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A STUDY ON MARUTI SUZUKI COMPANY FINANCIAL REVIEW

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CHAPTER-I

1.1 INTRODUCTION

Every business organization, whether manufacturing oriented or service oriented, needs finance, i.e., money for carrying on its activities. Though business organization gets sufficient money for carrying its activities, success of the business depends on how well the organization manages them. That is, its depends on how wella business organization funds its capital and how efficiently it operates out of the invested capital to generate profit. While the success of the of a business also a subjective measure how well a firm can finance its assets and make use of the assetsto generate revenues, the business can be stable and healthy if it is financial performance consistently yields profit. These measures often determine whether or notthat level of performance is considered adequate. Further, a business organization is considered to be inefficient, if the performance level is often found to be low, even if itis making profit.

Financial management is that part of management which deals with raising of funds in the most economical and suitable manner, using the funds as profitability as possible, planning future operations, inspections, controlling current performance and future development through financial accounting and other means. No business can plan its activities without considering its financial resources The business functions ofa finance department typically include planning, organizing, accounting andcontrolling the company's finance and to ensure intensive and economic use of capitalresources of the organization. Since business firms are profit seeking organizations, their functions are to maximize the company's wealth. Asset management, costing, budgeting, credit management, debit management are the other functions of the finance department. Finance in essence is considered with the acquisition and use of funds by a business firm. The main objective of financial management is to control required funds for meeting short term and long-term needs

of business enterprise and to maximize the value of firm to its equity share holders.To have a clear

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understanding of the profitability and financial position ofbusiness,the financial statements have to be analyzed and interpreted. Financial

Title: Suzuki cars

Source: www.suzuki.com

statement is not an end in itself as no meaningful conclusions can be drawn from these According to John N. Myers "Financial statement analysis is largely a study of relationship among the various financial factors in a business as disclosed by a singleset of statements and a study of the trend of these factors as shown in a series of statements."This research is mainly done to find out the financial performance analysis

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and to determine the liquidity, profitability, efficiency and solvency position of the firmby using the equation and graph method.

Financial performance analysis isthe process of identifying the financial strengths and weaknesses of the firm by properlyestablishing the relationship between the items of balance sheet and profit and lossaccount. It also helps in short term and long term forecasting and growth can be identified with the help of financial performance analysis.

The dictionary meaning of „analysis" is to resolve or separate a thing in to its element or components parts for tracing their relation to the things as whole and to eachother. The study helps to assess the profitability and financial position of a concern. This analysis can be done by comparing the ratios for the same over a period of years. Accounting ratios are calculated for a number of years which shows the trend for the change of position.

To take certain important decisions for their business various users like managements of the companies, bankers, investors and creditors etc. uses the accounting ratios for analyzing the financial position. The secondary datais used for the entire study. The study entitled ' Financial Performance of Maruti Suzuki India Limited' has been oriented with a view to study the financial position ofthe company that help in making sound decision by analyzing the recent trend.

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CHAPTER-II

2.1 OBJECTIVES OF THE STUDY

- The following specific objective have been framed for the study
- To study the financial performance of Maruti Suzuki India Ltd over a periodof five years (2018-2019 to 2022-2023)
- To evaluate financial position of the company in terms of solvency,profitability, liquidity and efficiency
- To estimate the trend in sales and profit of the firm.
- To analyze the balance sheet and income statement and to identify the trends and relationships between financial statement items.
- To provide proper suggestions to the maruthi Suzuki industry

2.2 RESEARCH METHODOLOGY

Analytical Research
The study is primarily based on the internal records and the annual records of thecompany.

Sources Of Online Data

1.2.1 Websites

1.2.2 Books

1.2.3 Magazines

1.2.4 Articles and Journals

1.2.5 Secondary data

- Research methodology in the maruthi industry involves a systematic approach to gathering and analyzing data related to cars. The methodology used can very depending on the specific research question or problem being addressed, but typicallyinvolves the following steps

- **PROBLEM IDENTIFICATION**:

The first in any research project is clearly identify the problem or question being addressed. This may involve reviwing existing literature, analyzing market needs,or consulting with market experts.

- **RESEARCH DESIGN:**

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Once problem has been identified, the next step is design a research plan that will helpaddress the problem. This may involve deciding on the type of research to be conducted (eg.quantitative, qualitative, or mixed-methods),selecting a sample cars users and determining the data collection methods to be used.

- **DATA COLLECTION:**

collection phase involves gathering information relevant to the research question or problem. This may include conducting surveys,interviews,focus groups, or observational studies. In the maruthi industry, data collection may involve analyzing production process, product design, consumers preferences,or market trends.

- **DATA ANALYSIS:**

Once data has been collected it must be analyzed to identify patterns,trends, and relationships. This may involve using statistical analysis techniques, qualitative coding, or other methids of data analysis. In the maruthi industry, data analysis maybe used to identify areas for process improvement, to understanding consumer preferences, or to develop new product designs.

- **RESULT INTERPRETATION:**

The final step in the research process involves interpreting the results and drawing conclusions based on the data analysis. This may involved identifying key findings, making a recommendations for future research, or developing strategies for improvingprocess or products.

Overall research methology in the maruthi industry is a critical tool for identifying oopourtinities for improvement, understanding market trends,and develop new products that meet the needs of consumers. By following systematic approach to research, maruthi companies can stay competitive and atay ahead of the curve in a rapidly changing industry.

- **PROCESS OF MARUTHI COMPONY**

Research and Development: Initiating product development and innovation through extensive research, market analysis, and technological advancements to create new and improved vehicle models.

- **Manufacturing:** Implementing efficient manufacturing processes to produce vehicles, including procurement of raw materials, assembly line operations, quality control, and adherence to industry standards.

Supply Chain Management: Managing a complex supply chain network to ensurea steady flow of materials and components from various suppliers, both domestic and international, to support the manufacturing process.

Marketing and Sales: Designing comprehensive marketing strategies to promote andsell vehicles through a combination of advertising campaigns, dealership networks, and digital marketing initiatives to reach a broad customer base.

Customer Service and Support: Providing comprehensive after-sales services, including maintenance, repairs, and customer support, to ensure a positive customer experience and build long-term relationships with clients.

Quality Assurance: Implementing rigorous quality control measures at every stageofproduction to ensure that the final products meet high standards of safety, reliability, and performance.

SCOPE OF THE STUDY

- The scope of the study is geared towards identifying important areas of control and to establish model for better control of the various components of financial performance
- The study would also attempt to identify the various sources available for financing of financial performance.
- The study gives a fair idea of improvement in efficiency of financial performance andalso to have proper control over the components of financial performance and managing of efficiency.
- The research focuses on the financial management of the Maruti SUZUKI INDIA. Because financial performance is not a one-time choice, the study's goal is to determine the company's financial performance from 2018 to 2022, as well as its growth and profitability.

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NEED OF THE STUDY

the studyon financial performance in maruthi Suzukiarena is important for severalreasons

1. **economic impact:** the maruthi Suzuki industry is a significant contributor to many countries economics,escecially in developing nations. It creats employement oppourtinities generate revenue to the government through taxes, and contributes tothe country's gross domestic product (GDP)

2. **consumer demand:** the maruthi Suzuki industry is a consumer-driven industry that highly influenced consumer preferences. Understanding consumer behaviour and

preferncces is circular to success of the industry.

3. **Supply chain management:** the maruthi industry involves a complex supply chain that includes sourcing of a raw materials, manufacturing, transportation , and distribution. A detailed study of the supply chain can help identify areas for improvement, increase efficiency, and reduce costs.

4. **Labor conditions:** the maruthi Suzuki industry is also known for poor working conditions and low wages in some countries, a study of the industry can helpidentify ways to improve working conditions, promote fair labor practices.

LIMITATIONS OF THE STUDY

- The scope of the study is limited to single organization Maruthi Suzuki.
- Major scope of this study is to find out the financial strength and weakness of the firm from analyzing the financial statements.
- To understand past performance, present financial conditions and to find suggestions for the future improvements.

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CHAPTER-III

3.1THEORETICAL FRAMEWORK

CHAPTER-1: INTRODUCTION TO THE STUDY

This chapter gives us a general introduction to the study undertaken. It deals with the industryprofile and company profile. It talks about the problems for which the project has been taken;the definitions of the study; need, objective and the scope of the study conducted and also thelimitation of the study.

CHAPTER-2:OBJECTIVES, RESEARCH METHODOLOGY OF THE STUDY

In the 2nd chapter, I have explained about objectives, research methodology&limitations of the study of my study

CHAPTER-3: THEORETICAL FRAMEWORK

This chapter briefly describes the way in which the study is carried out .it provides information regarding the specific research design followed for the study, sources of data, data processing and analysis plan of the study, expected contribution of the study and limitations of the study.

CHAPTER-4: COMPANY PROFILE & INDUSTRY PROFILE

In this chapter all calculation pertaining to the study are calculated and interpreted. Calculations refer to the ratio calculated and changes in working capital in the study. The trend of the ratios and the changes in working capital are also projected and interpreted. As itis said that one picture is worth 1000 words, graphs have also been provided for the better understanding.

CHAPTER-5:findings, suggestions & summary
The study is primarily based on the internal records and the annual records of thecompany.

- **Sources Of Online Data**
- Websites
- Books
- Magazines
- Articles and Journals
- Secondary data

Data Analysis Tools

The data collected where classified and analyzed with the help of percentages, averages, accounting rates and comparative financial statement.

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Brief Theoretical Construct Related To the Problem

In this chapter explains the theoretical frame work applied for the present study. Finance is the life blood of every business. Every business enterprise whether large, medium and small size needs finance to carry out its operations and to achieve its targets. Proper financial planning and control is necessary.

Business is mainly concerned with the financial activities. In order to ascertain the financialstatus of the business every enterprise prepares certain statements, known as financial statements. Financial statements are mainly prepared for decision making purposes. But the information as is provided in the financial statements is not adequately helpful in drawing a meaningful conclusion. Thus, an effective analysis and interpretation of financial statements is required.

Financial Performance Analysis

The analysis of financial statement is a process of evaluating the relationship between the component parts of financial statement to obtain a better understanding of the firm's positionand performance.

The dictionary meaning of 'analysis' is to resolve or separate a thing in to its element or components parts for tracing their relation to the things as whole and to each other.It helps to identifying the financial strengths and weaknesses of the firm by properly establishing the relationship between the items of balance sheet and profit and loss account. It also helps in short-term and long term forecasting and growth can be identified with the help of financial performance analysis. This analysis can be undertaken by management of the firm or by parties outside the namely, owners, creditors, investors

Financial Statement

A financial statement is an organized collection of data according to logical and consistent accounting procedures. Its purpose is to convey an understanding of some financial aspects ofa business firm. It may show a position at a moment of time as in the case of a balance sheet, or may reveal a series of activities over a given period of time, as in the case of an income statement.

The objective of income statements is to provide information about the financial position, performance and changes in financial position of an enterprise that is useful to a wide rangeof users in making economic decisions. Financial statements should be understandable, relevant, reliable and comparable. Reported assets, liabilities, equity, income and expenses are directly related to an organization's financial position.

Financial statements are intended to be understandable by readers who have a reasonable knowledge of business and economic activities and accounting and who are willing to study the information diligently. They are useful for the following reasons:

- To determine the ability of a business to generate cash, and the sources and uses of that cash.
- To determine whether a business has the capability to pay back its debts.
- To track financial results on a trend line to spot any looming profitability issues.
- To derive financial ratios from the statements that can indicate the condition of the business.
- To investigate the details of certain business transactions as outlined in the disclosures that accompany the statements

Main types of financial statements are:

A. BALANCE SHEET

Statement of Financial Position, also known as the Balance Sheet, presents the financial position of an entity at a given date. It is comprised of the following three elements:

Assets: Something a business owns or controls (e.g. cash, inventory, plant and machinery, etc)

Liabilities: Something a business owes to someone (e.g. creditors, bank loans, etc)

Equity: What the business owes to its owners. This represents the amount of capital that remains in the business after its assets are used to pay off its outstanding liabilities. Equity therefore represents the difference between the assets and liabilities

Profit and loss account

Income Statement, also known as the Profit and Loss Statement, reports the company's financial performance in terms of net profit or loss over a specified period. Income Statementis composed of the following two elements:

1. Income: What the business has earned over a period (e.g. sales revenue, dividend income, etc)
2. Expense: The cost incurred by the business over a period (e.g. salaries and wages, depreciation, rental charges, etc)

Net profit or loss is arrived by deducting expenses from income

Analysis of Financial Statement

Financial analysis is the process of determining the significant operating and financialcharacteristics of a firm from accounting data. The Profit and Loss account and Balance sheet are indicators of two significant factors profitability and financial soundness.Analysis of financial statement means such a treatment of the information contained in the two statements as to afford a full diagnosis of the profitability and financial position of the firm concerned. Broadly, the term financial analysis is applied to almost any kind of detailed enquiry into financial data. A financial executive has to evaluate the past performance , present financial position, liquidity position, enquire into profitability of thefirm and to plan for future operations.

Definition

Metcalf and Titard: "Analysis of financial statement is a process of evaluating the relationshipbetween components part of a financial statement to obtain a better understanding of a firms position and performance."

Purpose of Financial Analysis

The following are the main purpose of the analysis of financial statements:

1. To estimate the earning capacity of the firm.
2. To determine the long-term liquidity of the funds.
3. To judge the solvency of the firm.
4. To determine the debt capacity of the firm.
5. To decide about the future prospects of the firm.
6. To measure the efficiency of operations.

Types of Financial Analysis

The following points highlight the important types of financial analysis,

- According to Material Used
- According to Modus Operandi,
- According to Time Horizon or Objective of Analysis

According to Material Used

According to material used, financial analysis can be of two types;

a) External Analysis

This analysis is done by outsiders who do not have access to the detailed internal accountingrecords of the business firm. These outsiders include investors, potential investors, creditors, potential creditors, government agencies, credit agencies, and the general public.

For financial analysis, these external parties to the firm depend almost entirely on the published financial statements. External analysis, thus serves only a limited purpose. However, the recent changes in the government regulations requiring business firms to make available more detailed

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information to the public through audited published accounts have considerably improved the position of the external analysis.

b) Internal Analysis

The analysis conducted by persons who have access to the internal accounting records of a business firm is known as internal analysis. Such an analysis can, therefore, be performed by executives and employees of the organization as well as government agencies which have

statutory powers vested in them. Financial analysis for managerial purposes is the internal type of analysis that can be affected depending upon the purpose to be achieved.

According to Modus operandi:

Horizontal Analysis

Horizontal analysis refers to the comparison of financial data of a company for several years. The figures for this type of analysis are presented horizontally over a number of columns.The figures of the various years are compared with standard or base year. A base year is ayear chosen as beginning point. This type of analysis is also called 'Dynamic Analysis' as it is based on the data from year to year rather than on data of any one year. The horizontal analysismakes it possible to focus attention on items that have changed significantly during the periodunder review

a) Vertical Analysis

Vertical analysis refers to the study of relationship of the various items in the financial statements of one accounting period. In these types of analysis the figures from financial statement of a year are compared with a base selected from the same year's statement. Since vertical analysis considers data for one time period only, it is not very conducive to a proper analysis of financial statements. However, it may be used along with horizontalanalysis to make it more effective and meaningful

According to Time Horizon or Objective of Analysis:

a) Short-term Analysis:

Short-term analysis measures the liquidity position of a firm, i.e. the short- term paying capacity of a firm or the firm's ability to meet its current obligations

b) Long-term Analysis

Long-term analysis involves the study of firm's ability to meet the interest costs and repayment schedules of its long-term obligations. The solvency, stability and profitability are measured under this type of analysis.

Objectives of Financial Analysis

- To review the company's performance over past periods.
- To assess the current financial position.
- To forecast the profitability trends.
- To measure the managerial efficiency of the firm.

Financial Statement Analysis is very important, but it has certain limitations which are to be kept in mind. Following are the limitations of financial analysis;

- Not a Substitute of Judgment
- Based on Past Data
- Problem in Comparability
- Reliability of Figures
- Various methods of Accounting and Financing
- Change in Accounting Methods
- Changes in the Value of Money
- Limitations of the Tools Application for Analysis
- No Assessment of Managerial Ability
- Change of Business Condition

Techniques or Tools of Financial Analysis

The analysis of financial statements consists of a study of relationships and trends to determine whether or not the financial position of the concern and its operating efficiency have been satisfactory. In the process of this analysis various tools ormethods are used by the financial analyst. The analytical tools generally available to an analyst for this purpose areas follows

1. Comparative financial and operating statements
2. Common-size statement
3. Trend ratio (trend percentage)
4. Average analysis
5. Statement of changes in working capital
6. Ratio analysis

Trend Percentage Analysis (TPA)

The trend analysis is a technique of studying several financial statements over a series of years. In this analysis the trend percentages are calculated for each item by taking the figure of that item for the base year taken as 100. Generally the first year is taken as a base year. The analyst is able to see the trend of figures, whether moving upward or downward.

In brief, the procedure for calculating trends is as:

- One year is taken as a base year which is generally is the first year or last year.
- Trend percentages are calculated in relation to base year.

Average Trend Analysis

It is an improvement over trend analysis method. When trend ratios have been determining for the concern, these figures are compared with the average trend of the industry. Both thesetrends can be presented on the graph paper also in the shape pf curves. This presentation of

fact in the shape of picture makes the analysis and comparison more comprehensive and impressive.

B. RATIO ANALYSIS

Financial ratio analysis is the process of calculating financial ratios, which are mathematical indicators calculated by comparing key financial information appearing in financial statements of a business, and analyzing those to find out reasons behind the business's currentfinancial position and its recent financial performance, and develop expectation about its futureoutlook.

Financial ratio analysis is very useful tool because it simplifies the process of financial comparison of two or more businesses. Direct comparison of financial statements is not efficient due to difference in the size of relevant businesses. Financial ratio analysis makes the financial statements comparable both among different businesses and across different periods of a single business.

There are different financial ratios to analyze different aspects of a business' financial position, performance and cash flows. Financial ratios calculated and analyzed in a particularsituation depend on the user of the financial statements. For example, a shareholder is primarily concerned about a business's profitability and solvency; a debt-holder is concerned about its solvency, liquidity and profitability in the descending order of importance; a creditor/supplier is worried mainly about the business' liquidity, etc.

Classification of ratios;

The ratios can be classified in to four broad groups

- Liquidity Ratio
- Solvency or Leverage Ratio
- Turnover Ratio
- Profitability Ratio

Liquidity Ratio

Liquidity ratio assesses a business's liquidity, i.e. its ability to convert its assets to cash and pay off its obligations without any significant difficulty (i.e. delay or loss of value). Liquidity ratios are particularly useful for suppliers, employees, banks, etc.

The various ratios that explains about the liquidity of the firm are

1. Current Ratio
2. Acid Test Ratio / quick ratio
3. Absolute liquid ration / cash ratio

Current ratio

Current ratio is a liquidity ratio which measures a company's ability to pay its currentliabilities with cash generated from its current assets. In a sound business a current ratio of 2:1 is considered an ideal one. High ratio indicates sound solvency and low ratio indicates inadequate working capital. It is calculated by dividing current assets by current liabilities.

Current Ratio = Current Asset/Current Liabilities

Current assets are assets that are expected to be converted to cash within normal operating cycle, or one year. Examples of current assets include cash and cash equivalents, marketable securities, debtors, bills receivable, inventories and prepaid expenses.

Current liabilities are obligations that require settlement within normal operating cycle or next 12 months. Examples of current liabilities include sundry creditors, bills payable, short term loans, income tax liability, accrued expenses and dividends payable.

Quick ratio

The quick ratio or acid test ratio is a liquidity ratio that measures the ability of a company to pay its current liabilities when they come due with only quick assets. Quick assets are currentassets that can be converted to cash within 90 days or in the short-term. It is calculated by dividing quick assets by the current liabilities.

Quick ratio = Quick assets / Current liabilities

Quick assets refer to the more liquid types of current assets which include: cash and cash equivalents, marketable securities, and short-term receivables. Inventories (stock) and prepayments are not included.

Absolute liquidity ratio

It shows the relationship between absolute liquid or super quick current assets and liabilities. Itis more conservative compared to the current ratio and quick ratio since only cash and marketable securities are compared with current liabilities

Absolute liquid ratio = Absolute liquid assets / Current liabilities

The current ratio measures liquidity by comparing all current assets with current liabilities. The quick ratio is more conservative in that it measures liquidity using quick assets (cash andcash equivalents, marketable securities, and short-term receivables).Cash ratio is an even more conservative ratio since it considers cash and marketable securities only.

Leverage / Solvency Ratio

Leverage ratio / Solvency ratio assess the long-term financial viability of a business i.e. its ability to assure the long term creditors with regard to periodic payment of interest during theperiod and loan repayment of principal on maturity or in predetermined installments at due

dates. . Information about solvency is critical for banks, employees, owners, bond holders, institutional investors, government, etc.

There are thus two aspects of the long-term solvency of a firm.

- Regular payment of the interest.
- Ability to repay the principal amount when due.Solvency ratios are;
- Debt equity ratio
- Proprietary (equity) ratio
- Fixed assets to net worth ratio

Debt Equity Ratio

The debt to equity ratio is a financial, liquidity ratio that compares a company’s total debt to total equity. The debt to equity ratio shows the percentage of company financing that comes from creditors and investors. A higher debt to equity ratio indicates that more creditor financing (bank loans) is used than investor financing (shareholders).

Debt equity ratio = Outsider Funds (Total Debts)/Shareholder Funds or Equity

The outsider fund includes long-term debts as well as current liabilities. The shareholder fundsinclude equity share capital, preference share capital, reserves and surplus including accumulated profits. The shareholder funds so calculated are known as net worth of the business.

Proprietary (Equity) Ratio

The proprietary ratio (also known as net worth ratio or equity ratio) is used to evaluate the soundness of the capital structure of a company. This ratio indicates the proportion of total assets of the company financed by its owners (equity shareholders). It is calculated by dividing Shareholder funds by total assets.

Proprietary (equity) ratio = Shareholder funds/Total assets

This ratio shows the financial strength of the company. It helps the creditors to find out the proportion of shareholders fund in the total assets. Higher ratio indicates a secured position tocreditors and a low ratio indicates greater risk to creditors. It indicates the long term solvency of the firm.

Fixed assets to net worth ratio

Fixed assets to net worth is a ratio measuring the solvency of a company. This ratio indicates the extent to which the owners' cash is frozen in the form of fixed assets, such as property, plant, and equipment, and the extent to which funds are available for the company's operations(i.e. for working capital).

Fixed assets to net worth ratio = Fixed Assets / Net Worth

The Net worth (shareholder funds) include equity share capital, preference share capital, reserves and surplus. The shareholder funds so calculated are known as net worth of the business.

Turnover Ratio

Activity ratios/Turnover ratio assesses the efficiency of operations of a business. For example, these ratios attempt to find out how effectively the business is converting inventories into sales and sales into cash, or how it is utilizing its fixed assets and working capital, etc. Key activity ratios are:

- Fixed asset turnover ratio
- Net working capital turnover ratio
- Capital Turnover Ratio

Fixed asset turnover ratio

The definition of fixed asset turnover analysis and ratio shows what portion of sales is generated from fixed asset investment. If compared with the previous year it indicates that, whether the investment in the fixed assets has been judicious or not.In general, the higher thevalue, the better the company is.

Fixed asset turnover = Total Sales / Fixed AssetsNet Working Capital Turnover ratio

Working capital turnover ratio is an activity ratio that measures dollars of revenue generated per

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dollar of investment in working capital. Working capital is defined as the amount by which current assets exceed current liabilities

Working Capital Turnover Ratio = Net Sales / Working CapitalWorking Capital = Current Assets − Current Liabilities

Capital Turnover Ratio

Capital Turnover Ratio indicates the efficiency of the organization with which the capital employed is being utilized. A high capital turnover ratio indicates the capability of the organization to achieve maximum sales with minimum amount of capital employed. Higher the capital turnover ratio better will be the situation.

Capital turnover ratio = Sales / Shareholders fund

Profitability Ratio

Profitability ratios measure the ability of a business to earn profit for its owners. While liquidity ratios and solvency ratios explain the financial position of a business, profitability ratios and efficiency ratios communicate the financial performance of a business. Important

profitability ratios are ;

1. Gross profit margin or ratio
2. Net profit margin or ratio

Gross Profit Margin or Ratio

It measures the relationship between gross profit and net sales. It is calculated by dividing gross profit by net sales. It is a popular tool to evaluate the operational performance of the business. Gross profit is the difference between sales and cost of goods sold.

Gross profit margin or ratio = Gross profit /Net sales *100

Net Profit Ratio

It measures the relationship between net profit and sales of a firm. It represents the proportionof sales that is left over after all relevant expenses have been adjusted. It is calculated by dividing net profit after tax by sales.

Net profit margin or ratio = Earnings after tax /Net Sales *100

An Overview of Earlier Studies

A number of researches have already undertaken various studies on different aspects relating to the management of finance of different types of industries. Some of those studies were reviewed and a brief report is given below.

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C.WORKING CAPITAL STATEMENTS

What Is Working Capital?

Working capital, also known as net working capital (NWC), is the difference between a company's current assets —such as cash, accounts receivable/customers' unpaid bills, and inventories of raw materials and finished goods—and its current liabilities, such as accounts payable and debts. It's a commonly used measurement to gauge the short-term health of an organization.

Components of working capital

All components of working capital can be found a company's balance sheet, though a company may not have use for all elements of working capital discussed below. For example, a service company that does not carry inventory will simply not factor inventory into its working capital calculation.Current assets listed include cash, accounts receivable, inventory, and other assets that areexpected to be liquidated or turned into cash in less than one year. Current liabilities include accounts payable, wages, taxes payable, and the current portion of long-term debt that's due within one year.

Current Assets:

Current assets are economic benefits that the company expects to receive within the next 12 months. The company has a claim or right to receive the financial benefit, andcalculating working capital poses the hypothetical situation of the company liquidating allitems below into cash.

- **Cash and cash equivalents:** All of the money the company has on hand. This includes foreign currency and certain types of investments such as money market accounts withvery low risk and very low investment term periods.
- **Inventory:** All of the unsold goods being stored. This includes raw materialspurchasedto manufacture, partially assembled inventory that is in process, andfinished goods thathave not yet been sold.
- **Accounts Receivable:** All of the claims to cash for inventory items sold on credit. This should be included net of any allowance for doubtful payments.
- **Notes Receivable:** All of the claims to cash for other agreements, often agreed to through a physically signed agreement.
- **Prepaid Expenses:** All of the value for expenses paid in advance. Though it may be difficult to liquidate these in the event of needing cash, they still carryshort-term value and are included.
- **Others:** Any other short-term asset. An example is some companies may recognize a short-term deferred tax asset that reduces a future liability.

Current Liabilities

Current liabilities are simply all debts a company owes or will owe within the next

twelve months. The overarching goal of working capital is to understand whether a company will be able to cover all of these debts with the short-term assets it already has onhand.

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- **Accounts Payable:** All unpaid invoices to vendors for supplies, raw materials, utilities, property taxes, rent, or anyother operating expense owed to an outside third- party. Credit terms on invoices are often net 30 days, so essentially all invoices are captured here.
- **Wages Payable:** All unpaid accrued salary and wages for staff members. Depending on the timing ofthe company's payroll, this may only accrue up to one month's worth of wages (if the company only issues one paycheck per month). Otherwise, these liabilities are veryshort-term in nature.
- **Current Portion of Long-Term Debt:** All short-term payments related to long-term debt. Imagine a company finances its warehouse and owes monthly debt payments on the 10-year debt. The next 12 months of payments are considered short-term debt, while the remaining 9 years of payments are long-term debt. Only the 12 months is included when calculating working capital.
- **Accrued Tax Payable:** All obligations to government bodies. These may be accruals for tax obligations for filings not due for months. However, these accruals are usually always short-term (due within the next 12 months) in nature.
- **Dividend Payable:** All authorized payments to shareholders that have authorized. A company may decide to decline future dividend payments but must fulfill obligations on already authorized dividends.

Gross Working Capital:

The sum total of all current assets of a business concern is termed as gross working capital. So,

Gross working capital = Stock + Debtors + Receivables + Cash.

Net Working Capital:

The difference between current assets and current liabilities of a business concern is termed as the Net working capital. Hence,

Net Working Capital = Stock + Debtors + Receivables + Cash – Creditors – payables.

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Schedule Of Changes in Working Capital:

A change in Working Capital is the net change in current assets and current liabilities. Working Capital is a measure of a company's short term liquidity or its ability to cover short term liabilities. Working capital is defined as the difference between a company's current assetsand current liabilities. That is,

Working Capital = Current Assets - Current Liabilities.

Changes in Working Capital is reported in the cash flow statement since it is one of the majorways in which net income can differ from operating cash flow. Under the accruals system,companies calculate revenue and expenditure when a transaction occurs instead of when the cash actually changes hands.

Particulars	Base Year ($)	Current Year ($)	Effect on Working Capital	
			Increase ($)	Decrease ($)
Current Assets				
Cash in hand	******	******	******	******
Cash at bank	******	******	******	******
Bills Receivable	******	******	******	******
Stock	******	******	******	******
Debtors	******	******	******	******
Shot term/Temporary/Marketable Investments	******	******	******	******
Prepaid Expenses	******	******	******	******
Accrued Income	******	******	******	******
Short-term Loans and Advances	******	******	******	******
Total Current Assets (A)	******	******		
Current Liabilities				
Sundry Creditors	******	******	******	******
Bills Payable	******	******	******	******
Provision for Taxation	******	******	******	******
Bank Overdraft	******	******	******	******
Short-term Loans or Deposits	******	******	******	******
Proposed Dividend	******	******	******	******
Total Current Liabilities (B)	******	******		
Working Capital (A) - (B)	******	******	******	******
Net Increase or Decrease in Working Capital	******	******	******	******
Total	******	******	******	******

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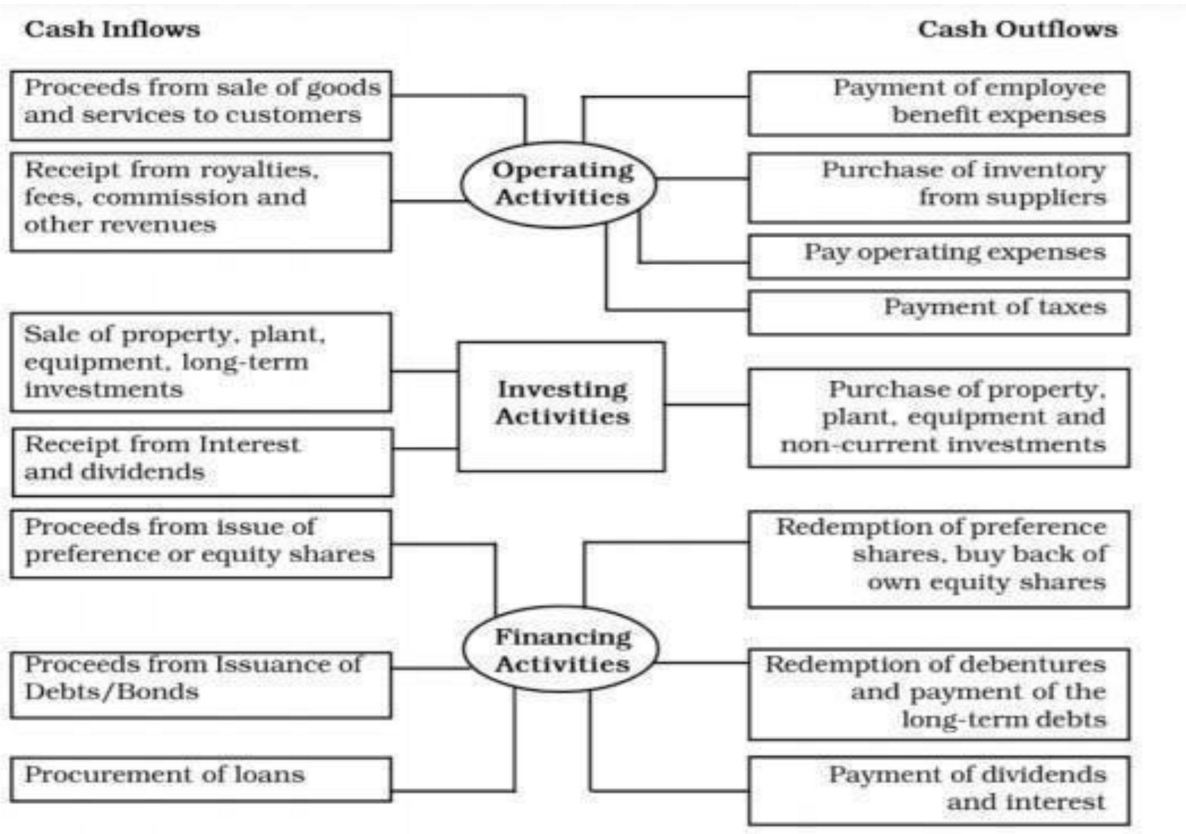
D. CASH FLOW STATEMENTS:

The cash flow statement is also known as the Statement of Accounting for Cash and Secondary Data Variation. The cash flow statement examines the movement of working capital funds (which includes both cash and non-cash items such as assets, liabilities, and so on) such as cash inflow (Income of the Company).



The cash flow statement is focused on money, but not to the extent that the funds flow statement is. Thus, the cash flow statement depicts the firm's overall financial status based on cash, such as cash owed to creditors, bank loans, taxes, and so on. Dividends on shares, etc., as well as the firm's sales. In the short term, the cash flow statement is important. The cash flow statement is useful for short-term financial planning, but it is useless for long-term planning. The cash flow statement employs the cash base accounting principle. The cash flow statement can be generated using the following information.

The beginning and ending balance sheets, the income statement, and any supplementary information which includes all of the transactions which is not included in the books.

According to the Revised Accounting Standard-3 the cash flow statement can be prepared from three

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steps, they are

1.) Operating (revenue generating) activity,

2.) Investing (payment for purchase and the income for the sale of the fixed asset) activityand

3.) Financing activity (changes in size and composition of the equity and the borrowings of the owner).

Working Procedure for the Cash Flow Management

Cash Flow Statement deals with flow of cash which includes cash equivalents as well as cash. This statement is additional information to the users of Financial Statements. The statement shows the incoming and outgoing of cash. The statement assesses the capability of the enterprise to generate cash and utilize it. Thus a Cash-Flow statement may be defined as a summary of receipts and disbursements of cash for aparticular period of time. It also explains reasons for the changes in cash position of the firm. Cash flows are cash inflows and outflows. Transactions which increase the cash position of the entity are called as inflows of cash and those which decrease the cash position as outflows of cash.

Procedure

(i) Operating Activities

Cash flow from operating activities are primarily derived from the principal revenue generating activities of the enterprise. A few items of cash flows from operating activitiesare :

1. Cash receipt from the sale of goods and rendering services.

2. Cash receipts from royalties, fee, Commissions and other revenue.

3. Cash payments to suppliers for goods and services.

4. Cash payment to employees

5. Cash payment or refund of Income tax.

Determination of cash flow from operating activities

There are two stages for arriving at the cash flow from operating activities

Stage-1

Calculation of operating profit before working capital changes, It can becalculatedin the following manner.

Net profit before Tax and extra ordinary Items			xxx
Add Non-cash and non operating Items which have already been			
debited to profit and Loss Account i.e.,			
Depreciation		xxx	
Amortisation of intangible assets			xxx
Loss on the sale of Fixed assets.			xxx
Loss on the sale of long-term Investments		xxx	
Provision for tax			xxx
Dividend paid	xx x		
Less: Non-cash and Non-operating Items which have already been credited			
to Profit and Loss Account i.e.			
Profit on sale of fixed assets		xxx	
Profit on sale of Long term investment			xxx
Operating profit before working Capital changes		xxx	

25 25

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Stage-II

After getting operating profit before working capital changes as per stage I adjustincreaseor decrease in the current assets and current liabilities.

The following general rules may be applied at the time of adjusting current assets and current liabilities.

- **Current assets**

(i) An increase in an item of current assets causes a decrease in cash inflow becausecash is blocked in current assets.
(ii) A decrease in an item of current assets causes an increase in cashinflow becausecash is released from the sale of current assets.

- **Current liabilities**

(i) An increase in an item of current liability causes a decrease in cash outflowbecause

(ii) A decrease in an item of current liability causes increase in cashoutflowbecause of payment ofliability.

- **Investing Activities**

Investing Activities refer to transactions that affect the purchase and saleof fixedor long term assetsand investments.

Examples of cash flow arising from investing activities are

1. Cash payments to acquire fixed Assets

2. Cash receipts from disposal of fixed assets

3. Cash payments to acquire shares, or debenture investment.

4. Cash receipts from the repayment of advances and loans made to third parties. Thus, Cash inflow from investing activities is

- Cash sale of plant and machinery, land and Building, furniture, goodwill etc.
- Cash sale of investments made in the shares anddebenturesof othercompanies
- Cash receipts from collecting the Principal amount of loans made tothirdparties.Cash outflow from investing activities are :

- Purchase of fixed assets i.e. land, Building, furniture, machinery etc.
- Purchase of Intangible assets i.e. goodwill, trade mark etc.
- Purchase of shares and debentures
- Purchase of Government Bonds
- Loan made to third parties

Stage - III

Financing Activities

The third section of the cash flow statement reports the cash paid and received fromactivities with non-current or long term liabilities and shareholders' Capital.

Examples of cash flow arising from financing activities are

- Cash proceeds from issue of shares or other similar instruments.
- Cash proceeds from issue of debentures, loans, notes, bonds, and other short-term
- Cash repayment of amount borrowed Cash Inflow from financing activities are
- Issue of Equity and preference share capital for cash only.
- Issue of Debentures, Bonds and long-term note for cash only

Cash outflow from financing activities are:

- Payment of dividends to shareholders
- Redemption or repayment of loans i.e. debentures and bonds
- Redemption of preference share capital
- Buy back of equity shares.

3.1 COMPANY PROFILE OF MARUTHI SUZUKI

Title:compony logo

Source:www.et.m.wikipedia.org.com

Maruti Suzuki is a leading automobile manufacturer in India. It is a subsidiary of the Japanese automaker Suzuki Motor Corporation. Established in 1981, Maruti Suzuki has played a key role in shaping the Indian automotive industry. The company is known for producing a wide range of cars catering to diverse customer segments. With a strong emphasis on innovation, quality, and customer satisfaction, Maruti Suzuki has maintained its position as the largest carmaker in India in terms of market share. They have a significant presence in the compact car segment and are known for their popular models such as the Swift, Dzire, Baleno, and Alto,among others.

Maruti Suzuki is a well-known Indian automobile manufacturer headquartered in New Delhi, India. It is a subsidiary of the Japanese automotive manufacturer Suzuki Motor Corporation. Maruti Suzuki is renowned for producing a diverse range of vehicles, includinghatchbacks, sedans, SUVs, and MUVs. The company has been a prominent player in the Indianautomotive market f or several decades and has played a significant role in shaping the country'sautomobile industry. With a focus on innovation, quality, and customer satisfaction,Maruti Suzuki has garnered a strong reputation for delivering reliable and fuel-efficient vehicles tailored to the needs of the Indian consumer.

Maruti Suzuki is a prominent automobile manufacturer in India. It is a subsidiary of the Japanese automaker Suzuki Motor Corporation. The company is known for producing a wide range of vehicles, including hatchbacks, sedans, SUVs, and compact cars. Maruti Suzuki has

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played a significant role in shaping the Indian automotive industry and is known for its reliability, affordability, and widespread service network. As of my last update in 2021, it remains one of the leading car manufacturers in the country.

Title:compony picture

Source:www.suzuki.com

history

Logo of Maruti Udyog

The Government of India established Maruti Udyog Limited in February 1981 as a joint venture with Suzuki Motor Corporation as a small partner. The Government of India partiallydeparted the business in 2003 and then sold all of its remaining shares to Suzuki Motor Corporation in 2007 In 1982, Maruti opened its first production facility in Gurugram, Haryana,India.

Affiliation with Suzuki\

In 1982, Suzuki of Japan and Maruti Udyog Ltd. signed a license and joint venture agreement (JVA). Initially, Maruti Suzuki was primarily an automobile importer. Maruti was granted permission to import two Suzuki vehicles that were completely assembled in the first two years of India's closed market, with an initial target of using just 33% domestic components. This greatly displeased the nearby manufacturers. There were some worries that the Indian market wouldn't support Maruti Suzuki's relatively high production levels, and the government even considered changing the petrol tariff and decreasing the excise fee to increase sales. Local production commenced in December 1983 with the introduction of the SS30/SS40 Suzuki Fronte/Alto-based Maruti 800. In 1984, the Maruti Van with the same three-cylinder engine as the 800 was released and the installed capacity of the plant in Gurgaonreached 40,000 units.

The Suzuki SJ410-based Gypsy, a 970 cc 4-wheel drive off-road vehicle, was introduced in 1985. The 100,000th car manufactured by the firm was the 796 cc hatchback Suzuki Alto (SS80), which succeeded the original 800 in 1986 In 1987, the company started exporting to western markets, when a lot of 500 cars were sent to Hungary. By 1988, the capacity of the Gurgaon plant was increased to 100,000 units per annum.

Market liberalisation

In 1989, the Maruti 1000 was introduced and the 970 cc, three-box was India's first contemporary sedan. By 1991, 65 percent of the components, for all vehicles produced, wereindigenized. After the liberalization of the Indian economy in 1991, Suzuki increased its stake in Maruti to 50 percent, making the company a 50-50 joint venture with the government of India as the other stakeholder.

In 1993, the Zen, a 993 cc engine hatchback was launched, and in 1994 the 1,298 cc Esteem sedan was introduced. Maruti produced its 1 millionth vehicle since the commencement of production in 1994. Maruti's second plant was opened with an annual capacity reaching 200,000 units. Maruti launched a 24-hour emergency on-road vehicle service. In 1998, the new Maruti 800 was released, being the first change in design since 1986. Zen D, a 1,527 cc diesel hatchback, Maruti's first diesel vehicle, and a redesigned Omni were introduced. In 1999, the 1.6-litre Maruti Baleno three-box sedan and Wagon R were also launched.

In 2000, Maruti became the first car company in India to launch a call center for internal and customer services. The new Alto model was released. In 2001, Maruti True Value, selling and buying used cars was launched. In October of the same year, the Maruti Versa was launched. In 2002, Esteem Diesel was introduced. Two new subsidiaries were also started: Maruti Insurance Distributor Services and Maruti Insurance Brokers Limited. Suzuki Motor Corporation increased its stake in Maruti to 54.2 percent.

In 2003, the new Suzuki Grand Vitara XL-7 was introduced while the Zen and the Wagon R were upgraded and redesigned. The four millionth Maruti vehicle was built and they entered into a partnership with the State Bank of India. Maruti Udyog Ltd. was listed on BSE and NSE after a public issue, which was oversubscribed tenfold. In 2004, the Alto became India'sbest- selling car overtaking the Maruti 800 after nearly two decades. The five-seater Versa 5- seater,a new variant, was created while the Esteem was re-launched. Maruti Udyog closed the financial year 2003–04 with an annual sale of 472,122 units, the highest ever since the company began operations, and the fiftieth lakh (5 millionth) car rolled out in April 2005. The1.3-litre Suzuki Swift five-door hatchback was introduced in 2005.

In 2006 Suzuki and Maruti set up another joint venture, "Maruti Suzuki Automobiles India", to build two new manufacturing plants, one for vehicles and one for engines Cleaner cars were also introduced, with several new models meeting the new Bharat Stage III emission standards In February 2012, Maruti Suzuki sold its ten millionth vehicle in India In July 2014 it had a market share of more than 45% In May 2015, the company produced its fifteen millionth vehicle in India, a Swift Dzire.

On 25 April 2019, Maruti Suzuki announced that it would phase out production of diesel carsby 1 April 2020, when the Bharat Stage VI emission standards come into effect. The new standards would require a significant investment from the company to upgrade its existing diesel engines to comply with the more stringent emission standards. Chairman R.C. Bhargava stated, "We have taken this decision so that in 2022 we are able to meet the corporate average fuel efficiency (CAFE) norms and a higher share of CNG vehicles will help us comply with the norms. I hope the union government's policies will help grow the market for CNG vehicles." Diesel cars accounted for about 23 percent of Maruti Suzuki's annual sales.

The company plans to launch its first electric car in the second half of 2021, the Maruti Suzuki WagonR Electric, and a test mule of the same has been spotted several times recently.

Manufacturing facilities

Maruti Suzuki has two manufacturing facilities in Haryana (Gurugram and Manesar), and one manufacturing complex in Gujarat wholly owned by parent company Suzuki which supplies its entire production to Maruti Suzuki. All manufacturing facilities have a combined production capacity of 2,250,000 vehicles annually (1.5 million from Maruti Suzuki's two plants and 750,000 from Suzuki Motor Gujarat).

The Gurugram manufacturing facility has three fully integrated manufacturing plants and is spread over 300 acres (1.2 km2) The Gurgaon facilities also manufacture 240,000 K-Series engines annually. The Gurugram facility manufactures the Alto 800, WagonR, Ertiga, XL6, S-Cross, Vitara Brezza, Ignis, and Eeco. The Gurugram facility also assembles the Jimny starting from January 2021 solely for export markets. It was reported the Indian-assembled

Jimny will be exported to African markets and countries in the Middle East.

The Manesar manufacturing plant was inaugurated in February 2007 and is spread over 600 acres (2.4 km2) Initially, it had a production capacity of 100,000 vehicles annually but this was increased to 300,000 vehicles annually in October 2008. The production capacity was further increased by 250,000 vehicles taking the total production capacity to 800,000 vehicles annually The Manesar plant produces the Alto, Swift, Ciaz, Baleno and Celerio. On 25 June 2012, Haryana State Industries and Infrastructure Development Corporation demanded Maruti Suzuki pay an additional ₹235 crore for enhanced land acquisition for its Haryana plant expansion. The agency reminded Maruti that failure to pay the amount would lead to further proceedings and vacating the enhanced land acquisition. In 2012, the company decided to merge Suzuki Powertrain India Limited (SPIL) with itself SPIL was started as a JV by Suzuki Motor Corp. along with Maruti Suzuki. It has the facilities available for manufacturing diesel engines and transmissions. The demand for transmissions for all Maruti Suzuki cars is met bythe production from SPIL.

In 2017, the new Suzuki Motor Gujarat facility was opened. This third facility is not owned by Maruti Suzuki, but instead wholly owned by Suzuki Motor Corporation. Despite that, the plant supplied vehicles to Maruti without any additional cost. Located in Hansalpur, Ahmedabad, the plant has a total annual capacity of 750,000 units.

In November 2021 Maruti Suzuki announce to set up of a big plant in IMT Kharkhoda in Sonipat district across 900 acres with an investment of ₹18,000 crores.

Haryana State Industrial and Infrastructure Development Corporation gives 900 acres of land to Maruti Suzuki for setting up a new plant in Industrial Model Township at Kharkhoda, Haryana.

In August 2022 Prime Minister of India Narendra Modi virtually laid the foundation stone of Maruti Suzuki's new manufacturing plant in Kharkhoda. It will be one of the largest automobile manufacturing plant in the world with the capacity of making a million cars per year.

in Kharkhoda, Haryana will have four manufacturing plants in which a million cars will be produced annually and the Kharkhoda, Haryana plant will be third largest car producing facility in world.

Industrial relations

Since its founding in 1983, Maruti Udyog Limited has experienced problems with its labour force. The Indian labour it hired readily accepted Japanese work culture and the modern manufacturing process.

In 1997, there was a change in ownership, and Maruti became predominantly government controlled. Shortly thereafter, conflict between the United Front Government and Suzuki started. In 2000, a major industrial relations issue began and employees of Maruti went on an indefinite strike, demanding among other things, major revisions to their wages, incentives and pensions.

Employees used slowdown in October 2000, to press a revision to their incentive-linked pay. In parallel, after elections and a new central government led by NDA alliance, India pursued a disinvestment policy.

Along with many other government owned companies, the new administration proposed to sell part of its stake in Maruti Suzuki in a public offering. The worker's union opposed this sell-off plan on the grounds that the company will lose a major business advantage of being subsidised by the Government, and the union has better protectionwhile the company remains in control of the government.

The standoff between the union and the management continued through 2001. The management refused union demands citing increased competition and lower margins. The central government privatized Maruti in 2002 and Suzuki became the majority owner of Maruti Udyog Limited.

Manesar violence

On 18 July 2012, Maruti's Manesar plant was hit by violence. According to Maruti management, the production workers attacked supervisors and started a fire that killed company's General Manager of Human Resources Avineesh Dev and injured 100 other managers, including two Japanese expatriates.

The workers also allegedly injured nine policemen. However Maruti Suzuki Workers Union (MSWU) President Sam Meher alleged that management ordered 300 hired security guards to attack the workforce during the violence. The incident is the worst-ever for Suzuki since the company began operations in

Since April 2012, the Manesar union had demanded a three-fold increase in basic salary, a monthly conveyance allowance of ₹10,000, a laundry allowance of ₹3,000, a gift with every new car launch, and a house for every worker who wants one, or cheaper home loans for those who want to build their own houses. According to the Maruti Suzuki Workers Union a supervisor had abused and made discriminatory comments to a low-caste worker, Jiya Lal. These claims were denied by the company and the police. Maruti said the unrest began, not over wage discussions, but after the workers' union demanded the reinstatement of Jiya Lal who had been suspended for allegedly beating a supervisor. The workers claim harsh working conditions and extensive hiring of low-paid contract workers which are paid about

$126 a month, about half the minimum wage of permanent employees. On 27 June 2013, an international delegation from the International Commission for Labor Rights (ICLR) released a report alleging serious violations of the industrial right of workers by the Maruti Suzuki management. Company executives denied harsh conditions and claim they hired entry-level workers on contracts and made them permanent as they gained experience. Maruti employees currently earn allowances in addition to their base wage.

The police, in its First Information Report (FIR), claimed on 21 July that Manesar violence is the result of a planned violence by a section of workers and union leaders and arrested 91 people. Maruti Suzuki in its statement on the unrest, announced that all work at the Manesar plant has been suspended indefinitely. The shut down of Manesar plant is leading to a loss of about ₹75 crore per day. On 21 July 2012, citing safety concerns, the company announced a lockout under The Industrial Disputes Act, 1947 pending results of an inquiry the company has requested of the Haryana government into the causes of the disorder. Under the provisions of The Industrial Disputes Act for wages, the report claimed, employees are expected to be paid for the duration of the lockout.[51] On 26 July 2012, Maruti announced employees would not be paid for the period of lock-out in accordance with Indian labour laws. The company further announced that it will stop using contract workers by March 2013. The report claimed the salary difference between contract workers and permanent workers has been much smaller than initial media reports – the contract worker at Maruti received about ₹11,500 per month, while a permanent worker received about ₹12,500 a month at start, which increased in three years to ₹21,000-₹22,000 per month. In a separate report, a contractor who was providing contract employees to Maruti claimed the company gave its contract employees the best wage, allowances and benefits package in the region.

Shinzo Nakanishi, managing director and chief executive of Maruti Suzuki India, said this type of violence has never happened in Suzuki Motor Corp's global operations in Hungary,

Indonesia, Spain, Pakistan, Thailand, Malaysia, China and the Philippines. Nakanishi apologised to affected workers on behalf of the company, and in press interview requested the central and Haryana state governments to help stop further violence by legislating decisive rules to restore corporate confidence amid emergence of this new 'militant workforce' in Indian factories. He announced, "we are going to de-recognise Maruti Suzuki Workers' Unionand dismiss all workers named in connection with the incident. We will not compromise at allin such instances of barbaric, unprovoked violence." He also announced Maruti plans to continue manufacturing in Manesar, that Gujarat was an expansion opportunity and not an alternative to Manesar.

The company dismissed 500 workers accused of causing the violence and re-opened the planton 21 August, saying it would produce 150 vehicles on the first day, less than 10% of its capacity. Analysts said that the shutdown was costing the company 1 billion rupees ($18 million) a day and costing the company market share. In July 2013, the workers went on hunger strike to protest the continuing jailing of their colleagues and launched an online campaign to support their demands.

A total of 148 workers were charged with the murder of Human Resources Manager Avineesh Dev. The court dismissed charges against 117 of the workers. On 17 March 2017, 31 workers were found guilty of variety of offences. 18 were convicted on charges of rioting, trespassing, causing hurt and other related offences under Indian Penal Code sections. The remaining 13 workers were sentenced to life in imprisonment after being found guilty of the murder of General Manager of Human Resources Avineesh Dev. Twelve of the thirteen sentenced were office-bearers of the Maruti Suzuki Workers Union at the time of the alleged offences. The prosecution had sought the death penalty for the thirteen.

Both prosecution and defence have announced they will appeal against the sentences. Defence counsel Vrinda Grover stated, "We will file appeals against all convictions in the HC. The evidence, as it stands, cannot withstand legal scrutiny. There is no evidence to link these workers to the murder. The 13 who have been convicted, it’s important to remember that they were the leaders of the union. Therefore, it is clear that this is targeted framing of these persons. We hope for justice in the superior court".

The Maruti Suzuki Workers Union is continuing to organise industrial action and protests calling for the workers to be released and criticising the judgement and sentences an unjust. An international appeal for the release of the workers has been made by the

International Committee for the Fourth International (ICFI) and other organisations such as the People's Alliance for Democracy and Secularism.

Automotive safety

Maruti Suzuki's has been criticized for compromising safety in their products by automotive enthusiasts, journalists, and the Global NCAP, as they are made lighter in terms of kerb weight to achieving higher fuel economy. Starting 2014, several of their made for India cars were crash tested at Global NCAP, most of which have given disappointing results. Cars like Alto, Swift, Celerio, S-Presso (with driver's airbag), and Eeco which had no safety features like airbags were awarded 0 stars, while Wagon-R and Swift (2018 model year) which had dual front airbags were awarded 2 stars out of 5. Only the Vitara, Brezza (4 stars) and Ertiga (3 stars) have been awarded decent safety ratings. Though Maruti Suzuki claimed that they werefollowing the safety standards mandated by the Government of India, it however only implied with the safety features included in their cars and not the strong body shell or build quality which suffers the impact of the crash. Maruti Suzuki has also come under fire for discrimination with customers in India, by making cars safe meant for exports to European and African markets.

The chairman, RC Bhargava stated that "If carmakers incorporate such features in even entry-level cars, obviously the price would go up, which would lead consumers to opt for two-wheelers, which would be more unsafe", which attracted criticism The company, in February 2020, decided not to send their cars to Global NCAP for testing, as they only believe in the Safety Standards set by the Government of India. Following the crash test results of S-Presso, Alejandro Furas, Secretary General of Global NCAP said, "It is very disappointing that Maruti Suzuki, the manufacturer with the largest share of the Indian market, offers such low safety performance for Indian consumers. Domestic manufacturers like Mahindra and Tata have demonstrated high levels of safety and protection for their customers, both achieving five star performance. Surely it's time for Maruti Suzuki to demonstrate this commitment to safety for its customers?" Alongside, David Ward, President of the Towards Zero Foundation said, "We have seen important progress on car safety in India, with new legislation introduced by the government and manufacturers like Mahindra and Tata accepting the Global NCAP five star challenge and producing models which go well beyond minimum regulatory requirements. There is no place for zero rated cars in the Indian market. It remains a great disappointment that an important manufacturer like Maruti Suzuki does not recognize this.

Anti-competitive dealer policies

In Aug 2021, Maruti Suzuki was fined ₹200 Crore (US$28.57 million) by the Competition Commission of India (CCI) for implementing its Discount Control Policy that restrains dealersfrom offering customer discounts beyond those prescribed by the carmaker.

Sales and service network

Maruti Suzuki has 2,413 Arena sales outlets across 1,992 cities and 380 Nexa sales outlets across 228 cities in India. The company aims to increase its sales network to 4,000 outlets by2020. It has 4044 service stations across 1,861 cities throughout India. Maruti's dealership network is larger than that of enough known companies combined Service is a major revenue generator of the company. Most of the service stations are managed on franchise basis, whereMaruti Suzuki trains the local staff. Also, The Express Service stations exist, sending across their repairman to the vehicle if it is away from a normal service center.

Nexa

In 2015, Maruti Suzuki launched Nexa, a new dealership network for its premium cars which stands for New Exclusive Automotive Experience. Maruti Suzuki currently sells Fronx, Baleno, Grand Vitara, XL6, Ciaz, Ignis and Jimny through Nexa outlets. S-Crosswas the first car to be sold through Nexa outlets. The company recently achieved a milestoneof selling 1.5 million cars from over 350 dealerships across the country and is the third largest automobile retail channel of India.

Maruti Insurance

Launched in 2002 Maruti Suzuki provides vehicle insurance to its customers with the help ofthe National Insurance Company, Bajaj Allianz, New India Assurance and Royal Sundaram. The service was set up the company with the inception of two subsidiaries Maruti Insurance Distributors Services Pvt. Ltd and Maruti Insurance Brokers Pvt. Limited.

This service started as a benefit or value addition to customers and was able to ramp up easily.By December 2005 they were able to sell more than two million insurance policies since its inception.

Maruti Finance

To promote its bottom line growth, Maruti Suzuki launched Maruti Finance in January 2002. Prior to the start of this service Maruti Suzuki had started two joint ventures Citicorp Maruti and Maruti Countrywide with Citi Group and GE Countrywide respectively to assist its client in securing loan. Maruti Suzuki tied up with ABN Amro Bank, HDFC Bank, ICICI Limited, Kotak Mahindra, Standard Chartered Bank, and Sundaram to start thisventure including its strategic partners in car finance. Again the company entered into a strategic partnership with SBI in March 2003 Since March 2003, Maruti has sold over 12,000vehicles through SBI-Maruti Finance. SBI-Maruti Finance is currently available in 166 citiesacross India.

Citicorp Maruti Finance Limited is a joint venture between Citicorp Finance India and Maruti Udyog Limited its primary business stated by the company is "hire-purchase financing of Maruti Suzuki vehicles". Citi Finance India Limited is a wholly owned subsidiary of Citibank Overseas Investment Corporation, Delaware, which in turn is a 100% wholly owned subsidiary of Citibank N.A. Citi Finance India Limited holds 74% of the stake and Maruti Suzuki holds the remaining 26% GE Capital, HDFC and Maruti Suzuki came together in 1995 to form Maruti Countrywide. Maruti claims that its finance program offers most competitive interest rates to its customers, which are lower by 0.25% to 0.5% from the market rates.

Maruti TrueValue

Maruti True service offered by Maruti Suzuki to its customers. It is a marketplace for used Maruti Suzuki Vehicles. One can buy, sell or exchange used Maruti or non-Maruti vehicles with the help of this service in India. As of 10 August 2017 there are 1,190 outlets across 936cities.

Maruti Accessories

Many of the auto component companies, other than Maruti Suzuki, started to offer compatible components and accessories. This caused a serious threat and loss of revenue to Maruti Suzuki. Maruti Suzuki started a new initiative under the brand name *Maruti Genuine Accessories* to offer accessories like alloy wheels, body cover, carpets, door visors, fog lamps,stereo systems, seat covers and other car care products. These products are sold through dealeroutlets and authorized service stations throughout India.financial performance of the company is average.

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CHAPTER-IV

4.1 Data analysisIntroduction

Since they finally get to see the results of all their hard work and waiting, researchers frequently find that data analysis is the most rewarding aspect of doing a study. Thus, the payoff for the effort put into gathering data is the analysis and interpretation of thefindings.It is utilised in business, administration, and policy in addition to all the sciences. However, datadon't "speak for themselves." They make visible what the investigator can find. Analysing data is turning unprocessed information into relevant information, particularly when dealing with survey or experimental data. Analysis and interpretation of the study should be related to the goals andresearch questions, much like with most other components of a study.

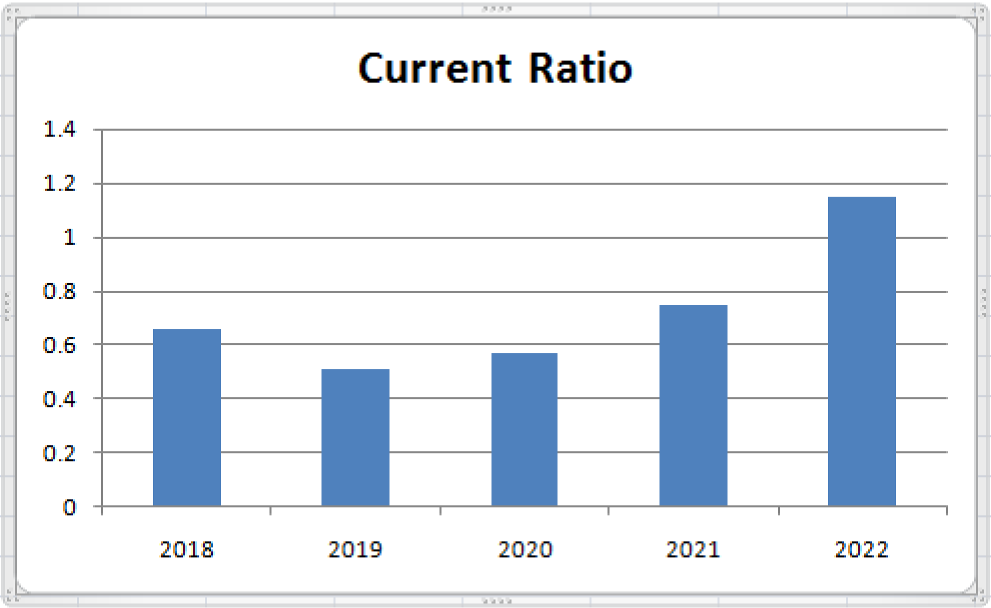
4.1 Ratio Evaluation

1 Current ratio

Current ratio is a liquidity ratio that measures a company’s ability to pay short-term obligations.

Current Ratio = Current Asset/Current Liabilities

year	Current assert(Cr.)	Current libility(Cr.)	Current ratio
2018-2019	8776.20	13226.40	0.66
2019-2020	7921.40	15442.10	0.51
2020-2021	12361.60	14150.30	0.57
2021-2022	8427.40	11294.80	0.75
2022-2023	18526.70	16106.70	1.15
average			**0.788**



Interpretation

According to the above table, the current ratio was 0.66 in 2018–19; it then dropped to 0.51, increasedto 0.87 and 0.75 in the following two years, and then increased once more to 1.15 in the last,year.

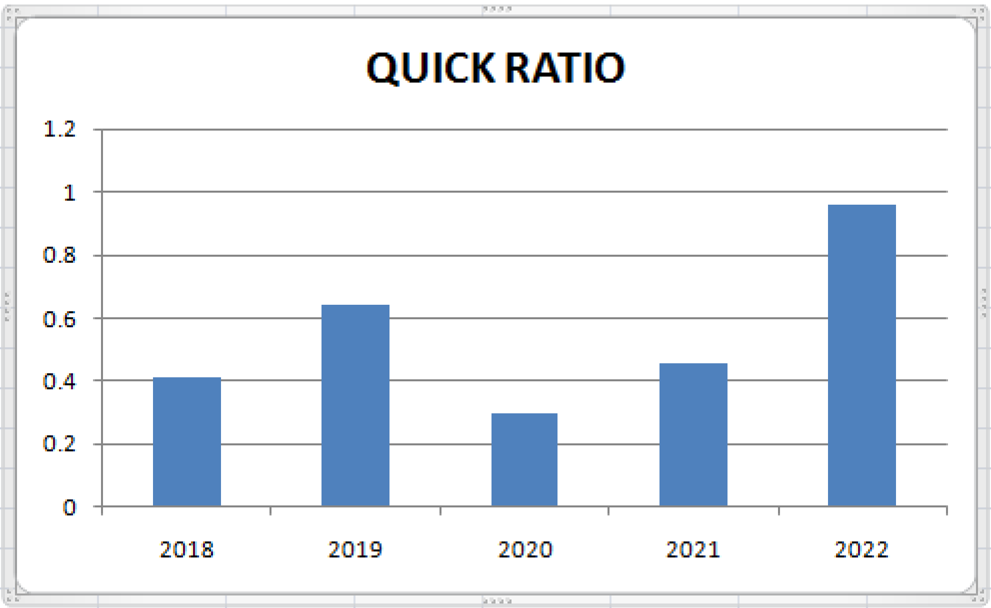
2 Rapid.ratio

This ratio is sometimes referred to as the liquid ratio or the acid test ratio. It is the most accurate indicator of the company's liquidity.

Quick ratio / Acid Test Ratio equals current liabilities / quick assets.

year	Quick asset(Cr.)	Current libility(Cr.)	Quick ratio
2018-2019	5514	13226.40	0.41
2019-2020	9035.9	14150.30	0.64
20120-2021	4760.6	15442.10	0.30
2021-2022	5212.5	11294.80	0.46
2022-2023	15476.7	16106.70	0.96
average			**0.544**

40 40



Interpretation

The quick ratio is used to assess a company's solvency. The quick ratio is typically 1:1.An

A good financial condition is indicated by a higher ratio; in this case, the ratios are 0.41, 0.30, 0.64,0.46, and 0.96, with an average ratio of 0.544.

3 Ratio of Absolute Liquidity

Absolute liquid ratio = Absolute liquid assets/Currentliability

YEAR	ABSOLUTE LIQUID ASSET(Cr.)	CURRENT LIABILITIES(Cr.)	ABSOLUTE LIQUIDITYRATIO
2018-2019	2192.60	13226.40	0.17
2019-2020	5224.40	14150.30	0.36
2020-2021	1288.40	15442.10	0.08
2021-2022	5523.20	11294.80	0.48
2022-2023	6036.40	16106.70	0.37
Average			**0.292**

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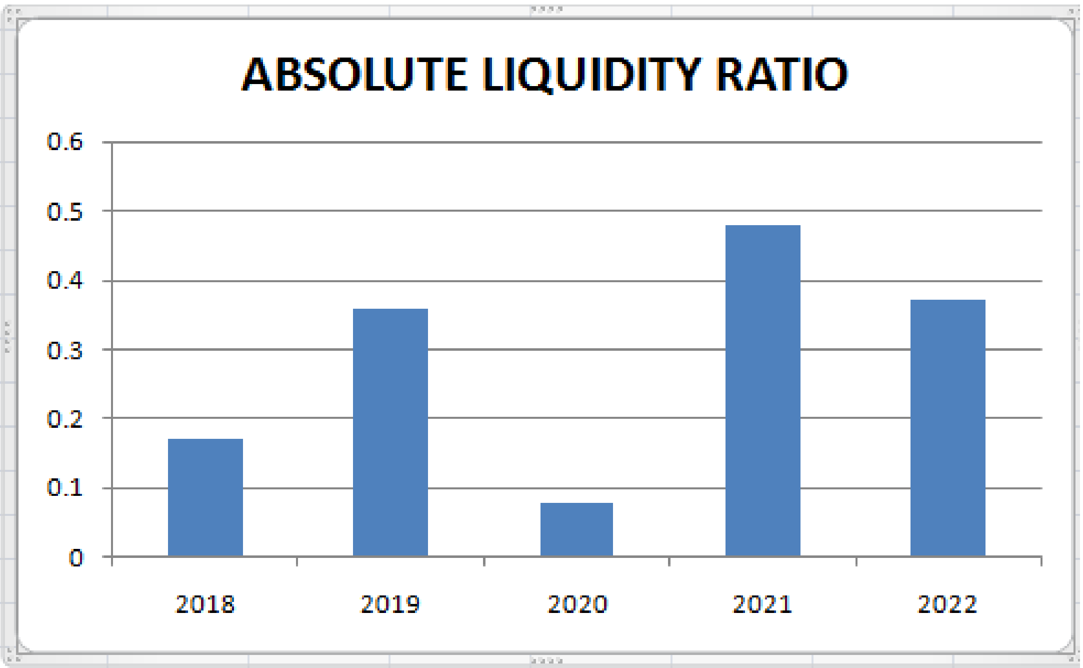

Interpretation

To achieve a liquidity situation, a ratio of 1:2 is the acceptable standard. The absolute liquidity ratio of Maruti Suzuki India Ltd. is extremely low in the years 2019–2020 and 2018–2019, but it increasesin the next year.

4 Equity to debt ratio

This ratio shows how much debt and equity a company has used to finance its assets.A reasonable standard for this ratio is thought to be 2:1. A high ratio indicates that creditors' claims outweigh owners'. From the perspective of the business, the smaller this percentage, the less concern the businesshas about fulfilling its fixed commitments.

Outsider Funds (Total Debts) / Shareholder Funds or Equity is the debt-to-equity ratio.

YEAR	DEBT(Cr.)	EQUITY(Cr.)	DEBT-EQUITYRATIO
2018-2019	1593.10	151	10.55
2019-2020	2640.00	151	17.48
2020-2021	2170.70	151	14.37
2021-2022	2820.30	151	18.67
2022-2023	2593.90	151	17.17

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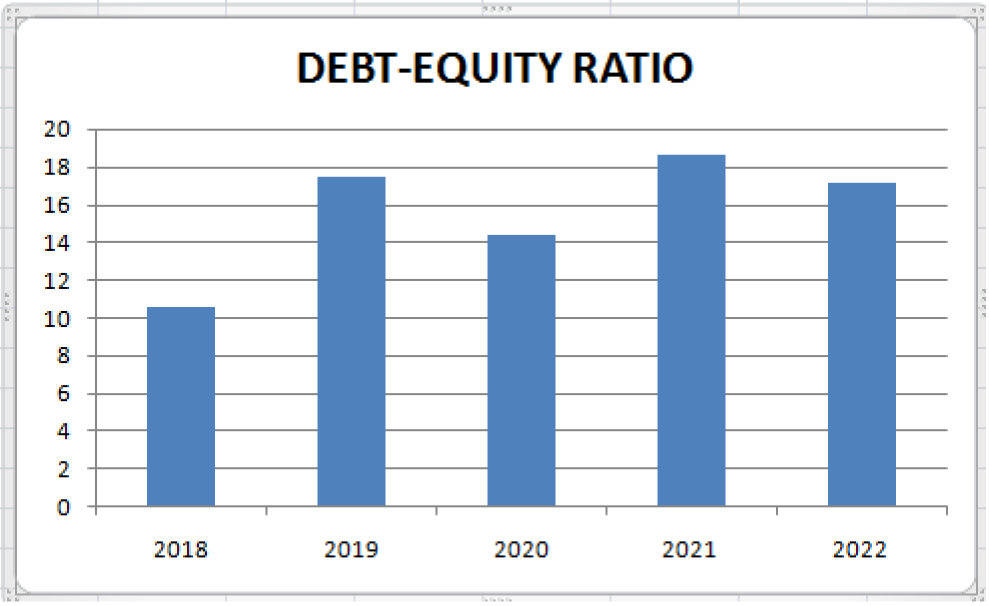
average			**15.650**



5 <u>Ownership ratio</u>

This will demonstrate the degree of ownership held by shareholders in the company, so revealing the overall financial health of the enterprise. A greater ratio meant that the company's creditors were in asafe position, whilst a lower ratio meant that there would be no guarantee for the creditors' money.

Proprietary (equity) ratio = Total assets / Shareholder money

Year	**ShareholdersFund (Cr.)**	**Total Asset(Cr.)**	**Proprietary Ratio**
2018-2019	**36431.10**	**51250.60**	**0.71**
2019-2020	**46141.50**	**62931.80**	**0.73**
2020-2021	**41757.30**	**59370.10**	**0.70**
2021-2022	**48437.00**	**62552.10**	**0.77**
2022-2023	**51366.80**	**70067.40**	**0.73**
AVG			**0.729**

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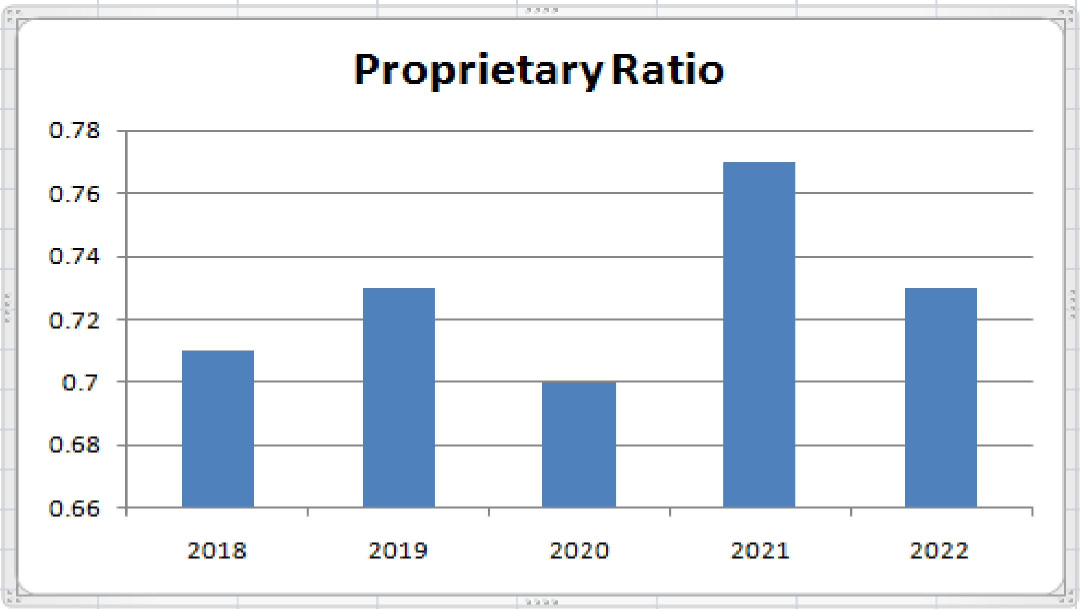

6 Ratio of fixed assets to net worth

The link between fixed assets and shareholders' fund is depicted by these ratios. This ratio is used to determine how much of the owners' capital are allocated to fixed assets, such as real estate, machinery, and equipment, as well as how much cash is available to run the business..**Fixed Assets / Shareholders Fund equals the fixed assets to net worth ratio.**

YEAR	FIXED ASSET (Cr.)	SHAREHOLDERS FUND (Cr.)	RATIO
2018-2019	14545.00	36431.10	0.39
2019-2020	15484.90	41757.30	0.37
2020-2021	17007.90	46141.50	0.36
2021-2022	17118.60	48437.00	0.35
2022-2023	16446.80	51366.80	0.32
Average			**0.359**

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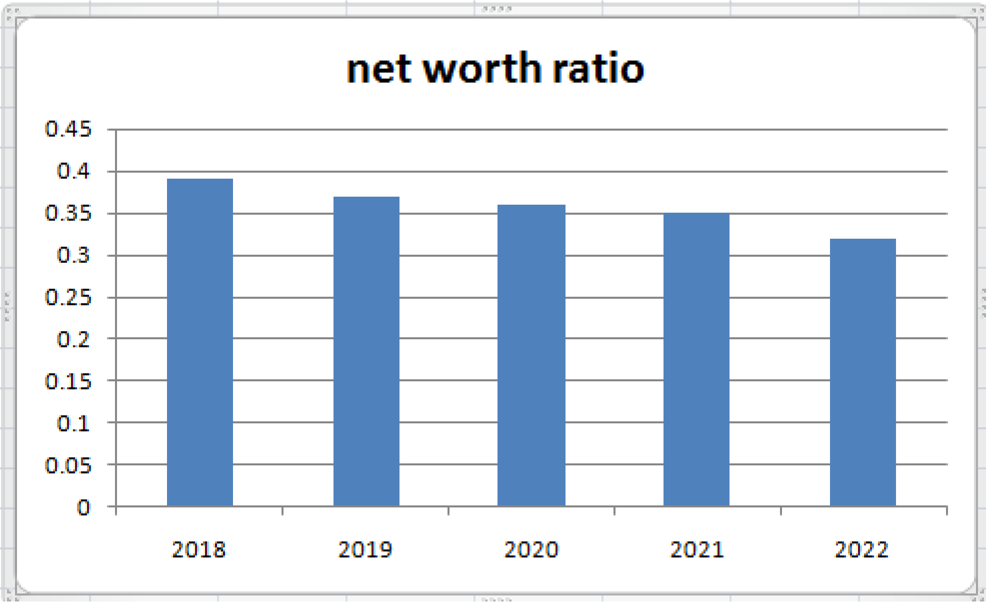
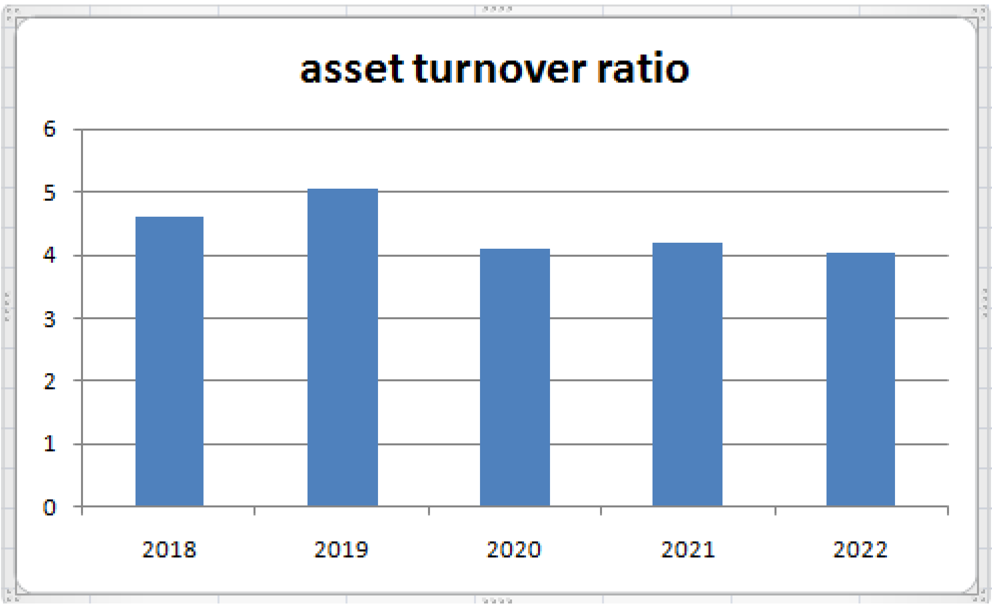


7 Ratio of fixed asser turnover

This is used to assess how well a business can turn a profit on its investments in fixed assets like buildings, land, and machinery. A high ratio often denotes effective use of fixed assets to produce revenue, whereas a low ratio might suggest that the company has overinvested in its fixed assets. **Net Sales / Fixed Assets equals fixed asset turnover.**

YEAR	NET SALES(Cr.)	FIXED ASSET(Cr.)	RATIO
2018-2019	66909.40	14545.00	4.60
2019-2020	78104.80	15484.90	5.04
2020-2021	83026.50	17007.90	4.08
2021-2022	71690.40	17118.60	4.18
2022-2023	66562.10	16446.80	4.04
AVERAGE			**4.549**



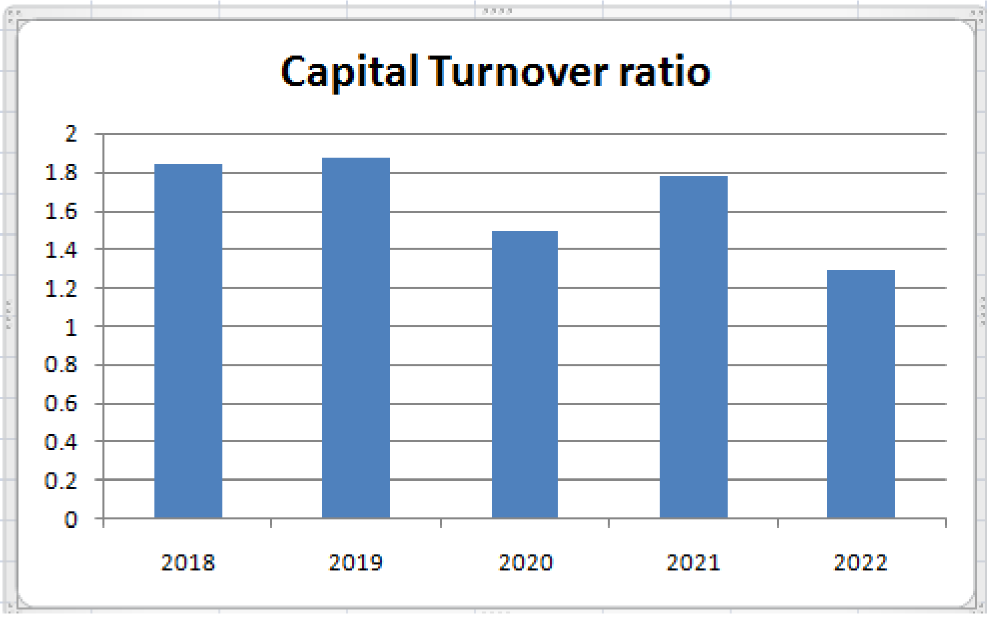
8 Ratio of capital turnover

The capital turnover ratio indicates the amount of sales that are supported by capital. An organization's capacity to maximise revenues while utilising the least amount of capital is indicated by a high capital turnover ratio.

Net sales / shareholders' fund equals the capital turnover ratio.

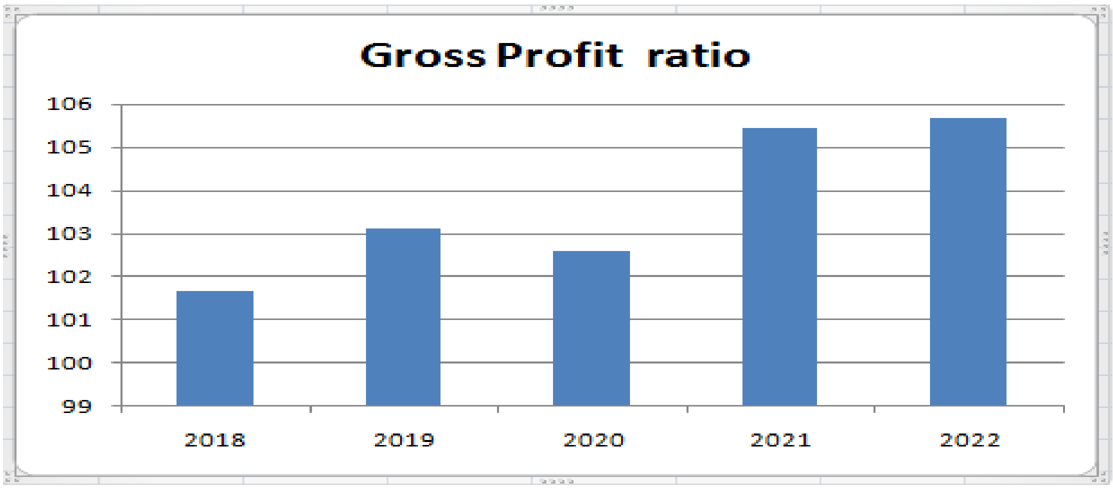
YEAR	NET SALES(Cr.)	SHAREHOLDERSFUND (Cr.)	RATIO
2018-2019	66909.40	36431.10	1.84
2019-2020	78104.80	41757.30	1.87
2020-2021	83026.50	46141.50	1.49
2021-2022	71690.40	48437.00	1.78
2022-2023	66562.10	51366.80	1.29
average			**1.655**

46 46



9 **<u>Gross Profit Ratio</u>**, which illustrates how gross profit and net sales revenue are related. Thus, the ratio shows the profit margin that a company may get from its production and trade operations. **Gross Profit / Net Sales * 100 equals the gross profit ratio.**

YEAR	GROSS PROFIT (Cr.)	NET SALES (Cr.)	RATIO
2018-2019	68034.80	66909.40	101.68
2019-2020	79762.70	78104.80	103.12
2020-2021	86020.30	83026.50	102.60
2021-2022	75610.60	71690.40	105.46
2022-2023	70332.50	66562.10	105.66
average			**103.705**



10 The Net Profit Ratio

(NP) ratio serves as an indicator of total profitability. In the face of declining selling prices and growing manufacturing costs, a company with a high net profit ratio has an edge. **Net profit /net sales is the net profit margin or ratio.**

YEAR	PROFIT(Cr.)	NET SALES(Cr.)	NET PROFITRATIO
2018-2019	9960.30	66909.40	14.88
2019-2020	11003.40	78104.80	14.08
2020-2021	10465.60	83026.50	12.60
2021-2022	7064.80	71690.40	9.85
2022-2023	5159.40	66562.10	7.75
average	**8730.8**	**73258.65**	**11.833**

Trend Evaluation

a kind of technical analysis that looks at historical data to forecast future movement.It serves as the foundation for forecasts for the future.

A table that displays the net profit trend from 2018–19 to 2022–2023

YEAR	X	Y	XY	X^2
2018-2019	1	9960.30	9960.30	1
2019-2020	2	11003.40	22006.8	4
2020-2021	3	10465.60	31396.8	9
2021-2022	4	7064.80	28259.2	16
2022-2023	5	5159.40	25797	25
TOTAL	15	43653.5	117420	55

Interpretation:

starting in 2019–2020, the net profit gradually decreases until reaching a low point in 2020–2021.

Profit projection for 2023–2024 to 2025–2026

year	**profit**
2023-2024	47360.09
2024-2025	56482.88
2025-2026	65605.67

Analysis:

Based on historical data from 2018–2019 to 2022–2023, the trajectory of net profit is projected forthe next five years (2023–2024 to 2025–2026). The graph indicates that net profit movement will continue to display a positive trend in the future.

The table displays the net sales trend from 2018–2019 to 2022–2023

Net Sales

Year	**x**	**y**	**xy**	**2x**
2018-2019	1	66909	66909	1
2019-2020	2	78104	156209	4
2020-2021	3	83026	249079	9
2021-2022	4	71690	286761	16
2022-2023	5	66562	332810	25
TOTAL	15	366293	1091770	55

Sales projections from 2023–2024 to 2025–2026

year	sales
2023 – 2024	69708.64
2024– 2025	68998.64
2025 - 2026	82488.64

Comparative Balance Sheet

Comparative Maruthi Suzuki India Ltd. Balance Sheet for themonth of March2018-2019 & 2019-2020

particulars	2018-2019(cr)	2019-2020(cr)	Increase/decrease	%change
liabilities				
Share capital	151.01	151.01	0	0
Reserve&surplus	29733.21	36280.11	6547	22.02
Current liabilities	11039.21	13226.41	2187.3	19.82
Long term provision	14.81	21.91	7.2	47.98
Assets				
Fixed assets	13516.91	14545.01	1028.2	7.61
Long term loans&advances	0.41	0.31	-0.2	-25
Capital work in progerss	10006.91	1252.31	245.5	24.38
investment	18875.41	26302.21	7426.9	39.35
Deffered tax asset	0	0	0	0
Current assets	7846.01	8776.21	930.3	11.86

The company's comparative balance sheet compares the financial information from the previous two years. There is a 7.60% decline in fixed assets, the current liabilities are reduced by 19.81%, while current assets rise by 11.85%.

Comparative Maruthi Suzuki India Ltd. Balance Sheet for the month of March2019-2020 & 2020-2021

particulars	2019-2020(cr)	2020-2021(cr)	increase/ decrease	%vhange
liabilities				
share capital	151	151	0	0
reserve&surplus	36280	41606	5326	15
current liabilities	13226	15442	2215	17
long term provision	22	27	5	21
asset				
fixed assets	14545	15485	940	6
long term loans&advances	0.30	0.20	-0.1	-33
capital work In progress	1252	2126	874	70
investment	26302	34073	7770	30
deferred tax asset	0	0	0	0
current assets	8776	7921	-855	-9.73

The company's comparative balance sheet compares the financial information from the previous two years. There is a 6.46 percent rise in fixed assets, a 16.75 percent increase in current liabilities, and a 9.73 percent loss in current assets.

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Comparative Maruthi Suzuki India Ltd. Balance Sheet for the month of March2020-2021 and 2021-2022

Particulars	2020-2021(cr)	2021-2022(cr)	Increase/ decrease	%change
liabilities				
Share capital	151	151	0	0
Reserve&surplus	41606	45991	4384	11
Current liabilities	15442	14150	-1292	-8
Long term provision	27	40	13	50
assets				
Fixed assets	15485	17008	1523	9.83
Longterm loan&advance	0.20	0.20	0	0
Capital work in progress	2126	1600	-526	-25
investment	34073	31470	-2603	-8
Deffered tax asset	0	0	0	0
Current assets	7921	12362	4440	57

The company's comparative balance sheet compares the financial information from the previous two years. There has been a decline of 9.83% in fixed assets, 56.05% in current assets, and 6.36% in current liabilities.

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Comparative Maruthi Suzuki India Ltd. Balance Sheet for the month of March2021-2022 and 2022-2023

particulars	2021-2022(cr)	2022-2023(cr)	Increase / decrease	%change
liabilities				
Share capital	151	151	0	0
Reserve&surplus	45991	48286	2296	5
Current liabilities	14150	11295	-2856	-20
Long term provision	40	52	12	31
assets				
Fixed assets	17008	17119	110	0.65
Long term loans & advances	0.20	0.20	0	0
Capital work in progress	1600	11337	-263	-0.16
investment	31470	35249	3779	0.12
Deferred tax asset	0	0	0	0
Current assets	12362	8427	-3934	-0.31

The company's comparative balance sheet compares the financial information from the last two years. There has been a decline of 0.65% in fixed assets, 0.31% in current assets, and 20.17% in current liabilities.

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WORKING CAPITAL

A financial indicator known as working capital shows the operating liquidity that is accessible to a company, organisation, or other body, including the government. Working capital is included in operational capital together with fixed assets like plant and equipment. A financial metric called working capital determines if a business has enough liquid assets on hand to cover its debts that aredue in a year. The current liabilities are subtracted from the current assets to determine working capital.

current assets-current liabilits=working capital

Table Displaying the Working Capital Change Schedule for the Completed Year

2018-2019

(rs.in crores)

particulars	2018	2019	increase	decrease
Current assets				
inventories	2686	3132	446	
Sundry debtors	1070	1322	252	
Cash in bank	18	39	20	
Loans and advances	1426	2296	870	
Total(A)	**5200**	**6790**		
Current liabilities				
Current liabilities	7090	9614		2524
provisions	1360	1195	166	
Total(B)	**8450**	**10809**		
Working capital(A-B)	-3250	-4019		
Net decrease in working capital		768	768	
total	-3250	-3250	2524	2524

ANALYZATION

The current wealth for 2018 and 2019 is Rs. 6789.20 and Rs. 5199.80, respectively. Up to Rs. 1589.4, current assets grow. The amounts of current liabilities for the years 2018 and 2019 are, respectively, 8450.50 and 10808.30. To Rs. 2357.8, the current liabilities rise.

INSERTION

The operating capital has decreased net by Rs. 768.4.

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Table Outlining the Working Capital Change Schedule for the 2019–2020 Fiscal Year(Rs. in Crores)

particulars	2019	2020	increase	decrease
Current assets				
inventories	3132	3262	130	
Sundry debtors	1322	1199		123
Cash&bank	39	14		25
Loans&advances	2296	2122		174
Total(A)	**6789**	**5698**		
Current liabilities				
Current liabilities	9614	11495		1881
provisions	1195	1248		53
Total(B)	**10809**	**12743**		
Working capital(A-B)	-4019	-6145		
Net decrease in working capital		2126	2126	
total	-4019	-4020	2256	2256

ANALYZATION

The current resources for 2019 and 2020 are, respectively, Rs. 6789.20 and Rs. 6597.40. To Rs. 191.8,the current asserts declined. In 2019 and 2020, the respective current liabilities are Rs. 10808.30 and 12742.80. The amount of current liabilities rose to Rs. 1934.5.

SUMMARY

The working capital has reduced net by Rs. 2126.3.

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Table Outlining The Working Capital Change Schedule for the Year Ended 2020–2021(in Rupees in Crores)

particulars	2020	2021	increase	decrease
Current assets				
inventory	3262	3161		101
Sundry debtors	199	1462	263	
Cash and bank	14	7110	57	
Loans&advances	2122	2010		112
Total(a)	**6598**	**6705**		
Current liabilities				
Current liabilities	1195	13917		2422
provisions	1248	1414		1664
Total(b)	**12743**	**15332**		
Working capital(a-b)	-6145	-8627		
Net increase in working capital		2482	2482	
totakl	-6145	-6145	2802	2802

ANALYZATION

As of now, the claims for 2020 and 2021 are Rs. 6597.40 and Rs. 6704.10, respectively. At Rs. 106.7, the current claims have grown. In 2020 and 2021, the amount of current obligations is Rs. 12742.80 and Rs. 15331.30, respectively. There was a rise in current liabilities to Rs. 2588.5

INFERENCE

The operating capital has decreased net by Rs. 2481.80.

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Table Outlining Working Capital Change Schedule for the Year Ended 2021–2022(Rs. in Crores)

particulars	2021	2022	increase	decrease
Current assets				
inventories	3161	3326	165	
Sundry debtors	1462	2310	849	
Cash & bank	71	179	108	
Loans & advances	2010	1501		509
Total(A)	**6705**	**7317**		
Current liabilities				
Current liabilities	13917	12703	1213	
provisions	1414	1297	117	
Total(B)	**15331**	**14000**		
Working capital(A-B)	-8627	-6685		
Net increase in working capital	1943			1943
tptal	-8627	-8627	2452	2452

ANALYZATION

The respective properties for 2021 and 2022 are Rs. 6704.10 and Rs. 7316.10. The existing claims have grown to 612. There will be a current obligation of Rs. 14000.70 and Rs. 15331.30 in 2021 and 2022, respectively. Up to Rs. 1330, the current liability dropped.6.

INFERIORITY

The operating capital has increased net by Rs. 1942.6.

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CHAPTER -V

FINDINGS SUGGESTIONS&CONCLUSION

5.1 FINDINGS

The research investigation produced the following conclusions.

1 A 2:1 current ratio is optimal.Throughout all five years, the company's current ratio has been less than 2%. The company's mean average current ratio for the years 2018 to 2022 is 0.788, which isan unsatisfactory,value.

2 Quick ratios are typically 1:1.A good financial condition is indicated by a higher ratio; in this case, the ratios are 0.41, 0.30, 0.64, 0.46, and 0.96, with an average ratio of 0.544. Therefore, the company is unable to pay its present debts off in whole or within a month.

Maruti Suzuki India Ltd.'s liquidity situation is inadequate overall.

3 The standard deviation of the debt-to-equity ratio is 15.648, when the acknowledged norm is 2:1. This suggests that creditors have a larger claim than owners have. A high debt-to-equity ratio is detrimental,tobusiness.

4 The ratio's acceptable norm is 1:3.However, the business has a lower proprietary ratio than a general ratio, with an average ratio of 0.728.This suggests that the creditors are at more risk.

The company's fixed asset to net worth ratio is less than one. The 0.358 ratio in this case is rather excellent. We can draw the conclusion that a corporation can purchase fixed assets without usingcreditor funds.

5 The company managed to keep its fixed asset turnover ratio at a respectable level. The company attained an average of 4.548, which is excellent for a commercial concern and is inside the optimal range of 0.75:1.

6 The gross profit for the 2018–2019 fiscal year was 101.68, and over the next four years, it increased to 102.12, 103.60, 105.46, and 105.66. The ratio is 103.704 on average.

Because it gauges total profitability, the net profit ratio is very Useful to propreitor

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5.2 SUGGESTIONS

1 Both the asset and liability values can be increased by the firm. The business must keep up its strong position and lower its liabilities value.

2 The cash budget grew annually between 2018 and 2022.

Thus, the business must continue to hold its strong position. Throughout the year, the company's cash situation should remain within normal bounds.

3 To attain total efficiency, the organisation should maintain sales, cost of products sold, and profit.

¬ The daily activities must be maintained through working capital management.

4 It assesses the worth of the assets and liabilities. The liability value is decreased and the asset value is appropriately utilised by the organisation. Thus, it assesses the company's financial standing.

5.3 CONCLUSION

The goal of the study is to assess Maruti Suzuki India Ltd.'s financial performance as of the Five Year Assessment and the related Profit and Loss Account. The study had specific goals, and secondary data from 2018–2019 to 2022–2023 was evaluated during a five-year period. The study's conclusionsshowed that while the company's solvency position is strong, its liquidity situation is weak. The study, which illustrates the organization's overall performance, was conducted with theuse of data gathered from various sources. The results' highlighted areas are significant aspects of thecompany. The analysis concluded that the company's overall financial performance is mediocre.

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