INTERNATIONAL RESEARCH STARS
ISSN: 2583-276X (Online)
Volume: 4, Issue: 1, Jan -March, 2025

A STUDY ON FINANCIAL RATIO ANALYSIS WITH REFERENCE TO TVS MOTORS PVT . LTD ,NELLORE

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ABSTRACT

This practice involves the evaluation of various financial ratios derived from a company's financial statements, such as the balance sheet, income statement, and cash flow statement. The main objective of any company is profitable growth of enterprise to maximize the wealth of its shareholders. Analysis and interpretation of financial statements help in determining the liquidity position, benchmarks and historical performance, offering insights into relative strengths and weaknesses. This research aims to evaluate financial viability and using of ratio analysis in the organization is being compared for five years from (2019- 2024).

profitability, efficiency and long-term solvency a firm. Ratio is an accounting technique to know the financial position of the business unit. Ratio analysis is a fundamental tool utilized by companies to assess their financial performance and make informed decisions. It enables management to gauge the company's profitability, liquidity, solvency, efficiency, and overall financial health. It facilitates comparisons with industry.

Keywords: Activity, Balance-Sheet, Financial Statements, Income Statement, Leverage,

INTRODUCTION

Ratio analysis is a powerful tool of financial analysis. A ratio is defined as “the indicated quotient of two mathematical expressions” and “the relationship between two or more things”. In financial analysis, a ratio is used as a benchmark for evaluation the financial position and performance of a firm. The absolute accounting figures reported in the financial statements do not provide a meaningful understanding of the performance and financial position of a firm. An accounting figure conveys meaning when it is related to some other relevant information. For example, an Rs.5 crores net profit may look impressive, but the firm’s performance can be said to be good or bad only when the net profit figure is related to the firm’s Investment.

The Indian automobile industry in 2025 is showing signs of steady growth, driven by increased demand for SUVs and electric vehicles. Carmakers reported a 2% rise in sales to dealers, marking a record 4.3 million units sold. Though overall growth has slowed compared to previous years, the SUV segment continues to dominate. The electric vehicle (EV) market is gaining momentum, with companies planning multiple new launches featuring longer

ISSN: 2583-276X (Online)
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ranges and fast charging. However, EVs still account for only 2.5% of total annual sales. To support EV adoption, firms like Maruti Suzuki are setting up fast-charging networks and exploring battery rental services. Government initiatives are also promoting green mobility through reduced import duties and production incentives. Meanwhile, automakers are adopting technologies for supply chain optimization and sustainable manufacturing. India is also pushing alternative fuels like CNG and hydrogen to reduce environmental impact. These efforts align with India's goal of phasing out internal combustion engine vehicles by 2030.

The automobile industry is a major contributor to India's GDP, accounting for about 7% of the total output. It drives industrial growth by supporting various sectors like steel, rubber, glass, and electronics. The industry attracts substantial foreign direct investment (FDI), boosting international trade and technology transfer. It generates large-scale employment, both directly in manufacturing and indirectly in services. Automobile exports contribute significantly to India's foreign exchange earnings. Overall, it acts as a catalyst for economic development and modernization..

The automobile industry significantly impacts society by enhancing mobility and connectivity, enabling faster and more efficient transportation. It creates millions of job opportunities across manufacturing, sales, services, and logistics. The industry supports urbanization and infrastructure development, contributing to economic growth. It improves access to education, healthcare, and employment, especially in rural and remote areas. With advancements in safety and emission technologies, it promotes safer and greener transportation. Overall, the industry plays a vital role in improving the quality of life and driving social development.

TVS Motor Company, the flagship company of TVS Group, is the third largest two-wheeler manufacturer in India. The company manufactures a wide range of two-wheelers from mopeds to racing inspired motorcycles. The company also manufactures three-wheelers. The company has an annual production capacity of 4 million 2 wheelers & 120,000 three wheelers. It is one of the leading two-wheeler and three-wheeler exporters from India, distributing to over 60 countries. The company has manufacturing plants located at Hosur in Tamil Nadu, Mysore in Karnataka and Nalagarh in Himachal Pradesh. It also has one manufacturing unit located at Karawang in Indonesia.In the year 1979, TVS Group company Sundaram-Clayton Ltd started Moped Division at Hosur to manufacture TVS 50 mopeds. In the year 1982, the company entered into a technical know-how and assistance agreement with Suzuki Motor Co Ltd of Japan and in the year 1985, they incorporated a new company

ISSN: 2583-276X (Online)
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Lakshmi Auto Components Pvt Ltd for the manufacture of critical engines and transmission parts.

The TVS group and Suzuki Motor Corporation parted ways from their 15-year-old joint venture on September 27, 2001. The shares held by the Suzuki Motor Corporation were acquired by Anusha Investments Ltd, a wholly owned subsidiary of Sundaram-Clayton Ltd for Rs 9 crore. Thus, the company became a subsidiary of Sundaram-Clayton Ltd with effect from November 15, 2001. Since, Suzuki Motor Corporation ceased to be a shareholder of the company, the company cannot use the word 'Suzuki' as the part of their name and hence the name of the company was changed to TVS Motor Company Ltd. .During the year 2002-03, the new stylish TVS Scooty Pep and the upgraded version of Fiero was launched in the market. In April 1, 2003, the subsidiary company namely, Lakshmi Auto Components Ltd acquired the entire paid up capital of Sundaram Auto Components Ltd. Consequently, Sundaram Auto Components Ltd became a subsidiary company with effect from April 1, 2003.

LITERATURE REVIEW

Bliss, J. H. (1923) Bliss introduced the concept of using financial and operating ratios as important tools in managerial decision-making. He explained how ratios could measure a firm's efficiency, liquidity, and profitability. The book emphasized practical applications of these ratios in analyzing company performance. Bliss categorized financial data in a way that helped managers draw relevant conclusions. His work was pioneering in offering a structured approach to ratio analysis. It laid the groundwork for modern financial analysis methods in management.

Chabotar, K. J. (1989)Chabotar adapted financial ratio analysis to non-profit institutions, an area often overlooked in financial literature. He discussed how standard ratios could be modified to suit organizations that do not focus on profits but on mission-driven performance. The article explored budgeting, efficiency, and liquidity indicators for non-profits. It helped organizations like universities and healthcare providers understand their financial condition. His contribution widened the scope of ratio analysis beyond the corporate world. This work is foundational in non-profit financial management.

Economic Statistics of Japan (1963)This report by the Bank of Japan applied ratio analysis at a national economic level. It presented financial statistics and ratios to evaluate Japan's economic condition during the post-war period. The focus was on understanding growth, inflation, and productivity through financial indicators. It provided macro-level insights for policymakers and economists. The document helped guide fiscal policy and economic

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planning. It stands as an early example of applying ratio analysis beyond companies to national economies.

Gonzalez, B. M. (2007)Gonzalez developed a model combining prior ratio analysis with Data Envelopment Analysis (DEA) to improve organizational performance evaluation. He proposed that conducting a ratio analysis before DEA leads to better variable selection and more accurate results. The study addressed a key challenge in operational research—how to measure efficiency accurately. His two-stage approach improved the relevance of data inputs and outputs. This paper linked accounting with operations management. It is widely used in performance benchmarking and efficiency studies.

Horrigan, J. O. (1965)horrigan critically examined the statistical foundation of financial ratios. He questioned whether commonly used ratios actually held empirical significance in real-world business contexts. By analyzing historical data, he identified which ratios were most predictive of financial outcomes. This study challenged the blind acceptance of traditional ratios in accounting practice. His findings contributed to a more scientific and evidence-based use of financial ratios. Horrigan's work is key in validating the reliability of financial metrics.

Jean Nataf (1957)Jean Nataf proposed a new way of interpreting financial ratios by considering economic and industrial contexts. His work, under the European Productivity Agency, emphasized standardizing ratio practices across European countries. Nataf highlighted how ratios must be adapted for different sectors and environments. He encouraged using ratios not just for internal management but also for international comparisons. The study supported productivity reforms in post-war Europe. It played a role in shaping European accounting harmonization.

Martin, L. L. (2002)Martin analyzed the Levered Price/Earnings (P/E) ratio, offering insights into how leverage impacts company valuation. He differentiated it from the traditional P/E ratio by including debt factors in the analysis. The study provided investors with better tools to assess risk and return. It explained how leveraged firms should be evaluated differently in the stock market. Martin's work is particularly useful for equity analysts and investment professionals. It advanced the understanding of financial ratios in capital markets.

N.N. Pai (1964)Pai focused on the managerial application of accounting ratios in internal decision-making. He demonstrated how ratios could help in evaluating operational efficiency, budgeting, and performance control. His study included practical examples from Indian firms, making it regionally relevant. The work bridged theory with business application,

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especially in cost accounting. Pai promoted the use of financial ratios as proactive tools, not just reporting metrics. It remains a key reference in Indian management accounting literature.

Patton, J. M. (1982)Patton explored the connection between financial ratio analysis and the theory of efficient markets. He examined whether financial ratios could reliably predict market behavior. The paper served as both an academic inquiry and a teaching tool in introductory financial accounting. Patton emphasized understanding the limitations and potential of ratio use. He argued for critical thinking in interpreting financial data. His work is valuable in both theoretical and educational contexts

R.G.H. Nelson (1960)Nelson discussed the role of financial ratios in both financial and cost accounting. He emphasized how ratios could be used across departments for budgeting, planning, and decision-making. The study provided examples from British industries to show real-world relevance. Nelson argued for consistency and clarity in the use of financial ratios. He encouraged accountants to integrate cost and financial data for better management. His work remains relevant in multi-disciplinary financial analysis.

R.K. Dalal (1956)halal explained the practical use of accounting ratios for Indian businesses and auditors. He detailed various ratios like liquidity, solvency, and profitability, and their relevance to business health. His article aimed at improving the understanding of financial statements among Indian accountants. Dalal emphasized the importance of clarity and accuracy in financial interpretation. The study helped build the foundation for accounting education in India. It remains a respected resource in historical Indian financial literature.

Radu Marginean, D. a. (2015) this study examined how structure ratios from the profit and loss account can be used to evaluate business performance. The authors focused on Romanian companies in a post-transition economy. They showed how ratios could identify financial strengths, weaknesses, and future risks. The paper connected traditional accounting tools with strategic business insights. It used modern data analytics approaches for interpretation. The study is relevant for performance evaluation in emerging markets.

RJ Chambers (1948) chambers emphasized the importance of correctly interpreting financial statements. He criticized the mechanical use of financial ratios without understanding their context. His work argued for a more analytical and thoughtful approach to financial reporting. Chambers called for reform in accounting education and practice. He supported standardized reporting and clear communication of financial data. His article is a foundational piece in Australian financial accounting development.

The literature highlights the strong financial performance and strategic financial management of TVS Motors over recent years. Multiple studies emphasize the company's strengths in key

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areas such as asset turnover, liquidity, profitability, and financial stability. Research confirms that TVS Motors has consistently maintained high efficiency in cost control, inventory management, and return ratios like ROCE. Post-COVID studies also reveal its resilience in managing short-term uncertainties and market volatility. The firm's low leverage, strong liquidity, and steady financial ratios have contributed to its reputation as a financially sound and investor-friendly automobile company.

While ratio analysis is widely used to assess a company's financial performance, there is a noticeable lack of recent and comprehensive studies focused on TVS Motor Company Ltd., especially in the context of the post-COVID era and the evolving automobile industry. Existing literature often overlooks comparative analysis with competitors and fails to incorporate recent developments like the shift toward electric vehicles and sustainability initiatives. Moreover, most studies rely on limited financial years or outdated data, lacking a longitudinal approach that captures performance trends. This creates a gap for updated, in-depth research that not only evaluates TVS Motor's financial health through ratio analysis but also aligns it with current market dynamics and industry benchmarks.

RESEARCH METHODOLOGY

Ratio analysis breaks down complex financial statements into simpler ratios, making it easier to understand a company's performance. It determines a company's financial health by assessing its profitability, liquidity, and risk. And it helps to compare the performance of two or more companies over time and to take decisions by suggesting patterns or comparisons of profits, it helps to forecast a company's future needs.

There are many financial analyses to know about the company position with respect to other companies. Among all the analyses, the study on ratio analysis the suitable one. The study is conducted on TVS Motor's. According to ratio analysis the company can came to know its financial position and other activities too about the profits to the share holders and on.

OBJECTIVES

- To examine the financial performance of the TVS Motor's, for the period of 2019 to 2024.
- To analyses interpret and to suggest the operational efficiency of the TVS Motor's, by comparing the balance sheet& profit & loss A\c.
- To critically analyses the profitability of the TVS Motor's, With Help of the ratios.

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This study adopts a descriptive research design to analyze the financial performance of TVS Motors Pvt .Ltd from 2019 to 2024. The design focuses on examining and interpreting financial statements using tools such as ratio analysis, trend analysis, and comparative financial statements. Secondary data has been collected from the company's annual reports, financial databases, and other reliable sources. The objective is to evaluate the firm's profitability, liquidity, solvency, and overall financial stability. The study employs quantitative techniques such as trend analysis, comparative ratio analysis, and statistical modeling to evaluate financial performance Qualitative techniques include interpretative analysis of financial reports and managerial insights. Collection of data is classified into primary and secondary data. Primary data consists of information from the discussion with the head of the departments, officials and staff of the department. Personal interviews with the finance department and their related field employees were done. Personal interviews also with General Manager (Finance) have been done The secondary data comprises of information obtained from the annual reports documents maintained by the TVS Motor's Pvt. Ltd, Chennai. The basic understanding of the objective referred from different publications from professional institutes in study one fourth of the total information obtained from Primary data and rest from secondary data. The collected financial data will be analyzed using various financial tools and techniques

- Ratio Analysis: Liquidity Ratios (Current Ratio, Quick Ratio)Profitability Ratios (Net Profit Margin, Return on Equity, Return on Assets)Efficiency Ratios (Inventory Turnover, Debtor Turnover, Asset Turnover)Solvency Ratios (Debt to Equity Ratio, Interest Coverage Ratio)
- Descriptive Analysis: Calculation of average, percentage change, and growth trends over the selected years.
- Comparative Analysis: Benchmarking TVS Motor's financial ratios against key competitors in the industry to evaluate relative performance.
- Graphical Presentation: Use of bar graphs and line charts to represent ratio trends clearly and visually over time

DATA ANALYSIS AND INTERPRETATION

Liquidity Ratio Liquidity refers to the ability of the firm to meet its short term obligations usually up to one year.

Current Ratio It may be defined as the relationship between current assets and current liabilities. This ratio is also known as working capital ratio. It is a measure of general liquidity and is most widely used to make analysis of a short-term financial position or

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liquidity of a firm. The standard current ratio is 2:1. The ratio is mainly used to give an idea of the company's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). The higher the current ratio, the more capable the company is of paying its obligations. A ratio under 1 suggests that the company would be unable to pay off its obligations if they came due at that point. The current ratio can give a sense of the efficiency of a company's operating cycle or its ability to turn its product into cash. This ratio is similar to the acid-test ratio except that the acid-test ratio does not include inventory and prepaid as assets that can be liquidated.

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

Table : 1 Current Ratio

Year	Current Assets	Current liabilities	Current Ratio
2019-20	8,063.47	8,819.50	0.91
2020-21	8,186.34	8,788.96	0.93
2021-22	5,423.49	6,998.93	0.77
2022-23	7,451.53	8,273.84	0.9
2023-24	9,521.81	9,547.29	1

Source: Secondary Data

The Table 1 Revels that The company’s current ratio over the five-year period reflects varying liquidity conditions. In 19-20 and 2020-21, the ratios were 0.91 and 0.93 respectively, indicating that current assets were slightly less than current liabilities. In 2021-22, the ratio fell to 0.77 due to a sharp decline in current assets, showing a weak liquidity position. However, the company improved its performance in 2022-23 with a ratio of 0.90, and by 2023-24, it reached 1.00, meaning current assets equaled current liabilities. This suggests better short-term financial health and effective management of working capital.

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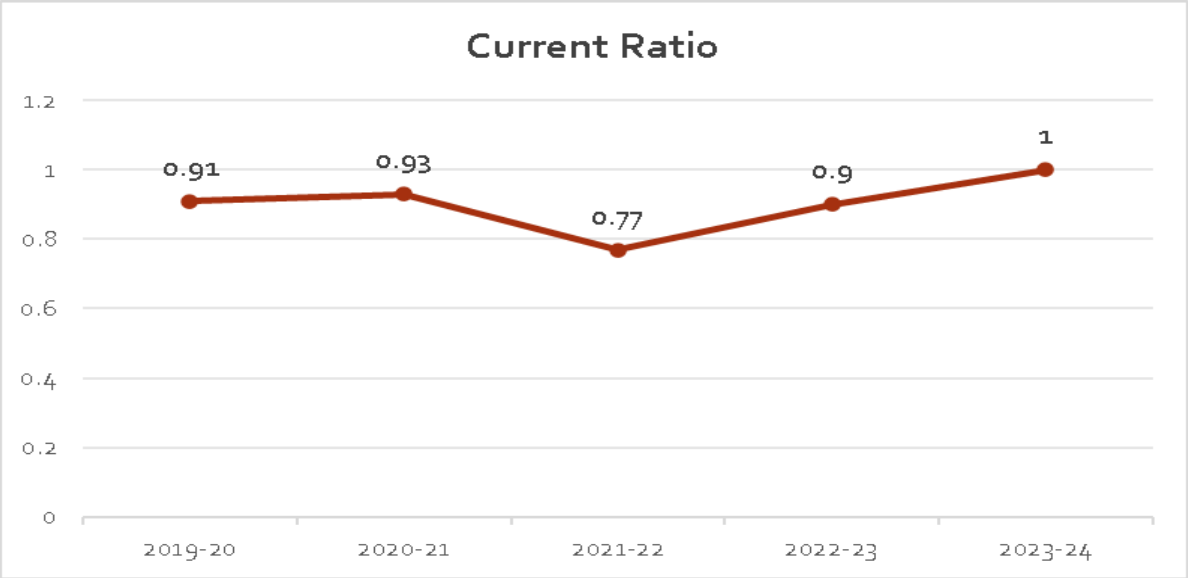

Figure 1: current ratio

The current ratio slandered rate 2:1, the company ratio in 2020 is 0.91, 2021 is 0.93, 2022 is 0.77, 2023 is 0.90 and 2024 is 1.00. highest is 1.00 in 2024**.**

Liquid Ratio

Although receivable debtors and bills receivable are generally more liquid than inventories, yet there may be doubts regarding their realization into cash immediately or in time. Hence, absolute liquid ratio should also be calculated together with current ratio and quick ratio to exclude even receivables from the current assets and find out the absolute liquid assets. The standard liquid ratio is 1:1.

Liquid Ratio= Liquid assets/ Current Liabilities

Table-2 : Liquid Ratio

Year	Liquid Assets	Current liabilities	Liquid Ratio
2019-20	1986.94	8,819.50	0.22
2020-21	3879.12	8,788.96	0.44
2021-22	2502.29	6,998.93	0.35
2022-23	3638.95	8,273.84	0.43
2023-24	4157.98	9,547.29	0.43

Source: Secondary Data

The table 2 reveals thatenhancement in its ability to meet short-term obligations with liquid assets. Despite this progress, the ratio remains below the ideal benchmark of 1.0, suggesting that the company may still face challenges in covering immediate liabilities without relying

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on inventory sales. This underscores the need for continued focus on strengthening liquidity to ensure financial stability.

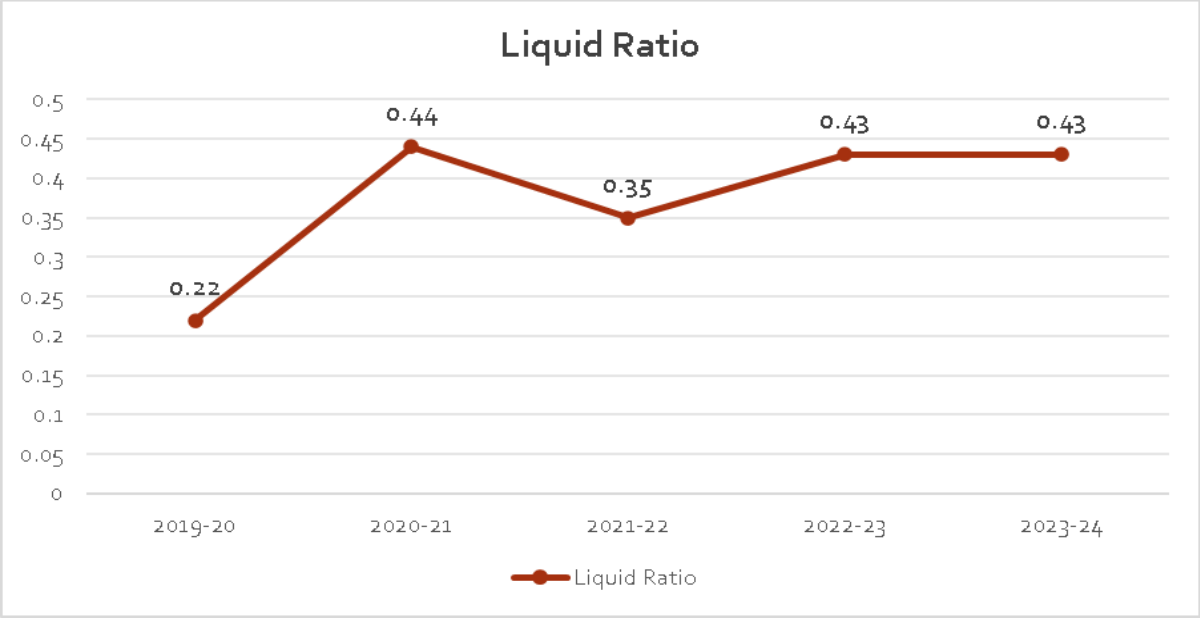

Figure 2: Liquid ratio

The liquid ratio slandered rate 1:1, the company ratio in 2020 is 0.40, 2021 is 0.76, 2022 is 0.58, 2023 is 0.58 and 2024 is 0.55

Interest Coverage Ratio

The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt. The interest coverage ratio is calculated by dividing a company's earnings before interest and taxes (EBIT) by its interest expense during a given period.

Interest Coverage Ratio = EBIT/ Interest

Table 3 : Interest Coverage Ratio

Year	EBIT	Interest	Interest Coverage Ratio
2019-20	2,374.14	131.25	18.089
2020-21	2,624.67	70.38	37.293
2021-22	627.2	109.45	5.73
2022-23	93.07	306.79	0.303
2023-24	317.89	301.11	1.056

Source: Secondary Data

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The Table 3 Reveals ThatBetween 2019-20 and 2020-21, the company's interest coverage ratio improved significantly from 18.089 to 37.293, indicating strong financial health and a robust ability to meet interest obligations. However, the ratio declined sharply to 5.73 in 2021-22 and further plummeted to 0.303 in 2022-23, suggesting increasing financial stress and potential difficulty in servicing debt. In 2023-24, the ratio modestly recovered to 1.056, but it remains below the generally acceptable benchmark of 1.5, highlighting ongoing concerns regarding the company's capacity to cover its interest expenses.

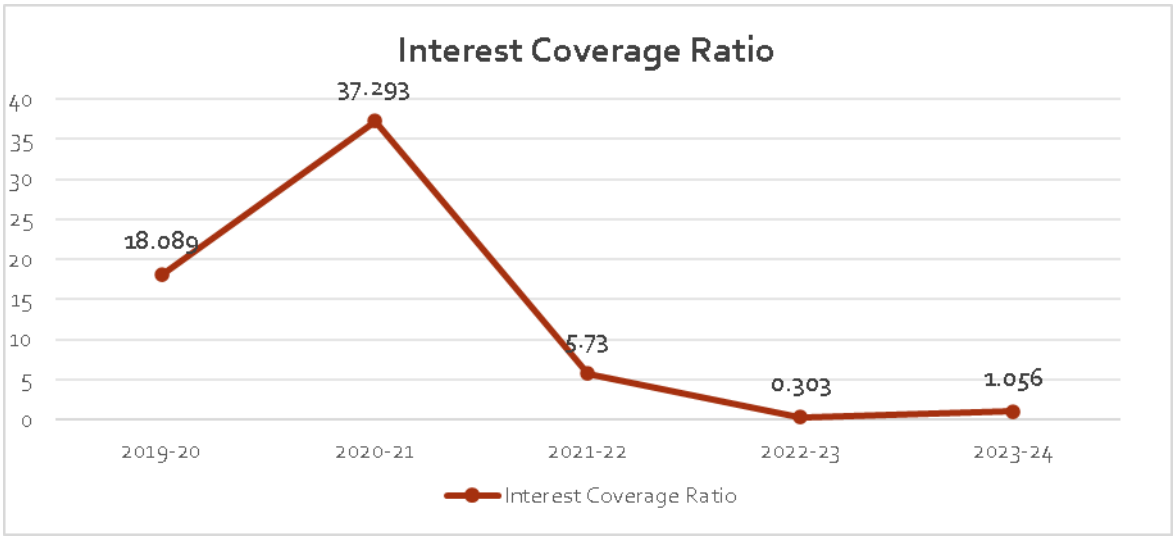

Figure 3 : Interest coverage ratio

Interest coverage ratio for 2023-24 is 1.056, it shows to Lenders, investors, and creditors to determine a company's riskiness relative to its current debt or for future borrowing, it is low. .so it is good to company and investors.

GROSS PROFIT RATIO

Gross profit ratio (GP ratio) is a financial ratio that measures the performance and efficiency of a business by dividing its gross profit figure by the total net sales. The gross profit ratio can also be expressed in percentage form, multiplying the result by 100. It's then called gross profit percentage or gross profit margin. Calculating the company's gross profit figure is done by determining the total sales over a certain period of time and deducting the total costs of the labor and materials used to create the goods and services that the organization is selling.

Gross Profit Ratio Formula = (Gross Profit/Net Sales) X 100.

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Table 4 : Gross Profit Ratio

Year	Gross Profit	Net sales	Gross Profit Ratio
2019-20	2,385.83	26,247.91	9.0896
2020-21	2,496.80	28614.03	8.7258
2021-22	361.92	17,467.47	2.0720
2022-23	411.91	15,229.22	2.7047
2023-24	527.61	21,567.75	2.4463

Source: Secondary Data

The table 4 Reveals That The company's gross profit ratio declined from 9.09% in 2019-20 to 2.45% in 2023-24, indicating reduced efficiency in managing production costs relative to sales. This downward trend suggests potential challenges in pricing strategies or increased cost of goods sold, impacting overall profitability. Addressing these issues is crucial for improving financial performance.

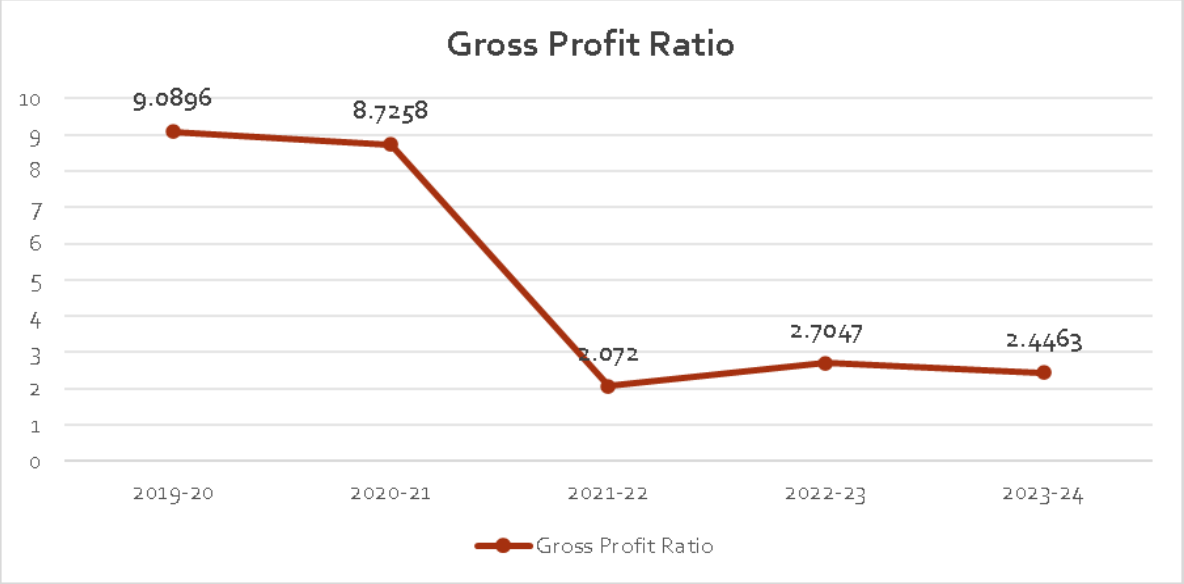

Figure 4 : Gross Profit Ratio

Gross profit Ratio for 2019-20 is 9.0896, 2020-21 is 8.7258, 20121-22 is 2.0720, 2022-23 is 2.7047, 2023-24 is 2.4463. Highest id 9.0896 in 2019-20.

ANALYSIS OF FINDINGS

The company's liquidity position over the five-year period from 2019-20 to 2023-24 shows slight improvement but remains a concern. The current ratio remained below the ideal benchmark of 1.00 for most years, ranging from 0.77 to 0.93, except in 2023-24 where it

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reached 1.00, indicating a balanced level of current assets and liabilities. Similarly, the liquid ratio remained consistently low throughout the years, fluctuating between 0.22 and 0.44, suggesting the company has limited highly liquid assets to meet immediate obligations without relying on inventory.

The interest coverage ratio, which reflects the company's ability to meet interest expenses from operating profit, started strong in 2019-20 (18.089) and peaked in 2020-21 (37.293). However, it experienced a steep decline in the following years, hitting a critical low of **0.303** in 2022-23, indicating significant difficulty in covering interest costs. Although there was slight recovery to 1.056 in 2023-24, the ratio remains below safe levels, suggesting ongoing financial stress.

In terms of profitability, the gross profit ratio saw a major decline from 9.09% in 2019-20 to just 2.07% in 2021-22, pointing to increased cost of goods sold or reduced pricing power. There was a slight recovery in 2022-23 (2.70%) and 2023-24 (2.45%), but profit margins remained relatively low compared to earlier years.

Overall, the company appears to be facing challenges in maintaining liquidity and profitability, with increasing pressure on operational efficiency and interest obligations. Improvement in 2023-24 is a positive sign, but continued focus on cost control and revenue enhancement is necessary for long-term financial stability.

RECOMMENDATIONS

Recommendations for Managers

Based on the financial ratio analysis of TVS Motor Company Pvt Ltd, several strategic recommendations emerge to enhance the company's financial health and operational efficiency. Firstly, while the current ratio improved to 1.0x in FY24 from 0.9x in FY23, indicating better short-term financial stability, it is essential to maintain or further improve this ratio to ensure the company can comfortably meet its short-term obligations . Secondly, the interest coverage ratio remained steady at 2.4x in FY24, suggesting the company can manage its interest expenses; however, efforts should be made to increase this ratio to provide a greater cushion against potential financial stress . Thirdly, profitability metrics such as Return on Equity (ROE) and Return on Capital Employed (ROCE) have shown improvement, with ROE rising to 26.2% and ROCE to 23.9% in FY24, reflecting efficient use of capital . **Recommendations for Industry Development**

The ratio analysis of TVS Motor Company Pvt Ltd highlights the need for industry-wide initiatives to enhance financial resilience and competitiveness. Policymakers should promote

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the adoption of circular economy principles, encouraging manufacturers to implement sustainable practices that can lead to cost savings and environmental benefits. Investing in research and development, particularly in electric vehicle technology, can drive innovation and meet evolving consumer demands. Additionally, fostering collaborations between industry stakeholders can facilitate knowledge sharing and the development of best practices. By focusing on these areas, the automotive industry can achieve sustainable growth and improved financial performance

Scholarly Contribution

Scholars should delve into the factors influencing TVS Motor Company's fluctuating profitability ratios, particularly the decline in the gross profit ratio from 9.09% in 2019-20 to 2.45% in 2023-24, to identify underlying causes and potential solutions. Investigating the impact of debt management strategies on the company's interest coverage ratio, which decreased from 37.293 in 2020-21 to 1.056 in 2023-24, could provide insights into effective debt servicing practices. Analyzing the relationship between asset utilization and return on assets, which improved from 7.7% in 2022-23 to 8.9% in 2023-24, may reveal best practices in asset management. Comparative studies with industry peers could offer benchmarks for evaluating TVS Motor's financial performance and strategic positioning. Lastly, exploring the effects of market dynamics and internal policies on liquidity ratios, such as the current ratio's improvement to 1.0x in FY24, could contribute to a deeper understanding of liquidity management in the automotive sector.

Scope for Further Study

While existing studies have analyzed TVS Motor's financial performance using ratio analysis, focusing on liquidity, profitability, and activity ratios , there is a need for more comprehensive research incorporating a broader set of financial indicators. Future studies could examine the impact of external factors, such as market dynamics and regulatory changes, on the company's financial ratios. Additionally, exploring the effects of corporate governance practices and strategic decisions on financial performance could provide valuable insights. Comparative analyses with industry peers may also shed light on TVS Motor's relative performance and strategic positioning within the automotive sector.

LIMITATIONS

Following limitations were encountered while preparing this project:

This project has completed with annual reports; it just constitutes one part of data collection i.e. secondary. There were limitations for primary data collection because of confidentiality.

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This project is based on six year annual reports. Conclusions and recommendations are based on such limited data. The trend of last six year may or may not reflect the real working capital position of the company.

data regarding the competitors and their financial information. Industry figures were also difficult.

CONCLUSION

The gross profit of the company is increasing year after year but it is not the same with net profit. To improve profits, the company needs to cut down on expenses by applying more effective costing and budgeting techniques. From ratio analysis, one can infer that the overall position of the company is good and all the ratios have improved. 2023-24 seems to be the most profitable year as almost all the ratios in this year stand strong in comparison to other years considered in the study. The high liquidity ratios reflect a very strong short-term financial structure. The company should maintain current assets in the form of receivables and cash rather than in inventory to meet its current obligation efficiency. On a long term, the company can be looked as good investment opportunity

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