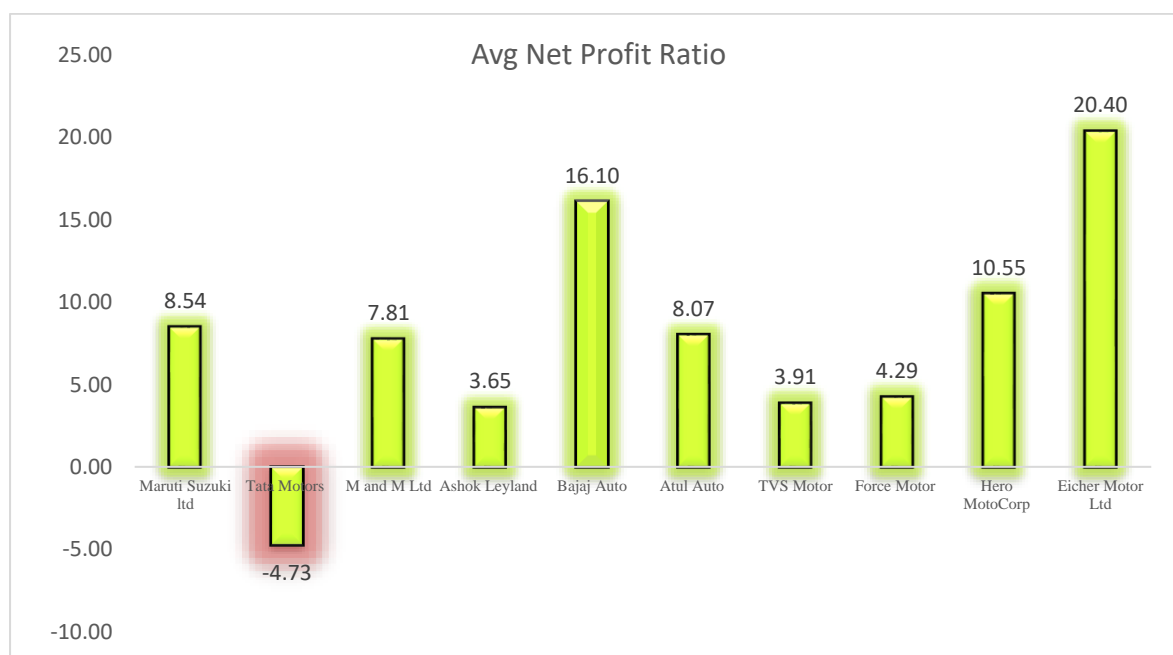


Figure 1.1 Average Net Profit Ratio of Firms

The calculation of net profit ratio (NPR) is given for all ten companies for seven years under study. The initial value of NPR for Maruti Suzuki Ltd for the year 2013-14 was recorded 6.36% of NPR which was increased 1.06% by next year. Thus, the NPR of firm was reached to 7.42% in financial year 2014-15. The NPR value of firm shows higher net sales of the firm. On other hand for the same years Tata Motors has recorded with initial value of 0.97% in financial year 2013-14 and declined by the next financial year. The firm has shown loss in sales, even it's a great down fall. The NPR is found negative of 13.05% during financial year 2014-15. Compare to all other companies under study Tata motors was the only company, who has great fall in net profit. Mahindra and Mahindra is Indian originated company produced four and two wheelers. For financial year 2013-14, the firm initially having NPR of 9.27%, which was declined and reached to 8.52% in the year 2014-15. This year the company has failed to manage net profit. Compare to last financial year the firm has declined by 0.75% in NPR. In streamline observation first three leading companies Maruti Suzuki Ltd ranked first. Ashok Leyland also a competent player in automobile sector. The NPR value of firm was computed 0.29% during the

year 2013-14, while it reached to 2.46% in financial year 2014-15. The firm has a hike of 2.17% in NPR value. The firm led Maruti Suzuki Ltd and was standing on first position amid first four automobile companies examined. The fifth firm under study is Bajaj Auto. It has declined NPR value. The NPR of Bajaj Auto was 16.09% in 2013-14, which was decreased and reached to 13.01%. The firm has loosed 3.08% of its net profit during 2014-15. It is next to Tata Motors, who failed in managing net profit. Atul Auto was finding with initial value of 6.92% in NPR for the year 2013-14. It has managed net profit and sales expenses for next year. For financial year 2014-15, the firm has gained by 1.31% in 2014-15. The proportion shows it leads Maruti Suzuki Ltd. The firm has reached to 8.23% of its NPR in 2014-15. TVS motors shows steady increment in NPR value. The firm was having 3.28% NPR value in 2013-14, it has gained by 0.16% and reached to 3.44% by next financial year Force Motors also have a successive NPR value in 2013-14. It was found that the NPR of firm was 3.84% and reached to 4.28% for 2013-14 to 2014-15. It shows hike of 0.44% as financial increment in NPR for two years. Hero Moto Corp has stands on fourth position for higher NPR value after Mahindra and Mahindra. The firm has NPR of 8.34% in 2013-14, It has gained by 0.3% for financial year 2014-15. The NPR value of company was 8.64% for the year 2014-15. The last firm examined for 2013-14 and 2014-15 is Eicher Motors Ltd. It can be seen that the firm stood first in earning highest NPR of 18.43% during financial year 2013-14. The firm has a stable growth in NPR for next year. It shown that during 201-15, the firm has earned 1.57% of NPR than last year. The NPR for financial year 2014-15 was computed 20% which was again standing higher among all listed companies under study.

An assessment of first two years shows that Eicher Motors Ltd lead all the automobile companies during financial year 2013-14. Bajaj Auto was standing on second rank after Eicher Motors Ltd. The said two firms were recorded with NPR more than 15% (18.43% and 16.09% sequentially). The third place was acquired by Mahindra and Mahindra. The NPR of firm was closed to 10% (9.27%) in 2013-14. Consequentially, the Ashok Leyland was standing last in NPR for financial year 2013-14. Compare to 2013-14, the NPR of 2014-15 have shown interesting results. Tata Motors, Mahindra and Mahindra and Bajaj Auto were getting fail in net profit management. Compare to last year all the three leading players have declined their net profit. For this year might be the firms were being failed to manage their sales related expenses. The figures of NPR for Tata Motors clearly shown the bigger failure of the firm in managing NPR in 2014-15.

On other hand Ashok Leyland – listed on last position during financial year 2013-14. It has gained higher NPR of 2.17% in financial year 2014-15. It stood on second last position in 2014-15. It shows that the selling strategies of firm has been worked out for the year 2014-15. Eicher has highest value of NPR of 20% in the year 2014-15, has standing first in 2014-15. But compare to last year gap the firm has failed to manage net sales than Ashok Leyland. NPR wise Bajaj Auto ranked on second position with NPR of 13.01% but the strategies of firm for net sales defeated it by itself. It shows failure of net sales management of the firm than last year. All other firms Maruti Suzuki Ltd, Atul Auto, TVS Motors, Force Motors and Hero Motor Corp were having steady growth in NPR. The firms were getting successful strategies in managing net sales and related expenses.

For financial year 2015-16, Maruti Suzuki again gained its NPR value. This year the firm has gained by 1.9% than last year. It shows successful implementation of net sales value of the firm. Tata motors again getting failed. This year the firm has also failed as NPR was computed negative 0.14. The difference of NPR gap value compare to financial year 2013-14 and 2014-15, it has gained in sales but not yet reached to earning profit. It shows that the firm has a little hike in sales and increases net profit during 2014-15 than 2013-14. Mahindra and Mahindra has failed in managing net sales. This year the firm ranked on sixth position amid automobile sector, but it has been defeated by its last gain in sales. This year the firm has declined NPR by 0.69% than last year. Similarly, Ashok Leyland also failed down in managing net sales. Compare to financial year 2014-15 the firm has received 2.05% of NPR. It has declined by 0.41% than last year. Bajaj Auto gained NPR by 4.38% than last assessment year. It was standing third among automobile sector in earning of NPR. Atul Auto consistently increased its NPR for the year 2015-16. This year it has increased by 0.62% compare to last year. It stood fifth in rank for the year 2015-16. TVS Motors also nominated in success list. The firm has gained NPR by 0.96% than last year. Force Motors has also increased NPR by 1.58% this year. Hero Motor Corp has gained by 2.31% and Eicher Motor Ltd has gained by 1.16% than financial year 2014-15. This year was fruitful for major automobile players. During financial year 2015-16, Tata Motors, Mahindra and Mahindra and Ashok Leyland were decreased their NPR. The said firms were failure in managing its net sales. Coincides, other seven firms were gained their NPR.

While examining financial year 2016-17, Eicher Motors Ltd, Bajaj Auto, Hero Motor Corp and Maruti Suzuki ranked one to four correspondingly. In detail study for each of the firm clears more in-depth analysis and finding for firms. It can be seen that Maruti Suzuki Ltd has increased NPR by 1.48% than last year. Mahindra and Mahindra has increased NPR by 0.44%. It is noticeable here that the firm was failed to manage NPR in previous year assessment. Ashok Leyland has jumped in NPR during this year. The firm has an increment of 4.02% than last year compare to the gap of 2015-16. The firm has gained a lot. This might have happened due to changing policies of sales. Bajaj Auto has also increased NPR by 0.19% than last year. The firm has a gap of 4.38% in NPR during financial year 2015-16. Indirectly it shows that the firm has increased in NPR in 2016-17 but not maintain sales than last year. Atul Auto has failed in managing sales during 2016-17. This year the NPR of firm was declined than last year. For this year the firm has a net loss of 1.13% compare to financial year

2015-16. While examining NPR of Atul Auto this was the first time the firm was failed to manage its net sales and related expenses. TVS Motors has a consistent growth of 4.59% NPR value. This year the firm has increased by 0.19% than last year. Force Motors did not have any change in NPR, it neither increased nor decreased during financial year 2016-17. For financial year 2015-16 the NPR value was recorded 5.86%, which was remains unchanged in 2016-17. Hero Moto Corp has gained NPR by 0.89% than last year. The firm has increasing order of NPR till 2013-14. Eicher Motor Ltd lead all the companies. This year the firm again gained 1% in NPR than last year. It has declined by 0.16% than financial year 2014-15 gap. Still it stood first during this year. For financial year 2016-17 Eicher Motor Ltd ranked first in earning of NPR. Next to it Bajaj Auto stood second, Hero Moto Crop on third rank and Maruti Suzuki Ltd ranked on fourth position. Tata Motors is the only firm who suffered and did loss. The figure of NPR shows the failure of firm in managing tis sales and related expenses.

Majority of automobile companies were failed to manage their NPR during financial year 2017-18. Maruti Suzuki Ltd has decreased NPR value by 1.12% this year. The NPR of firm was recorded 9.68% in current financial year. Tata Motors has gained in this year. The firm has reduced loss than last year. The NPR of firm was computed negative 1.75%, which was -5.48% last year. The difference of figures indicates that the firm has increased sale in the year 2017-18, but the sales expenses were not met. Mahindra and Mahindra gained by 0.67% in NPR. For last three years, it was observed that the firm has managed it NPR. Ashok Leyland gained by 0.47%. It shows steady growth of the firm for last three years. Bajaj Auto fall down in NPR by 1.42% compare to last year. Among all companies the firm ranked second highest in earning of NPR in 2017-18. The firm was defeated by itself. This year the NPR of firm was 16.16%, which was 17.58% during 2016-17. Thus, it cleared that the firm has ranked second but failed in managing NPR this year. Atul Auto has gained after two years. This year the firm has a minor increment of 0.51% than last year. TVS Motors was failed to gain in NPR. This year, the firm declined NPR by 0.22% in compare of the year 2016-17. Force Motor has reduced value of NPR of 4.29% in financial year 2017-18. The firm has declined by 0.57% this year. Hero Moto Corp has failed this year. The firm has reduced 0.37% than last year. Financial year 2017-18 was the first year where Eicher Motor Ltd has failed to manage its net profit. For last four years Eicher Motor Ltd consistently increased its NPR, which was declined by 3.04% in NPR, but rated first during this year in earning highest NPR value in automobile sector.

The financial year 2018-19 was an average year in earing under study were failure to manage their sale and managing net profit. Maruti Suzuki Ltd again falling down in earning of NPR. This year the firm has reduced NPR of 0.97% in 2018-19. Tata Motors has gained NPR value in this year. The firm has recorded with 2.91% of NPR value. In analysis of NPR first time the firm has gained. Mahindra and Mahindra stood on breakeven point. The firm has neither gained nor loss in NPR. The NPR of firm for financial year 2017-18 and 2018-19 were calculated 8.94%. It shows, the firm has staying with same NPR for two years. Ashok Leyland has increased value of NPR during the year by 0.31%. Bajaj Auto loosed its NPR of 0.71% than last year. Similarly, Atul Auto also decreased by 0.34% than the year 2017-18. For last two years, the firms were failed to manage its NPR. The TVS Motors consistently declined for last two years. This year the NPR was reduced by 0.69%. Force Motors was doing loss in NPR after 2016-17. Again for this year the firm declined by 0.26% this year. Hero Moto Corp has failed again in this year. The firm has declined 1.42% compare to last year's gap. The firm has done almost double loss. Eicher Motors Ltd has balanced its NPR this year. The firm has managed its NPR than last year. The firm has gained by 1.85% than last year.

Financial year 2018-19 was stable for automobile sector. During this year first time Tata Motors has gained in NPR. In examining of ten companies six were did loss in NPR. Financial year 2019-20 was more complex and difficult for automobile sector. During this year only three players were getting success in going their NPR. It shows that 70% of the firms were failed. Maruti Suzuki Ltd has declined by 1.24% in NPR. This year the NPR of firm was recorded 7.49%, which was 8.71% last year. For last three years the firm was failure in managing NPR. Tata Motors has a great loss in net sales. The firm has declined NPR and recorded as -16.59% in this year. Mahindra and Mahindra has declined in NRP. The firm has highest defeat value of 6.02% in NPR this year. Similarly, Ashok Leyland has declined by 5.45% in NPR. Both the firms were facing highest loss in net profit during last seven years. Bajaj Auto has gained 1.59% in NPR value. Atul Auto has also gained 0.41%. The firms were failed to manage NPR in the year 2017-18, which was balance after two years. TVS Motors again failed and has reduced NPR of 0.08%. Force Motors consistently declined in NPR since 2016-17. This year the firm has declined by 2.15% than last year. The gap of reduction in NPR of firm shows failure of management of firm in sales, related expenses and net profit. Hero Motor Corp gained as 2.54% than last year. Eicher Motor Ltd has no change in NPR values for last two financial years.

Table 1.3 represents the Net profit ratio, average net profit ratio and CV value of selected automobile companies for the period under study. The highest net profit was 20.97 percent for Eicher Motors in 2019-20 and lowest net profit ratio was (-) 16.50 percent for Tata Motors in 2019-20 among the selected units during the period of the study. The highest average net profit ratio was 20.4 percent for Eicher Motors and lowest average net profit was (-) 4.73 for Tata Motors during the study period. The highest CV value of net profit ratio was 74.65 percent for Ashok Leyland and followed by Force Motors 31.57 percent, M & M Ltd. 28.3 percent and lowest CV value of net profit was (-) 157.09 of Tata Motors. Thus, it reveals that the profitability of Atul Auto

and Eicher Motors was remained consistence during the period understudy. An assumption is made to examine the inferred valued of derived ratios. Thus, application of an ANOVA is to be used. To determine the hypothetical approach following hypothesis is laying down and examined for testing the variability between the variables.

It is necessary to examine the micro level study of the firms. Thus, for each of the years starting form 2013-14 to 2019-2020 the comparative analysis is taken to conclude the study.

To examine the inferential aspects of the firms the statistical hypothesis is stated as follows:

H0: There is no significance difference between NPR during financial years 2013-14 to 2019-20. $1'vsz$

H1: There is a significance difference between NPR during financial years 2013-14 to 2019-20. Table 1.2 is presented for Analysis of Variance for Net Profit Ratio as follows.

Source of Variation	SS	df	MS	F	P-value	F crit
Variation in Companies	3063.37	9	340.37	43.03	0.00	2.04
Error	474.63	60	7.91			
Total	3538.01	69				

The statistical hypothesis is tested by using F-test. The results of F test based on sum of square and mean sum of square is calculated as 43.02 (F_{cal}), which is higher than the significance value critical value (F_{crit}). It is observed that $F_{cal} > F_{crit}$ ($43.03 > 2.04$). Higher the value of calculated rejects the null hypothesis. Thus, it is concluded that there is a significance difference between NPR during financial years 2013-14 to 2019-20. The study is derived for the Indian automobile sector for financial year 2013-14 to 2019-20. An applications of gap analysis, graphical presentations and inferential statistics are applied. Following are the findings and conclusions of the study: While surveying the Net Profit Ratio for automobile sector an evaluation of initial two years shows that Eicher Motors Ltd led all the auto industry during financial year 2013-14. Bajaj Auto was remaining on second position later Eicher Motors Ltd. The said two firms were recorded with NPR over 15%. The third spot was obtained by Mahindra and Mahindra. The NPR of firm was shut to 10% in 2013-14. Considerably, the Ashok Leyland was standing toward the end in NPR for financial year 2013-14.

Compare to 2013-14, the NPR of 2014-15 have shown intriguing outcomes. Tata Motors, Mahindra and Mahindra and Bajaj Auto were getting fall flat in net benefit the executives. Contrast with last year every one of the three driving players have declined their net benefit. During the current year may be the industry were being neglected to deal with their deals related costs. The figures of NPR for Tata Motors plainly shown the greater disappointment of the firm in overseeing NPR in 2014-15. On other hand Ashok Leyland – recorded on last situation during financial year 2013-14. It remained on second last situation in 2014-15. It shows that the selling methodologies of firm has been turned out for the year 2014-15. Eicher has most elevated worth of NPR of 20% in the year 2014-15, has standing first in 2014-15. Yet, contrast with last year gap the firm has neglected to oversee net deals than Ashok Leyland. NPR insightful Bajaj Auto positioned on second situation in NPR yet the procedures of firm for net deals crushed it without anyone else. It shows disappointment of net deals the executives of the firm than the year before. Any remaining firms Maruti Suzuki Ltd, Atul Auto, TVS Motors, Force Motors and Hero Motor Corp were having consistent development in NPR. The industry were getting effective systems in overseeing net deals and related costs. Financial year 2019-20 was more mind boggling and hard for automobile sector. During this year just three players were getting achievement in going their NPR. The gap of decrease in NPR of firm shows disappointment of the executives of firm in deals, related costs and net benefit. Hero Motor Corp acquired than a year ago. Eicher Motor Ltd has no adjustment of NPR values for last two financial years.

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