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Performance Evaluation of Selected Automobile Companies with Special Reference to Tata Motors Ltd. and Mahindra & Mahindra Ltd.

Abstract

Monetary execution is a vital element that decides a company's productivity, long haul dependability, liquidity and is likewise a significance part of monetary gamble the executives. The appraisal of monetary execution can be accomplished by utilizing similar accounting report and benefit and misfortune examination, proportion investigation, pattern examination and so on. Monetary outcomes might be utilized to survey an organization's prosperity. India, with a development pace of 6.6 percent in the year 2022, is among the quickest developing economies in Asia. Producing area and agrarian areas possesses second and third spot as far as commitment to Gross domestic product separately. The vehicle business assumes a fundamental part in Indian economy in India with regards to work age, creation and deals. Vehicle area a vital driver of macroeconomic development. Progress of any association relies upon principally on administration of its money effectively; along these lines monetary execution assessment is assumes essential part. The point of the paper is to assess the monetary exhibition of

ORIGINAL ARTICLE



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select Auto Organizations utilizing proportions. The review is work area exploration and it depends on the optional information gathered yearly reports for a considerable length of time 2016-17 to 2020-21. The number of inhabitants in the review contains top 10 vehicle organizations recorded in BSE Ltd. as on 31-12-2021. The specialist has picked top three organizations based on turnover. The example organizations are Tata Motors Ltd and Mahindra & Mahindra Ltd. The extent of the review is restricted to the select organizations which are from four wheel passengers vehicles as it were. The information gathered for study were broke down utilizing proportion investigation and EVA examination. It is found that on a generally the monetary execution of select example vehicle organizations were in a sluggish speed, however Tata Motors Ltd and Mahindra & Mahindra Ltd. were steady and better in their monetary execution.

Key Words

Finance, Performance, Evaluation, Automobile, Tata Motors Ltd, Mahindra & Mahindra Ltd.

Introduction

The foundation of an organization is finance. It is fittingly alluded to as the “study of cash.” Finance is significant for the smooth activity of an organization. Each business’ arrangements, exercises, and choices are administered by finance. One of the most significant features of business is monetary administration. The essential preparation, coordinating, coordinating, and controlling of monetary endeavors in an association or establishment is alluded to as monetary administration. Monetary result is utilized by experts and financial backers to look at different organizations in a similar industry or to analyze enterprises or areas all in all. A business’ gamble and benefit are two key parts. An organization’s monetary presentation is commonly estimated by a bunch of proportions or rates, but in this review, three proportion boundaries were utilized to ascertain monetary execution: dissolvability proportion, benefit proportion, and effectiveness proportion [1] [2].

The strategy for inspecting and investigating an organization’s budget reports (like the equilibrium sheet or benefit and misfortune proclamation) to get a superior comprehension of the organization’s monetary wellbeing and to settle on additional educated choices. Fiscal summaries contain monetary information, nonetheless, to be more significant, this information should be broke down through fiscal report examination. Monetary investigation is a strategy for deciding the practicality, soundness, and productivity of an organization. The fiscal reports address the financial occasions and exercises that influence a business and that can be changed over into bookkeeping figures.

Benefit is the motor that pushes an organization forward. Any firm or business undertaking ought to be Adequately beneficial to flourish and succeed over the long haul. Productivity suggests capacity to make benefit from every one of the business tasks of a substance, company, firm, or an undertaking. It shows the way that actually the executives can profit from utilizing all suitable business capital. The auto business has a strong multiplier impact of modern development due to its forward and in reverse connections with numerous principal portions of the economy. Throughout the span of the year, the business has advanced, confronting difficulties like change, combination, rebuilding, and adjusting to the new climate. India, with a development pace of 6.6 percent in the year 2022, is among the quickest developing economies in Asia in the midst of a worldwide lull set off by a huge energy shock because of the continuous Russia-Ukraine struggle, according to The Association for Financial Participation and Improvement (OECD). Improvement of economy relies upon different areas; as of now administration area overwhelms with most elevated commitment to GDP (Gross domestic product) than others areas. Area offered more than 50% to India s Gross domestic product, featured the Financial Overview 2021-22. Producing area and agrarian areas possesses second and third spot as far as commitment to Gross domestic product separately. The assembling GVA at current costs was assessed at US\$ 77.47 billion in the second from last quarter of monetary year 2022 and has contributed around 16.3 percent. India will be a worldwide assembling center point and by 2030. According to the financial overview reports, assessed work in assembling area in India was 5.7 crore in 2017-18, 6.12 crore in 2018-19 which was additionally expanded to 6.24 crore in 2019-20 [2] [3] [4].

Hence, as far as business age fabricating area gives more work than the agrarian area. Fabricating areas comprises of seven center ventures engaged with creation of coal, concrete, power, treatment facility items, manures, steel, and petroleum gas. The vehicle business assumes a fundamental part in Indian economy in India with regards to work age, creation and deals. Further, it creates different ventures through obtainment of unrefined substance like glass, elastic, steel, metal, plastic, petrochemicals, etc. Consequently, car area a vital driver of macroeconomic development. Progress of any association relies upon principally on administration of its money effectively; along these lines monetary execution assessment is assumes essential part. Indeed, even the Indian auto industry today works as far as the elements of an open market like the car and the auto-part ventures, which comprise the car business, display a decent equilibrium of homegrown and unfamiliar players. For the improvement of an economy advanced transport framework is exceptionally fundamental. As India s transport network is creating at a quick speed, Indian Car Industry is developing as well. Likewise, the

Car business has solid in reverse and forward linkages, and thus gives work to an enormous piece of the populace. In this way, auto industry assumes crucial part in Indian economy. In the quantity of Car industry incorporates bikes, three wheelers, business vehicles and traveler vehicles. An Exploration plan a legitimate and deliberate arrangement arranged for redirecting an examination study. It determines the targets of a review, the philosophy and strategies to be taken on for accomplishing the goal. It includes plan for assortment of information and examination of information. It is an arrangement, construction and procedure of examination, Considered to get reply to investigate. An Exploration configuration is the issue that directs the examination during the time spent gathering breaking down and deciphering perception [4] [5] [6] [7].

Review of Literature

The assortment of surveys has been produced using concentrates on attempted by the academician, financial analyst professionals to time. The gathered survey of writing assisted the specialist with outlining the applicable extension for the review.

Ramachandra Reddy and Yuvaraja Reddy (2016) inspected the impact of chosen factors on market esteem added (MVA). This study was led with 10 concrete organizations in India and the goal of this study was to analyze the impact of select factors on MVA. For this reason, Various Relapse method has been utilized to test the impact of select factors on MVA. The investigation discovered that none of the elements is found to affect MVA and EPS is found to altogether affect MVA. They thought that productivity execution of test concrete units should be possible with cost decrease and modernization. Organizations which acquire better yields than cost of capital are making shareholder s esteem. This method to gauge execution of an organization is much better than that of benefit after charge (PAT), income per share (EPS) and Return on resources (ROA).

Pratapsinh Chauhan (2012) analyzed the shareholder s esteem creation in the Indian petrol industry. The review intends to break down the exhibition of the organization we have isolated oil into public area firm and confidential area firms. The Information connecting with EVA, MVA, NOPAT, PAT, Market Capitalization and EPS information gave by CMIE Ability data set to the time of 10 years (2001-02 to 2010-11) for seven organizations. The connection relationship finds between EVA, MVA, NOPAT, PAT, EPS and Market Capitalization and furthermore to test speculation for „t test applied. EVA has been found to have critical connection with working benefit (Over powered), NOPAT, EPS, Market Capitalization and MVA figures of firms of both the areas. The review infers that petrol organizations have made positive EVA and MVA all through the review period [7] [8].

Sharma and Kumar (2010) examined adequacy of Monetary Worth Included chosen organizations for the period d of 2001-02 to 2008-09. Specialist has utilized customary measures alongside EVA to gauge viability of the firm. The aftereffect of factual apparatuses uncovers that aside from few dominant parts of the example organizations can consistently make an incentive for their investors during the review time frame. The investigation discovers that EVA is acquiring fame in India as significant proportions of firm execution.

Asha (2009) in his doctoral exploration work examined monetary execution of Maruti Suzuki India Ltd. what's more, Hyundai Engines India Ltd. what's more, analyzed the outcomes. For this reason the scientist involved proportion investigation as monetary instrument and suitable measurable apparatuses for examination. The review depended on optional information and they were gathered from yearly reports and different sources. The review time frame was a decade from 1998-99 to 2007-08. The scientist portrayed key discoveries of the review and suggestions in his examination report.

A considerable lot of these variables like the standing of advertisers, the executives of the organization, monetary and political circumstances, job of bulls and bears, Government strategies, and so forth., are not quantifiable as they are subjective in nature. This study reasons that Organizations were found to contrast fundamentally in capital construction regardless of whether they have a place with a similar industry bunch or

various gatherings. This is a direct result of the way that the size of the impact of determinants of capital design differ from one organization to another. Hada, Teodor and Bãrbușă-Mișu, Nicoleta and Cãru, Mihai and Teodora, Avram. (2017) [8] [9].

The paper takes a gander at public organizations and their novel qualities, as well as the thought of progress overall and public organization execution specifically. Likewise, the organization of public establishments' patrimonial result accounts is inspected, and the patrimonial outcome is proposed as an exhibition measure for public establishments. At last, the paper examines a contextual investigation including monetary execution survey of a public foundation, City Lobby.

Hosen, Md Saikat. (2018). Monetary Execution Examination of Drug Industry in Bangladesh. The proposition looks at the progress of a drug firm in Bangladesh. The essential objective is to examine the proportions of four drug organizations in Bangladesh (Guide, ACI, GSKSmithkline, and Square Drug Restricted). Liquidity proportions, resource the board proportions, productivity proportions, market esteem proportions, and obligation the executives proportions are completely examined, and the best exhibition of the four not set in stone.

Zhang, Xiao-Bing and Duc, Tran Phuong, Mutuc, Eugene Burgos and Tsai, Fu-Sheng. (2021). Scholarly Capital and Monetary Execution: Examination with Monetary furthermore, Drug Enterprises in Vietnam. Wildernesses in Brain research. This examination investigates the impacts of scholarly capital on monetary execution in terms of return on resources (ROA) and return on value (ROE) utilizing Worth Added Scholarly Capital (VAIC) and its parts: human resources effectiveness (HCE) and fundamental capital effectiveness (SCE) (ROE). Moreover, this report thinks about the impacts of monetary and drug organizations [9] [10] [11].

Research Gap

After a careful of survey of writing, it was found that many examinations have been embraced on the monetary execution assessment and Financial Worth added Investigation wherein the examination were made either just on monetary execution or monetary worth included examination Chose Vehicle Ventures. Yet, the scientist ought to has concentrated on both monetary execution and financial worth added examination by and large. In India, This study has been directed on three Indian Vehicle monsters to be specific Tata Motors Ltd and Mahindra & Mahindra Ltd. Restricted by considering the information for quite some time system beginning From Monetary Year 2016-17 to 2020-21.

Here present the paper, and put a classification if fundamental, in a container with a similar text dimension as the remainder of the paper. The passages go on from here and are just isolated by headings, subheadings, pictures and formulae. The segment headings are organized by numbers, striking and 9.5 pt. Here adheres to additional guidelines for creators.

Statement of the Problem

India is one of the main car maker and exporter on the planet. Auto industry is developing at high rate during the new ten years. Car industry goes about as the foundation of transportation of a country; from travelers to coordinated factors it helps in simplicity of development the country over. The Indian vehicle industry has played out an increase in deals. During the period from April 2000 to 2015, the Car Business has drawn in FDI of US \$12,232.06 billion according to the information reported by Branch of Modern Approach and Advancement (DIPP). The car area is viewed as generally significant for a monetary turn of events. That's what the overall origination is, expanding in monetary execution will affect on hierarchical execution. The investigation of yearly explanation is cycle of looking at the connection between the comprehension of firm s monetary position and execution though Financial worth added depends on the partners „approach that is worried about expanding the abundance of clients, providers, society and furthermore investors. It proportion of company s monetary execution in view of the leftover abundance determined by deducting its expense of

capital from its working benefit. In this manner, present concentrate mostly center around looking at the monetary exhibition and significance of Financial Worth Added (EVA) technique for Auto Businesses are India is one of the main car maker and exporter on the planet. Auto industry is developing at high rate during the new ten years. Car industry goes about as the foundation of transportation of a country; from travelers to coordinated factors it helps in simplicity of development the country over. The Indian vehicle industry has played out an increase in deals. During the period from April 2000 to 2015, the Car Business has drawn in FDI of US \$12,232.06 billion according to the information reported by Branch of Modern Approach and Advancement (DIPP). The car area is viewed as generally significant for a monetary turn of events. That's what the overall origination is, expanding in monetary execution will affect on hierarchical execution. The investigation of yearly explanation is cycle of looking at the connection between the comprehension of firm's monetary position and execution though Financial worth added depends on the partners „approach that is worried about expanding the abundance of clients, providers, society and furthermore investors. It proportion of company's monetary execution in view of the leftover abundance determined by deducting its expense of capital from its working benefit. In this manner, present concentrate mostly center around looking at the monetary exhibition and significance of Financial Worth Added (EVA) technique for Auto Businesses are Goodbye Engines, Maruti Suzuki and Hyundai Engines help to the partners to pick better venture choice help to the partners to pick better venture choice [12] [13] [14] [15].

Aim of the Paper

The aim of the paper is to evaluate the financial performance of selected Automobile Companies using ratios and EVA.

Research Design

The review is work area exploration and it depends on the optional information. The number of inhabitants in the review contains top 10 vehicle organizations recorded in BSE Ltd. as on 31-12-2021. The specialist has picked top three organizations based on turnover. The example organizations are Tata Motors Ltd and Mahindra & Mahindra Ltd.. The extent of the review is restricted to the four wheel passengers vehicles as it were. The information gathered for study were broke down utilizing proportion investigation and EVA examination.

Analysis and Discussion

The information gathered is examined utilizing liquidity, dissolvability, action, productivity and monetary worth added proportions.

Liquid Proportions

Liquidity position of an organization passes its capacity on to pay at present developing commitments without loss of the organization picture. The main proportions used to concentrate on the liquidity position of an organization are Current proportion and Speedy proportion.

Current Proportion

This alludes to the connection between current resources and current liabilities. It assists measure the capacity of a business with worried to meet its momentary commitments that are expected soon. It is otherwise called working capital proportion. It is most ordinarily utilized measure to look at momentary monetary place of a business concern. 2:1 is viewed as ideal proportion.

Speedy Proportion

This shows the connection between fluid resources and current liabilities. It alludes how much a business worry to meet its momentary commitments with its most fluid resources. As such, it estimates the extent of a business' ongoing liabilities that it can meet with money and resources that can be promptly switched over

completely to cash. It is otherwise called analysis proportion. The proportion of 1:1 is viewed as great. Table 1 gives the liquidity position of select organizations [15] [16].

Table 1: Liquidity Ratios (in Times)

Year	Tata Motors		Mahindra & Mahindra Ltd.		Automobile industry (Consolidated)	
	CR	QR	CR	QR	CR	QR
2016-17	1.01	0.71	0.66	0.42	1.13	2.60
2017-18	0.95	0.57	0.51	0.31	0.98	2.14
2018-19	0.85	0.58	0.87	0.64	1.05	2.43
2019-20	0.85	0.58	0.75	0.46	1.00	2.26
2020-21	0.93	0.70	1.15	0.32	1.15	2.22
Average	0.92	0.63	0.79	0.43	1.06	2.33

(Source: www.moneycontrol.com)

From Table 1 we can see that the typical current proportion of select organizations is not exactly the business normal, with the exception of Tata Motors Ltd. Current proportion of select companies and industry is not exactly standard proportion 2:1 in every one of the years under reference. Current proportion of Mahindra & Mahindra Ltd. further developed over the review period and other two companies proportion declined. At the point when we take a gander at the fast proportion all the three companies and vehicle industry speedy proportion shown declining pattern over the review period. Tata Motors Ltd proportion is above standard proportion 1:1. However, industry is in awesome situation in respecting current liabilities.

Solvency Ratios

Divisibility proportions assists measure an association's monetary situation from a drawn out dissolvability with pointing of view, all the more explicitly the reimbursement of obligation head and interest cost. These proportions can be involved by the moneylenders for assessing imminent borrowers monetary gamble and decide financial soundness. There are three: Obligation Value proportion, Restrictive proportion, and Interest Inclusion proportion.

- **Debt-Equity Ratio (DER)** (DER) shows connection between long haul acquired reserves (obligation) and shareholders reserves (value) is a well known proportion of long haul divisibility of a firm. This relationship is shown by obligation value proportion. Long haul obligation is monetary commitments which have a reimbursement time of more noteworthy than one year. Long haul obligation is partitioned by value to get the proportion. Albeit standard proportion differs from one industry to another, a DE proportion of around 2 or 2.5 is by and large thought to be great [16] [17] [18].
- **Interest Coverage Ratio (ICR)** shows how much Income before Interest and Charges (EBIT) accessible for installment of interest costs. The proportion estimates the capacity of an organization to pay the interest on its remarkable obligation on time. It is utilized by banks. The higher proportion, the lower the possibilities of defaults and demonstrates the sound monetary wellbeing. A few loan specialists and lenders look for the proportion multiple times.
- **Proprietary Ratio (PR)** shows the extent of a company's all out resources for its shareholders reserves. It demonstrates the part of absolute resources supported by owners reserves. Complete resources are the resources. Shareholders value is partitioned to get complete resources. Table 2 presents divisibility proportions of test organizations.

Table 2: Solvency Ratios (In Percentage)

Year	Tata Motors			Mahindra & Mahindra Ltd.			Automobile industry (Consolidated)			
	DER	ICR	PR	DER	ICR	PR	PR	DER	ICR	PR
2016-17	1.28	1.93	0.21	0.32	1.67	0.71	0.42	0.59	2.56	0.45
2017-18	0.82	1.96	0.29	0.08	0.40	0.71	0.14	1.03	1.13	0.48
2018-19	1.51	-0.30	0.20	0.10	1.68	0.74	0.16	7.59	2.99	0.43
2019-20	1.58	-1.06	0.20	0.07	0.88	0.78	0.17	2.50	0.77	0.45
2020-21	2.08	0.41	0.16	0.33	1.56	0.74	0.13	12.18	4.72	0.42
Average	1.45	0.59	0.21	0.18	1.24	0.73	0.15	5.48	2.43	0.44

(Source: www.moneycontrol.com)

Table 2 shows that the typical obligation value of every single chosen organization and merged position is less than twice as much as from Tata Motors Ltd. Tata Motors Ltd contrast with different organizations dealing with the monetary exercises by raising their capital through Obligation more than Value. Mahindra & Mahindra Ltd. involved greater value in capital design making security net for moneylenders; also, Tata Motors Ltd utilize more obligation, however it is not exactly the standard proportion which is dangerous for lenders.

In any case, Tata Motors Ltd has only 50 paise for each one rupee of interest cost. Mahindra & Mahindra Ltd. is in great situation with 1.24 paise for everything about of interest installment. On a normal, the business is equipped for respecting interest installments. Exclusive proportion of all companies on a normal shows (Table 2) that the proportion is short of what one demonstrating the value reserves are not adequate in supporting complete resources. All in all, all out resources were supported with value as well as obligation reserves.

Activity Ratio

Movement proportions are very not the same as the liquidity and action proportions. Movement proportions are utilized to decide the proficiency of the association in using and dealing with its resources/assets to produce most extreme conceivable income. Put in straightforward, movement proportions demonstrate the proficiency of a firm in everyday business tasks. We utilized three proportions: stock turnover, account holders' turnover, and fixed resources turnover.

- **Inventory Turnover Ratio (ITO)** proportion demonstrates the times at which stock is changed over in to deals throughout a particular measure of time. It is determined by separating the expense of merchandise sold by the normal stock. It is otherwise called stock speed. A high proportion is generally positive, as it demonstrates diminished capacity and other holding costs; in any case, could show deficient stocking that is costing the organization deals. Put in straightforward, a high stock turnover proportion demonstrates that a business deals with its stock quite well.
- **Debtors Turnover Ratio (DTO)** shows how productively debt holders are changed over in to cash during a year. It shows how rapidly the credit deals are changed over into the money. Credit deals isolated by normal exchange receivables to get debt holders turnover proportion. A higher debtor s turnover proportion demonstrates that the business can gather its receivables sum many times over in a specific period.
- **Fixed Assets Turnover Ratio (FATO)** measures the proficiency at which an organization is fit for using its drawn out fixed resources base to create income. Net deals income is partitioned by fixed resources. Fixed resources can incorporates Structures, PC, hardware, programming, furniture, land apparatus and vehicles. There is no exact standard proportion. Organizations want a high proportion demonstrating that resources are being utilized productively, bringing about critical number of deals, more significant yields on resources. Be that as it may, turnover can be high when a firm re-appropriate

its exercises and keeps up with deals income. It helps in boosting profit from fixed resources and speculation [17] [18] [19].

Table 3: Activity Ratios (In Times)

Year	Tata Motors			Mahindra & Mahindra Ltd.			Automobile industry (Consolidated)		
	ITO	DTO	FATO	ITO	DTO	FATO	ITO	DTO	FATO
2016-17	5.96	19.51	2.09	15.79	56.61	1.58	9.78	33.14	1.53
2017-18	5.85	17.35	1.83	18.48	54.53	1.53	10.70	32.64	1.42
2018-19	5.83	15.53	2.12	20.39	37.21	1.67	11.37	27.93	1.56
2019-20	5.34	17.31	1.61	19.53	35.52	1.37	10.77	27.81	1.27
2020-21	5.28	20.95	1.57	17.68	54.98	1.33	10.43	37.50	1.24
Average	5.65	18.13	1.84	18.38	47.77	1.50	10.61	31.80	1.40

On a normal auto industry recorded 10.61 times (Table 3) stock turnover proportion. Mahindra & Mahindra Ltd. ITO is over the business and different organizations under study. It shows that the Mahindra & Mahindra Ltd. had the option to change over the stock into cash rapidly and in this manner diminishing block of assets in stock; diminishing conveying and stockpiling cost of stock. Debtor s turnover proportion of industry is remained at multiple times (Table 3) demonstrating car industry is productive in gathering account holders on time. As expected Mahindra & Mahindra Ltd. involves ahead of everyone else with 47.77 times followed by Hyundai and Goodbye Engines. It demonstrates that sum from indebted person is being gathered all the more rapidly and less gamble from Awful obligations contrast with others. Fixed resources turnover proportion of industry is recorded 1.4 times, which is ordinarily less. The comparative proportion was recorded at Tata Motors Ltd and Mahindra & Mahindra Ltd.

Profitability Ratios

Productivity proportions are utilized to assess a company s ability to procure benefit from its tasks. Benefit proportions show how well a business creates benefit and an incentive for its investors. Productivity proportions can be determined based on either deals or speculations. The benefit proportions utilized in this study are Net Benefit Proportion; Net Benefit Proportion; also, Income per Offer (EPS). Table 4 gives the productivity execution of test organizations.

- **Gross Profit Ratio (GPR)** assists with knowing the extent of benefit created by the offer of items/ administrations, yet prior to deducting selling and regulatory costs. As such, it is the benefit accessible close by to cover the company’s working costs. The proportion is utilized to look at the capacity of firm in delivering items in a savvy way. Net benefit is separated by net deals to show up net benefit proportion.
- **Net Profit Ratio (NPR)** measures the connection between net benefit after expense and net deals of a firm. The proportion of net benefit after assessment to net deals communicates the expense value adequacy of the activity. Net benefit is separated by net deals to show up net benefit proportion. Net deals equivalents to deals short extract obligation.
- **Earnings per Share (EPS)** is determined by separating income accessible to investors (net benefit after assessment and inclination share profit) by number of exceptional value shares. Net Benefit accessible to investors alludes benefit or shortfall after personal expense, minority interests and uncommon things [18] [19] [20].

Table 4: Profitability Ratios (In Percentage)

Year	Tata Motors			Mahindra & Mahindra Ltd.			Automobile industry (Consolidated)		
	ITO	DTO	FATO	ITO	DTO	FATO	ITO	DTO	FATO
	GP	NP	EPS	GP	NP	EPS	GP	NP	EPS
2016-17	25.16	2.76	22.00	25.49	11.03	24.86	22.96	6.17	46.11
2017-18	23.39	3.05	26.00	24.96	9.87	26.09	21.33	4.87	28.81
2018-19	21.66	-9.55	-85.00	22.56	8.89	25.33	20.30	0.78	3.11
2019-20	21.77	-4.62	-35.00	19.18	7.50	18.80	19.57	1.58	5.69
2020-21	22.34	-5.38	-37.00	17.31	6.24	14.53	19.43	1.90	31.10
Average	22.86	-2.75	-21.80	21.90	8.71	21.92	20.72	3.06	22.96

(Source: www.moneycontrol.com)

Table 4 Demonstrates Tata Motors Ltd and Mahindra & Mahindra Ltd. are having most elevated net benefit proportion comparable to the car business, showing that these organizations are effective in delivering their items and have adequate assets for paying selling and regulatory costs and develop their business. However the net benefit is extremely less in single digit, the proportion of chosen organizations more than the business normal with the exception of Tata Motors Ltd. It shows that the benefit making organizations are in better situation to adapt up market difficulties like Cost, Low interest and so on opposite side Tata Motors Ltd not well-positioned to win monetary condition due to its overall deficit for because of exceptionally stifled execution of their Extravagance Vehicle Panther Land meanderer and business vehicles business around the world and confronting exchange disturbance due to Coronavirus pandemic. Income per portion of chosen organizations Mahindra & Mahindra Ltd. is comparable to the business . Tata Motors Ltd bringing about misfortunes.

Economic Value Added Analysis

The EVA expects to quantify the worth added by the firm during a given time frame. EVA perceives that this making of significant worth must be estimated after the firm has restored cost to the individuals who added to the capital arrangement and banks. EVA is the monetary presentation measure that draws nearer than some other to catching the genuine financial benefit of an undertaking. In current financial matters and money region, EVA holds a significant part that has less discussion among experts. It is the presentation measure generally straightforwardly connected to the production of investors abundance over the long run. Investors are particularly fussy for their premium into the business and they like administration to concoct unmistakable arrangement. EVA can be taken as the net working benefit short a proper charge for the open door cost of all the capital put resources into an endeavor. Cost of capital utilized is deducted from Net Working Benefit after Duties is to get EVA. Emblematically, NOPAT - WACC* Capital Utilized. Table 5 gives EVA of select organizations.

Table 5: Economic Value Addition of Select Automobile Companies (in Crores)

Year	Tata Motors Ltd.	Mahindra & Mahindra Ltd.
2016-17	-4120.11	-442.18
2017-18	500.53	4092.31
2018-19	-36006.60	-2657.32
2019-20	-13910.88	-4518.46
2020-21	-40575.78	-21333.53

Table 5 presents EVA of chosen organizations. No example company s execution is great based on EVA during the review time frame, aside from one year 2017-18. In this year Tata Motors Ltd and Mahindra

& Mahindra Ltd. EVA. These organizations obliterating the abundance of the investor have a high value cost and the benefit isn't sufficient to take care of the value expense. The accompanying discoveries have been drawn from the doing without investigation and conversation:

- Current proportion of all the three example organizations is underneath the standard proportion 2:1. At the point when we take a gander at the Fast Proportion of Tata Motors Ltd and Mahindra & Mahindra Ltd. was bad contrast with Hyundai Engines [19] [20] [21].
- Debt Value Proportion of chosen organizations not exactly the business normal with the exception of Tata Motors. Tata Motors overseeing monetary exercises through obligation capital as opposed to value contrast with other. In Interest Inclusion Proportion organizations not exactly the business normal, with the exception of Hyundai engines. Proprietary proportion of chosen organizations has a decent situation in Mahindra & Mahindra Ltd. contrast with different organizations. Goodbye engines raising capital through Obligation as opposed to Value. Net benefit of chosen organizations Mahindra & Mahindra Ltd. in great position contrast with residual Organizations. Be that as it may, Tata Motors Ltd have Overall deficit because of Coronavirus.
- Earnings per Portion of chosen Organizations Tata Motors Ltd from 2018-19 to 2020-21 monetary year there is no Income per Offer Contrast with outstanding organizations. In terms of EVA, no example company's execution is great based on EVA during the review time frame, aside from one year 2017-18. In this year Tata Motors Ltd and Mahindra & Mahindra Ltd. EVA. These organizations obliterating the abundance of the investor have a high value cost and the benefit isn't sufficient to take care of the value expense [22] [23].

Conclusion

On a generally the monetary execution of select example auto organizations, the review reasons that however the car business was in a sluggish speed Mahindra & Mahindra Ltd. Engines were as yet steady and better. However, Tata Motors Ltd have been in misfortune and not performed well since most recent five years. The discoveries of the review propose that the dissolvability and liquidity position ought to be altogether moved along. EVA as the best addresses the market worth of organization in contrast with regular execution measures. EVA guarantees long haul endurance and manageability of any endeavor. The business can't be supported without adding financial worth the select Auto Organizations can't produce return which is sufficient to add monetary worth. The gamble opposed financial backers ought to be alerts prior to settling on venture choice select Car Organizations. As a result, stockholders will take risks with their investments. They will receive a healthy return, and their investments will be safe and stable.

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