

**PERFORMANCE APPRAISAL OF AUTOMOBILE INDUSTRY - A COMPARATIVE CASE  
STUDY OF ASHOK LEYLAND LTD AND TATA MOTORS LTD**

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**Abstract**

*Demographically and economically, India's automotive industry is well-positioned for growth, servicing both domestic demand and, increasingly, export opportunities. Automobiles production increased at a Compound Annual Growth Rate (CAGR) of 12.2 percent over FY05-13, while the export volumes increased at a CAGR of 19.1 per cent. Strong demand growth due to rising incomes, growing middle class, and the young population is likely to propel India among the world's top five automobile producers by 2015. India has significant cost advantages, automobile firms save 10-25 percent on operations in India as compared to Europe and Latin America. A large pool of skilled manpower and a growing technology base are some of the leading factors. The government aims to develop India as a global manufacturing as well as research and development (R&D) hub. There has been a wide array of policy support in the form of concessions, taxes and FDI encouragement. Under the Union Budget 2013-14, the government has also proposed to allocate US\$ 2.7 billion for Jawaharlal Nehru National Urban Renewal Mission (JNNURM) to boost sales volumes of Medium and Heavy Commercial Vehicles (MHCV). The world's cheapest car (Tata Nano) has directed focus towards the low-income market. Bajaj Auto, Hero Honda and Mahindra & Mahindra (M&M) jointly plan to develop a technology for two-wheelers to run on natural gas. Electric cars are likely to be a sizeable market segment in the coming decade. Ashok Leyland, the flagship company of the Hinduja Group which is originally British-based and Indian originated transnational conglomerate is a commercial vehicle manufacturing company based in Chennai. Founded in 1948, the company is one of the India's leading manufacturers of commercial vehicles, emergency vehicles and military vehicles. Operating seven plants, Ashok Leyland also makes spare parts and engines for industrial and marine applications. Tata Motors Limited (formerly TELCO, short for Tata Engineering and Locomotive Company) is an Indian multinational automotive manufacturing company headquartered in Mumbai, Maharashtra, India and a subsidiary of the Tata Group, Founded in 1945. Its products include passenger cars, trucks, vans, coaches, buses, construction equipment and military vehicles. It is the world's sixteenth-largest motor vehicle manufacturing company, fourth-largest truck manufacturer and second-largest bus manufacturer by volume. This paper is purely based on secondary data, i.e. Annual Reports of Ashok Leyland Ltd and Tata Motors Ltd from 2008-09 to 2012-13 and Journals, and Articles. The collected data were analyzed by using the Ratio Analysis. Further, statistical tools like Mean, Standard Deviation, Coefficient of Variation and Growth Rate were also used for the purpose of the study.*

### **Introduction**

Automobiles production increased at a Compound Annual Growth Rate (CAGR) of 12.2 percent over FY05-13, while the export volumes increased at a CAGR of 19.1 per cent. Strong demand growth due to rising incomes, growing middle class, and the young population is likely to propel India among the world's top five automobile producers by 2015.

India has significant cost advantages, automobile firms save 10-25 percent on operations in India as compared to Europe and Latin America. A large pool of skilled manpower and a growing technology base are some of the leading factors. The government aims to develop India as a global manufacturing as well as research and development (R&D) hub. Weaker segments lower GDP growth dragged down MHCV sales in 2012-13. After recording a compounded annual growth rate (CAGR) of 35.7 per cent in 2008-09 and 2009-10, growth in MHCV sales had moderated to 8.8 per cent in 2011-12 following the slowdown in GDP growth. After dipping to 3.9 per cent in 2011-12, industrial GDP continued to slow down in 2012-13 precipitating a 25.9 per cent fall in MHCV sales in 2012-13. Bus sales declined by 4 percent in 2012-13 owing to slowdown in demand from State Transport Undertakings (STUs), cautious approach undertaken by private operators towards new investments.

There has been a wide array of policy support in the form of concessions, taxes and FDI encouragement. Under the Union Budget 2013-14, the government has also proposed to allocate US\$ 2.7 billion for Jawaharlal Nehru National Urban Renewal Mission (JNNURM) to boost sales volumes of Medium and Heavy Commercial Vehicles (MHCV). The world's cheapest car (Tata Nano) has directed focus towards the low-income market. Bajaj Auto, Hero Honda and Mahindra & Mahindra (M&M) jointly plan to develop a technology for two-wheelers to run on natural gas. Electric cars are likely to be a sizeable market segment in the coming decade.

Ratio Analysis was used to examine Liquidity, Profitability, Solvency and Efficiency of the both the Companies. The ability of both the companies to meet its obligations on the time depends on its liquidity and solvency position and its ability to meet all expenditures depends on its earning capacity. Both Liquidity and Profitability of both the companies will enhance the Credit Worthiness of the Firm. The high degree of liquidity affects adversely profitability and high degree of profitability affects adversely the liquidity of the firm. Therefore, it is necessary to strike a balance between Liquidity and Profitability of the Firm. The financial statements of last five years of Ashok Leyland Ltd shows negative results in Gross Loss and in Tata Motors Ltd shows negative in Gross Loss and Net Loss. And also imbalance in the assets and liabilities structure of the companies. This is because of the Economic Crisis in Automobile Industry and also there was something went wrong in the Management of Ashok Leyland Ltd and Tata Motors Ltd because of the crisis. Against this background, the paper is a modest attempt to analyze the Performance of the Firm.

### Statement of the Problem

The performance appraisal is an integral part of overall corporate management. There had been variation in profits of both the firms from period to period. The success or failure is determined by applying various tools such as Ratio analysis, Mean, Standard deviation, Coefficient of variation and Growth rate. The company's performance has been evaluated by analysing its financial capability. A study on the performance of Ashok Leyland Ltd and Tata Motors Ltd has been found to be apt in this context which will throw light on the causes of fluctuation in performance.

Hence the researcher has made an attempt to analyse the following problems:

- How the companies are managing its finance over the period of 5 years from 2008-09 to 2012-13?
- How the firms have succeeded in its growth?

### Objectives of the Study

The present paper highlights the following objectives:

- To examine the trends in assets and liabilities, net worth and capital employed, sales, cost of goods sold, gross profit and net profit of the firm.
- To analysis the financial performance of both the companies in terms of Solvency, Liquidity, Profitability and Efficiency ratios.
- To measure the overall performance of both the companies.
- To offer suggestions based on the major findings of the study.

### Scope of the Study

Financial performance of an organization is a very important factor for the long term survival profitability of any organization. The purpose of financial analysis is to diagnose the information contained in financial statement so as to grudge the profitability and financial soundness of the firm.

### Review of Earlier Literature

#### Roy T.S. (2006)

The Researcher made an attempt to evaluate the financial and operational efficiency of the company by using secondary data collected from the Annual Reports of the company and the Ministry of Petroleum . The Study used ratio analysis tools like Proprietary Ratio, Solvency Ratio, Leverage Ratio and EPS Ratio to examine the performance of Oil and Natural Gas Corporation. The Study concludes that the performance of the company was sound in majority of areas.

#### M.A.Lokande (2007)

Lokande made an attempt to analyze the performance of Cooperative Spinning mill of Jalna of Maharashtra State. He also made an attempt to examine the problems of

spinning mills. The Researcher adopted ratio analysis tools to evaluate the performance of cooperative spinning mill. The Study revealed that profitability and liquidity of the firm were very poor since the inception of the firm and concluded that the ailing firm was moving towards sickness.

#### **A.S. Shiralashetti (2011)**

The Researcher made an attempt to evaluate the financial and operational efficiency of the company by using secondary data collected from the Annual Reports of the Gadag Co-Operative Cotton Textiles Mill Ltd. The Study used ratio analysis tools like Profitability Ratio, Solvency Ratio, Liquidity Ratio and Efficiency Ratio to examine the performance of Gadag Co-Operative Cotton Textiles Mill Ltd. The Study concludes that the performance of the company was unsound in majority of areas.

#### **P. Suresh and Dr. M. Akbar Mohideen (2013)**

A study on Performance Appraisal of Automobile Industries, at Chennai, Tamil Nadu using primary data with sample size of 100 and secondary data. The Researcher used statistical tools like Percentage analysis and CHI - square test.

#### **Vipul B Patel (2013)**

A Comparative study of Profitability Analysis of Tata Motors Ltd and Ashok Leyland Ltd was done using T- test on Profitability Ratios like Operating Profit Margin Ratio, Net Profit Margin Ratio, Return on Capital Employed and Return on Networth. The Researcher used Secondary data as source i.e. the Annual Report of Ashok Leyland Ltd and Tata Motors Ltd.

#### **Need and Importance of the Study**

Finance is the scarcest resource in India and hence it needs to be utilized optimally. The sound performance of a firm depends on the well planning of capital structure, investment and distribution. Any firm that fails to apply the sound principles of capital structure like cost, control and flexibility and the firm that fails to adopt scientific tools of investment and distribution in managing funds will not survive in the long run. Further, the firm should apply the wealth maximization as criteria in taking financial decisions like financing, investment and distribution. Since finance is the lifeblood and nervous system of an enterprise, the importance of the timely appraisal of the performance of the firm cannot be overemphasized. Even though the earlier researchers have compared the performance appraisal of Tata Motors Ltd and Ashok Leyland Ltd, there has been no in-depth study is done on the Performance Appraisal on Automobile Industry with comparing Ashok Leyland Ltd and Tata Motors Ltd.

### Limitations of the Study

The study covers a period of 5 years from 2008-09 to 2012-13. It does not consider changes that have been taken place before and after the period. The calculations have been made on the basis of the figures provided in the published financial statements. Hence, the study is subject to inherent limitations of accounting practices. The study is confined to the two companies alone and it does not compare with other similar type of companies.

### Research Methodology

The present study is purely based on secondary data, i.e. Annual Reports of the Ashok Leyland Ltd and Tata Motors Ltd. The data was for the period of 2008-09 to 2012-13. The collected data were analyzed by using the Ratio Analysis and some Statistical tools like Mean, Standard Deviation, Coefficient of Variation and Growth Rate were also used for the purpose of the study.

### Analysis and interpretation of Performance of Firms

**Table - 1** revealed that out of the total composition of capital and liabilities, Share capital, Reserves and Surplus together constitute more than 30 percent in Ashok Leyland Ltd and for Tata Motors Ltd they constitute more than 25 percent. Long term loans, Current liabilities and provisions together constitute more than 60 percent in Ashok Leyland Ltd and for Tata Motors Ltd they constitute more than 70 Percent. Thus it shows that the Shareholder's fund is less than Outsider's fund in both the companies. The Overall growth rate in Share capital, Reserves & surplus, Long term loans, Current liabilities and provisions of Ashok Leyland Ltd is 100.01, 25.24, 50.98 and 147.17 percent respectively. In Tata Motors Ltd is 24.13, 57.88, (-) 15.85 and 94.77 percent respectively. It is observed that Tata Motors Ltd has taken steps to reduce the Long term loans and liabilities when compared to the year 2008-09 with 2012-13 and it shows a negative overall growth rate [15.85 percent].

**Table - 2** shows that fixed assets of Ashok Leyland Ltd have been reduced to 45.59 percent in 2012-13 from 56.12 percent in 2008-09 in the total composition of assets and in Tata Motors Ltd there was in a fluctuating Trend. Current assets of Ashok Leyland Ltd were declined from 39.14 percent in 2008-09 to 32.81 percent in 2012-13 except in 2009-10 it was 42.45 percent and in Tata Motors Ltd there was a mixed trend. Deposits, Loans & Advances of both the companies has increased from 4.75 percent in 2008-09 to 21.60 percent in 2012-13 in Ashok Leyland Ltd and in Tata Motors Ltd 12.79 percent in 2008-09 to 41.85 percent in 2012-13 and It has been observed that both the companies' funds are concentrated in Deposits, Loans & Advances than investing in Current and Fixed assets. The Overall growth rate of Fixed assets, Deposits, Loans and Advances and Current assets in Ashok Leyland Ltd was 35.78, 660.60 & 40.10 percent respectively and in Tata Motors Ltd

were 38.42, 358.39 & (-) 43.37 percent respectively. This shows that Tata Motors Ltd has to consider their working capital position because the current assets was declined during 2008-09 to 2012-13 by (-) 43.37 percent.

**Table - 3** shows that the Capital Employed and Net worth of Ashok Leyland Ltd has showed a fluctuating trend. In Tata Motors Ltd it was increased till 2010-11 and thereafter it has been decreased. The overall growth rate in Capital Employed and Net worth were 37.01 and 28.10 percent respectively in Ashok Leyland Ltd and in Tata Motors Ltd it was 17.61 & 56.46 percent. Capital Employed is the value of the assets that contribute to a company's ability to generate revenues i.e. their liquidity. Both the company's Capital Employed has been increased for the period of 5 years, which shows that they contributed more on assets which generate revenues. Net worth in this formulation is not an expression of the market value of the firm. The firm may be worth more (or less) if sold as a going concern. The overall growth rate of Net worth of both the companies indicates that the value of the company has been increased.

It is observed from the **Table - 4** that sales of both the companies have increased over the years except in the year 2012-13. Cost of goods sold of both the companies increased in a mixed trend except for Tata Motors Ltd in the year 2012-13 i.e. (-) 15.68 percent decreased than that of the previous year. Gross profit and Net profit of Ashok Leyland Ltd has increased till 2010-11 and thereafter it has been decreased in an increasing rate. In Tata Motors Ltd there was an increase till 2009-10 and thereafter decreased in an increasing rate. The overall growth rate of Sales, Cost of goods sold, Gross profit and Net profit in Ashok Leyland Ltd was 108.68, 113.57, (-) 18.38 and 128.27 percent and in Tata Motors Ltd was 74.45, 92.17, (-) 77.57 and (-) 69.86 percent respectively. From the overall growth rate of both the companies it has been noted that there was no relationship between the growth rate of Sales and Gross profit.

**Table - 5** shows that the profitability ratios of both the companies. Thus the Gross profit, Net profit, Return on Capital employed, Return on Share holders Network and Return on Total assets of Ashok Leyland Ltd was increased till 2010-11 and thereafter declined more in the year 2012-13. In Tata Motors Ltd the increases was only till 2009-10 and thereafter decreased. So both the companies have to take action to reduce the expenses and increase the income which will ultimately increases the profit. Mean of a particular set of values results that Average of that value for a period of time. In Ashok Leyland Ltd and Tata Motors Ltd the mean value of Gross profit, net profit, Return on Capital employed, Return on Shareholders Network and Return on Total Assets are reduced mainly due to the decrease in 2012-13 as compared to other years. Co-efficient of Variation is used to measure the variances. Thus for both the companies of profitability ratios shows low variance because Co-efficient of Variance is less than one.

**Table - 6** shows that liquidity and solvency ratios of the companies. Current ratios (2:1) and Quick ratio (1:1) of Ashok Leyland Ltd is below the ideal norms. Lower solvency

ratio shows that there is better solvency position in long term. Debt - Equity ratio of Ashok Leyland Ltd shows that the debts are more than equity thus it is not a favourable situation for creditors to claims their debts and also for the company to pay off the debts. Ashok Leyland Ltd has to increase their Liquidity and Solvency position even more. Current ratio of Tata Motors Ltd was below the ideal norms (2:1). Quick ratio of Tata Motors Ltd was above the norms (1:1) till 2010-11 and there was a sudden decrease in 2011-12 and 2012-13. Lower Solvency ratio shows that there is better long term solvency position. Debt - Equity ratio shows that the debts are more than equity and it is not favourable to creditors and company to pay off the debts. Mean of Current ratio for both the companies are below ideal norms and for Quick ratio of Ashok Leyland Ltd it is below the ideal norms and above for Tata Motors Ltd. Mean of Solvency ratio for both the companies shows a better Solvency position. Mean of Debt - Equity ratio of both the companies revealed that the debt is more than equity. Co-efficient of Variation of all the ratios of both the companies is favourable and shows a stable position especially in the solvency ratio as variance is very low.

Table - 7 shows that the turnover ratios of both the companies, Finished Goods Turnover Ratio of Ashok Leyland Ltd shows a mixed trend and in Tata Motors Ltd there is an increasing trend till 2011-12 (25.97 %) and thereafter decreased to 19.63 percent in the year 2012-13. Raw Material Turnover Ratio of Ashok Leyland Ltd shows an increasing trend till 2010-11 (10.51%) and thereafter decreased to 9.85 percent in 2011-12 (22.98 %) and declined to 19.84 percent in 2012-13. Fixed Assets Turnover Ratio of both the companies increased till 2011-12 and thereafter declined. Current Assets Turnover Ratio of Ashok Leyland Ltd shows an increasing trend till 2011-12 (2.99 %) and thereafter decreased to 2.90 percent in 2012-13. In Tata Motors Ltd shows an increasing trend except in 2009-10 (1.20 %). Debtors Turnover Ratio of Ashok Leyland Ltd shows an increasing trend till 2011-12 (10.49 %) and thereafter declined to 8.79 percent in 2012-13. In Tata Motors Ltd was in increased trend except in 2009-10 (14.88 %). Mean of FGTR & RMTR for both the companies shows a higher sales compare with the inventory it has with them. Mean of FATR & CATR of both the companies high ratio shows that less money was invested in Fixed Assets and Current Assets from the sales revenue. Mean of DTR of both the companies' shows that credit collection system was good in both the companies. Co-efficient of Variation of all the Efficiency ratios of both the companies shows that there is not much variation and it is revealed that both the companies are in stable position, especially in RMTR there was very low variation.

#### Findings of the Study

The major findings of the Study are;

- The overall growth rate in long term loans liabilities of Tata Motors Ltd were (-) 15.85 percent.

- The overall growth rate of Fixed assets, Deposits, Loans & Advances and Current assets in Ashok Leyland Ltd was 35.78, 660.60 & 40.10 percent respectively and in Tata Motors Ltd was 38.42, 358.39 & (-) 43.37 percent respectively.
- The overall growth rate in Capital employed and Net worth of Ashok Leyland Ltd was 37.01 & 28.10 percent and in Tata Motors Ltd it was 17.61 & 56.46 percent.
- The overall growth rate of Sales, Cost of goods sold, Gross profit and Net profit in Ashok Leyland Ltd was 108.68, 113.57, (-) 18.38 and 128.27 percent respectively and Tata Motors Ltd was 74.45, 92.17, (-) 77.57 and (-) 69.86 percent.
- There was no relation between the overall growth in Sales and Gross profit in both the companies.
- Return on Share holder's Networth has high variance and Net Profit ratio has low variance in Ashok Leyland Ltd.
- Gross profit ratio has high variance and Return on Total Assets has low variance in Tata Motors Ltd.
- Mean, Standard Deviation and Co-efficient of Variation were high in FGTR and low in FATR compared to other efficiency ratios in both the companies.

#### Suggestions

Based on the findings of the Study, the following suggestions are offered

- Ashok Leyland Ltd has to take steps to reduce the Long-term loans & Liabilities in terms of that the company can increase their Share holders fund to avoid giving more power to the third party.
- Tata Motors Ltd has to increase their Debt capital to gain some tax advantage by reducing the interest of debt from profit before paying tax.
- Tata Motors Ltd has to consider their working capital position by retaining some of the funds rather than investing all in Deposits, Loans and Advances.
- Both the companies has to take steps to reduce the Cost of goods sold which ultimately increases the profit even though there is an increase or decrease in volume of sales. This can be reduced by taking steps to have a control over the direct and indirect expenses related to manufacturing operations.
- Ashok Leyland Ltd should make plans to enter in new product line which offer good potential for growth and profitability.

#### Conclusion

The overall performance of both the companies has not been good in the year 2012-13 when compared to the previous years. The Gross profit, Net profit, Return on Capital employed, Return on Shareholders Networth and Return on Total Assets ratios were low in the current previous year 2012-13. Further growth rate in Sales, Cost of goods sold, Capital Employed and Net worth were moderate. Efficiency ratios like Finished Goods Turnover



Ratio, Raw Material Turnover Ratio, Debtor Turnover Ratio, Fixed and Current Assets Turnover Ratio were up to the standards. Therefore, both the firm must try to improve the performance by introducing various forms of internal reconstruction like alteration of share capital, reduction of share capital and writing off losing assets. In addition both the firm should improve the management of working capital areas like Credit management, Inventory management to minimize the manufacturing and operating cost. The firm should also adopt strategies of human resources management like right sizing to improve the productivity and overall performance. In addition, the firm should look at the possibility of more External reconstruction to take advantages of large scale economies and to increase the competitiveness of the firm. Since the global market and economy is going through downturn all the company faces the economic crisis in the Automobile Industry but individually Automobile Industry will shine in near future.

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Source: Annual Report of Ashok Leyland Ltd and Tata Motors Ltd.

Year	Share Capital		Reserves and Surplus		Long Term Loans and Liabilities		Current Liabilities and Provisions		Total	
	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors
2008-09	13303 (1.70)	51405 (1.38)	334470 (42.68)	1171610 (31.44)	221580 (28.28)	1419549 (38.10)	214273 (27.34)	1083551 (29.08)	783626 (100)	3726115 (100)
2009-10	13303 (1.43)	57060 (1.13)	352327 (37.96)	1439487 (28.54)	261694 (28.19)	1810318 (35.89)	300880 (32.42)	1737259 (34.44)	928204 (100)	5044124 (100)
2010-11	13303 (1.26)	63771 (1.18)	382993 (36.15)	1937559 (35.76)	287048 (27.10)	1792191 (33.07)	375987 (35.49)	1625524 (29.99)	1059331 (100)	5419045 (100)
2011-12	26607 (2.23)	63475 (1.17)	394626 (33.12)	1873291 (34.52)	286028 (24.00)	1275510 (23.51)	484314 (40.65)	2213817 (40.80)	1191575 (100)	5426093 (100)
2012-13	26607 (2.03)	63807 (1.22)	418904 (31.99)	1849677 (35.44)	334549 (25.55)	1194532 (22.89)	529610 (40.44)	2110461 (40.44)	1309670 (100)	5218477 (100)
Growth Rate (%)	100.01	24.13	25.24	57.88	50.98	(-) 15.85	147.17	94.77		

Source: Annual Report of Ashok Leyland Ltd and Tata Motors Ltd.

YEAR	Fixed Assets		Deposits, Loans and Advances		Current Assets		Total	
	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors
2008-09	439741 (56.12)	1459931 (39.18)	37199 (4.75)	476475 (12.79)	306686 (39.14)	1789709 (48.03)	783626 (100)	3726115 (100)
2009-10	481103 (51.83)	1643604 (32.59)	53123 (5.72)	442573 (8.77)	393978 (42.45)	2957947 (58.64)	928204 (100)	5044124 (100)
2010-11	499176 (47.12)	1747563 (32.25)	161779 (15.27)	516734 (9.54)	398376 (37.61)	3154748 (58.22)	1059331 (100)	5419045 (100)
2011-12	546171 (45.84)	1905619 (35.12)	215015 (18.05)	2149182 (39.61)	430389 (36.12)	1371292 (25.27)	1191575 (100)	5426093 (100)
2012-13	597081 (45.59)	2020854 (38.73)	282936 (21.60)	2184127 (41.85)	429658 (32.81)	1013496 (19.42)	1309670 (100)	5218477 (100)
Growth Rate (%)	35.78	38.42	660.60	358.39	40.10	(-) 43.37		

Source: Annual Report of Ashok Leyland Ltd and Tata Motors Ltd.

YEAR	Capital Employed		Net Worth	
	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors
2008-09	569353	2642564	347773	1223015
2009-10	627324 (10.18)	3306865 (25.14)	365630 (5.14)	1496547 (22.37)
2010-11	683344 (8.93)	3793521 (14.72)	396296 (8.39)	2001330 (33.73)
2011-12	707261 (3.50)	3212276 (-15.32)	421233 (6.29)	1936766 (-3.23)
2012-13	780060 (10.29)	3108016 (-3.25)	445511 (5.76)	1913484 (-1.20)
<b>Growth Rate (%)</b>	<b>37.01</b>	<b>17.61</b>	<b>28.10</b>	<b>56.46</b>

Source: Annual Report of Ashok Leyland Ltd and Tata Motors Ltd.

YEAR	Sales		Cost of Goods Sold		Gross Profit		Net Profit	
	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors
2008-09	598107	2566079	575914	2298238	22193	267841	19000	100126
2009-10	724471 (21.13)	3559305 (38.71)	669666 (16.28)	2956132 (28.63)	54805 (146.95)	603173 (125.20)	42367 (122.98)	224008 (123.73)
2010-11	1111771 (53.46)	4804046 (34.97)	1031591 (54.05)	4308589 (45.75)	80180 (46.30)	495457 (-17.86)	63130 (49.01)	181182 (-19.12)
2011-12	1290433 (16.07)	5430656 (13.04)	1221595 (18.42)	5238029 (21.57)	68838 (-14.15)	192627 (-65.06)	56598 (-10.35)	124223 (-31.44)
2012-13	1248120 (-3.28)	4476572 (-17.57)	1230005 (0.69)	4416492 (-1568)	18115 (-73.69)	60080 (-68.81)	43371 (-23.37)	30181 (-75.70)
<b>Growth Rate (%)</b>	<b>108.68</b>	<b>74.45</b>	<b>113.57</b>	<b>92.17</b>	<b>(-) 18.38</b>	<b>(-) 77.57</b>	<b>128.27</b>	<b>(-) 69.86</b>

**Table - 5 Liquidity and Solvency Ratios of the Firm (In Times)**

YEAR	Current Ratio		Quick Ratio		Solvency Ratios		Debt-Equity Ratios	
	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors
2008-09	1.43	1.65	0.81	1.45	0.56	0.67	1.15	1.96
2009-10	1.31	1.70	0.77	1.53	0.61	0.70	1.40	2.27
2010-11	1.06	1.94	0.47	1.70	0.63	0.63	1.54	1.61
2011-12	0.89	0.62	0.43	0.41	0.65	0.64	1.69	1.56
2012-13	0.48	0.48	0.45	0.27	0.66	0.63	1.80	1.52
<b>Mean</b>	<b>1.03</b>	<b>1.28</b>	<b>0.59</b>	<b>1.07</b>	<b>0.62</b>	<b>0.65</b>	<b>1.52</b>	<b>1.78</b>
<b>Standard Deviation</b>	<b>0.34</b>	<b>0.61</b>	<b>0.17</b>	<b>0.61</b>	<b>0.036</b>	<b>0.028</b>	<b>0.23</b>	<b>0.29</b>
<b>Coefficient of Variation</b>	<b>0.33</b>	<b>0.48</b>	<b>0.29</b>	<b>0.57</b>	<b>0.058</b>	<b>0.043</b>	<b>0.15</b>	<b>0.16</b>

Source: Annual Report of Ashok Leyland Ltd and Tata Motors Ltd.

**Table - 6 Profitability Ratios of the Firm (In Percentage)**

YEAR	Gross Profit Ratio		Net Profit Ratio		Return on Capital Employed		Return on Shareholders Net worth		Return on Total Assets	
	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors
2008-09	3.71	10.44	3.18	3.90	3.34	3.79	5.46	8.19	2.43	2.69
2009-10	7.56	16.95	5.85	6.29	6.75	6.77	11.59	14.97	4.56	4.44
2010-11	7.21	10.31	5.68	3.77	9.24	4.78	15.93	9.05	5.96	3.34
2011-12	5.33	3.55	4.39	2.29	8.00	3.87	13.44	6.41	4.75	2.29
2012-13	1.45	1.34	3.48	0.67	5.56	0.97	9.74	1.58	3.31	0.59
<b>Mean</b>	<b>5.10</b>	<b>8.52</b>	<b>4.52</b>	<b>3.38</b>	<b>6.58</b>	<b>4.04</b>	<b>11.23</b>	<b>8.04</b>	<b>4.20</b>	<b>2.67</b>
<b>Standard Deviation</b>	<b>2.27</b>	<b>5.55</b>	<b>1.10</b>	<b>1.87</b>	<b>2.03</b>	<b>1.87</b>	<b>3.54</b>	<b>4.32</b>	<b>1.22</b>	<b>1.27</b>
<b>Coefficient of Variation</b>	<b>0.45</b>	<b>0.65</b>	<b>0.24</b>	<b>0.55</b>	<b>0.31</b>	<b>0.46</b>	<b>0.32</b>	<b>0.54</b>	<b>0.29</b>	<b>0.48</b>

Source: Annual Report of Ashok Leyland Ltd and Tata Motors Ltd.

Table - 7 Efficiency Ratios of the Firm ` (In Times)										
YEAR	FGTR		RMTR		FATR		CATR		DTR	
	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors	Ashok Leyland	Tata Motors
2008-09	10.15	21.37	9.05	18.86	1.36	1.76	1.95	1.43	6.24	16.50
2009-10	11.34	23.39	9.40	22.30	1.51	2.17	1.84	1.20	7.09	14.88
2010-11	14.64	25.04	10.51	22.78	2.23	2.75	2.79	1.52	9.55	18.46
2011-12	13.64	25.97	10.50	22.98	2.36	2.85	2.99	3.96	10.49	20.05
2012-13	14.94	19.63	9.85	19.84	2.09	2.22	2.90	4.42	8.79	24.62
Mean	12.94	23.08	9.86	21.35	1.91	2.35	2.49	2.51	8.43	18.90
Standard Deviation	3.54	5.42	0.58	1.68	0.40	0.40	0.49	1.39	1.56	3.35
Coefficient of Variation	0.27	0.24	0.059	0.079	0.21	0.17	0.20	0.29	0.19	0.18

Source: Annual Report of Ashok Leyland Ltd and Tata Motors Ltd.