



## A comprehensive financial performance analysis of automotives industry using ratio and cash flow techniques

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### Abstract

The manufacturing industry, a major player in the Indian automotive manufacturing sector, is the subject of this study's thorough financial performance analysis. With the help of important financial statistics and pertinent industry standards, the study methodically assesses the company's financial status by looking at audited financial statements over a number of years. The main goal is to evaluate the company's solvency over the long term, profitability, liquidity, and operational effectiveness in order to give executive management, shareholders, lenders, and additional participants useful information. Evaluation of ratios, fund assessment, cash flow analysis, trend evaluation, and comparisons among competitors are all part of the methods used to find competitive positioning and performance trends. Financial outcomes are made more understandable and easier to grasp by using graphical, graphical, and statistical presentations. A ratio evaluation highlights the organization's operational strengths as well as its shortcomings in terms of working capital management and capital structure. According to the data, the company has an elevated ratio of debt to equity since it heavily relies on loan funding. Furthermore, longer credit terms obtained from suppliers almost a year indicate a greater reliance on outside funding for the short term. Inadequate turnover of cash is seen, indicating possible economic strain and limitations on efficient business processes. In order to reduce financial uncertainty and increase overall financial stability, the report suggests lowering excessive debt capital, boosting sales performance, strengthening creditor confidence through sufficient security provisions, and improving cash management techniques.

**Keywords:** Financial performance analysis, ratio analysis, cash flow analysis, fund flow statement, liquidity, solvency, automotive industry

### Introduction

Financial performance evaluation is a methodical procedure that uses accounting records and performance indicators to assess an organization's financial viability, effectiveness, and strength<sup>[1]</sup>. It helps shareholders comprehend how well a company uses its assets to produce revenues and preserve its liquidity. Strong economic analysis is now more important than ever to support managerial planning and strategic decision-making due to the complexity of today's business climates<sup>[2]</sup>. In order to reduce risk and improve value generation, businesses in competitive marketplaces must constantly evaluate their financial results. The automotive industry is widely acknowledged as an investment-intensive company that necessitates significant investments in supply chain infrastructure, technology, and production facilities<sup>[3]</sup>. For long-term survival, these features make performance monitoring and financial discipline essential. Despite dealing with issues including rising costs and market volatility, the automotive industry in India makes a substantial contribution to industrial growth, job creation, and export revenue<sup>[4]</sup>. For Indian automakers, evaluating financial performance thus becomes a strategic requirement. One of the most popular methods for assessing financial performance is ratio analysis, which transforms complicated accounting data into useful indicators for making decisions<sup>[5]</sup>. It offers a succinct overview of financial stability and operational effectiveness. The capacity of the company to make money from revenue, property, and capital is measured by rates of profitability, which show operational strength and management efficacy<sup>[6]</sup>. Reinvesting funds and increasing value for shareholders depend on profitable growth. The ability of the company to

fulfil immediate responsibilities without interfering with regular business operations is evaluated by liquidity ratios<sup>[7]</sup>. Operating challenges and a greater need for expensive temporary financing can result from inadequate liquidity. In industries such as manufacturing, financial management is crucial since poor leadership can negatively impact finances, relationships with vendors, and operational consistency<sup>[8]</sup>. Smooth operation is ensured by optimal working capital levels. The solvency assessment assesses a company's capacity to maintain activities with an ideal capital structure by concentrating on its long-term financial obligations<sup>[9]</sup>. Financial risk and susceptibility to changes in the economy are both increased by excessive debt. In capital-constrained businesses, where a high reliance on credit may raise charges for interest and limit liquidity, the equity and debt combination is especially crucial<sup>[10]</sup>. Healthy development is supported by appropriate finance approaches. Beyond accounting profits, cash flow analysis offers a genuine evaluation of financial viability by revealing actual cash generation and consumption<sup>[11]</sup>.

Good core business performance is indicated by strong operating cash flows. Trend visualization makes it possible to assess the economy over a number of time periods, assisting in the identification of steady growth trends or early warning indicators of financial decline<sup>[12]</sup>. It helps with strategic planning and forecasting for the future. Comparative analysis highlights relative strengths and weaknesses within the competitive landscape by comparing a company's financial performance to that of its industry counterparts<sup>[13]</sup>. This method improves financial ratios' comprehension. Due to lengthy manufacturing cycles, automotive companies frequently rely on prolonged supplier

credit, which could put a burden on operating financial and monetary situations if not controlled effectively<sup>[14]</sup>. Thus, it is crucial to keep an eye on credit dependency. By employing ratio estimation, fund flow, and cash flow statements to evaluate industry profitability, liquidity, solvency, and cash flow achievement, this investigation adds practical knowledge to the literature on automotive financial analysis<sup>[15]</sup>. By using methodical financial analysis tools to evaluate revenues, liquidity, reliability, and general sustainability of finances within the automotive industry context, this analysis creates a structured basis for assessing industry economic health.

### Literature Review

A thorough consideration of past research offers a solid theoretical and empirical basis for comprehending the analysis of financial performance and its use in assessing the effectiveness of businesses. It has long been known that financial analysis is an essential tool for evaluating profitability, funding, reliability, and effectiveness in operation as well as for understanding the accounting records. For instance, ratio analysis has gained widespread acceptance as a useful method for transforming intricate accounting information into insightful signs that aid in management and financial decision-making<sup>[16]</sup>. The financial performance of Indian automakers has been the subject of numerous empirical research<sup>[17]</sup>. Used correlation and ratio analysis to examine Maruti Suzuki Ltd. and Tata Motors Ltd. and discovered that, in spite of their expansion, the businesses struggled to pay their debts. In a similar<sup>[18]</sup>, found that Mahindra & Mahindra showed greater solvency and financial stability when compared to Tata Motors. A comparison<sup>[19]</sup> also showed that Maruti Suzuki routinely surpassed Tata Motors with regard to of lower debt reliance, profitability, and sales growth.

In the auto industry, firm-specific performance reviews have also been carried out<sup>[20]</sup>. Examined Ashok Leyland Limited and found that although the business was in a reasonable financial condition, careful debt control was required to sustain its steady expansion<sup>[21]</sup>. Used trend and ratio analysis to examine Tata Motors and found that while the business's economic growth was adequate, capital arrangement adjustments were advised. Several academics have stressed the value of ratio analysis as a diagnostic tool<sup>[22]</sup>. emphasized that financial ratios enable prospective success and development by helping to recognize advantages, disadvantages, and patterns throughout many times<sup>[23]</sup>. also stressed that Return on Assets (ROA), which considers asset utilization effectiveness instead of just sales profitability, is a better indicator of financial health.

Ratio evaluation has been used extensively in the financial and retail sectors, in addition to factories<sup>[24]</sup>. Found that financial metrics are a good way to explain why banks in the public and private sectors behave differently<sup>[25]</sup>. Showed that total financial performance and operational efficiency are strongly impacted by inventory turnover<sup>[26]</sup>. Reaffirmed that profitability ratios and balanced asset usage are crucial markers of economic wellness. But certain professionals advise avoiding relying solely on ratios<sup>[27]</sup>. Contended that ratios' capacity to provide a comprehensive overview of a company's performance may be constrained by accounting rules and managerial manipulation. According to<sup>[28]</sup>, cash flow analysis offers a more accurate gauge of financial performance than conventional metrics that depend on

revenues. Overall, the research shows that employing ratios, statistical analysis, and cash flow statements for financial performance analysis is still a commonly used and successful method. However, the current investigation into Automobiles Industry is justified since there are deficiencies in company-specific and current studies of rising automobile manufacturers.

### Research Methodology

Investigation is a methodical, independent, and scientific investigation carried out to produce new knowledge or find solutions to certain issues. It entails methodical, critical research grounded in accurate information and sound reasoning. In order to enable meaningful evaluation and decision-making, research has been done in the current study to analyze and interpret the financial performance of the chosen organization using recognized financial analysis tools. Ratio analysis, among the most commonly used methods for assessing financial performance, forms the main theoretical basis of this work. The measurable connection among two associated monetary factors is expressed mathematically as a proportion. In ratio analysis, correlations between items or groupings of items in financial accounts are calculated, interpreted, and presented. It allows qualitative assessments of a company's earnings, financial reliability, and operational efficiency and aids in condensing vast amounts of accounting data into comprehensible signs. In order to help management comprehend the company's competitive position, ratio analysis can also be used to compare a company's financial performance with that of similar companies in the industry. Management can determine strengths, shortcomings, and areas that need improvement by comparing ratios like liquidity, leverage, and turnover ratios with industry benchmarks or competitors. The Turnover of Inventory Ratio, Current Asset Ratio, Current Asset to Total Asset Ratio, Current Asset to Fixed Asset Ratio, Net Working Capital Ratio, Liquid Ratio, Debt to Asset Ratio, Cash to Current Asset Ratio, Cash Ratio, and Cash to Sales Ratio are just a few of the ratios that have been computed in this study. The ratio of inventory turnover shows how well inventory is managed and reveals the relationship between average inventory and cost of goods sold. By contrasting current assets and current liabilities, the current ratio assesses the company's capacity to fulfill its immediate responsibilities. While the Current Asset to Fixed Asset Ratio assesses the equilibrium among short-term and long-term asset investments, the Current Asset to Total Asset Ratio emphasizes the percentage of money invested in working capital. How effectively working capital is used to produce sales income is shown by the Working Capital Turnover Ratio. With inventory excluded, the Liquid Ratio evaluates the company's capacity to pay current obligations with liquid assets.

The Debt to Asset Ratio indicates solvency and financial risk by showing how much of the company's assets are financed by long-term debt. Cash-based ratios, like the Cash to Current Asset Ratio, Cash Ratio, and Cash to Sales Ratio, offer information on the company's financial durability, capacity to pay bills with revenue solely, and effectiveness in turning purchases into cash. Cash flow analysis is an essential part of the research approach, along with ratio evaluation. The cash flow statement, which shows changes

in the company's cash position between two accounting periods, is used to do cash flow analysis. The cash inflows and outflows between operations, investments, and financing are highlighted by this crucial instrument for financial management and planning. Effective cash management, financial policy evaluation, payback scheduling, choices regarding dividends, and internal auditing are all aided by cash flow analysis. Additionally, it exposes the money flow and the causes of cash balance fluctuations, showing if cash planning was successful or not. Comparison equilibrium sheet evaluation, which shows the business's liquidity throughout various stages of accounting, is another method used in the research. This method aids in determining trends, change directions, and differences in capital, debt, and resources.

A greater awareness of financial development, security, and shifts in structure throughout time is made possible by comparison assertions. Additionally, by looking at past data, trend analysis is utilized to assess financial performance over time. Trend forecasting is predicated on the idea that past patterns offer insights into future results and makes an effort to predict future performance based on past patterns. It facilitates long-term strategy planning and assists in identifying steady growth, decline, or stability in financial variables. This study's research strategy is quantitative in nature since it uses a methodical examination of past financial information to assess effectiveness and make inferences. The arrangement of settings for gathering and analyzing data in a way that guarantees applicability to investigation purposes with effective execution is referred to as the design of the research. Since analytical research makes it easier to analyse financial facts and promotes well-informed decision-making, it is ideal for this study. Although secondary data is the main focus, the study uses both primary and other information sources.

Although information gathered directly from first-hand sources is referred to as primary data, the primary dataset in this study is secondary data. The business's official website, financial publications, published annual reports, and pertinent articles have all provided additional information. In particular, analysis has been conducted using financial statements spanning a five-year period from 2019 to 2023. Ratio analysis, cash flow statements, comparative statements, and trend analysis are among the statistical instruments used for data analysis. Together, these instruments offer a thorough evaluation of the business's economic health and serve as the empirical basis for the investigation's results.

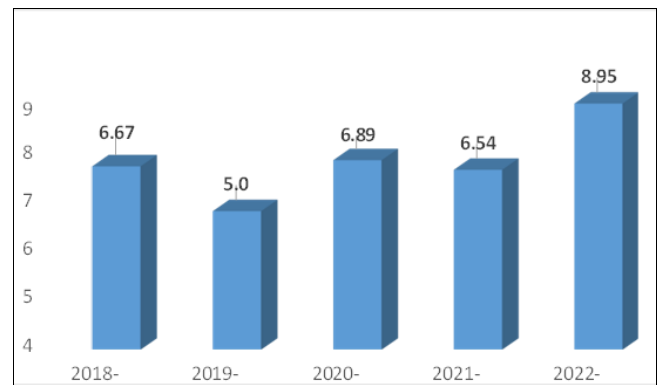
**Data Analysis and Interpretation Ratio Analysis**

By identifying connections between different financial statement items, ratio analysis, a popular financial tool assists in assessing a company's financial performance and condition. It makes it possible to evaluate the business's earnings, monetary sustainability, and operational efficiency in a methodical manner, which supports the analysis of financial data in a meaningful way. Financial data from several time periods can be examined using ratio analysis to find patterns, advantages and disadvantages, and regions that need supervision. Table 1 shows Inventory Turnover Ratio.

**Table 1:** Inventory Turnover Ratio

Year	Cost of Goods Sold	Average Stock	Ratio
2018-2019	1,47,15,02,228	22,05,10,910	6.673
2019-2020	1,19,31,77,665	22,05,87,023	5.040
2020-2021	1,81,66,09,955	22,05,87,023	6.898
2021-2022	2,19,25,56,321	33,49,01,380	6.546
2022-2023	2,94,23,36,401	32,83,92,344	8.959

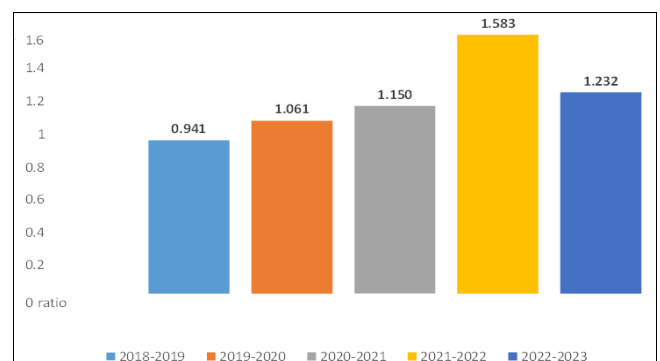
Figure 1 shows Ratio Analysis Over the course of the five years, the inventory turnover ratio varies moderately, showing usually efficient inventory control. The value of the ratio was 6.673 in 2018–2019, indicating a solid balance between sales and inventory holding. In 2019–2020, it dropped to 5.040, indicating slower inventory movement. In 2020–2021, the ratio increased to 6.898, suggesting improved inventory utilization. It stayed steady at 6.546 in 2021–2022, demonstrating steady management of stocks. Improved turnover of inventory, effective demand fulfilment, and enhanced sales performance are highlighted by a notable increase to 8.959 in 2022–2023.



**Fig 1:** Ratio Analysis

**Table 2:** Current Ratio

Year	Current Assets	Current Liabilities	Ratio
2018-2019	64,30,12,354	68,28,42,269	0.941
2019-2020	66,91,78,564	63,04,43,629	1.061
2020-2021	1,05,89,05,581	92,07,22,327	1.150
2021-2022	1,20,75,54,546	1,04,25,20,679	1.583
2022-2023	1,37,70,94,832	1,11,70,37,643	1.232



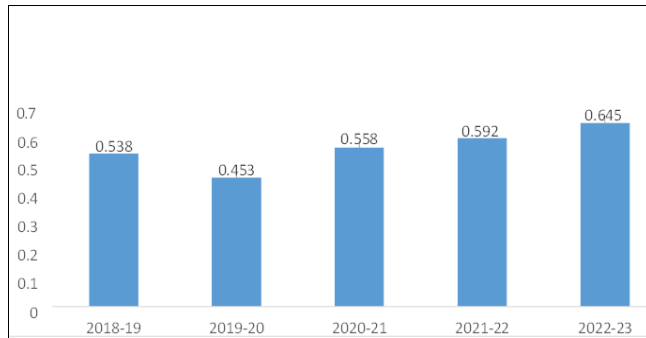
**Fig 2:** Current Ratio

Table 2 and figure 2 depicts Current Ratio and over the course of the research, the current ratio has improved, showing a steady improvement in short-term liquidity. The ratio was 0.941 in 2018–2019, indicating a challenge in fulfilling present commitments. Better liquidity management was demonstrated by its improvement to 1.061

in 2019–2020 and 1.150 in 2020–2021. A good short-term financial position is indicated by a considerable increase to 1.583 in 2021–2022. Though it is still within the acceptable range, the ratio marginally decreased to 1.232 in 2022–2023, indicating somewhat constant liquidity.

**Table 3:** Current Asset to Total Asset Ratio

Year	Current Assets	Total Assets	Ratio
2018-2019	64,30,12,354	1,19,46,38,935	0.538
2019-2020	66,91,78,564	1,47,70,66,510	0.453
2020-2021	1,05,89,05,581	1,89,70,69,784	0.558
2021-2022	1,20,75,54,546	2,03,76,54,821	0.592
2022-2023	1,37,70,94,832	2,13,24,68,668	0.645

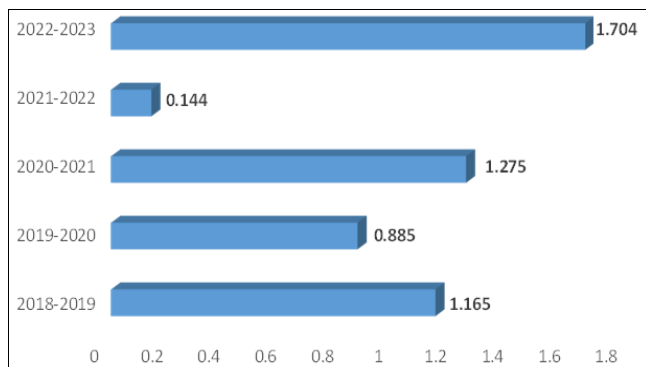


**Fig 3:** Current Asset to Total Asset Ratio

Table 3 and figure 3 shows Current Asset to Total Asset Ratio. Over the course of the five years, the current asset to total asset ratio has generally improved, suggesting a rise in operational expenditure. The ratio decreased from 0.538 in 2018–2019 to 0.453 in 2019–2020, indicating a smaller percentage of present assets. After that, the ratio rose to 0.558 in 2020–2021 and then to 0.592 in 2021–2022. The ratio increased to 0.645 by 2022–2023, suggesting a better liquidity situation and a higher focus on current holdings in the overall scheme of assets.

**Table 4:** Current Asset to Fixed Asset Ratio

Year	Current Assets	Fixed Assets	Ratio
2018-2019	64,30,12,354	55,16,26,581	1.165
2019-2020	66,91,78,564	7,55,37,55,331	0.885
2020-2021	1,05,89,05,581	8,30,10,48,74	1.275
2021-2022	1,20,75,54,546	8,38,11,64,203	0.144
2022-2023	1,37,70,94,832	80,78,87,946	1.704



**Fig 4:** Current Asset to Fixed Asset Ratio

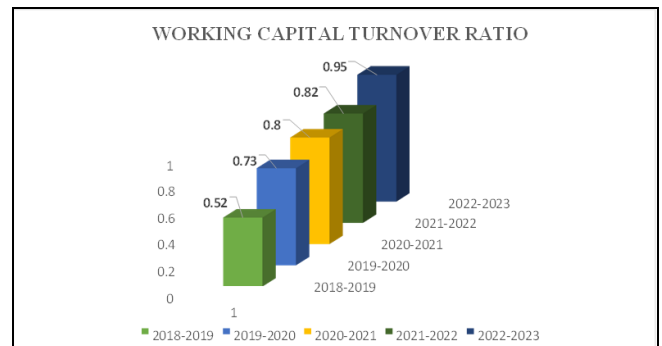
Table 4 and figure 4 depicts Current Asset to Fixed Asset Ratio. Over the course of the study, the current asset to fixed asset ratio fluctuates noticeably, reflecting shifts in investment emphasis and asset structure. The ratio was

1.165 in 2018–2019, indicating a proportionate proportion of fixed and current assets. In 2019–2020, it fell to 0.885, showing comparatively greater fixed-income expenditure. In 2020–2021, the ratio rose to 1.275, indicating rising present asset values and better liquidity. Significant growth in fixed assets relative to current assets is shown by a steep decline to 0.144 in 2021–2022. The percentage increased significantly to 1.704 in 2022–2023, suggesting enhanced immediate financial condition in relation to permanent investments and enhanced liquidity.

**Table 5:** Working Capital Turnover Ratio

Year	Sales	Working Capital	Ratio
2018-2019	1,81,59,72,999	4,01,70,085	45.20
2019-2020	1,54,21,68,478	3,87,34,935	39.81
2020-2021	2,24,91,08,897	13,81,83,254	16.27
2021-2022	2,69,45,38,861	16,50,33,867	16.32
2022-2023	3,69,31,65,843	26,00,57,189	14.20

Table 5 and Figure 5 shows Working Capital Turnover Ratio. Over the course of the five years, the working capital turnover ratio has consistently decreased, suggesting a decrease in the effectiveness of using operating resources to produce revenue. The ratio was extremely high in 2018–2019, at 45.20, indicating effective utilization of scarce financial resources. In 2019–2020, it dropped to 39.81, indicating higher levels of working capital. Significant working capital investment in comparison to sales is indicated by a steep decline to 16.27 in 2020–2021. The ratio decreased to 14.20 in 2022–2023 after being nearly constant at 16.32 in 2021–2022, indicating a higher financial resources demand and a worse transition effectiveness.



**Fig 5:** Working Capital Turnover Ratio

**Table 6:** Liquid Ratio

Year	Liquid Assets	Current Liabilities	Ratio
2018-2019	40,89,14,577	68,28,42,269	0.52
2019-2020	46,21,02,295	63,04,43,629	0.73
2020-2021	73,92,98,848	92,07,22,327	0.80
2021-2022	85,73,71,305	1,04,25,20,679	0.82
2022-2023	1,07,05,01,589	1,11,70,37,643	0.95

Table 6 and figure 6 Liquid Ratio. Over the course of the five years, the liquid ratio has steadily improved, showing a progressive strengthening of the company's immediate liquidity situation. The value of the ratio was 0.52 in 2018–2019, indicating a poor capacity to use financial resources to satisfy immediate obligations. It strengthened liquidity management, rising to 0.73 in 2019–2020 and then to 0.80 in 2020–2021. Although it still showed a small liquidity deficit, the ratio increased to 0.82 in 2021–2022 and 0.95 in 2022–2023, getting closer to the desired level of 1.

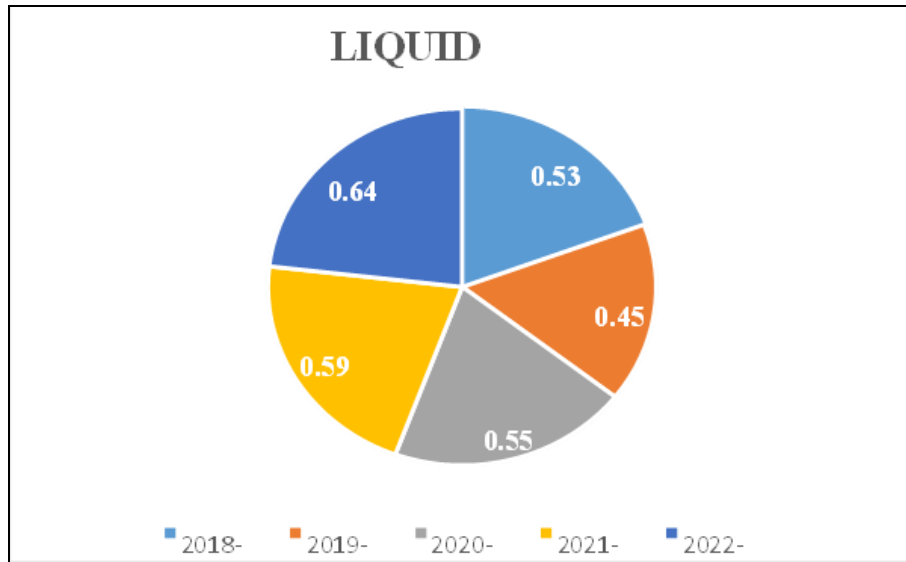


Fig 6: Liquid Ratio

Table 7: Debt to Asset Ratio

Year	Long Term Debt	Total Assets	Ratio
2018-2019	68,28,42,269	1,19,46,38,935	0.571
2019-2020	63,04,43,629	1,47,70,66,510	0.426
2020-2021	92,07,22,327	1,89,70,69,784	0.485
2021-2022	1,04,25,20,679	2,03,76,54,821	0.511
2022-2023	1,11,70,37,643	2,13,24,68,668	0.523

Table 7 illustrates Debt To Asset Ratio. A stable long-term solvency situation was indicated by the debt to total asset ratio staying below 1 over the study period. The ratio was 0.571 in 2018–2019, indicating an average dependence on long-term borrowing. In 2019–2020, it decreased to 0.426, indicating less reliance on debt. The ratio showed a steady growth in long-term borrowing, rising to 0.485 in 2020–2021 and then to 0.511 in 2021–2022. The proportion had increased to 0.523 by 2022–2023, indicating somewhat greater strain yet remaining within a reasonable and controllable range.

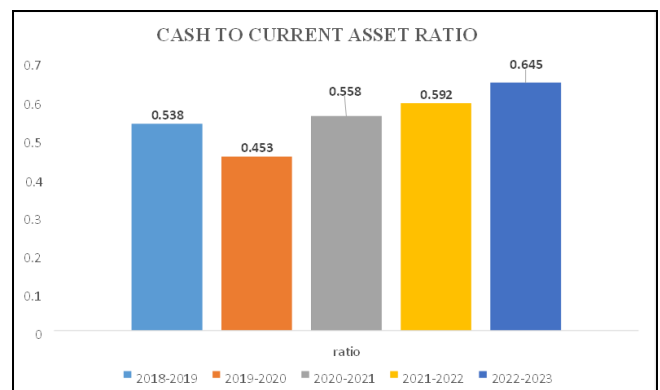


Fig 7: Cash to Current Asset Ratio

Table 8: Cash to Current Asset Ratio

Year	Cash	Current Assets	Ratio
2018-2019	38,03,019	64,30,12,354	0.005
2019-2020	7,06,40,624	66,91,78,564	0.105
2020-2021	5,55,47,402	1,05,89,05,581	0.052
2021-2022	1,86,87,541	1,20,75,54,546	0.015
2022-2023	1,33,96,834	1,37,70,94,832	0.009

Table 8 and figure 7 shows Cash to Current Asset Ratio. During the study period, the cash to current asset ratio stayed exceptionally low, suggesting that there was little cash available in relation to all the present assets. The ratio was just 0.005 in 2018–2019, indicating very little cash on hand. In 2019–2020, it rose significantly to 0.105, indicating a brief improvement in the cash position. But in 2020–2021, the ratio fell once again to 0.052, then to 0.015 in 2021–2022, and finally to 0.009 in 2022–2023. This pattern highlights the need for better cash management since it shows a significant reliance on non-cash current assets like inventory and receivables.

Table 9: Cash Ratio

Year	Cash	Current Liabilities	Ratio
2018-2019	38,03,019	68,28,42,269	0.0059
2019-2020	7,06,40,624	63,04,43,629	0.1120
2020-2021	5,55,47,402	92,07,22,327	0.0603
2021-2022	1,86,87,541	1,04,25,20,679	0.0179
2022-2023	1,33,96,834	1,11,70,37,643	0.0119

Table 9 and figure 8 depicts Cash Ratio. Weak immediate liquidity was indicated by the cash ratio, which stayed extremely low over the course of five years. The value of the ratio was 0.0059 in 2018–2019, indicating a very low capacity to pay current debts with cash alone. As a result of a brief rise in cash reserves, it improved to 0.1120 in 2019–2020. Nevertheless, the ratio fell to 0.0603 in 2020–2021 and then to 0.0179 in 2021–2022. The cash ratio reached 0.0119 by 2022–2023, indicating a persistent reliance on assets that are not cash and outside funding to satisfy immediate needs.

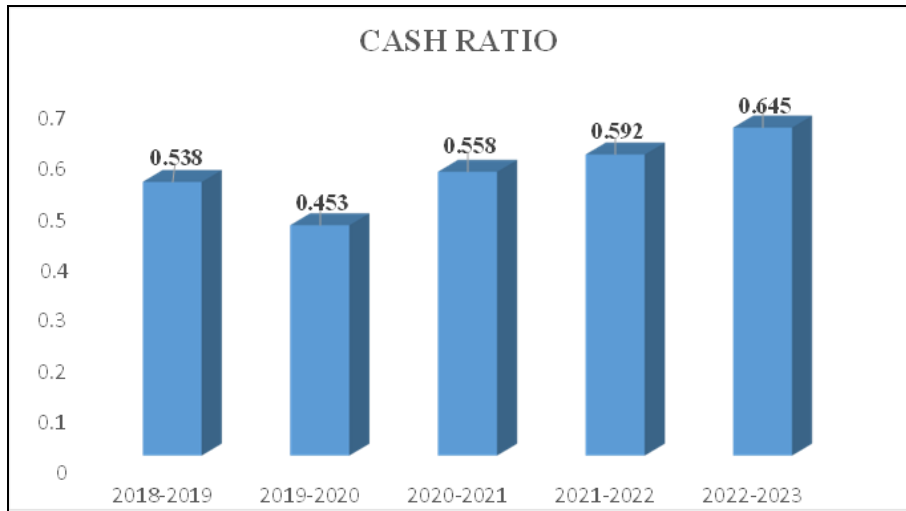


Fig 8: Cash Ratio

Table 10: Cash to Sales Ratio

Year	Cash	Sales	Ratio
2018-2019	38,03,019	1,81,59,72,999	0.0020
2019-2020	7,06,40,624	1,54,21,68,478	0.0458
2020-2021	5,55,47,402	2,24,91,08,897	0.0246
2021-2022	1,86,87,541	2,69,45,38,861	0.0069
2022-2023	1,33,96,834	3,69,31,65,843	0.0036

Table 10. shows Cash To Sales Ratio. Over the course of the study, the cash to sales ratio stayed extremely low, suggesting that there was little conversion of revenue into quick money. The ratio was just 0.0020 in 2018–2019, indicating very little revenue from sales. It showed stronger cash realization in 2019–2020, rising to 0.0458. Nevertheless, the ratio fell to 0.0246 in 2020–2021 and then to 0.0069 in 2021–2022. The ratio reached 0.0036 by 2022–2023, suggesting that businesses rely heavily on sales of credit and emphasizing the necessity of improved receivables management and cash collection.

Table 11 shows Cash Flow Statement for the Year. The business's financial activities earned ₹159.38 crore, according to the cash flow statement, suggesting good operational success. On the other hand, a substantial cash outflow of ₹282.51 crore from investing activities indicates significant investments in long-term projects or assets. At ₹0.49 crore, cash flow from financing activities was slightly positive, indicating little support from outside sources. The final fund balance decreased from ₹122.06 crore at the start of the year to ₹3.80 crore at the end, suggesting a strained cash position despite strong operating cash flows, as a result of the significant investment outflow, which caused overall cash and cash equivalents to drop by ₹118.26 crore. Figure 9 shows Trend for Sales.

Table 11: Cash Flow Statement for the Year

Particulars	(Rs in crore)
Cash flow from operating activities	159381309
Cash flow from investing activities	-282514228
Cash flow from financing activities	4877139
Increase in cash & cash equivalents	-118255780
Cash & cash equivalents at the beginning of the year	122058799
Cash & cash equivalents at the end of the year	3803019

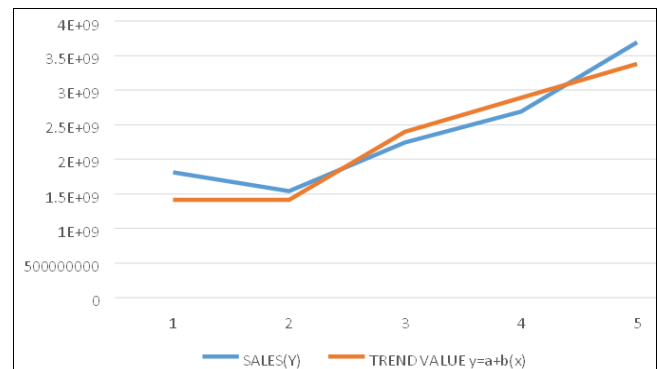


Fig 9: Trend for Sales

Table 12: Projected Trend Value-Expected Sales for the Forthcomingn Year (2024-2028)

Year	Future Trend (Trend Value + B)
2023-2024	1907830630
2024-2025	2037830630
2025-2026	2889766320
2026-2027	3380734165
2027-2028	3871702010

Table 12 shows Projected Trend Value-Expected Sales for the Forthcomingn Year (2024-2028). Over the anticipated time, the future trend analysis shows a steady rising growth tendency. The trend value shows consistent early growth, rising from 1,907,830,630 in 2023–2024 to 2,037,830,630 in 2024–2025. With a value of 2,889,766,320 in 2025–2026, there is a more pronounced growth. This is followed by rises to 3,380,734,165 in 2026–2027 and 3,871,702,010 in 2027–2028. This steady rise points to the company's improved financial performance and promising future growth possibilities. Figure 10 shows Trend for Expenses.



Fig 10: Trend for Expenses

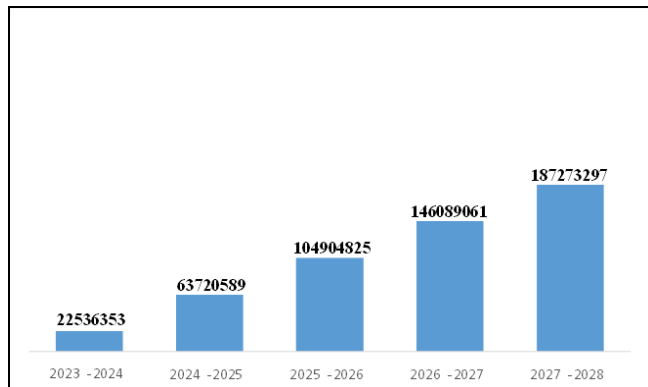


Fig 11: Trend Analysis of Expected Expenses

Figure 11 shows Trend Analysis of Expected Expenses. The estimated future values from 2023–2024 to 2027–2028 show a consistent and accelerated upward trend in the bar chart. Stable growth is shown by the initial years' slow increase but improving efficiency and growing company potential are reflected in the greater rise starting in 2025–2026. In general, the graph points to the company's improved financial picture, steady growth pace, and promising future possibilities. Figure 12. Trend for Profit.

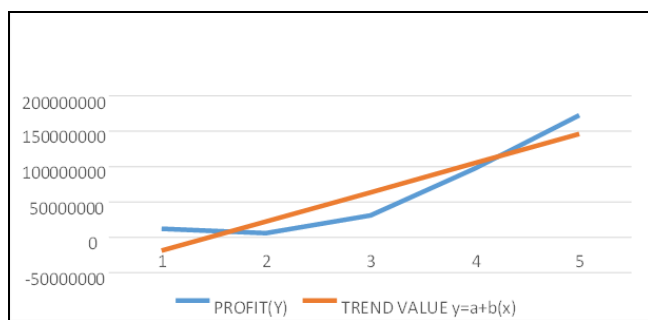


Fig 12: Trend for Profit

Table 13: Projected Trend Value-Expected Profit for the Forthcoming Year (2024-2028)

Year	Future Trend (Trend Value + B)
2023-2024	22536353
2024-2025	63720589
2025-2026	104904825
2026-2027	146089061
2027-2028	187273297

Table 13 shows Projected Trend Value-Expected Profit For The Forthcoming Year (2024-2028). Over the anticipated time frame, the future trend values exhibit a steady and

linear upward growth pattern. The trend shows early growth acceleration, rising from 22,536,353 in 2023–2024 to 63,720,589 in 2024–2025. Through 2025–2026 (104,904,825) and 2026–2027 (146,089,061), this rising trend continues gradually. Its value rises to 187,273,297 by 2027–2028, indicating improved performance forecasts and robust and sustained future growth potential.

The ratio of inventory turnover showed effective inventory control, ranging from 6.368 to 6.673, which is within the optimal range of 5 to 10. Weak short-term liquidity is indicated by the current ratio, which rose from 1.33 to 1.46 before falling to 0.94, below the typical range of 1.2–2. A modest financial situation was indicated by the current asset to total asset ratio, which ranged from 0.45 to 0.74. At roughly 1.165–1.166, the current asset to fixed asset ratio stayed steady, indicating better use of assets. Although it decreased between 2019 and 2021, the net working capital ratio rose from 0.61 to 0.73. Higher capital investment was indicated by the working capital turnover ratio, which dropped dramatically from 45.54 to 15.02.

While the debt-to-asset ratio remained below 1, showing solid long-term solvency, the liquid ratio remained below 1.0 throughout the time, demonstrating liquidity stress. By decreasing current liabilities or raising current resources, the corporation should raise its current ratio from 0.94 to at least 1.2. Improved handling of cash and quicker receivables collection should bring the liquid ratio closer to 1.0. The drop from 45.54 to 15.02 must be reversed by increasing working capital efficiency. The economy's stability and profitability will be strengthened by lowering short-term borrowing and keeping the debt-to-asset ratio below 1.

**Conclusion**

A thorough grasp of the company's financial situation and operational performance is provided by the financial analysis carried out in this study. An efficient assessment of the company's reliability, durability, and efficiency was made possible by the use of ratio analysis and comparison statements. The teamwork research conducted in the automobile industry provided insightful opportunities for learning and useful real-world experience. The business has effectively developed into a very capable organization in the manufacturing industry. Through more direct foreign investment, globalization has played a major part in fostering the expansion of the automobile sector. In order to improve product quality and production processes and bolster their competitive position, car component manufacturers currently establish long-term partnerships with multinational automakers and heavily concentrate on Total Quality Management (TQM) methods. Each division in the company has specific obligations and duties, and every functional area exhibits a strong organizational culture. The company's overall growth and financial performance are expected to increase further if the findings and recommendations of the research are successfully put into practice. The investigation's job duties greatly aided in the improvement of the students' administrative, interpersonal, and autonomous working abilities. Using these abilities in an actual setting boosts self-assurance and comprehension. Future career development in this subject will greatly benefit from the knowledge and experience gained from this course.

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