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A FINANCIAL PERFORMANCE ON TATA MOTORS

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ABSTRACT:

Let's dive into how Tata Motors is doing financially. As one of India's top car makers, they've been through some big changes lately – like buying Jaguar Land Rover and focusing more on electric vehicles. We'll look at some key numbers and ratios to get a sense of how profitable, liquid, and solvent they are. The goal is to figure out where they're strong, where they need work, and if their strategies are setting them up for long-term success.

Keywords:

- Tata Motors
- Financial Analysis
- Profitability
- Liquidity
- Solvency
- JLR
- Electric Vehicles
- Debt Ratio
- Return on Equity (ROE)
- Financial statements

INTRODUCTION :

Tata Motors is a major player in the automotive industry, both in India and globally. Since its founding in 1945, the company has grown significantly, evolving from a commercial vehicle manufacturer to a leader in electric mobility. The acquisition of Jaguar Land Rover in 2008 marked a significant milestone, and their recent focus on innovation and sustainability has positioned them at the forefront of the industry's transformation.

We're going to take a closer look at Tata Motors' financial performance over the past few years to understand how they're doing and what their future might look like.

BACK GROUND OF STUDY :

The automotive industry is a big driver of the global economy, and Tata Motors is right in the thick of it. They've had their share of successes and challenges, especially with their global expansion through Jaguar Land Rover. While this move has boosted their presence, it's also brought some financial complexities.

Add to that the pandemic, chip shortages, and market ups and downs, and it's clear that Tata Motors has had to navigate some tough waters. But with the industry shifting towards electric vehicles and sustainability, they've been diversifying their portfolio to stay ahead.

Objectives of the Study:

1. To analyze Tata Motors' financial performance over the past three fiscal years.
2. To evaluate profitability, liquidity, and solvency through financial ratios.
3. To assess the financial impact of strategic moves such as JLR acquisition and EV
4. To recommend strategies to improve the company's financial performance.

SCOPE OF STUDY:

We're focusing on Tata Motors' performance over the last three years – from 2021-22 to 2023-24. We'll be looking at their consolidated financial reports, which cover both their Indian and international operations. Our main goal is to understand their financial health through ratio analysis, trend spotting, and examining how market conditions have impacted them.

We won't be diving into operational or technical details unless they're directly tied to their financials. Instead, we'll keep the spotlight on the numbers to get a clear picture of how Tata Motors is doing financially.

Key Areas of Analysis:

1. Profitability Analysis: Net Profit Margin, Return on Equity (ROE), Return on Assets (ROA)
2. Liquidity Analysis: Current Ratio, Quick Ratio
3. Solvency Analysis: Debt to Equity Ratio, Interest Coverage Ratio
4. Efficiency Ratios: Asset Turnover Ratio, Inventory Turnover Ratio
5. Strategic Impact Analysis: Assessment of the effects of JLR acquisition and electric Vehicle investment on overall performance

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CONCLUSION:

Tata Motors is clearly a company in transition, and their financials reflect that. On the positive side, they've improved profitability in recent years, thanks to restructuring and a push towards electric vehicles. However, they're still working on sorting out liquidity and solvency issues.

Their Investments in innovation and the Jaguar Land Rover brand have been strategic moves that could pay off in the long run, but they need to keep a close eye on their finances. To keep growing and boost investor confidence, Tata

Motors needs to nail down cost control, pay off some debt, and get a better grip on managing their working capital. If they can get these pieces in place, they'll be in a stronger position for the long haul.