International Journal of Scientific Research in Engineering and Management (IJSREM)
Volume: 07 Issue: 08 | August - 2023 SJIF Rating: 8.176 ISSN: 2582-3930

Balance Sheet Analysis of TATA MOTORS As at 31st March, 2022 Based upon Annual Report Information

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Abstract:

Financial Statement Analysis plays an important role in understanding the over all financial performance and financial position of any company during given time period. There are various techniques through which financial statements can be analysed. Like Horizontal, Vertical, Ratio analysis and Trend Analysis etc. Now a days every information is available readily on various platforms. This study is an attempt to do a thorough analysis of Balance Sheet by applying Horizontal, Vertical and Trend analysis techniques mentioned above. Analysis has been done by looking at the annual report and by going through each and every note carefully.

The outcome of the analysis indicates that overall the company has maintained its financial position reasonably good. Though broader comparison with financial year 2021 indicates that company has reduced its fixed financial obligations and concentrated more on investing into subsidiaries, joint ventures and other associates.

This study is an attempt to give an understanding about how to look at the annual report while analysing Balance Sheet. All the calculations are based upon the information provided in the annual report.

Key Words: Ratio Analysis, Comparative, Common Size, Annual Report, Balance Sheet

Introduction:

Financial Statement Analysis:

Financial analysis is the process of examining a company's performance in the context of its industry and economic environment in order to arrive at a decision or recommendation. Often, the decisions and recommendations addressed by financial analysts pertain to providing capital to companies—specifically, whether to invest in the company's debt or equity securities and at what price. An investor in debt securities is concerned about the company's ability to pay interest and to repay the principal lent. An investor in equity securities is an owner with a residual interest in the company and is concerned about the company's ability to pay dividends and the likelihood that its share price will increase.

Overall, a central focus of financial analysis is evaluating the company's ability to earn a return on its capital that is at least equal to the cost of that capital, to profitably grow its operations, and to generate enough cash to meet obligations and pursue opportunities.

Fundamental financial analysis starts with the information found in a company's financial reports. These financial reports include audited financial statements, additional disclosures required by regulatory authorities, and any accompanying (unaudited) commentary by management. Basic financial statement analysis—as presented in this reading—provides a foundation that enables the analyst to better understand other information gathered from research beyond the financial reports.

Financial statement analysis helps in answering few questions

- The factors responsible for the difference in the owner's equity, assets and liabilities of the firm at two consecutive balance sheet dates.
- The premier financing and investment activities of the firm during this period
- Are long term sources adequate to finance fixed assets purchases?
- Does the firm possess adequate WC?
- Why did the firm not pay the dividend in spite of adequate profits? How much funds have been generated from operations?
- Has the liquidity position improved**?**

Though There are various techniques of financial statement analysis in this study only three techniques has been used, which are mentioned below

1. Horizantal Analysis (Comparative)
2. Vertical Analysis (Common Size)
3. Trend Analysis

Objective:

1. To analyse the financial statements based upon annual report information
2. To understand how to make use of additional information provided in the form of notes to financial statements in the annual report
3. To set up conclusions based on analysis

Literature Review :

While reviewing various articles it has been identified that all the studies are based upon Ratio Analysis only. Comparative, Common Size and Trend analysis are not found in the articles referred.

'Accounting statement analysis at industry level. A gentle introduction to the compositional approach[1],' by Germà Coenders , and Núria Arimany Serrat, (2023) ,identified transformations that are required for compositional data analysis while doing financial statement analysis. They have shown how to compute industry or sub-industry means of standard financial ratios from a compositional perspective. The authors have also indicated the ways to visualise firms in an industry with a compositional biplot, and to classify them with compositional cluster analysis and to relate financial and nonfinancial indicators with compositional regression models. 'Financial statement analysis of Johnson and Jhonson[2]' by Ziyi Liu (2023) studied the financial performance by applying ratio analysis and the study concluded that the company's growth is positive and sustainable. A study on 'Analysis Of Financial Reports To Assess Financial Performance of PT Jasa Marga[3],' by Ayi Srie Yuniawati and Fanji Farman Prodi (2023) , used various financial ratios and based upon their analysis they concluded that the company's financial performance was not very encouraging due to various reasons. Haitham Nobanee, Ayesha AlMehairi (et.al) in their study titled, 'Financial Statement Analysis of Manchester United,[4]' tried to analyse the financial health & financial performance of a football company. They used Ratio analysis as the basic tool to analyse and found out that the company's performance was stable during the study period in comparison to the industry.

Dr. Mitesh Patel's (2023) contribution in the form of, **'The** Impact of Liquidity on Profitability of Ceramic tiles companies of India: The Financial Statement Analysis (FSA) Approach,[5]' identified correlation between Current Ratio and Profitability Ratio as measured by ROA, the correlation between Quick Ratio and Profitability as measured by ROA and correlation between ROCE and Profitability as measured by ROA. The major findings of his study indicates that there is a significant negative correlation between Current Ratio and Profitability and Quick Ratio and Profitability. But there is a positive correlation between ROCE and Profitability. Petrit Hasanaj & Beke Kuqi (2019) in their article titled, ' Analysis of Financial Statements: The Importance of Financial Indicators in Enterprise,[6]' The main purpose of this study is to determine, forecast and evaluate the best of economic conditions and company's performance in the future. The other purpose of this study is to analyse the financial statement and then give information for financial managers to make thorough decisions about their business. The financial statement applies tools, analytical techniques and required methods for business analysis. They concluded that liquidity and profitability of the company were relatively better in the year 2016. Pragnesh B Dalwadi (2023) in his article titled, **'**Uncovering Financial Fraud: The Role Of Forensic Accounting In Preventing And Detecting Fraud In India[7'], concluded that there the need for detecting financial frauds are increasing day by day . He states that business, Individuals and legal systems should join hands and make a robust system to detect fraud and mitigate it accordingly.

Comparative Analysis :

Horizontal Analysis or comparative analysis gives a thorough understanding of the difference between two Balance Sheet dates. A detailed analysis helps to know the reasons behind changes in the components and accordingly decision can be taken either to improve, continue or otherwise. It’s a very useful technique especially when the company wants to know how to improve the performance as the analysis is done comparing two dates , it is also called as horizontal analysis.

Table 1.1 Comparative Balance Sheet as at 31st March,2022

Standalone Balance Sheet				
As at March 31, 2022				
I. ASSETS				Rs. in Crores
(1) NON-CURRENT ASSETS	**March 31, 2022**	**March 31, 2021**	**Absolute change**	**% change**
(a) Property, plant and equipment	11,733.44	19,153.47	-7,420.03	-38.74
(b) Capital work-in-progress	585.21	1,400.82	-815.61	-58.22
(c) Right of use assets	332.45	768.59	-436.14	-56.75
(d) Goodwill		99.09	-99.09	-100.00
(e) Other intangible assets	2,009.87	6,401.95	-4,392.08	-68.61
(f) Intangible assets under development	882.03	1,605.64	-723.61	-45.07
(g) Investments in subsidiaries, joint ventures and associates	27,917.45	15,147.26	12,770.19	84.31
(h) Financial assets				
(i) Investments	1,338.94	967.65	371.29	38.37
(ii) Loans and advances	48.43	72.39	-23.96	-33.10
(iii) Other financial assets	1,992.52	1,899.20	93.32	4.91
(i) Non-current tax assets (net)	777.68	715.31	62.37	8.72
(j) Other non-current assets	662.24	973.7	-311.46	-31.99
Total Non Current Assets	**48,280.26**	**49,205.07**	**-924.81**	**-1.88**
(2) CURRENT ASSETS				
(a) Inventories	3,718.49	4,551.71	-833.22	-18.31
(b) Financial assets				
(i) Investments	5,143.08	1,578.26	3,564.82	225.87
(ii) Trade receivables	2,111.78	2,087.51	24.27	1.16
(iii) Cash and cash equivalent	2,450.23	2,365.54	84.69	3.58
(iv) Bank balances other than (iii) above	155.2	1,953.40	-1,798.20	-92.05
(v) Loans and advances	139.37	184.49	-45.12	-24.46
(vi) Other financial assets	809.51	1,745.99	-936.48	-53.64
(c) Assets classified as held for sale		220.8	-220.80	-100.00
(d) Other current assets	1,091.95	1,166.89	-74.94	-6.42
Total Current Assets	**15,619.61**	**15,854.59**	**-234.98**	**-1.48**
TOTAL ASSETS	**63,899.87**	**65,059.66**	**-1,159.79**	**-1.78**
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	765.88	765.81	0.07	0.01
(b) Other equity	19,178.27	18,290.16	888.11	4.86
Total Equity	**19,944.15**	**19,055.97**	**888.18**	**4.66**
LIABILITIES				
(1) NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	14,102.74	16,326.77	-2,224.03	-13.62
(ii) Lease liabilities	237.84	593.74	-355.90	-59.94
(iii) Other financial liabilities	460.37	659.64	-199.27	-30.21
(b) Provisions	1,474.11	1,371.94	102.17	7.45
(c) Deferred tax liabilities (net)	173.72	266.5	-92.78	-34.81
(d) Other non-current liabilities	514.13	533.55	-19.42	-3.64
Total Non Current Liabilities	**16,962.91**	**19,752.14**	**-2,789.23**	**-14.12**
(2) CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	9,129.91	5,421.95	3,707.96	68.39
(ii) Lease liabilities	58.58	96.47	-37.89	-39.28
(iii) Trade payables				
(a) Total outstanding dues of micro and small enterprises	146.1	167.23	-21.13	-12.64
(b) Total outstanding dues of creditors other than micro and small enterprises	5,956.00	7,947.78	-1,991.78	-25.06
(iv) Acceptances	7,883.96	7,873.12	10.84	0.14
(v) Other financial liabilities	1,113.26	1,376.12	-262.86	-19.10
(b) Provisions	608.06	1,043.54	-435.48	-41.73
(c) Current tax liabilities (net)	49.67	37.84	11.83	31.26
(d) Other current liabilities	2,047.27	2,287.50	-240.23	-10.50
Total Current Liabilities	**26,992.81**	**26,251.55**	**741.26**	**2.82**
TOTAL EQUITY AND LIABILITIES	**63,899.87**	**65,059.66**	**-1,159.79**	**-1.78**

Interpretation:

Property Plant and Equipment has reduced by 38.74% from last financial year. This major change is asset can be attributed to the transferred to Tata Motors passenger vehicle division and adjustment made due to conversion of joint operation to Joint venture, there was an increase in the accumulated depreciation form last year to the year 2022. Hence change in the assets (note:3b)

In case of capital work in progress as at March, 2021 804.06 crores projects were in hand to be completed in an years' time, which was completed by the end of March, 2022 to the extent of 387.53, hence the balance is 416.53. major part of the project which was to be completed within two years was completed to the extent of 358.96 crores, the balance is only 66.00 crores. Similarly, the projects which had a time of 3 years were completed to the major chunk, but the project having completion time of more than three years has been added by the end of March, 2022. Total capital work in progress in the beginning was 1400.82 crores which was brought down to 585.21 crores, which indicates that 58.22% of the project has been complete. (note :3D ageing schedule)

Good will was written off entirely in the year 2022.

Substantial part of Intangible assets were transferred to Passenger Vehicle division and Joint operation due to Joint venture, hence overall cost of the intangible assets in the form of technical know-how, Product Development and Computer software has come down, as a result amortisation on the same also has reduced down, hence it can be observed that over all intangible assets has come down by 68%.(note: 5B)

Investment in subsidiaries, Joint Venture and other associates has increased by 84.31 %. loans and advance to decreased by 33.10%, this is mainly due to reduced loans to employees (note:10) and reduction in the allowances for credit impaired balances. Overall there was marginal impact on the non-current assets compared to year 2021, which was only -1.88%.

As far as current assets are concerned, there is a reduction in the inventory by 18.3%, which is mainly due pace of conversion of raw material and work in progress. (Note :16 B) It can be observed that raw material and work in progress components have decreased and finished goods component has increased but. Due to the conversion of finished goods into cost of goods sold, overall inventory has com down.

Company has made short term investments into Mutual funds (note:9) in the year 2022, hence there is an increase in the current asset in the form of short term investments to the extent of 225. 87%. Trade receivable has increased by 1.16%, cash and cash equivalents also increase by 3.58% . Though cash on hand has decreased compared to year 2021, (note:19B) there was in increase in cheques on hand and short term deposits with banks.

Other bank balances have reduced drastically by 92.05%, (i)Earmarked balances with banks as at March 31, 2022 of **`135.00 crores** (as at March 31, 2021 `316.83 crores) is held as security in relation to repayment of borrowings.
(ii) Earmarked balances with banks as at March 31, 2021 includes `73.47 crores towards Company's contribution for Family Pension from October 1,2019, in lieu of Tata Motors Pension Trust exemption surrender application pending

with Employee Provident Fund Organization. Subsequent to March 31, 2021, these balances are transferred to Tata Motors Pension Trust. (Note:20)

There was a reduction in other financial assets to the extent of 53.64% as, interest accrued on loans and deposits, deposit with financial institutions, government incentives have been reduced drastically. (Note:13)

Asset classified as held for sale has reduced by 100% as, during the year ended March 31, 2021, the Company has transferred its Global Delivery Centre / Process Shared Service business ('GDC Business') unit to subsidiary company TML Business Services Limited (TMLBSL) on a slump sale basis. (Note 50 iii). Overall performance of the company in terms of Non-Current Assets, Current Assets and Total Assets there is a marginal decrease by approximately 1.88%, 1.48% and 1.78% respectively.

Liabilities:

Equity share capital and other equity share increased by 4.66 % . The company under study has brought down its long term financial obligations by 14.12% , in the form of Borrowing by 13.62%, Company has repaid long term borrowings in the form of term loans from Banks (100%) (Note:23) partial repayment of loans from financial Institution and others . This brought down the overall financial obligation in the form secured loans 23.41%. Though there is a marginal increase in the unsecured loans, it did not make much impact on the overall loans position. Company also reduced lease liabilities by 59.94%,, other financial liabilities by 30.21%, deferred tax liabilities by 34.81%. This strategy of company indicates that company want to focus in reducing down the long term financial obligations.

There is an increase in total current liabilities by 2.82%. this is mainly due to increase in short term borrowings by 68.39%. Company has repaid its short term borrowing from bank , but raised through inter corporate deposits from subsidiaries and associates (Note:24) and also there is an increase in current tax liabilities (net) by 31.26%. Rest of the current liabilities company has repaid marginally though not fully. Hence this brought the overall liabilities position of the company to a satisfactory level.

Common Size Analysis:

Common size analysis or vertical analysis gives a snapshot of the involvement of each component out of Total Assets and Total liabilities respectively. It helps to how the company has utilised its borrowings in terms of investment. What portion has been invested into Fixed Assets and how much has gone into Current Assets. Accordingly, decisions are established.

Table 1.2 Common Size Balance Sheet as at 31st March,2022

Standalone Balance Sheet				
As at March 31, 2022				
I. ASSETS				Rs. in Crores
(1) NON-CURRENT ASSETS	**March 31, 2022**	**% Involvement**	**March 31, 2021**	**% Involvement**
(a) Property, plant and equipment	11,733.44	18.36	19,153.47	29.44
(b) Capital work-in-progress	585.21	0.92	1,400.82	2.15
(c) Right of use assets	332.45	0.52	768.59	1.18
(d) Goodwill		0.00	99.09	0.15
(e) Other intangible assets	2,009.87	3.15	6,401.95	9.84
(f) Intangible assets under development	882.03	1.38	1,605.64	2.47
(g) Investments in subsidiaries, joint ventures and associates	27,917.45	43.69	15,147.26	23.28
Total Non Current Assets (1)	**43,460.45**	**68.01**	**44,576.82**	**68.52**
(h) Financial assets				
(i) Investments	1,338.94	2.10	967.65	1.49
(ii) Loans and advances	48.43	0.08	72.39	0.11
(iii) Other financial assets	1,992.52	3.12	1,899.20	2.92
Total Financial Assets	**3,379.89**	**5.29**	**2,939.24**	**4.52**
(i) Non-current tax assets (net)	777.68	1.22	715.31	1.10
(j) Other non-current assets	662.24	1.04	973.7	1.50
Total other non current Assets	**1439.92**	**2.25**	**1689.01**	**2.60**
Total other Non Current Assets including financial assets (II)	**48,280.26**	**75.56**	**49,205.07**	**71.11**
(2) CURRENT ASSETS				
(a) Inventories	3,718.49	5.82	4,551.71	7.00
(b) Financial assets				
(i) Investments	5,143.08	8.05	1,578.26	2.43
(ii) Trade receivables	2,111.78	3.30	2,087.51	3.21
(iii) Cash and cash equivalent	2,450.23	3.83	2,365.54	3.64
(iv) Bank balances other than (iii) above	155.2	0.24	1,953.40	3.00
(v) Loans and advances	139.37	0.22	184.49	0.28
(vi) Other financial assets	809.51	1.27	1,745.99	2.68
(c) Assets classified as held for sale			220.8	0.34
(d) Other current assets	1,091.95	1.71	1,166.89	1.79
Total Current Assets	**15,619.61**	**24.44**	**15,854.59**	**24.37**
TOTAL ASSETS	**63,899.87**	**100.00**	**65,059.66**	**100.00**
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	765.88	1.20	765.81	1.18
(b) Other equity	19,178.27	30.01	18,290.16	28.11
Total Equity	**19,944.15**	**31.21**	**19,055.97**	**29.29**
LIABILITIES				
(1) NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	14,102.74	22.07	16,326.77	**25.10**
(ii) Lease liabilities	237.84	0.37	593.74	**0.91**
(iii) Other financial liabilities	460.37	0.72	659.64	**1.01**
(b) Provisions	1,474.11	2.31	1,371.94	**2.11**
(c) Deferred tax liabilities (net)	173.72	0.27	266.5	**0.41**
(d) Other non-current liabilities	514.13	0.80	533.55	**0.82**
Total Non Current Liabilities	**16,962.91**	**26.55**	**19,752.14**	**30.36**
(2) CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	9,129.91	14.29	5,421.95	8.33
(ii) Lease liabilities	58.58	0.09	96.47	0.15
(iii) Trade payables				
(a) Total outstanding dues of micro and small enterprises	146.1	0.23	167.23	0.26
(b) Total outstanding dues of creditors other than micro and small enterprises	5,956.00	9.32	7,947.78	12.22
(iv) Acceptances	7,883.96	12.34	7,873.12	12.10
(v) Other financial liabilities	1,113.26	1.74	1,376.12	2.12
(b) Provisions	608.06	0.95	1,043.54	1.60
(c) Current tax liabilities (net)	49.67	0.08	37.84	0.06
(d) Other current liabilities	2,047.27	3.20	2,287.50	3.52
Total Current Liabilities	**26,992.81**	**42.24**	**26,251.55**	**40.35**
TOTAL EQUITY AND LIABILITIES	**63,899.87**	**100.00**	**65,059.66**	**100**

Interpretation:

The common size analysis of Tata Motors Standalone Balance Sheet for the year ended 31st March, 2021 and 2022 indicates that the company has invested 71.11% in the year 2021 and 75.56% in the year 2022 in non-current assets. Whereas it has invested only 24.37% and 24.44% in respective years in current assets out of the total assets. On the other hand, out of total liabilities it has been identified that the company has invested 40.35% and 42.24% in current liabilities in the respective years. Only 30.66%and 26.55% was invested in long term liabilities and 29.29% & 31.21% was invested in equity. It has been observed that there is no much difference in the current assets in both the years but there is an increase in the current liabilities, this increase is mainly due to increase in short term financial borrowing.

In terms of non-current assets, company's investment in property, plant and equipment has dropped down compared to last year, but its investment in subsidiaries, joint ventures and associates has increased, which is 43.69% out of total assets. Company has increased its investment in subsidiaries, joint ventures and associates compared to last year by 84.43%(table 1.1 *comparative statement*)

Out of current assets. Among the long term liabilities, though the company has repaid certain portion of Borrowings compared to last year, still it holds 22. 07% involvement in the total labilities. Similarly, short term borrowings also hold 14. 29% next to long term borrowing.

Based upon the interpretation it can be concluded that the company has invested more in non-current assets and current liabilities. This may impact upon the liquidity position of the company. Further analysis in the form of ratio analysis will give a clear picture.

Trend Analysis:

Trend Analysis basically helps to understand the trend of each component over a period e.g 3-5 years. Based upon the trend one can understand how the company is investing in any component for a specific period of time , whether that investment is financial feasible or not? In this study a period of four years starting from 2019,2020,2021 and 2022 has been considered

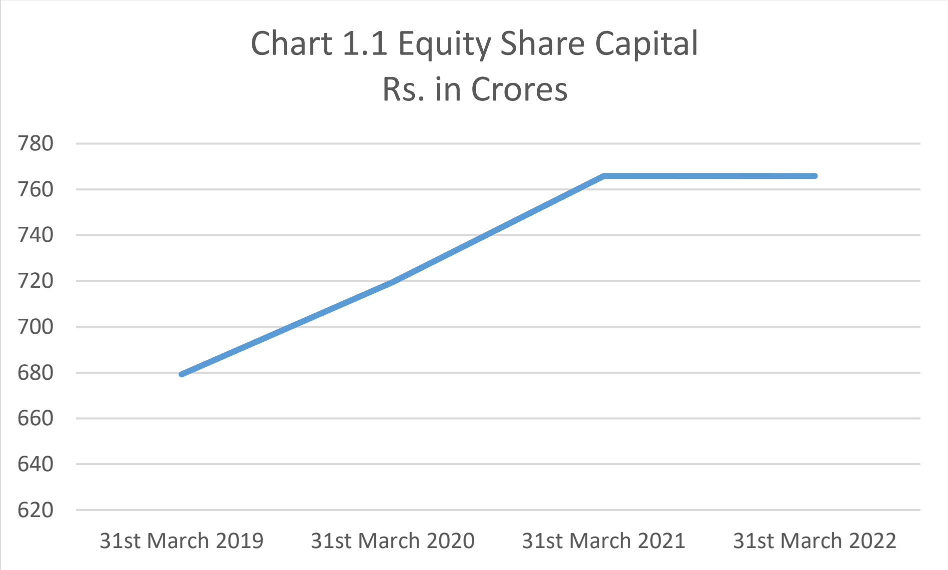
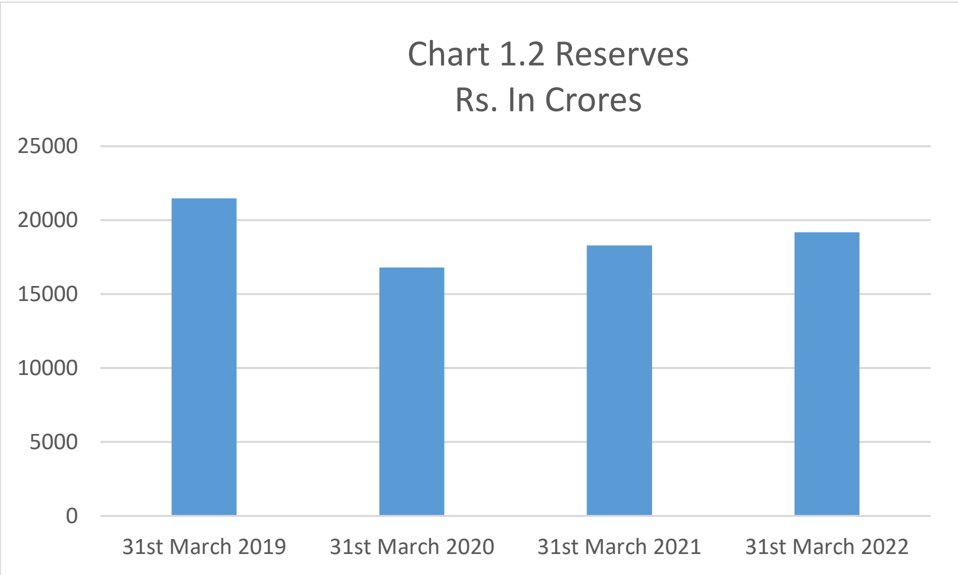
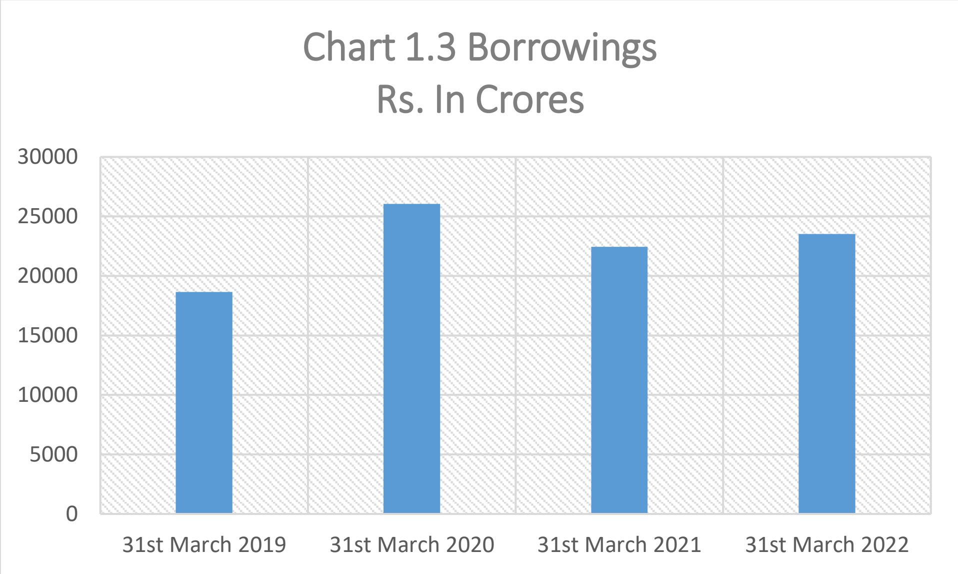


Chart 1.1 indicates the trend in issuing equity share capital. Company has raised more in the form of equity share capital post COVID-19 pandemic, hence year 2020 and 2021 showed the increasing trend, but during 2022 company has maintained same level of equity with a marginal increase.

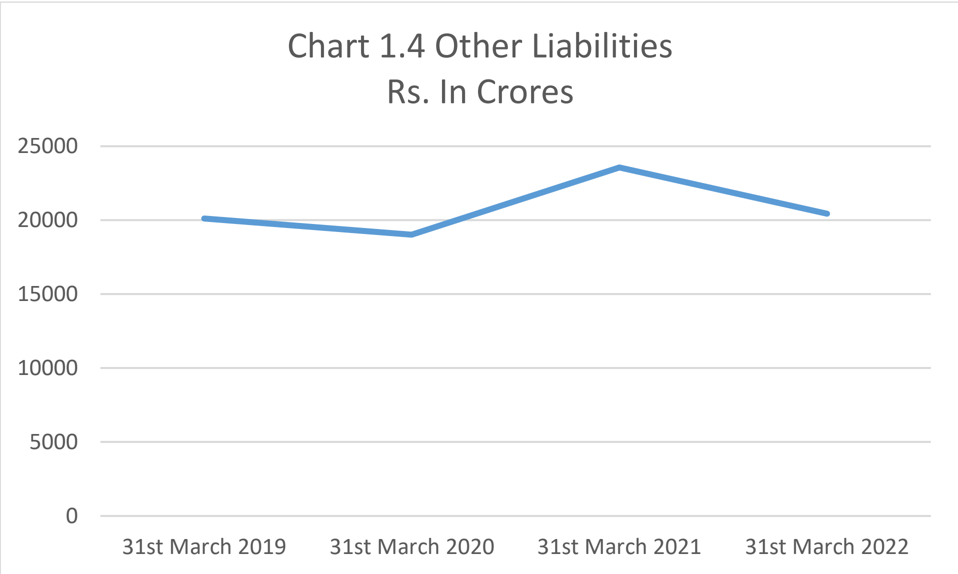


From chart 2.2 it can be inferred that company under study had more reserves during 2019, but it has decreased in the year 2020, gradually it started picking up from the following year i.e year 2021 and 2022. Decrease in the reserves during 2020 can related with the impact of lock down and slowdown in the work due to pandemic.

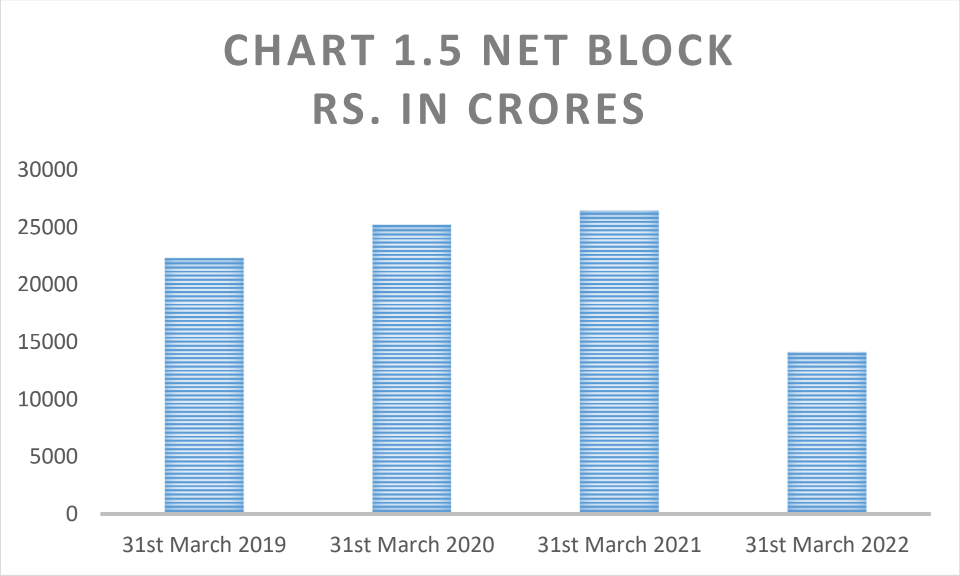
International Journal of Scientific Research in Engineering and Management (IJSREM)
Volume: 07 Issue: 08 | August - 2023 SJIF Rating: 8.176 ISSN: 2582-3930



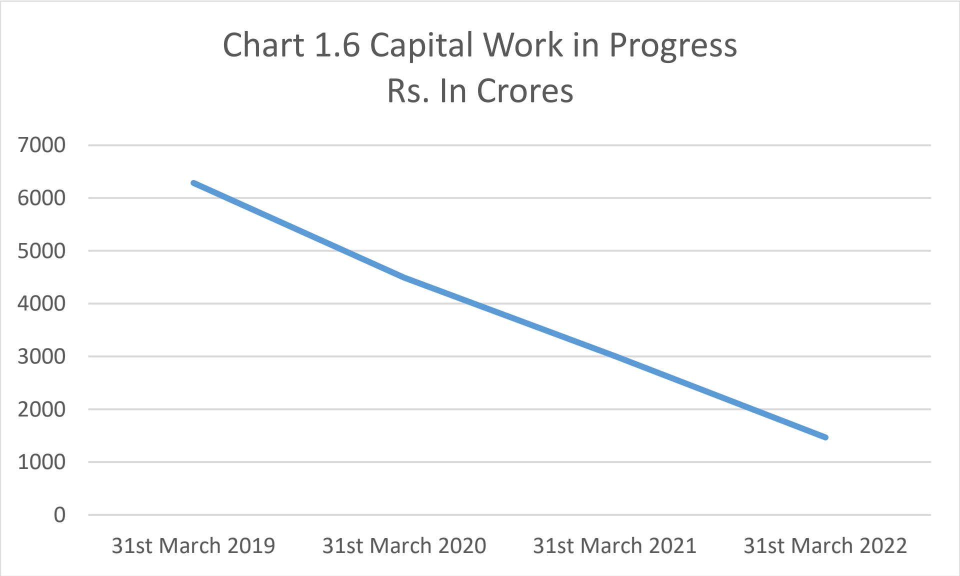
As discussed in chart 1.2, company's reserves were affected which paved way for increased amount of borrowings in the year 2020. But in the year 2021 company had decreased down the financial obligations in the form of borrowing. Year 2021 and 2022 has more or less same amount of borrowing with a marginal increase.



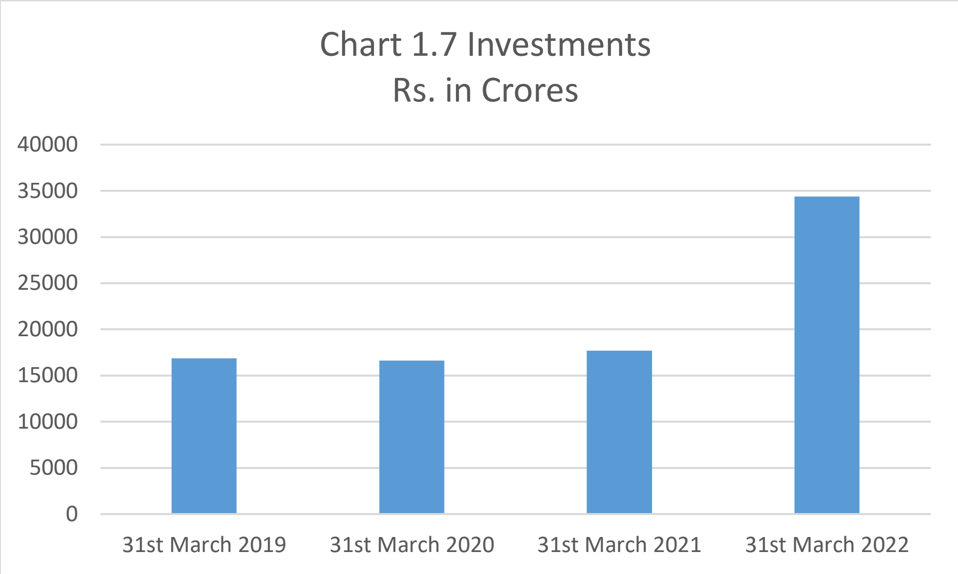
Ironically, chart 1.4 indicates that other liabilities have increased in the year 2021, as has been discussed earlier (refer to common size analysis table 1.2) where in company has borrowed in the form of short term labilities, though it has reduced long term borrowing as per chart 1.3. This trend indicates that company is trying to reduce its long term financial burden, as short term requirements can be taken care off from the revenue generated.



Net block of fixed assets has reduced drastically in the year 2022, the reason may be due to the fact that the company has transferred good amount of fixed assets to it subsidiaries, joint ventures and associates (refer Chart 1.2 interpretation).



As per chart 1.6, there is a steep slope in the trend of capital work in progress. This trend shows that the company's investment in capital work in progress is not remaining idle and it is able to covert inventory at a faster pace. Inventory turnover ratio was 6.27 (2019), 5.64 (2020), 6.54 (2021) and 6.47 (2022) respectively during the study period (source Money control.com) this indicates that the amount invested in the process is being used properly.



Chat 1.7 indicates increase in investments in the year 2022. During the initial three years of study period company maintained a reasonable amount of investments. But year 2022 experienced a steep rise in the investments.

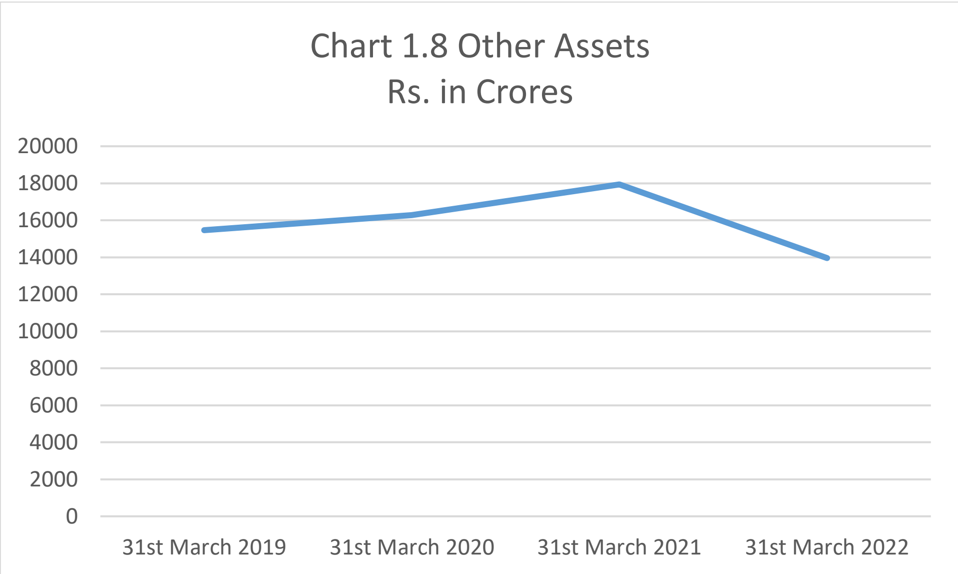
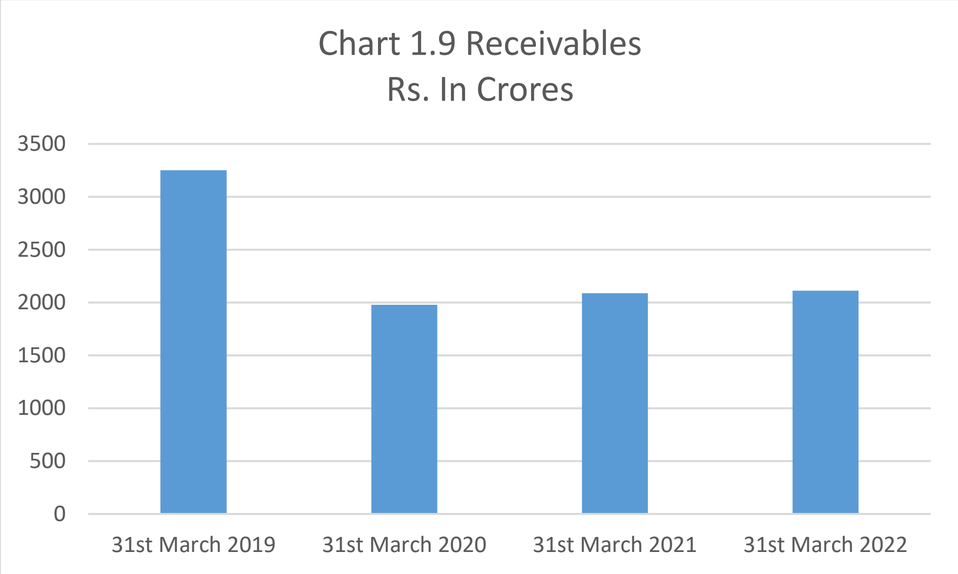
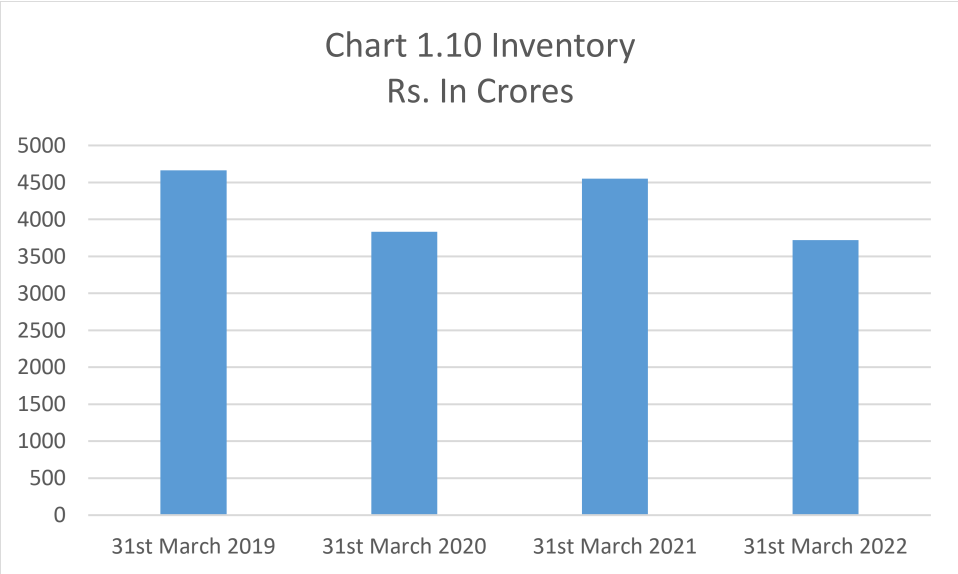


Chart 1.8 indicates that company's investment in other assets increased in the year 2021, it was majorly in current assets (refer table 1.2). It can be observed that Bank balances, Financial Assets and other current assets, Loans and advances have increase from the year 2020 & 2019. But again in the year 2022 it started dripping down, the major impact was due reduced bank balances.

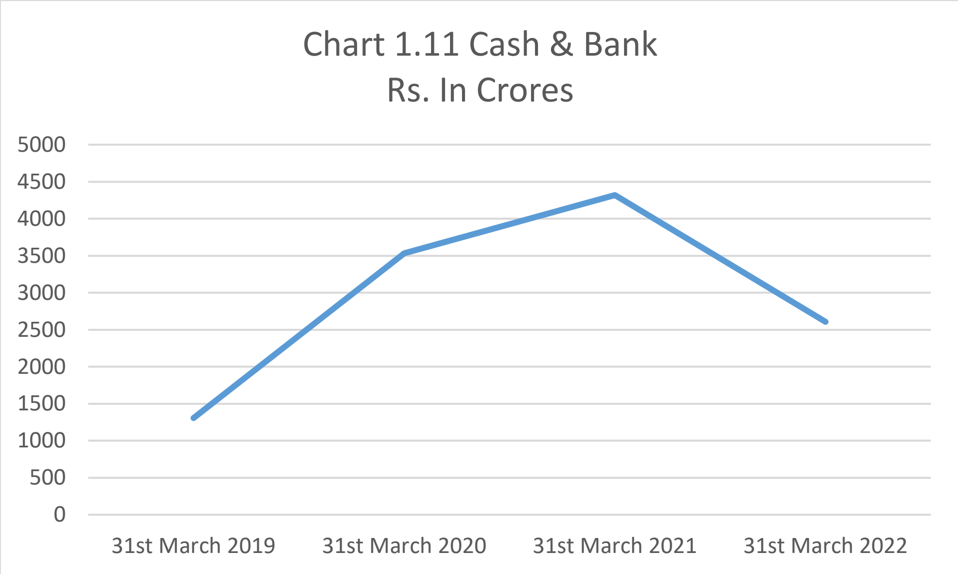


Receivables have increased in the beginning of the study period, ie. Year 2019, which indicates that the company had more credit sales and year 2020 the receivables declined due to less sales. But Receivables turnover ratio was high during year 2020. Company was able to make collection from debtors though the year was hit badly by pandemic. Till year 2022 receivables remained more or less at the same level, but receivables turnover ratio was decreasing, which means there was a decrease in receivables collection.

Receivables turnover ratio for year 2019-43.6, 2020-50.79, 2021- 43.2 and 2022-41.9 (source money control.com)



As per chart 1.10 , Inventory of the company had a mixed trend , year 2019 it was high, year 2020 it slid down again in the year 2021 it plunged back , but could not sustain hence year 2022 saw a decline in the inventory. This can attributed to inventory turnover ratio, where in it was at 6.27 (2019) , 5.64 (2020), 6.54 (2021) and 6.47 (2022) respectively .(source Money control.com). If we look at the chart and inventory turnover ratio, it indicates that when inventory was high inventory turnover ratio was also high, and vice versa. Eg. Year 2019 and 2021 inventory was high and inventory turnover ratio was also high at 6.27 and 6.54 respectively. This shows that the company was able to generate more revenue out of inventory in both the years.



The precursor for cash and bank balance in Inventory turnover and Receivables turnover. As discussed in chart 1.9 and 1.10 . according to chart 1.9 there has been a decline in total receivables of the company from year 2020. It indicates that the company followed a policy of maximum cash sales in order to recoup the after effect of pandemic. Because receivables turnover indicated that whatever receivables were generated company had slowed down in making collection from the debtors.

This again can be related with inventory turnover Ratio and can be concluded stating that high inventory turnover indicates higher sales, higher sales helped in having higher cash and bank balance.

Conclusion:

A thorough analysis of financial indicates that overall the company has managed its financials. Though it had faced a slowdown in the year 2020, but gradually it started plunging back. Over all analysis indicates that the company was not able to maintain the momentum continuously, hence it had faced fluctuations in its performance.

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