

**International Journal of Computing and Business Research
(IJCBR)**

ISSN (Online) : 2229-6166

Volume 3 Issue 2 May 2012

CAPITAL STRUCTURE ANALYSIS OF INDIAN AUTOMOBILE INDUSTRY

Dr Pawan kumar Asstt Professor DIMT Kurukshetra*

Abstract: The automobile industry consisting of cars, trucks, buses, two-wheelers and three-wheelers, is vital to the growth of the Indian economy. In the last decade their share in the Indian economy is around 5% of GDP. Economic progress is indicated by the amount of goods and services produced which give the impetus for transportation and boost the sale of vehicles. The **automobile industry in India** is one of the larger markets in the world and had previously been one of the fastest growing globally. This paper is an attempt to make analysis of the capital structure of five selected companies for five years. For this purpose the tools of managerial accounting have been used to find out the status of capital structure in sample companies.

Main segment in Indian Automobile Industry:-

Passenger vehicles: Cars and buses

Commercial vehicles:

- ❖ Light commercial vehicles – Goods carrier
- ❖ Multi Utility Vehicles, Sports Utility and mini vans
- ❖ Heavy commercial vehicles – Trucks, Tempo, Tractor and Tipper/Dumper

Three wheelers: Rickshaws, Trolleys, Delivery Vans and Tipper

Two wheelers: Scooters, Motorcycles and Mopeds

Aside from these four segments there is also a growing segment within the electrical car area in India. Electrical cars are both economical, efficient and environment friendly.

Profile of the sample companies:

- | | |
|--------------------------------|------------------------|
| 1. Maruti Suzuki India Limited | 2. Tata Motors Limited |
| 3. Bajaj Auto | 4. Mahindra & Mahindra |
| 5. Hero Motocorp | |

Maruti Suzuki India Limited (MSIL, formerly known as Maruti Udyog Limited)

is a subsidiary of Suzuki Motor Corporation, Japan. The company has two manufacturing

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units located at Gurgaon and Manesar, south of New Delhi, India. Both the units have a combined capability to produce over a 1.5 million (1,500,000) vehicles annually. The company plans to expand its manufacturing capacity to 1.75 million by 2013.

The Company offers 15 brands and over 150 variants ranging from people's car Maruti 800 to the latest Life Utility Vehicle, Ertiga. The portfolio includes Maruti 800, Alto, Alto K10, A-star, Estilo, WagonR, Ritz, Swift, Swift DZire, SX4, Omni, Eeco, Kizashi, Grand Vitara, Gypsy and Ertiga. The number of employees in company over 9000 (as on 31st March, 2012). Maruti Suzuki's sales and service network is the largest among car manufacturers in India. The Company has been rated first in customer satisfaction in the JD Power survey for 12 consecutive years. Besides serving the Indian market, Maruti Suzuki also exports cars to several countries in Europe, Asia, Latin America, Africa and Oceania.

Tata Motors Limited is India's largest automobile company, with consolidated revenues of INR 1,65,654 crores (USD 32.5 billion) in 2011-12. It is the leader in commercial vehicles in each segment, and among the top in passenger vehicles with winning products in the compact, midsize car and utility vehicle segments. It is also the world's fourth largest truck and bus manufacturer. It has the largest number of personnel over 55,000. Established in 1945, Tata Motors' presence cuts across the length and breadth of India. Tata Motors is also expanding its international footprint, established through exports since 1961. The company's commercial and passenger vehicles are already being marketed in several countries in Europe, Africa, the Middle East, South East Asia, South Asia, South America, CIS and Russia. It has franchisee/joint venture assembly operations in Bangladesh, Ukraine, and Senegal. Tata Motors is equally focussed on environment-friendly technologies in emissions and alternative fuels. It has developed electric and hybrid vehicles both for personal and public transportation.

Bajaj Auto Limited is an Indian motorised vehicle-producing company. Bajaj Auto is a part of Bajaj Group. It was founded by Jamna Lal Bajaj in Rajasthan in the 1930s. The company has changed its image from a scooter manufacturer to a two-wheeler manufacturer. Its product range encompasses scooterettes, scooters and motorcycles. Its growth has come in the last four years after successful introduction of models in the motorcycle segment. The company's worth is around US\$3.4 billion.

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Mahindra & Mahindra Limited (M&M) is an Indian multinational automobile manufacturing corporation headquartered in Mumbai, Maharashtra, India. The company was founded in 1945 in Ludhiana as Mahindra & Mohammed by brothers K.C. Mahindra and J.C. Mahindra and Malik Ghulam Mohammed. After India's independence and Pakistan was formed, Mohammed immigrated to Pakistan. The company changed its name to Mahindra & Mahindra in 1948. It is ranked 21 in the list of top companies of India in Fortune India 500 in 2011. Today, its operations span 18 key industries that form the foundation of every modern economy: aerospace, aftermarket, agribusiness, automotive, components, construction equipment, consulting services, defense, energy, farm equipment, finance and insurance, industrial equipment, information technology, leisure and hospitality, logistics, real estate, retail, and two wheelers. M&M has a global presence and its products are exported to several countries. Its global subsidiaries include Mahindra Europe Srl. based in Italy, Mahindra USA Inc., Mahindra South Africa and Mahindra (China) Tractor Co. Ltd. Mahindra started making passenger vehicles firstly with the Logan in April 2007 under the Mahindra Renault joint venture. M&M will make its maiden entry into the heavy trucks segment with Mahindra Navistar, the joint venture with International Truck, USA.

Hero Motocorp Ltd., formerly **Hero Honda**, is an Indian motorcycle and scooter manufacturer based in New Delhi, India. Hero Honda started in 1984 as a joint venture between Hero Cycles of India and Honda of Japan. In 2010, when Honda decided to move out of the joint venture, Hero Group bought the shares held by Honda. Subsequently, in August 2011 the company was renamed Hero Moto Corp with a new corporate identity. On 4 June 2012, Hero Motocorp approved a proposal to merge the investment arm of its parent Hero Investment Pvt. Ltd. into the automaker. The decision comes after 18 months of its split from Honda Motors. **Hero** is the brand name used by the Munjal brothers for their flagship company, Hero Cycles Ltd. During the 1980s, the company introduced motorcycles that were popular in India for their fuel economy and low cost. Hero MotoCorp has three manufacturing facilities based at Dharuhera, Gurgaon in Haryana and at Haridwar in Uttarakhand.

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Termination of Honda joint venture:

In December 2010, the board of directors of the Hero Honda Group have decided to terminate the joint venture between Hero Group of India and Honda of Japan in a phased manner. The Hero Group would buy out the 26% stake of the Honda in JV Hero Honda. Under the joint venture Hero Group could not export to international markets (except Sri Lanka) and the termination would mean that Hero Group can now export. Hero Motocorp can now export to Latin America, Africa and West Asia. Hero is free to use any vendor for its components instead of just Honda-approved vendors.

Objectives of the study: To assess the capital structure of the selected companies.

To know the status of capital structure among selected automobile industries

To determine the long-term profitability of the selected companies.

To assess the change in proportion of debt and equity.

To offer suitable suggestions for framing effective capital structure to meet the requirement of the selected companies.

Data collection- The Study is primarily based upon the published data. The sources of data have been the annual reports of the selected companies.

Period of the study:- The study covers a period of five years from 2007-08 to 2011 -2012.

TOOLS OF ANALYSIS: following statistical tools are used:-

❖ **Leverage analysis**

❖ **Cost of capital analysis**

❖ **Ratio analysis**

LEVERAGE ANALYSIS - It may classify in three types.

1. The Operating leverage financial leverage and combined leverages **Operating Leverage** refers to the relationship between firm's sales revenue and its earnings before interest and tax. Where, contribution= sales-variable cost. **O.L = Contribution/Earning before interest and tax.**

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2. Financial Leverage- Financial leverage can be aptly described as the extent to which a business or investor is using the borrowed money. $F.L = \text{Total Assets} / \text{Shareholder's Equity}$.

C. COMBINED LEVERAGE: The operating leverage and financial leverage constitutes combined leverage. The combined leverage represents the effects of a given in the sales revenue on EPS. It affects the total risk of the firm. $C.L = OL \times FL$

COST OF CAPITAL ANALYSIS: It includes cost of equity and cost of debt.

COST OF EQUITY: Equity is the permanent capital for a firm. The company may raise equity capital both internally and externally. It can rise internally by retained earnings and externally by issuing new shares. $\text{Cost of equity} = \text{Dividend per share} / \text{market per share} \times 100$

COST OF DEBT: A company may raise debt in various ways. It may be in the form of debenture or loan borrowed from financial or public institutions for a certain period of time at a specific rate of interest. $\text{Cost of debt} = \text{Interest} / \text{total debts}$

A. Debt- Equity Ratio: The relationship between borrowed funds and owner's capital is a popular measure of the long-term financial solvency of a firm. It indicates the relationship between the external equities (or) outsider's funds and the internal equities (or) the shareholders funds. $\text{Debt-equity ratio} = \text{Long term debt} / \text{shareholders fund}$

B. Long Term Debt- Equity Ratio Long-term debt to equity expresses the relationship between long-term capital contributions of creditors as related to that contributed by owners (investors). A company with a high long-term debt to equity is considered to be highly leveraged. But, generally, companies are considered to carry comfortable amounts of debt at ratios of 0.35 to 0.50, or Rs.0.35 to Rs.0.50 of debt to every Rs.1.00 of book value (shareholders equity). $\text{Long term debt equity ratio} = \text{Total Long-Term Liabilities} / \text{Stockholders Equity}$

C. Interest Coverage Ratio: It is also known as "time-interest-earned ratio". This ratio measures the debt servicing capacity of a firm in so far as fixed interest on long-term loan is concerned. $\text{Interest Coverage Ratio} = \text{EBIT} + \text{Depreciation} / \text{Fixed interest charges}$

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D. Fixed Assets Turnover Ratio: A financial ratio of net sales to fixed assets. The fixed-asset turnover ratio measures a company's ability to generate net sales from fixed-asset investments - specifically property, plant and equipment (PP&E) - net of depreciation

$$\text{Fixed Assets Turnover Ratio} = \text{Net Sales} / \text{Fixed Assets}$$

E. Return on Net Worth: It shows the relationship between net profits (after interest and tax) and the proprietor's funds. **Return on Net Worth = Net Profit (after interest and tax) / Shareholders fund × 100.**

F. Net Profit Margin: Net profit divided by net revenues, often expressed as a percentage. The net profit margin is a good way of comparing companies in the same industry, since such companies are generally subject to similar business conditions. It is also called net margin.

$$\text{Net Profit Margin} = \text{Net Profit (after interest and tax)} / \text{Net Revenues} \times 100$$

G. RETURN ON LONG-TERM FUNDS: This ratio establishes the relationship between net profit and long-term funds. The term long-term funds refer to investment made in business for long-term.

$$\text{Return on long-term funds} = \text{Earnings before Interest \& Tax} / \text{total long-term funds} \times 100$$

H. Return on Capital Employed: This is a measure of the returns that a business is achieving from the capital employed, usually expressed in percentage terms. Capital employed equals a company's Equity plus Non-current liabilities (or Total Assets – Current Liabilities), ROCE should always be higher than the rate at which the company borrows otherwise any increase in borrowing will reduce shareholders' earnings, and vice versa; a good ROCE is one that is greater than the rate at which the company borrows.

$$\text{ROCE} = \text{EBIT} / \text{Capital Employed} = \text{Total Assets} - \text{Current Liabilities}$$

I. Capital Gearing Ratio: Capital gearing ratio is mainly used to analyze the capital structure of a company. The term "capital gearing" or "leverage" normally refers to the

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(IJCBR)**

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proportion of relationship between equity share capital including reserves and surpluses to preference share capital and other fixed interest bearing funds or loans.

Capital Gearing Ratio= Equity capital/ Fixed interest bearing funds

J. Proprietary Ratio: The proprietary ratio (also known as the *equity ratio*) is the proportion of shareholders' equity to total assets, and as such provides a rough estimate of the amount of capitalization currently used to support a business.

Proprietary Ratio = shareholders' equity / total assets ×100

Where Proprietors' Funds = Shareholders' Funds = Share Capital (Equity + Preference) + Reserves and Surplus – Fictitious Assets. Total Assets include only Fixed Assets and Current Assets. Any intangible assets without any market value and fictitious assets are not included.

K. Price-Earning Ratio/Earning Yield Ratio: The price earnings ratio is closely related to the earnings yield/earnings price ratio. It is actually the reciprocal of the latter.

Price-Earning Ratio/Earning Yield Ratio: = MPS/EPS

Analysis of capital structure:

Table1: Operating Leverage

Year \ Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	0.86	1.17	0.95	0.97	0.93	0.98
Tata Motors	0.64	0.61	0.66	0.75	0.63	0.66
Bajaj Auto	0.92	1.01	0.97	0.97	0.96	0.97
Mahindra & Mahindra	0.83	1.08	0.97	0.93	0.82	0.93

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Hero Motocorp	1.01	0.98	1.00	0.99	0.97	0.99
Mean	0.85	0.97	0.91	0.92	0.86	0.90

Source: Data compiled from balance sheet and other final accounts of companies.

Operating leverage refers to the relationship between firm's sales revenue and its earnings before interest and tax. Table 1 highlights the position of operating leverage of different companies for different years. The ratio for all auto corps ranges between 0.85 and 0.97 during the study period. It was at highest level (0.97) in the accounting year of 2008-09, while it has been reported at low level (0.85) in the year of 2007-08. Moreover, Hero Motocorp has greater operating leverage in terms of average for five years, which is reported 0.99 and it is followed by Maruti Suzuki, Bajaj auto and Mahindra & Mahindra along with average of 0.99, 0.97 and 0.93 respectively, while 0.66 at lower level has been found in case of Tata Motors. Individually it can be conclude that, operating leverage of Hero Motocorp was at high level 1.01 in 2007-08 and at low level 0.97 in 2011-12. Maruti Suzuki's operating leverage was at high level 1.17 during 2008-09 and at low level 0.86 in 2007-08. In case of Bajaj Auto operating leverage was at high level 1.01 in the accounting year of 2008-09 and at low level 0.92 during the year 2007-08. Tata Motors operating leverage was at high level 0.75 in the year of 2010-11 and at low level 0.61 in the year 2008-09. Thus, it can be concluded that Tata Motors has low rate of operating leverage, which indicates a low interest outflow and consequently lower borrowings.

Table2: Financial Leverage

Company Name \ Year	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	1.05	1.18	1.06	1.12	1.41	1.16
Tata Motors	1.50	0.12	1.80	2.60	3.36	1.88
Bajaj Auto	0.63	1.14	1.04	0.75	0.93	0.90
Mahindra & Mahindra	0.93	1.25	1.09	1.01	1.08	1.07
Hero Motocorp	0.97	0.98	0.97	1.08	1.27	1.05

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Mean	1.02	0.93	1.19	1.31	1.61	1.21
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Source: Data compiled from balance sheet and other final accounts of companies.

Financial leverage means the extent to which a business or investor is using the borrowed money. Table 2 reveals the financial leverage of all selected companies for study period. It ranges between 0.93 and 1.61 during the study period. It was at highest level (1.61) in the accounting year of 2011-12, while it has reported at low level (0.93) in the year of 2008-09. Moreover, Tata Motors has greater financial leverage in terms of average for five years, which is reported 1.88 and it is followed by Maruti Suzuki, Mahindra & Mahindra and Hero Motocorp along with average of 1.16, 1.07 and 1.05 respectively, while 0.90 at lower level has been found in case of Bajaj Auto. At individual level, in Tata Motors the leverage was at high level 3.36 in 2011-12 and at low level 0.12 in 2008-09. In Maruti Suzuki the leverage was at high level 1.41 in 2011-12 and at low level 1.05 in 2007-08. Hero Motocorp's financial leverage was at high level 1.27 in 2011-12 and at low level 0.97 in 2007-08, 2009-10 each. The financial leverage of Bajaj Auto was at high level 1.14 in 2008-09 and at low level 0.63 in 2007-08. Hence it can be concluded that, Bajaj Auto has low financial leverage which indicates good among all selected companies.

Table3: Combined Leverage

Company Name \ Year	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	0.90	1.38	1.01	1.08	1.31	1.14
Tata Motors	0.96	0.07	1.18	1.95	2.12	1.26
Bajaj Auto	0.58	1.15	1.01	0.73	0.89	0.87
Mahindra & Mahindra	0.77	1.35	1.06	0.94	0.88	1.00
Hero Motocorp	0.98	0.96	0.97	1.07	1.23	1.04
Mean	0.84	0.98	1.05	1.15	1.29	1.06

Source: Data compiled from balance sheet and other final accounts of companies.

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The operating leverage and financial leverage constitutes combined leverage. The combined leverage affects the total risk of the firm. The above Table 3 shows the combined leverage (times) in different companies for study period. The ratio of all auto corps ranges between 0.84 and 1.29 in 2007-08 to 2011-12 respectively. It was at highest level 1.29 in the accounting year of 2011-12, whereas it has been reported at low level (0.84) during 2008-09. Moreover, Tata Motors has greater combined leverage in term of average for five years, which is reported 1.26 and it is followed by Maruti Suzuki and Hero Motocorp along with average of 1.14 and 1.04 respectively, whereas 0.87 at lower level has been found in case of Bajaj Auto. According to company wise it has been found that, combined leverage of Tata Motors was at high level 2.12 in 2011-12 and at low level 0.07 in 2008-09. Maruti Suzuki's combined leverage was at high level 1.38 in 2008-09 and at low level 0.90 in 2007-08. The combined leverage of Hero Motocorp was at high level 1.23 in 2011-12 and at low level 0.96 in 2008-09. In Bajaj Auto the combined leverage was at high level 1.15 in 2008-09 and at low level 0.58 in 2007-08. Hence it can be concluded that total risk was high for Tata Motors and the company can increase its equity to reduce the risk.

Table4: Cost of Equity

Company Name \ Year	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	0.96	0.22	0.42	0.81	0.50	0.58
Tata Motors	47.15	3.78	5.74	11.21	1.28	13.83
Bajaj Auto	10.22	2.50	2.60	2.51	2.11	3.99
Mahindra & Mahindra	8.37	1.85	1.22	1.68	1.34	2.89
Hero Motocorp	2.36	1.16	5.54	5.51	2.37	3.39
Mean	13.81	1.90	3.10	4.34	1.52	4.94

Source: Data compiled from balance sheet and other final accounts of companies.

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When a company wants to raise funds by way of equity shares, their expectations have to be evaluated and for that cost of equity is calculated. Table 4 presents the cost of equity of different companies for study period. The ratio for all auto corps ranges from 1.90 to 13.81 during the study period. It was at highest level (13.81) in the accounting year of 2007-08, whereas it has been reported at low level (1.90) in 2008-09. Tata Motors has high cost of equity in term of average for five years, which is reported 13.83 and it is followed by Bajaj Auto and Hero Motocorp along with average of 3.99 and 3.39 respectively, While 0.58 has been found in case of Maruti Suzuki which is at low level. Furthermore, in Tata Motors the cost of equity was at high level 47.15 in 2007-08 and at low level 1.28 in 2011-12. In Bajaj Auto cost of equity was at high level 10.20 in 2007-08 and at low level 2.11 in 2011-12. Hero Motocorp's cost of equity was found at high level 5.54 in 2009-10 and at low level 1.16 in 2008-09. Cost of equity of Maruti Suzuki was at high level 0.96 in 2007-08 and at low level 0.22 in 2008-09.

Table5: Cost of Debt

Year \ Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	6.62	7.30	4.08	7.89	5.12	6.20
Tata Motors	7.51	5.35	7.50	8.70	11.07	8.03
Bajaj Auto	0.39	1.34	0.45	0.52	22.81	5.10

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Years Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
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Mahindra & Mahindra	3.39	3.31	5.45	2.95	5.13	4.05
Hero Motocorp	10.20	16.61	16.87	1.90	3.36	9.79
Mean	5.62	6.78	6.87	4.39	9.50	6.63

Source: Data compiled from balance sheet and other final accounts of companies.

Table 5 explains the cost of debt of different companies for study period. The ratio for selected companies ranges from 4.39 to 9.50 during the study period. It was at highest level (9.50) in the accounting year of 2011-12, whereas it has been reported at low level (4.39) in the accounting year of 2010-11. Moreover, Hero Motocorp has greater cost of debt in term of average for five years, which is reported 9.79 and it is followed by Tata Motors and Maruti Suzuki along with average of 8.03 and 6.20 respectively, While 4.05 at lower level has been found in case of Mahindra & Mahindra. Furthermore, in Hero Motocorp the cost of debt was high 16.87 in 2009-10 and low 1.90 in 2010-11. In Tata Motors cost of debt was at high level 11.07 in 2011-12 and low 5.35 in 2008-09. And in Maruti Suzuki it was high 5.54 in 2009-10 and low 4.08 in 2009-10. The cost of debt of Mahindra and Mahindra was high 5.45 in 2009-10 and low 2.95 in 2010-11. Thus it can be concluded that, among all selected companies Mahindra & Mahindra has low cost of debt which indicates use of debt financing with low interest rate whereas Hero Motocorp borrow debt financing with high rate of interest.

Table 6: Debt Equity Ratio

Source: Data compiled from balance sheet and other final accounts of companies.

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Maruti Suzuki	0.11	0.07	0.07	0.02	0.07	0.07
Tata Motors	0.80	1.06	1.12	0.80	0.57	0.87
Bajaj Auto	0.84	0.84	0.46	0.07	0.02	0.45
Mahindra & Mahindra	0.60	0.77	0.37	0.23	0.26	0.45
Hero Motocorp	0.04	0.02	0.02	0.50	0.23	0.16
Average	0.48	0.55	0.41	0.33	0.23	0.40

Debt – Equity ratio indicates the relationship between the external equities (or) outsider’s funds and the internal equities (or) the shareholders funds. The ideal ratio is 2:1. Table 6 reveals the debt –equity proportion of finance selected companies for study period. Debt-Equity calculated for five years for each automobile company. The ratio for all auto corps ranges from 0.23 to 0.55 during whole period of study. It was at highest level (0.55) in the accounting year of 2011-12, whereas it has been reported at low level (0.23) in 2008-09. Moreover, Tata Motors has greater debt-equity ratio in term of average for five years, which is reported 0.87 and it is followed by Bajaj Auto and Mahindra & Mahindra along with average of 0.45 each respectively, While 0.07 at lower level has been found in case of Maruti Suzuki. Furthermore, in Tata Motors debt-equity ratio was at high level 1.12 in 2009-10 and at low level 0.57 in 2011-12. Bajaj Auto’s debt-equity ratio was at high level 0.84 for two consecutive years (2007-09) and at low level 0.02 in 2011-12. In Mahindra & Mahindra cost of debt was at high 0.77 in 2008-09 and at low level 0.23 in 2010-11. Thus it can be concluded that, among all selected companies Maruti Suzuki has low debt-equity ratio which indicates sufficient protection to long-term lenders or a safe position of long-term lenders point of view.

Table 7: Long Term Debt Equity Ratio

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Years Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	0.06	0.07	0.04	0.02	-	0.04
Tata Motors	0.50	0.49	0.80	0.52	0.41	0.54
Bajaj Auto	0.84	0.71	0.45	0.03	0.02	0.46
Mahindra & Mahindra	0.63	0.83	0.46	0.32	0.26	0.50
Hero Motocorp	0.04	0.02	0.02	0.50	0.23	0.16
Mean	0.41	0.42	0.35	0.37	0.18	0.34

Source: Data compiled from balance sheet and other final accounts of companies.

Long-Term Debt to Equity expresses the degree of protection provided by the owners for long-term creditors. The Table 7 describes the long term debt-equity ratio of sample companies. The ratio for all auto corps ranges between 0.18 and 0.37 during the study period. It was at highest level (0.37) in the accounting year 2010-11 and lowest level (0.18) in 2011-12. Moreover, Tata Motors has greater debt-equity ratio in term of average for five years, which is reported 0.54 and it is followed by Mahindra & Mahindra and Bajaj Auto along with average of 0.50 and 0.46 respectively, While 0.04 at lower level has been found in case of Maruti Suzuki. Furthermore, in Tata Motors the ratio was at high level 0.80 in 2009-10 and at low level 0.41 in 2011-12. In Mahindra & Mahindra the ratio was at high level 0.83 in 2008-09 and at low level 0.26 in 2011-12. The ratio of Maruti Suzuki has been found at high level 0.07 in 2008-09 and at low level 0 in 2011-12. While in Hero Motocorp the ratio was at high 0.23 in 2011-12 and low as well as stable 0.02 for two consecutive years (2008 to 2010). Thus it can be concluded that lower the ratio the better it is and we can see this in case of Maruti Suzuki.

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Table 8: Interest Coverage Ratio

Years	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Company Name						
Maruti Suzuki	40.93	34.21	105.39	126.04	39.85	69.28
Tata Motors	6.28	2.43	2.61	2.64	3.70	3.53
Bajaj Auto	224.91	53.71	421.06	2093.39	177.33	594.08
Mahindra & Mahindra	14.64	9.69	18.90	48.36	23.02	23
Hero Motocorp	648.15	664.40	1262.36	146.73	123.65	569.06
Mean	187	153	362	483.43	73.51	251.80

Source: Data compiled from balance sheet and other final accounts of companies.

Interest coverage ratio gives an indication of company ability to serve its fixed funding after all expenses. An interest coverage ratio of 6 or 7 times is considered appropriate. Table 8 reveals the interest coverage ratio (times) in sample companies for different years. It ranges from 73.51 to 483.43 during the five years (2008 to 2012). It was at highest level (483.43) in the accounting year 2010-11, whereas it has been reported at low level (73.51) in 2011-12. Table showing that, Bajaj Auto has greater interest coverage ratio in term of average for five years, which is reported 594.08 and it is followed by Hero Motocorp along with average of 569.06, While 3.53 at lower level has been found in case of Tata Motors. Furthermore, in Bajaj Auto the ratio was at high level 2093.39 in 2010-11 and at low level 53.71 in 2008-09. In Hero Motocorp the ratio was at highest level 1262.36 in 2009-10 whereas at lower level 123.65 in 2011-12. While in case of Tata Motors the ratio was at high level 6.28 in 2007-08 and at low level 2.43 in 2008-09. Hence, among all selected

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companies Bajaj Auto has high interest coverage ratio which indicates the secure position of lenders is in respect of payment of interest regularly.

Table 9: Fixed Assets Turnover Ratio

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	2.48	2.38	2.82	3.13	2.46	2.65
Tata Motors	2.69	1.29	1.24	1.42	1.64	1.66
Bajaj Auto	2.95	2.60	3.50	4.85	5.75	3.93
Mahindra & Mahindra	3.22	2.84	3.85	4.08	4.32	3.66
Hero Motocorp	5.89	5.34	6.29	3.70	4.05	5.54
Mean	3.45	2.89	3.54	3.44	3.64	3.40

Source: Data compiled from balance sheet and other final accounts of companies.

The fixed assets turnover ratio measures the efficiency with which fixed assets are employed. Table 9 highlights the average of fixed assets turnover ratio for selected sample of automobile industry. The ratio for all auto corps ranges between 2.89 to 3.64 in the study period. It was at highest level 3.64 in the accounting year of 2011-12, whereas it has been reported at low level 2.89 in 2008-09. Moreover, Hero Motocorp has greater fixed assets turnover ratio in term of average for five years, which is reported 5.54 and it is followed by Bajaj Auto and Mahindra & Mahindra along with average of 3.93 and 3.66

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respectively, while 1.66 at lower level has been found in case of Tata Motors. . Furthermore, in Hero Motocorp the ratio was at high level 6.29 in year 2009-10 and at low level 3.70 in year 2010-11. The fixed assets turnover ratio of Bajaj Auto was at high level 5.75 in 2011-12 and at low level 2.60 in 2008-09. In case of Mahindra & Mahindra the ratio was found at high 4.32 in 2011-12 and low 2.84 in 2008-09. In Tata Motors the fixed assets turnover ratio was at high level 2.69 in 2007-08 and at low level 1.24 in 2009-10. Thus it can be concluded that on an average basis Hero Motocorp has high fixed assets turnover ratio which indicates better utilization of fixed assets.

Table10: Return on Net Worth

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	20.56	13.04	21.10	16.50	10.76	16.39
Tata Motors	25.98	8.09	15.15	9.06	6.42	12.94
Bajaj Auto	47.61	38.92	58.14	68.01	49.72	52.48
Mahindra & Mahindra	25.51	16.03	26.74	25.92	23.80	23.60
Hero Motocorp	32.41	33.72	64.41	65.21	55.43	50.24
Mean	30.41	21.96	37.11	36.94	29.23	31.13

Source: Data compiled from balance sheet and other final accounts of companies.

Return on Net Worth indicates the relationship between net profits (after interest and tax) and the proprietor's funds. The above Table 10 highlights the return on net worth in selected companies for study period. The ratio for all auto corps ranges from 21.96 to 37.11 in the given study period. It was at highest level (37.11) in the accounting year 2009-10 and it has been reported at low level (21.96) in 2008-09. Moreover, Bajaj auto has greater return on net worth ratio in terms of average for five years, which is reported 52.48

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and it is followed by Hero Motocorp along with average of 50.24, while 12.94 at lower level has been found in case of Tata motors. Furthermore, in Bajaj Auto the ratio was at high level 68.01 in 2010-11 and at low level 38.92 in 2008-09. In Hero Motocorp the ratio was at high level 65.21 in the accounting year 2010-11 and at lower level 32.41 in 2007-08. In case of Tata Motors the return on net worth ranging from 10.76 to 25.98 in 2007-08 and 2011-12. Hence it can be concluded that Tata Motors is less efficient among all selected companies in utilizing shareholder's funds.

Table11: Net Profit Margin

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	4.53	6.13	8.34	5.72	9.34	6.81
Tata Motors	2.26	3.74	6.26	3.77	6.96	4.60
Bajaj Auto	5.11	19.80	14.23	7.40	8.32	10.97
Mahindra & Mahindra	8.92	11.14	11.08	6.25	9.45	9.37
Hero Motocorp	10.04	9.89	14.00	10.30	9.27	10.70
Mean	6.17	10.14	10.78	6.69	8.67	8.49

Source: Data compiled from balance sheet and other final accounts of companies.

The Net Profit margin Ratio is an indication of how effectively a company is at cost control. The higher the net profit margin is, the more effective the company is at converting revenue into actual profit. The Above table11 reveals the average net profit margin of the selected sample companies during the study period. The Net Profit Margin Ratio ranges from 6.17 to 10.78 during the whole period of study. It was reported at its

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highest level 10.78 in 2009-10 while lowest level 6.17 in 2007-08. Moreover, the study shows that Bajaj Auto has greater net profit margin in terms of average, which is reported 10.97 and it is followed by Hero Motocorp and Mahindra & Mahindra along with the average of 10.70 and 9.37 respectively. While 4.60 at lower level has been found in case of Tata Motors. Furthermore, in Baja Auto the net profit margin was at high level 19.80 in the accounting year 2008-09 and at low level 5.11 in 2007-08. In Hero Motocorp the ratio was at high level 14.00 in 2010-11 and at low level 9.27 in 2011-12. Net profit margin ratio of Tata motors was at high level 6.96 in 2011-12 and at low level 2.26 in 2007-08. Thus it can be said that, on an average basis Hero Motocorp is relatively more profitable than the other auto corp.

Table12: Return on Long Term Fund

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	27.35	17.48	28.80	21.74	14.48	21.97
Tata Motors	22.85	8.89	12.26	12.01	11.49	13.50
Bajaj Auto	39.71	35.36	59.19	69.67	64.24	53.63
Mahindra & Mahindra	19.64	14.51	27.73	27.05	23.58	22.50

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Hero Motocorp	41.57	43.33	75.07	52.13	49.83	52.39
Mean	30.22	23.91	40.61	36.52	32.72	32.80

Source: Data compiled from balance sheet and other final accounts of companies.

The return on long-term return funds ratio establishes the relationship between net profit and long-term funds. The above Table 12 highlights the Return on Long term Funds in sample companies for five years. The ratio for all auto corps ranges between 23.91- 40.61 during the study period. It was at highest level (40.61) in the accounting year of 2009-10 and it has been reported at low level (23.91) in 2008-09. Moreover, the study shows that Bajaj Auto has greater return on long-term funds in terms of average, which is reported 53.63 and it is followed by Hero Motocorp and Mahindra & Mahindra along with the average of 52.39 and 22.50 respectively. While 13.50 at lower level has been found in case of Tata Motors. Furthermore, in Baja Auto the return on long-term funds was at highest level 69.67 in the accounting year 2010-11 and at lower level 35.36 in 2008-09. The ratio of Hero Motocorp the ratio was at highest level 75.07 in 2009-10 and at lower level 41.57 in 2007-08. Tata Motors showing the return on long-term funds was at high level 22.85 in 2007-08 and at low level 8.89 in 2008-09. Hence it can be concluded that, on an average basis Bajaj auto and Hero Motocorp have been reveals satisfactory relationship between its net profit and long-term funds. On the contrary Maruti Suzuki and Mahindra & Mahindra have not been found satisfactory return on long term fund.

Table13: Return on Capital Employed

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	26.18	17.37	27.89	21.69	13.52	21.33

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Tata Motors	18.96	6.41	10.37	10.19	10.36	11.26
Bajaj Auto	39.71	32.80	59.01	67.57	64.24	52.67
Mahindra & Mahindra	18.52	13.99	27.70	26.96	23.58	22.15
Hero Motocorp	41.57	43.33	75.07	52.13	49.83	52.39
Mean	29.00	22.78	40.01	35.71	32.31	32

Source: Data compiled from balance sheet and other final accounts of companies.

ROCE indicates the efficiency and profitability of a company's capital investments. The above Table 13 shows the average return on Capital Employed of selected companies, which ranges from 22.78 to 40.01 during the study period. It was at highest level (40.01) in the accounting year of 2009-10, whereas it was at low level (22.78) in 2008-09. Moreover, Bajaj Auto and Hero Motocorp has greater average return on capital employed, which is reported 52.67, 52.39 respectively. While 11.26 at lower level has been found in case of Tata Motors. Furthermore, in Baja Auto ROCE was at high level 67.57 in the accounting year of 2010-11 and at low level 32.80 in 2008-09. In Hero Motocorp ROCE found at high level 75.07 in 2009-10 and at low level 41.57 during the year 2007-08. In Tata Motors ROCE was at high level 18.96 in 2007-08 and at low level 6.41 in 2008-09. Hence it can be reveals that, among all auto corps Bajaj Auto and Hero Motocorp reflects the sound profitability of the business during the study period. And Tata Motors could not generate enough return on capital employed during the period of study.

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Table 14: Capital Gearing Ratio

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	9.35	13.37	14.41	44.84	14.08	19.21
Tata Motors	1.24	0.94	0.89	1.26	1.76	1.22
Bajaj Auto	1.19	1.19	2.19	15.10	61.97	16.33
Mahindra & Mahindra	1.72	1.29	2.72	4.27	3.80	2.76
Hero Motocorp	22.62	48.42	52.48	1.98	4.31	25.96
Mean	7.22	13.04	14.54	13.49	17.18	13.10

Source: Data compiled from balance sheet and other final accounts of companies.

This ratio establishes a relationship between equity capital (including all reserves and undistributed profits) and fixed cost bearing capital. The above table 14 highlights Capital Gearing ratio in selected companies for five years. The average of capital gearing ratios of selected companies ranges from 7.22 to 17.18 during the study period. It was at highest level (17.18) in the accounting year 2011-12, while it was at low level (7.22) in 2007-08. Moreover, from the selected companies, Hero Motocorp has greater capital gearing ratio in terms of average which is reported 25.96 and it is followed by Maruti Suzuki and Bajaj Auto along with average of 19.21 and 16.33 respectively. Whereas 1.22 at lower level has been found in case of Tata motors. Furthermore, in Hero Motocorp capital gearing ratio was at high level 52.48 in 2009-10 and at low level 1.98 in 2010-11. In Maruti Suzuki the ratio was at high level 44.84 during the year 2010-11 and at low level 9.35 in 2007-08. Capital gearing ratio of Bajaj Auto was found at high level 61.97 in 2011-12 and at low level 1.19 for two consecutive years (2007 to 2009). Hence, Hero Motocorp has high gearing among all selected companies which indicates to maximize the profits available to

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equity shareholders. On the other hand, Tata Motors and Mahindra & Mahindra reported lowest level of capital gearing ratio.

Table 15: Proprietary Ratio

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	0.90	0.93	0.94	0.98	0.93	0.94
Tata Motors	0.56	0.48	0.47	0.56	0.64	0.54
Bajaj Auto	0.54	0.54	0.69	0.94	0.98	0.74
Mahindra & Mahindra	0.63	0.56	0.73	0.81	0.79	0.70
Hero Motocorp	0.96	0.98	0.98	0.66	0.81	0.88
Mean	0.72	0.70	0.76	0.79	0.83	0.76

Source: Data compiled from balance sheet and other final accounts of companies.

Proprietary ratio measures the relationship between shareholder's funds to total assets of the firm. It is an important ratio for long-term solvency of a firm. The proportion of shareholders funds to total funds should be 33% or more. The above Table 15 reveals the proprietary ratio of selected companies for study period. It ranges between 0.70 and 0.83 during the whole study period. It was at highest level (0.83) in the accounting year of

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2011-12, whereas it has reported at lowest level (0.70) in 2008-09. Moreover, on the basis of average Maruti Suzuki has been reported highest proprietary ratio which is 0.94 and it is followed by Hero Motocorp, Bajaj Auto and Mahindra & Mahindra along with average of 0.88, 0.74 and 0.70 respectively, While 0.54 at lower level has been found in case of Tata Motors. Furthermore, in Maruti Suzuki proprietary ratio was at high 0.98 in the accounting year of 2010-11 and at low level 0.90 in year 2007-08. In Hero Motocorp the ratio was at high level 0.98 for two consecutive years (2008 to 2010) and at low level 0.66 in 2010-11. Proprietary ratio of Bajaj Auto was found at was high 0.98 in 2011-12 and at lowest level 0.54 for two consecutive years (2007 to 2009). In Mahindra & Mahindra the ratio was at high level 0.81 in 2010-11 and at low level 0.56 during the year of 2008-09. In Tata Motors the proprietary ratio was found at high level 0.64 in 2011-12 and 0.47 at low level during the year of 2009-10. Hence it can be concluded that, on the basis of average Maruti Suzuki has high proprietary ratio which indicates sound financial position from long-term point of view. Whereas Tata Motors position in terms of long term was not found satisfactory

Table 16: Price earning Ratio

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	8.68	36.98	16.43	11.62	26.31	20.00
Tata Motors	0.60	8.14	6.65	6.25	79.90	20.31
Bajaj Auto	3.74	19.41	13.10	13.80	20.53	14.12
Mahindra & Mahindra	2.98	17.61	21.08	15.07	19.03	15.15
Hero Motocorp	16.61	26.74	17.77	19.73	15.94	19.36
Mean	6.52	21.78	15.01	13.29	32.34	17.80

Source: Data compiled from balance sheet and other final accounts of companies.

Price earnings ratio shows how much is to be invested in the market in this company's shares to get each rupee of earning on its shares. The above Table 16 highlights the price

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earnings ratio of selected companies for the study period. It ranges from 6.52 to 32.34 during the study period. It was at highest level (32.34) in the accounting year of 2011-12, whereas it has reported at low level (6.52) in 2007-08. On the basis of average Tata Motors has been reported highest price earning ratio which is 20.31 and it is followed by Maruti Suzuki and Hero Motocorp along with average of 20.00 and 19.36 respectively, While 14.12 at lower level has been found in case of Bajaj Auto. Furthermore, in Tata motors the price earning ratio was at high level 79.90 in 2011-12 and at low level 0.66 in 2007-08. In Maruti Suzuki the ratio was at high level 36.98 during the year of 2008-09 and at low level 8.68 in 2007-08. In Hero Motocorp the price earning ratio was at high level 26.74 in the accounting year 2008-09 and at low level 15.94 in 2011-12. In Bajaj Auto the price earning ratio was at high level 20.53 in 2011-12 and at low level 3.74 during the year 2007-08. Hence it can be concluded that, among all selected companies Tata Motors, Maruti Suzuki and Hero Motocorps have sound P/E ratio which indicates high market price of shares or growth prospects. On the other hand Bajaj Auto and Mahindra & Mahindra have not been found good P/E ratio.

Conclusion : The study found that Tata Motors has low rate of operating leverage, which indicates a low interest outflow and consequently lower borrowings. And in 2007-08 and 2011-12 the operating leverage has been reported at low level for all sample companies, which is found 0.85 and 0.86 respectively. It was 0.97 at highest level during 2008-09. Total financial leverage ranges between 0.90 and 1.88 in which Bajaj Auto indicates low leverage, while Tata Motors uses more as compared to others which is 1.88. During 2008-09 table showing low level of leverage among selected automobiles, whereas 1.61 at high level of leverage reported in 2011-12. The combined leverage of Bajaj Auto is reported 0.87 which is better than compare to other while Tata Motors has been found at top level in context of combined leverage along with 1.26. On the other hand year 2007-08 showing low level of leverage 0.84 for all companies and it was found highest 1.29 in 2011-12. Aggregate combined leverage of all sample companies for whole study period has been made out 5.31. Cost of equity ranges from 1.90 to 13.81 for being whole study period. During 2007-08 it was at highest level 13.81 for all selected units, while in subsequent next year 2008-09 it has been reported at very low level 1.90. The market price was very low, so

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that cost of equity was very high in that particular year. In case of particular company wise the cost of equity 13.83 showing by Tata Motors at top while 0.58 recorded in case of Maruti Suzuki at very lowest level. The study found Mahindra & Mahindra has low cost of debt which indicates use of debt financing with low interest rate whereas Hero Motocorp borrow debt financing with high rate of interest. On the other hand during 2011-12 cost of debt was at its highest level 9.50 while just before one year it is reported at lowest level at 4.39 in whole study period. Low debt-equity ratio made out in case of Maruti Suzuki and high debt-equity ratio exercised by Tata motors. But in case of Hero Motocorp it ranges between 0.02 to 0.50 during five years. It was 0.02 each in 2008-09 and 2009-10 while it has been found at highest level in 2010-11 which is 0.50. Long-term debt equity ratio has been found 0.04 at low level among all selected five companies. On the contrary, Tata Motors, Bajaj Auto and Mahindra & Mahindra were found have highest proportion of debt which is nearer to 50%. Bajaj Auto has high interest coverage ratio which indicates the secure position of lenders is in respect of payment of interest regularly. Baja Auto and Hero Motocorp are showing greater variability in interest coverage ratio. For example 53.71 was in 2008-09 at low level within two years it goes up to 2093.39 in case of Bajaj Auto. Same in case of Hero Motocorp in which it ranges from 123.65 to 1262.36 in 2009-10 to 2011-12. Hero Motocorp has high fixed assets turnover ratio which indicates better utilization of fixed assets. But it is reported 1.66 in case of Tata Motors which is showing low efficiency of utilisation of fixed assets. The higher turnover ratio indicates the more efficient management and better utilization of available fixed assets. Tata Motors is less efficient among all selected companies in utilizing shareholder's funds. On the other hand Bajaj Auto and Hero Motocorp have been found more efficient as compare to others. Bajaj Auto and Hero Motocorp are relatively more profitable than the other auto corps, while Maruti Suzuki does not reported sound profitability in five years. Bajaj Auto and Hero Motocorp have been reveals satisfactory relationship between its net profit and long-term funds. On the contrary, Maruti Suzuki and Mahindra & Mahindra have not been found satisfactory return on long-term funds. Bajaj Auto and Hero Motocorp reflect the sound profitability of the business during the study period. And Tata Motors could not generate enough return on capital employed during the period of study. Hero Motocorp has high gearing among all selected companies which indicates to maximize the profits available to equity shareholders. On the other hand, Tata Motors and Mahindra & Mahindra

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reported lowest level of capital gearing ratio. Maruti Suzuki has high proprietary ratio which indicates sound financial position from long-term point of view. Whereas Tata Motors position in terms of long term was not found satisfactory. Tata Motors, Maruti Suzuki and Hero Motocorps have sound P/E ratio which indicates high market price of shares or growth prospects. On the other hand Bajaj Auto and Mahindra & Mahindra have not been found good P/E ratio.

Suggestions: In Tata Motors total risk was high during the study period. Therefore it should increase its equity to reduce the risk. All selected companies should try to maintain their debt-equity proportion at the same level. Bajaj Auto must give special attention to increase the earnings per share to safeguard and improve the welfare of its shareholders. Tata Motors should try to emphasis on efficient utilization of its shareholder's funds. So that it can improve its shareholder's worth in the future. Tata Motors and Maruti Suzuki should try to reduce their operating expenses and financial burden. So that they can more effectively convert their revenue into actual profit. Mahindra & Mahindra and Tata Motors should focus on using appropriate proportion of equity share capital and fixed cost bearing capital. So that they will be able to attract prospective investors along with maintain a uniform dividend policy during difficult trading periods. Indian auto manufacturers such as Tata must increase their global sale for faster recovery of their fixed cost and match the product cycle time of international manufacturers like Hyundai. Since the Indian Automotive Industry after de-licensing in July, 1991 has grown at a spectacular rate of 17% on an average for last few years. The industry is providing direct and indirect employment to approx. 1.31 crore people. At present the automobile industry is at the core of India's manufacturing economy. India's positioned to be world's most attractive automotive market for both manufacturers and consumers. The resulting benefits to society- in economic growth, increased jobs, and stability of families employed by automotive industry – are considerable. Comparing overall performance of the five companies selected it is Hero Motocorp which had displayed a steady and constant performance over the past five years. The EPS of Hero Motocorp has been stood at Rs.119.09 at the year ended 2012. The EPS has been on a gradual rise till the year end 2010 and has seen a swift decline in 2011 due to termination of joint venture with Honda group (Japan). Profit of the company is rising

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along with EPS. Reduction in the debt over the run has also helped the company to maintain its good debt to equity ratio. However as far as PBT is concerned Hero Motocorp is only second to Bajaj Auto which has a Rs.4026.17Cr. compare to its Rs.2864.71Cr. In the same way, it is also second to Bajaj Auto in context of interest coverage ratio which has 177.33 at year end 2012 compare to its 123.65. The company is in the sector which we have compared are in the different segments. Within the two wheelers segment Hero Motocorp has the best capital structure which is followed by Bajaj Auto. In the commercial vehicle segment Tata Motor has adequate ratio of Debt to Equity giving maximum returns to its shareholders. Seeing to its current capital it also has capacity to raise further capital if required for funding. Maruti Suzuki is a leading company in small car segment due its focus on only the Indian market. Maruti Suzuki remains in somewhat precarious situation due to their focus on only Indian market, while it is not enjoying stability like Bajaj Auto or Hero Motocorp. Researcher after completing the work come across certain suggestion that to face the global competition Indian automobile firms need to tread the path to development of new technological competencies carefully. Although technology licensing in the short run may win new contracts and higher sales, sole reliance on technology licensing alone may be harmful in the long run, and hence one needs to invest in internal R&D and try to internalize the technological knowledge and aspire to develop new technologies internally, to survive and grow in the globalized world.

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Documents of the concerned company:

1. Balance sheet (207-08 to 2011-12)
2. Profit and loss account (207-08 to 2011-12)
3. Fund and cash flow statement (207-08 to 2011-12)

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ANNEXURE

MARUTI SUZUKI INDIA LTD.(BALANCE SHEET)

(In Rs. Cr)

YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
Sources Of Funds					
Total Share Capital	144.5	144.5	144.5	144.5	144.5
Equity Share Capital	144.5	144.5	144.5	144.5	144.5
Share Application Money	0	0	0	0	0

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Preference Share Capital	0	0	0	0	0
Reserves	15,042.90	13,723.00	11,690.60	9,200.40	8,270.90
Revaluation Reserves	0	0	0	0	0
Net worth	15,187.40	13,867.50	11,835.10	9,344.90	8,415.40
Secured Loans	0	31.2	26.5	0.1	0.1
Unsecured Loans	1,078.30	278.1	794.9	698.8	900.1
Total Debt	1,078.30	309.3	821.4	698.9	900.2
Total Liabilities	16,265.70	14,176.80	12,656.50	10,043.80	9,315.60
	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
	12 mths	12 mths	12 mths	12 mths	12 mths
Application Of Funds					
Gross Block	14,734.70	11,737.70	10,406.70	8,720.60	7,285.30
Less: Accum. Depreciation	7,214.00	6,208.30	5,382.00	4,649.80	3,988.80
Net Block	7,520.70	5,529.40	5,024.70	4,070.80	3,296.50
Capital Work in Progress	1,406.30	1,428.60	387.6	861.3	736.3
Investments	6,147.40	5,106.70	7,176.60	3,173.30	5,180.70
Inventories	1,796.50	1,415.00	1,208.80	902.3	1,038.00
Sundry Debtors	937.6	893.3	809.9	918.9	655.5
Cash and Bank Balance	1,776.10	95.5	98.2	239	324
Total Current Assets	4,510.20	2,403.80	2,116.90	2,060.20	2,017.50
Loans and Advances	2,140.10	1,626.30	1,739.10	1,809.80	1,173.00
Fixed Deposits	660	2,413.00	0	1,700.00	0
Total CA, Loans & Advances	7,310.30	6,443.10	3,856.00	5,570.00	3,190.50
Deffered Credit	0	0	0	0	0
Current Liabilities	5,420.50	3,805.20	3,160.00	3,250.90	2,718.90
Provisions	698.5	525.8	628.4	380.7	369.5
Total CL & Provisions	6,119.00	4,331.00	3,788.40	3,631.60	3,088.40
Net Current Assets	1,191.30	2,112.10	67.6	1,938.40	102.1
Miscellaneous Expenses	0	0	0	0	0

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Total Assets	16,265.70	14,176.80	12,656.50	10,043.80	9,315.60
Contingent Liabilities	5,925.90	5,450.60	3,657.20	1,901.70	2,734.20
Book Value (Rs)	525.68	479.99	409.65	323.45	291.28

PROFIT AND LOSS ACCOUNT

(In Rs. Cr)

YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
Income					
Sales Turnover	39,495.30	40,865.50	32,174.10	23,381.50	21,200.40
Excise Duty	3,937.10	4,304.00	2,856.40	2,652.10	3,133.60
Net Sales	35,558.20	36,561.50	29,317.70	20,729.40	18,066.80
Other Income	366.2	784.6	662	491.7	494
Stock Adjustments	160.1	73.2	200.9	-356.6	336.3
Total Income	36,084.50	37,419.30	30,180.60	20,864.50	18,897.10
Expenditure					
Raw Materials	28,330.60	28,880.00	22,636.30	15,983.20	13,958.30
Power & Fuel Cost	229.5	210.2	216.6	193.6	147.3
Employee Cost	843.8	703.6	545.6	471.1	356.2
Other Manufacturing Expenses	1,856.20	1,949.40	1,061.60	716.1	523.3
Selling and Admin Expenses	1,209.29	1,153.87	1,032.17	817.66	521.48
Mis Expenses	272.32	289.73	201.73	236.84	287.62
Preoperative Exp	-42.7	-25.7	0	-22.3	-19.8
Total Expenses	32,699.01	33,161.10	25,694.00	18,396.20	15,774.40
	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
	12 mths	12 mths	12 mths	12 mths	12 mths
Operating Profit	3,019.29	3,473.60	3,824.60	1,976.60	2,628.70
PBDIT	3,385.49	4,258.20	4,486.60	2,468.30	3,122.70

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Interest	55.2	24.4	33.5	51	59.6
PBDT	3,330.29	4,233.80	4,453.10	2,417.30	3,063.10
Depreciation	1,138.40	1,013.50	825	706.5	568.2
Other Written Off	0	0	0	0	0
Profit Before Tax	2,191.89	3,220.30	3,628.10	1,710.80	2,494.90
Extra-ordinary items	109.1	18.9	51.1	37.9	76.6
PBT (Post Extra-ord Items)	2,300.99	3,239.20	3,679.20	1,748.70	2,571.50
Tax	511	820.2	1,094.90	457.1	763.3
Reported Net Profit	1,635.20	2,288.60	2,497.60	1,218.70	1,730.80
Total Value Addition	4,368.40	4,281.10	3,057.70	2,413.00	1,816.10
Preference Dividend	0	0	0	0	0
Equity Dividend	216.7	216.7	173.3	101.1	144.5
Corporate Dividend Tax	35.1	35.1	28.8	17.2	24.8
Per share data (annualised)					
Shares in issue (lakhs)	2,889.10	2,889.10	2,889.10	2,889.10	2,889.10
Earning Per Share (Rs)	56.6	79.21	86.45	42.18	59.91
Equity Dividend (%)	150	150	120	70	100
Book Value (Rs)	525.68	479.99	409.65	323.45	291.28

Cash Flow Statement

(In Rs. Cr)

YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
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Net Profit Before Tax	2146.2	3108.8	3592.5	1675.8	2503
Net Cash From Operating Activities	2229.4	3050.3	2887.4	1193.3	1830.4
Net Cash (used in)/from Investing Activities	-2918.3	73.4	-4783.3	951.4	-3061.5
Net Cash (used in)/from Financing Activities	616.5	-713.4	55.1	-536.2	132.3
Net (decrease)/increase In Cash and Cash Equivalents	-72.4	2410.3	-1840.8	1608.5	-1098.8
Opening Cash & Cash Equivalents	2508.5	98.2	1939	330.5	1422.8
Closing Cash & Cash Equivalents	2436.1	2508.5	98.2	1939	324

Tata Motors (BALANCE SHEET)

(In Rs. Cr)

YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
Sources Of Funds					
Total Share Capital	634.75	634.65	570.6	514.05	385.54
Equity Share Capital	634.75	634.65	570.6	514.05	385.54
Share Application Money	0	3.06	0	0	0
Preference Share Capital	0	0	0	0	0
Reserves	18,709.16	19,351.40	14,208.55	11,855.15	7,428.45
Revaluation Reserves	23.75	24.19	24.63	25.07	25.51

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Net worth	19,367.66	20,013.30	14,803.78	12,394.27	7,839.50
Secured Loans	6,915.77	7,766.05	7,742.60	5,251.65	2,461.99
Unsecured Loans	4,095.86	8,132.70	8,883.31	7,913.91	3,818.53
Total Debt	11,011.63	15,898.75	16,625.91	13,165.56	6,280.52
Total Liabilities	30,379.29	35,912.05	31,429.69	25,559.83	14,120.02
	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
	12 mths	12 mths	12 mths	12 mths	12 mths
Application Of Funds					
Gross Block	27,111.76	21,883.32	18,416.81	13,905.17	10,830.83
Less: Accum. Depreciation	9,965.87	8,466.25	7,212.92	6,259.90	5,443.52
Net Block	17,145.89	13,417.07	11,203.89	7,645.27	5,387.31
Capital Work in Progress	2,073.96	4,058.56	5,232.15	6,954.04	5,064.96
Investments	20,493.55	22,624.21	22,336.90	12,968.13	4,910.27
Inventories	4,588.23	3,891.39	2,935.59	2,229.81	2,421.83
Sundry Debtors	2,708.32	2,602.88	2,391.92	1,555.20	1,130.73
Cash and Bank Balance	1,115.08	638.79	612.16	638.17	750.14
Total Current Assets	8,411.63	7,133.06	5,939.67	4,423.18	4,302.70
Loans and Advances	6,400.65	5,852.42	5,248.71	5,909.75	4,831.36
Fixed Deposits	725.88	1,790.13	1,141.10	503.65	1,647.17

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Total CA, Loans & Advances	15,538.16	14,775.61	12,329.48	10,836.58	10,781.23
Deffered Credit	0	0	0	0	0
Current Liabilities	21,271.45	15,740.69	16,909.30	10,968.95	10,040.37
Provisions	3,600.82	3,222.71	2,763.43	1,877.26	1,989.43
Total CL & Provisions	24,872.27	18,963.40	19,672.73	12,846.21	12,029.80
Net Current Assets	-9,334.11	-4,187.79	-7,343.25	-2,009.63	-1,248.57
Miscellaneous Expenses	0	0	0	2.02	6.05
Total Assets	30,379.29	35,912.05	31,429.69	25,559.83	14,120.02
Contingent Liabilities	3,284.12	4,798.83	3,708.33	5,433.07	5,590.83
Book Value (Rs)	60.95	314.93	259.03	240.64	202.7

PROFIT AND LOSS ACCOUNT

(In Rs. Cr)

YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
Income					
Sales Turnover	59,220.94	52,067.87	38,173.39	28,538.20	33,123.54
Excise Duty	5,003.72	4,110.63	2,800.10	2,877.53	4,355.63
Net Sales	54,217.22	47,957.24	35,373.29	25,660.67	28,767.91
Other Income	-11.16	341.53	1,220.86	921.29	734.17
Stock Adjustments	623.84	354.22	606.63	-238.04	-40.48
Total Income	54,829.90	48,652.99	37,200.78	26,343.92	29,461.60

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Expenditure					
Raw Materials	41,081.79	35,047.05	25,366.12	18,801.37	20,891.33
Power & Fuel Cost	550.89	471.28	362.62	304.94	325.19
Employee Cost	2,691.45	2,294.02	1,836.13	1,551.39	1,544.57
Other Manufacturing Expenses	2,386.91	1,753.46	1,289.60	866.65	904.95
Selling and Admin Expenses	3,248.91	2,790.19	2,126.10	1,652.31	2,197.49
Miscellaneous Expenses	1,610.69	2,067.42	1,707.06	1,438.89	964.78
Preoperative Exp Capitalised	-907.13	-817.68	-740.54	-916.02	-1,131.40
Total Expenses	50,663.51	43,605.74	31,947.09	23,699.53	25,696.91
	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
	12 mths	12 mths	12 mths	12 mths	12 mths
Operating Profit	4,177.55	4,705.72	4,032.83	1,723.10	3,030.52
PBDIT	4,166.39	5,047.25	5,253.69	2,644.39	3,764.69
Interest	1,218.62	1,383.79	1,246.25	704.92	471.56
PBDT	2,947.77	3,663.46	4,007.44	1,939.47	3,293.13
Depreciation	1,606.74	1,360.77	1,033.87	874.54	652.31
Other Written Off	0	106.17	144.03	51.17	64.35
Profit Before Tax	1,341.03	2,196.52	2,829.54	1,013.76	2,576.47
Extra-ordinary items	0	0	0	15.29	0

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PBT (Post Extra-ord Items)	1,341.03	2,196.52	2,829.54	1,029.05	2,576.47
Tax	98.8	384.7	589.46	12.5	547.55
Reported Net Profit	1,242.23	1,811.82	2,240.08	1,001.26	2,028.92
Total Value Addition	9,581.72	8,558.69	6,580.97	4,898.16	4,805.58
Preference Dividend	0	0	0	0	0
Equity Dividend	1,280.70	1,274.23	859.05	311.61	578.43
Corporate Dividend Tax	181.54	192.8	132.89	34.09	81.25
Per share data (annualised)					
Shares in issue (lakhs)	31,735.47	6,346.14	5,705.58	5,140.08	3,855.04
Earning Per Share (Rs)	3.91	28.55	39.26	19.48	52.63
Equity Dividend (%)	200	200	150	60	150
Book Value (Rs)	60.95	314.93	259.03	240.64	202.7

Cash Flow Statement

(In Rs. Cr)

YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
Net Profit Before Tax	1242.23	1811.82	2240.08	1001.26	2028.92

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Net Cash From Operating Activities	3653.59	1505.56	6586.03	1295.02	6174.5
Net Cash (used in)/from Investing Activities	144.72	-2521.88	-11848.3	-10644.7	-5721.86
Net Cash (used in)/from Financing Activities	-4235.59	1648.42	5348.49	8104.7	1132.46
Net (decrease)/increase In Cash and Cash Equivalents	-437.28	632.1	86.23	-1244.95	1585.1
Opening Cash & Cash Equivalents	1352.14	720.04	630.04	2386.77	806.21
Closing Cash & Cash Equivalents	914.86	1352.14	716.27	1141.82	2391.31

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Mahindra and Mahindra (BALANCE SHEET)

(In Rs. Cr)

Years	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
Sources Of Funds					
Total Share Capital	294.52	293.62	282.95	272.62	239.07
Equity Share Capital	294.52	293.62	282.95	272.62	239.07
Share Application Money	0	33.97	8.01	0	0
Preference Share Capital	0	0	0	0	0
Reserves	11,799.26	9,974.62	7,527.60	4,959.26	4,098.53
Revaluation Reserves	10.91	11.18	11.67	12.09	12.47
Net worth	12,104.69	10,313.39	7,830.23	5,243.97	4,350.07
Secured Loans	400.18	407.23	602.45	981	617.26
Unsecured Loans	2,774.04	1,998.06	2,277.70	3,071.76	1,969.80
Total Debt	3,174.22	2,405.29	2,880.15	4,052.76	2,587.06
Total Liabilities	15,278.91	12,718.68	10,710.38	9,296.73	6,937.13
	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
	12 mths	12 mths	12 mths	12 mths	12 mths
Application Of Funds					
Gross Block	8,063.18	5,849.27	4,866.18	4,653.66	3,552.64
Less: Accum. Depreciation	3,552.36	2,841.73	2,537.77	2,326.29	1,841.68
Net Block	4,510.82	3,007.54	2,328.41	2,327.37	1,710.96
Capital Work in Progress	922.26	1,364.31	1,374.31	886.96	649.94

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Investments	10,310.46	9,325.29	6,398.02	5,786.41	4,215.06
Inventories	2,358.39	1,694.21	1,188.78	1,060.67	1,084.11
Sundry Debtors	1,988.36	1,354.72	1,258.08	1,043.65	1,004.88
Cash and Bank Balance	630.57	447.62	475.17	635.61	310.58
Total Current Assets	4,977.32	3,496.55	2,922.03	2,739.93	2,399.57
Loans and Advances	2,767.19	2,653.52	2,034.47	1,402.45	866.19
Fixed Deposits	557.86	167.02	1,268.06	938.82	550.65
Total CA, Loans & Advances	8,302.37	6,317.09	6,224.56	5,081.20	3,816.41
Deffered Credit	0	0	0	0	0
Current Liabilities	6,921.73	5,289.67	3,822.50	3,520.20	2,525.31
Provisions	1,845.27	2,005.88	1,796.54	1,277.56	943.46
Total CL & Provisions	8,767.00	7,295.55	5,619.04	4,797.76	3,468.77
Net Current Assets	-464.63	-978.46	605.52	283.44	347.64
Miscellaneous Expenses	0	0	4.12	12.55	13.53
Total Assets	15,278.91	12,718.68	10,710.38	9,296.73	6,937.13
Contingent Liabilities	2,633.99	2,632.10	2,307.70	1,220.39	985.35
Book Value (Rs)	205.32	174.85	138.02	191.91	181.43

PROFIT AND LOSS ACCOUNT

(In Rs. Cr)

Years	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
Income					

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Sales Turnover	34,353.63	25,569.55	20,323.63	14,668.13	12,894.94
Excise Duty	2,518.43	2,092.02	1,807.30	1,587.05	1,584.57
Net Sales	31,835.20	23,477.53	18,516.33	13,081.08	11,310.37
Other Income	574.99	563.13	285.09	132.65	575.96
Stock Adjustments	597.33	202.23	23.69	-156.29	149.11
Total Income	33,007.52	24,242.89	18,825.11	13,057.44	12,035.44
Expenditure					
Raw Materials	24,258.94	16,604.88	12,461.56	9,208.71	7,963.82
Power & Fuel Cost	175.78	143.93	120.97	98.69	91.33
Employee Cost	1,603.81	1,445.56	1,199.85	1,024.52	853.65
Other Manufacturing Expenses	125.81	98.33	96.92	75.36	73.35
Selling and Admin Expenses	1,811.88	1,735.63	1,439.26	1,109.96	1,108.33
Miscellaneous Expenses	760.05	261.1	264.21	165.83	257.84
Preoperative Exp Capitalised	-73.53	-50.87	-59.55	-42.83	-46.49
Total Expenses	28,662.74	20,238.56	15,523.22	11,640.24	10,301.83
	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
	12 mths	12 mths	12 mths	12 mths	12 mths
Operating Profit	3,769.79	3,441.20	3,016.80	1,284.55	1,157.65
PBDIT	4,344.78	4,004.33	3,301.89	1,417.20	1,733.61
Interest	162.75	70.86	156.85	134.12	87.59
PBDT	4,182.03	3,933.47	3,145.04	1,283.08	1,646.02

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Depreciation	576.14	413.86	370.78	291.51	238.66
Other Written Off	0	0	0	0	0.59
Profit Before Tax	3,605.89	3,519.61	2,774.26	991.57	1,406.77
Extra-ordinary items	0	0	72.49	48.97	0
PBT (Post Extra-ord Items)	3,605.89	3,519.61	2,846.75	1,040.54	1,406.77
Tax	727	857.51	759	199.69	303.4
Reported Net Profit	2,878.89	2,662.10	2,087.75	836.78	1,103.37
Total Value Addition	4,403.80	3,633.68	3,061.66	2,431.53	2,338.01
Preference Dividend	0	0	0	0	0
Equity Dividend	767.48	706.08	549.52	278.83	282.61
Corporate Dividend Tax	101.13	96.56	74.23	33.23	38.48
Per share data (annualised)					
Shares in issue (lakhs)	5,890.30	5,872.47	5,659.08	2,726.16	2,390.73
Earning Per Share (Rs)	48.88	45.33	36.89	30.69	46.15
Equity Dividend (%)	250	230	190	100	115
Book Value (Rs)	205.32	174.85	138.02	191.91	181.43

Cash Flow Statement

(In Rs. Cr)

YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
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Net Profit Before Tax	3497.62	3402.13	2756	1026.2	1241.57
Net Cash From Operating Activities	2734.95	2979.75	2336.49	1631.3	825.83
Net Cash (used in)/from Investing Activities	-1936.54	-3734.99	-1345.44	-1941	-2075.08
Net Cash (used in)/from Financing Activities	-306.15	-383.72	-783.87	696.91	811.34
Net (decrease)/increase In Cash and Cash Equivalents	492.26	-1138.96	207.18	387.21	-437.91
Opening Cash & Cash Equivalents	695.97	1753.13	1543.63	1174.62	1361.79
Closing Cash & Cash Equivalents	1188.23	614.17	1750.81	1561.83	923.88

Hero Motocorp (BALANCE SHEET)

(In Rs. Cr)

YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
Sources Of Funds					
Total Share Capital	39.94	39.94	39.94	39.94	39.94
Equity Share Capital	39.94	39.94	39.94	39.94	39.94
Share Application Money	0	0	0	0	0
Preference Share Capital	0	0	0	0	0
Reserves	4,249.89	2,916.12	3,425.08	3,760.81	2,946.30
Revaluation Reserves	0	0	0	0	0
Net worth	4,289.83	2,956.06	3,465.02	3,800.75	2,986.24

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Secured Loans	994.85	1,458.45	0	0	0
Unsecured Loans	0	32.71	66.03	78.49	132
Total Debt	994.85	1,491.16	66.03	78.49	132
Total Liabilities	5,284.68	4,447.22	3,531.05	3,879.24	3,118.24
	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
	12 mths	12 mths	12 mths	12 mths	12 mths
Application Of Funds					
Gross Block	6,308.26	5,538.46	2,750.98	2,516.27	1,938.78
Less: Accum. Depreciation	2,522.75	1,458.18	1,092.20	942.56	782.52
Net Block	3,785.51	4,080.28	1,658.78	1,573.71	1,156.26
Capital Work in Progress	193.95	125.14	48.14	120.54	408.49
Investments	3,964.26	5,128.75	3,925.71	3,368.75	2,566.82
Inventories	675.57	524.93	436.4	326.83	317.1
Sundry Debtors	272.31	130.59	108.39	149.94	297.44
Cash and Bank Balance	56.1	47.75	1,863.48	217.49	130.58
Total Current Assets	1,003.98	703.27	2,408.27	694.26	745.12
Loans and Advances	926.99	783.48	438.46	325.8	196.37
Fixed Deposits	20.72	23.77	43.73	2.08	0.51
Total CA, Loans & Advances	1,951.69	1,510.52	2,890.46	1,022.14	942
Deffered Credit	0	0	0	0	0
Current Liabilities	3,520.66	5,316.40	3,965.69	1,678.93	1,455.57

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Provisions	1,090.07	1,081.07	1,026.35	526.97	499.76
Total CL & Provisions	4,610.73	6,397.47	4,992.04	2,205.90	1,955.33
Net Current Assets	-2,659.04	-4,886.95	-2,101.58	-1,183.76	-1,013.33
Miscellaneous Expenses	0	0	0	0	0
Total Assets	5,284.68	4,447.22	3,531.05	3,879.24	3,118.24
Contingent Liabilities	252.62	131.9	73.04	100.54	56.37
Book Value (Rs)	214.83	148.03	173.52	190.33	149.55

PROFIT AND LOSS ACCOUNT

(In Rs. Cr)

YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
Income					
Sales Turnover	25,252.98	20,787.27	16,856.43	13,553.23	12,048.30
Excise Duty	1,666.18	1,420.30	1,016.85	1,227.85	1,703.29
Net Sales	23,586.80	19,366.97	15,839.58	12,325.38	10,345.01
Other Income	347.46	238.27	290.69	222.14	216.3
Stock Adjustments	94.03	27	-11.54	22.09	-14.14
Total Income	24,028.29	19,632.24	16,118.73	12,569.61	10,547.17
Expenditure					
Raw Materials	17,485.65	14,236.45	10,822.99	8,842.14	7,465.36
Power & Fuel Cost	112.66	100.47	81.05	73.7	56.55
Employee Cost	735.52	618.95	560.32	448.65	383.45

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Other Manufacturing Expenses	51.62	409.89	454.36	354.08	304.11
Selling and Admin Expenses	1,257.84	1,090.72	885.03	669.98	563.27
Miscellaneous Expenses	389.52	340.42	280.64	205.9	190.36
Preoperative Exp Capitalised	0	0	0	0	0
Total Expenses	20,032.81	16,796.90	13,084.39	10,594.45	8,963.10
	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
	12 mths	12 mths	12 mths	12 mths	12 mths
Operating Profit	3,648.02	2,597.07	2,743.65	1,753.02	1,367.77
PBDIT	3,995.48	2,835.34	3,034.34	1,975.16	1,584.07
Interest	33.43	28.2	11.14	13.04	13.47
PBDT	3,962.05	2,807.14	3,023.20	1,962.12	1,570.60
Depreciation	1,097.34	402.38	191.47	180.66	160.32
Other Written Off	0	0	0	0	0
Profit Before Tax	2,864.71	2,404.76	2,831.73	1,781.46	1,410.28
Extra-ordinary items	0	0	0	0	0
PBT (Post Extra-ord Items)	2,864.71	2,404.76	2,831.73	1,781.46	1,410.28
Tax	486.58	476.86	599.9	499.7	442.4
Reported Net Profit	2,378.13	1,927.90	2,231.83	1,281.76	967.88
Total Value Addition	2,547.16	2,560.45	2,261.40	1,752.31	1,497.74

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Preference Dividend	0	0	0	0	0
Equity Dividend	898.59	2,096.72	2,196.56	399.38	379.41
Corporate Dividend Tax	145.77	340.14	371	67.87	64.48
Per share data (annualised)					
Shares in issue (lakhs)	1,996.88	1,996.88	1,996.88	1,996.88	1,996.88
Earning Per Share (Rs)	119.09	96.55	111.77	64.19	48.47
Equity Dividend (%)	2,250.00	5,250.00	5,500.00	1,000.00	950
Book Value (Rs)	214.83	148.03	173.52	190.33	149.55

Cash Flow Statement

(In Rs. Cr)

YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
Net Profit Before Tax	2864.71	2404.76	2831.73	1781.46	1410.28
Net Cash From Operating Activities	2359.78	2288.11	2686.64	1359.03	1211.78
Net Cash (used in)/from	92.79	-1322.31	-527.63	-861.19	-781.01
Net Cash (used in)/from Financing Activities	-2458.16	-989.18	-2109.31	-499.93	-432.33
Net (decrease)/increase In Cash and Cash Equivalents	-5.59	-23.38	49.7	-2.09	-1.56
Opening Cash & Cash Equivalents	39.32	62.61	13.45	15.19	16.66

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Closing Cash & Cash Equivalents	33.73	39.23	63.15	13.1	15.1
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Bajaj Auto(BALANCE SHEET)

(In Rs. Cr)

YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
Sources Of Funds					
Total Share Capital	289.37	289.37	144.68	144.68	144.68
Equity Share Capital	289.37	289.37	144.68	144.68	144.68
Share Application Money	0	0	0	0	0
Preference Share Capital	0	0	0	0	0
Reserves	5,751.70	4,620.85	2,783.66	1,725.01	1,442.91
Revaluation Reserves	0	0	0	0	0
Net worth	6,041.07	4,910.22	2,928.34	1,869.69	1,587.59
Secured Loans	0	23.53	12.98	0	6.95
Unsecured Loans	97.48	301.62	1,325.60	1,570.00	1,327.39
Total Debt	97.48	325.15	1,338.58	1,570.00	1,334.34
Total Liabilities	6,138.55	5,235.37	4,266.92	3,439.69	2,921.93
	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
	12 mths	12 mths	12 mths	12 mths	12 mths

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Application Of Funds					
Gross Block	3,425.94	3,395.16	3,379.25	3,350.20	2,994.68
Less: Accum. Depreciation	1,914.33	1,912.45	1,899.66	1,807.91	1,726.07
Net Block	1,511.61	1,482.71	1,479.59	1,542.29	1,268.61
Capital Work in Progress	343.15	149.34	120.84	106.48	34.74
Investments	4,882.81	4,795.20	4,021.52	1,808.52	1,857.14
Inventories	678.53	547.28	446.21	338.84	349.61
Sundry Debtors	423.2	362.76	272.84	358.65	275.31
Cash and Bank Balance	446.49	155.45	100.2	135.68	54.74
Total Current Assets	1,548.22	1,065.49	819.25	833.17	679.66
Loans and Advances	1,744.82	3,891.66	2,291.29	1,567.09	1,099.68
Fixed Deposits	1,208.36	401.04	1.21	1.19	1.33
Total CA, Loans & Advances	4,501.40	5,358.19	3,111.75	2,401.45	1,780.67
Deffered Credit	0	0	0	0	0
Current Liabilities	2,925.53	2,624.35	2,218.06	1,378.20	1,185.19
Provisions	2,174.89	3,925.72	2,248.72	1,224.15	834.04
Total CL & Provisions	5,100.42	6,550.07	4,466.78	2,602.35	2,019.23

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Net Current Assets	-599.02	-1,191.88	-1,355.03	-200.9	-238.56
Miscellaneous Expenses	0	0	0	183.3	0
Total Assets	6,138.55	5,235.37	4,266.92	3,439.69	2,921.93
Contingent Liabilities	1,445.67	959.66	818.25	924.96	1,129.29
Book Value (Rs)	208.77	169.69	202.4	129.23	109.73

PROFIT AND LOSS ACCOUNT

(In Rs. Cr)

YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
Income					
Sales Turnover	20,475.74	17,386.51	12,420.95	9,310.24	9,856.66
Excise Duty	959.09	934.71	607.7	610.07	1,029.51
Net Sales	19,516.65	16,451.80	11,813.25	8,700.17	8,827.15
Other Income	413.66	1,176.00	22.5	-6.2	170.27
Stock Adjustments	94.15	82.79	47.6	-24.49	67.85
Total Income	20,024.46	17,710.59	11,883.35	8,669.48	9,065.27
Expenditure					
Raw Materials	14,580.24	11,965.30	8,187.11	6,502.10	6,760.04

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Power & Fuel Cost	101.85	86.61	70.35	60.89	69.2
Employee Cost	541.04	494.33	411.76	366.67	350.09
Other Manufacturing Expenses	73.76	61.77	57.54	57.08	53.72
Selling and Admin Expenses	364.06	517.27	407.61	381.73	390.15
Miscellaneous Expenses	263.37	168.53	221.94	225.56	209.63
Preoperative Exp Capitalised	-49.43	-16.66	-15.67	-14.42	-23.04
Total Expenses	15,874.89	13,277.15	9,340.64	7,579.61	7,809.79
	Mar '12	Mar '11	Mar '10	Mar '09	Mar '08
	12 mths	12 mths	12 mths	12 mths	12 mths
Operating Profit	3,735.91	3,257.44	2,520.21	1,096.07	1,085.21
PBDIT	4,149.57	4,433.44	2,542.71	1,089.87	1,255.48
Interest	22.24	1.69	5.98	21.01	5.16
PBDT	4,127.33	4,431.75	2,536.73	1,068.86	1,250.32
Depreciation	145.62	122.84	136.45	129.79	173.96
Other Written Off	2.14	2.14	0	0	1.12
Profit Before Tax	3,979.57	4,306.77	2,400.28	939.07	1,075.24

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Extra-ordinary items	46.6	46.77	26.87	18.72	59.32
PBT (Post Extra-ord Items)	4,026.17	4,353.54	2,427.15	957.79	1,134.56
Tax	1,022.12	1,011.02	710.12	301.61	378.78
Reported Net Profit	3,004.05	3,339.73	1,702.73	656.48	755.95
Total Value Addition	1,294.65	1,311.85	1,153.53	1,077.51	1,049.75
Preference Dividend	0	0	0	0	0
Equity Dividend	1,302.15	1,157.47	578.73	318.3	289.37
Corporate Dividend Tax	211.24	187.77	96.12	54.1	49.18
Per share data (annualised)					
Shares in issue (lakhs)	2,893.67	2,893.67	1,446.84	1,446.84	1,446.84
Earning Per Share (Rs)	103.81	115.42	117.69	45.37	52.25
Equity Dividend (%)	450	400	400	220	200
Book Value (Rs)	208.77	169.69	202.4	129.23	109.73

Cash Flow Statement

(In Rs. Cr)

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YEARS	Mar '12	Mar '11	Mar '10	Mar '09	Mar '07
Net Profit Before Tax	4026.17	4350.75	2411.13	958.09	1728.05
Net Cash From Operating Activities	2959.91	2013.72	2737.11	411.49	681.73
Net Cash (used in)/from Investing Activities	-445.44	-1096.64	-2163.62	-207.66	-429.99
Net Cash (used in)/from Financing Activities	-1564.38	-862	-608.95	-123.03	-250.35
Net (decrease)/increase In Cash and Cash Equivalents	950.09	55.08	-35.46	80.8	1.39
Opening Cash & Cash Equivalents	228.74	101.41	136.87	56.07	82.09
Closing Cash & Cash Equivalents	1178.83	156.49	101.41	136.87	83.48