

A STUDY ON FINANCIAL PERFORMANCE OF MARUTI SUZUKI AND TATA MOTORS FOR LAST TWO FINANCIAL YEARS

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Abstract

Pharmaceutical sector is contributing highest in growth of economy of any of the nation. Especially, in India, Sun Pharma, Cipla and Dr. Reddy's laboratory are playing important role. All the firms are contributing their best in human services. This research is evaluated mainly with an objective to evaluate financial performance of the companies. Overall, the comparative analysis provides insights into the financial dynamics and performance of Sun Pharma, Cipla, and Dr. Reddy's. It highlights variations in financial indicators, including reserves and surplus, liabilities, assets, and contingent liabilities. These findings can be valuable for assessing the financial health, stability, and growth potential of the companies. However, a comprehensive evaluation should consider additional factors and a broader analysis to draw more conclusive insights.

The ANOVA table provides valuable information to understand the variation within and between the groups, allowing for further interpretation of the data. However, it is important to consider additional factors and conduct a thorough analysis to draw comprehensive conclusions regarding the significance of the observed variations.

Keywords: Financial Structure, ANOVA

1. INTRODUCTION:

In this world specialty units are working for offering great types of assistance and items with a goal of getting predominant benefit. Any association is generally attempt to procure recognizable benefit for their investor. Specialty unit isn't just associated with their investor; however so many different partners are associated with the organization Viz. worker, client, bank, other monetary foundations, government, lenders, rating organizations, and stir up trade, merchants, society and so forth. Also, these partners are having their monetary interest with business firm straightforwardly or in a roundabout way. So it is obligatory to assess a monetary exhibition of a business firm with legitimate instruments for figuring out real monetary place of specific business firm as well as industry.

While estimating monetary execution of the specialty unit the main component becomes boundaries taken at specific time. There are few of researchers who have offered their perspective on boundary of monetary execution of the bank. Indeed, even bunches of exploration work are additionally accessible on this point, which is being involved with various boundaries for estimating monetary execution. Monetary execution is a photo of monetary perspectives. It discusses what it owes and what an organization possesses. It is introducing comprehensive view about monetary matter of the firm and furthermore makes sense of how business of specific firm has developed. It is said that monetary execution is the marks of execution of the board. The general goal of a business is to procure good profits from the assets put resources into it. Predictable with keeping a sound monetary position, execution examination is done to look at the functional productivity and monetary effectiveness. Strength and shortcoming of the any firm can be likewise estimated by execution investigation. How firm is steady to create long haul return can be concentrated on through execution investigation. Principal objective of the monetary presentation investigation is to examinations budget summaries and past execution and future monetary position. Expectation of future can likewise have been made with the assistance of monetary investigation. Monetary investigation search for relevant principles of correlation with decide the aftereffect of their examination are positive or negative. for this reason, examinations are made with (i) overall guidelines of thumb pointers (ii) past execution of the organization and (iii) Industry standard Through monetary investigation indispensable data of the organization can be access. Monetary investigation assists with knowing the nature of the income. Profit are supposed to be of excellent on the off chance that they can be disseminated in real money and are gotten principally from proceeding with tasks that are not unstable from one year to another.

2. REVIEW OF LITERATURE:

1. **JYOTI, G., & KHANNA, A. (2021). DOES SUSTAINABILITY PERFORMANCE IMPACT FINANCIAL PERFORMANCE? EVIDENCE FROM INDIAN SERVICE SECTOR FIRMS. SUSTAINABLE DEVELOPMENT, 29(6), 1086-1095.**

The current situation of development and advancement is centered around feasible turn of events. It tends to be feasible provided that it doesn't zero in on benefit amplification at any expense yet in addition augments the interests and worth expansion of different partners by not influencing the climate and normal assets. This paper analyses the effect of the company's maintainable exhibition on the monetary execution of administration area organizations recorded on the Bombay Stock Exchange. The review results demonstrate a huge negative connection between the Environment score with Return on Assets and Return on capital utilized of the chose organizations. Conversely, just the Social score shows a huge negative relationship with the Return on value. Ecological, social, and administration consolidated score is additionally adversely critical with the ROA and ROCE. The down to earth ramifications of the review would help academicians, business elements, corporate, policymakers, administrative specialists, and legislatures to comprehend the relationship better. It can likewise help and propel associations to work all the more effectively and carry out feasible methodologies, particularly in quickly arising economies like India.

2. **AGRAWAL, O. P., BANSAL, P., & KATHPAL, S. (2020). EFFECT OF FINANCIAL CONCERT ON CORPORATE SOCIAL RESPONSIBILITY AND STOCK PRICE: A STUDY OF BSE LISTED FIRMS. INTERNATIONAL JOURNAL ON EMERGING TECHNOLOGIES, 11(1), 286-291.**

This exploration concentrate on means to analyze the impact of monetary execution on CSR and Stock Price of BSE recorded organizations in India. CSR and monetary execution are exceptionally key to support and proceed with the activity of enterprise. Essentially, cost of offers impacts the capitalization of organization and base for investor to choose their speculation. CSR in India became obligatory from 2014. Under CSR organizations needs to spend a piece of their profit for the advantages of the general public on different venture in regards to climate security, monetary turn of events, schooling and so on. Primary piece of study explores the relationship among CSR, monetary execution and Stock cost of top 30 BSE recorded organizations. Information with respect to CSR use, stock cost toward the finish of every year and accounting proportions have been gathered for the review time of 2014-15 to 2017-18 and board OLS, Correlation technique have been utilized. This study is helpful to financial backers, society and organizations.

3. **TABASH, M. I., AL-HOMAIDI, E. A., AHMAD, A., & FARHAN, N. H. (2020). FACTORS AFFECTING FINANCIAL PERFORMANCE OF INDIAN FIRMS: AN EMPIRICAL INVESTIGATION OF FIRMS LISTED ON BOMBAY STOCK EXCHANGE. INTERNATIONAL JOURNAL OF ECONOMIC POLICY IN EMERGING ECONOMIES, 13(2), 152-172.**

The point of this study is to analyze the variables that impact the monetary presentation of Indian recorded organizations during the period going from 2010 to 2016. The example size comprises of 1598 organizations recorded in Mumbai Stock Exchange in India. Return on resources, return on value, benefit after charge and procuring per share are utilized as intermediaries for monetary execution of Indian firms. The decent impacts relapse model outcomes uncovered that the influence proportion, liquidity proportion, size of endlessly organization age affect the monetary presentation of Indian recorded organizations. The influence proportion emphatically affects return on value and adverse consequence on return on resources, benefit after charge, and procuring per share. The review suggested that directors ought to consider the influence proportion so that works on firms' monetary execution. The ongoing review gives helpful experiences to supervisors, examiners, controllers, financial backers, and other closely involved individuals in the exhibition of Indian recorded firms.

4. **NATARAJAN, R., SIVAKAVITHA, S., & VASANI, S. A. (2020). RELATIONSHIP BETWEEN STOCK RETURN AND FIRMS' FINANCIAL PERFORMANCE IN BSE LISTED COMPANIES. EUROPEAN JOURNAL OF MOLECULAR & CLINICAL MEDICINE, 7(03), 2020.**

This study endeavors to look at the effect of corporate social obligation on monetary execution in the Indian companies. For this reason, the review has chosen BSE 100 record for the time of 9 years (2010-2018) as an example study. The board relapse investigation uncovers that corporate social obligation decidedly affects simultaneous benefit and stock returns. Similarly, results show that corporate social obligation decidedly affects future benefit, possibly demonstrating that corporate social obligation conveys influence throughout a significant stretch of time. There is no such thing as nonetheless, positive relationship between corporate social obligation and future stock returns. In general, the discoveries demonstrate that market repays those organizations that deliberately draw in with partners.

5. **MAQBOOL, S. (2019). DOES CORPORATE SOCIAL RESPONSIBILITY LEAD TO SUPERIOR FINANCIAL PERFORMANCE? EVIDENCE FROM BSE 100 INDEX. DECISION, 46 (3), 219-231.**

This study endeavors to look at the effect of corporate social obligation on monetary execution in the Indian setting. For this reason, the review has chosen BSE 100 record for the time of 9 years (2010-2018) as an example study. The board relapse investigation uncovers that corporate social obligation decidedly affects simultaneous benefit and stock returns. Similarly, results show that corporate social obligation decidedly

affects future benefit, possibly demonstrating that corporate social obligation conveys influence throughout a significant stretch of time. There is no such thing as nonetheless, positive relationship between corporate social obligation and future stock returns. In general, the discoveries demonstrate that market repays those organizations that deliberately draw in with partners.

6. SHARMA, R. K. (2018). FACTORS AFFECTING FINANCIAL LEVERAGING FOR BSE LISTED REAL ESTATE DEVELOPMENT COMPANIES IN INDIA. JOURNAL OF FINANCIAL MANAGEMENT OF PROPERTY AND CONSTRUCTION.

The land area in India has accepted developing significance with the advancement of the economy. Improvements in the land area are being impacted by the advancements in the retail, friendliness and amusement section, monetary administrations and data innovation empowered administrations, as well as the other way around. This paper intends to concentrate on the determinants of capital design by considering 125 significant Bombay Stock Exchange (BSE) recorded land organizations chose based on their market capitalization.

Methodology

To find what decides capital design, nine firm level logical factors were chosen and relapsed against the proper capital construction measures, in particular, all out obligation to add up to resources, long haul obligations to add up to resources, momentary obligations to add up to resources, absolute liabilities to add up to liabilities in addition to value, complete obligation to capital utilized and all out obligation to add up to liabilities in addition to value. An example of 125 land organizations was taken and optional information were gathered. Thus, multivariate relapse investigation was offered in view of monetary expression information of the chose organizations over the review time of 2009-2015.

Findings

The significant discoveries of the review showed that productivity, size, age, obligation administration limit development and assessment safeguard factors are the critical firm-level determinants.

3. METHODOLOGY

The research will be conducted for the selected leading firms of the same industry. This study focuses on financial performances of the Pharmaceutical companies – Sun Pharma, Cipla and Dr. Reddy's for the financial year 2022 and 2023. The nature of this research is to describe the particulars of capital structure of both the bulls of Pharmaceutical sector, thus the design of research can be descriptive. The only limitations of this research it that, that it is concluded for only two financial years.

APPLICATION TO DATA

An application of the data is presented for both the firms under study to evaluate results.

Table 1 Capital structure of Companies

	Sun Pharma		Cipla		Dr. Reddy's	
	2022	2021	2022	2021	2022	2021
Total Share Capital	239.93	239.93	161.36	161.29	83.2	83.2
Total Reserves And Surplus	24,348.02	24,800.23	22,315.35	19,730.58	18,253.00	16,900.50
Total Shareholders' Funds	24,587.95	25,040.16	22,513.55	19,927.56	18,253.00	16,900.50
Total Non-Current Liabilities	6,071.70	5,615.12	206.94	344.24	18,336.20	16,983.70
Total Current Liabilities	10,105.83	8,343.55	2,728.56	2,691.94	6,045.10	4,560.30
Total Capital And Liabilities	40,765.48	38,998.83	25,449.05	22,963.74	24,495.60	21,629.60
Fixed Assets	10,541.42	6,007.15	3,604.88	4,421.56	7,350.80	6,745.10
Total Non-Current Assets	31,061.73	26,932.49	13,424.42	12,771.56	11,012.00	10,685.40
Total Current Assets	9,703.75	12,066.34	12,024.63	10,192.18	13,483.60	10,944.20
Total Assets	40,765.48	38,998.83	25,449.05	22,963.74	24,495.60	21,629.60
Contingent Liabilities	3,811.82	3,564.25	975.31	1,972.95	827.4	1,062.80

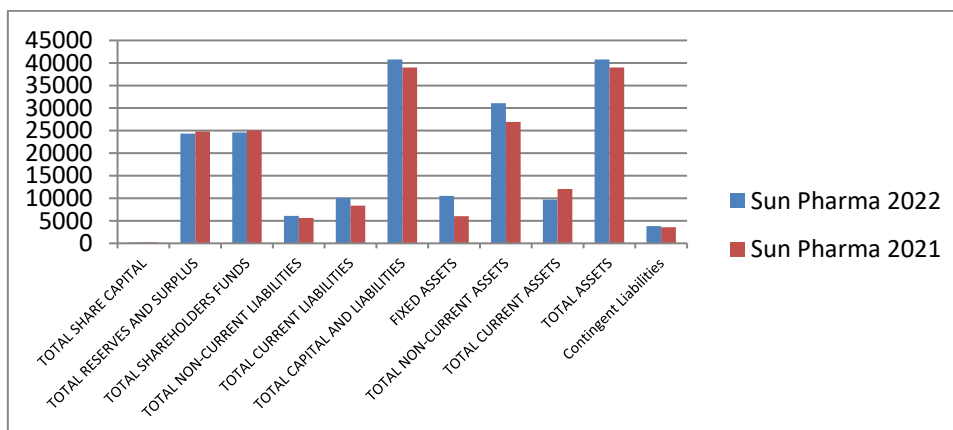


Figure 1 Financial Structure of Sun Pharma

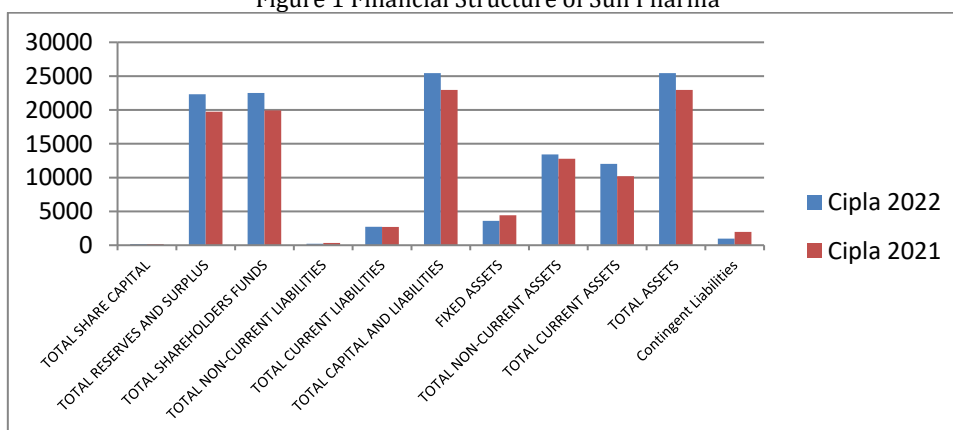


Figure 2 Financial Structure of Cipla

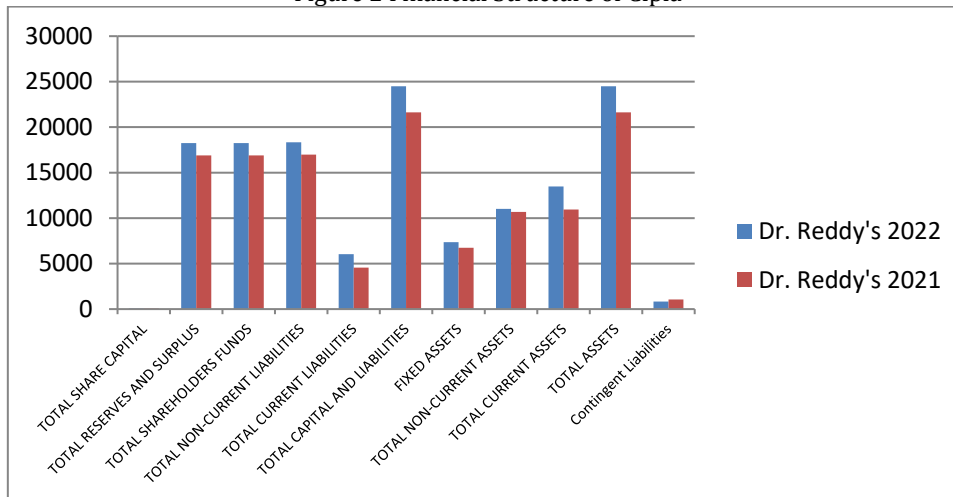


Figure 3 Financial Structure of Dr. Reddy's Laboratory

The comparative analysis of the financial data for Sun Pharma, Cipla, and Dr. Reddy's reveals interesting insights into their respective performances.

In terms of share capital, all three companies maintained a consistent level throughout both years. Sun Pharma's total share capital remained at 239.93, Cipla's at 161.36, and Dr. Reddy's at 83.2. This indicates stability in their ownership structures and the amount of capital invested in the companies.

Looking at reserves and surplus, Sun Pharma experienced a slight decrease in 2022 compared to 2021. The reserves and surplus declined from 24,800.23 in 2021 to 24,348.02 in 2022. On the other hand, Cipla witnessed an increase in reserves and surplus, rising from 19,730.58 in 2021 to 22,315.35 in 2022. Dr. Reddy's also experienced growth in reserves and surplus, with an increase from 16,900.50 in 2021 to 18,253.00 in 2022. These changes in reserves and surplus reflect variations in profitability, retained earnings, and other accumulated funds for each company.

Analyzing the shareholders' funds, which include share capital and reserves and surplus, Sun Pharma's funds decreased slightly from 25,040.16 in 2021 to 24,587.95 in 2022. Meanwhile, Cipla's total shareholders' funds

increased significantly from 19,927.56 in 2021 to 22,513.55 in 2022, showing substantial growth. Dr. Reddy's also experienced growth in total shareholders' funds, rising from 16,900.50 in 2021 to 18,253.00 in 2022. These changes reflect the overall equity and financial position of the companies.

Moving to liabilities, both non-current and current, Sun Pharma's liabilities increased from 5,615.12 in 2021 to 6,071.70 in 2022 for non-current liabilities, and from 8,343.55 in 2021 to 10,105.83 in 2022 for current liabilities. Cipla's non-current liabilities decreased from 344.24 in 2021 to 206.94 in 2022, while their current liabilities remained relatively stable. Dr. Reddy's non-current liabilities increased from 16,983.70 in 2021 to 18,336.20 in 2022, and their current liabilities increased from 4,560.30 in 2021 to 6,045.10 in 2022. These variations suggest changes in long-term and short-term financial obligations for each company.

Analyzing the total capital and liabilities, Sun Pharma's total capital and liabilities increased from 38,998.83 in 2021 to 40,765.48 in 2022. Cipla's total capital and liabilities also increased from 22,963.74 in 2021 to 25,449.05 in 2022. Dr. Reddy's total capital and liabilities increased from 21,629.60 in 2021 to 24,495.60 in 2022. These changes reflect the overall financial structure and obligations of the companies.

In terms of assets, Sun Pharma's total assets remained constant at 38,998.83 for both years. Cipla's total assets increased from 22,963.74 in 2021 to 25,449.05 in 2022, while Dr. Reddy's assets increased from 21,629.60 in 2021 to 24,495.60 in 2022. These changes in total assets indicate variations in the composition and value of the companies' assets.

Lastly, considering contingent liabilities, Sun Pharma's contingent liabilities increased from 3,564.25 in 2021 to 3,811.82 in 2022. Cipla's contingent liabilities also increased from 1,972.95 in 2021 to 975.31 in 2022. In contrast, Dr. Reddy's contingent liabilities decreased from 1,062.80 in 2021 to 827.40 in 2022. These changes represent potential obligations or liabilities that may arise in the future.

Overall, the comparative analysis provides valuable insights into the financial performance and position of Sun Pharma, Cipla, and Dr. Reddy's over the specified years. The variations observed in different financial aspects highlight the dynamics within each company and their ability to manage capital, assets, and liabilities.

SUMMARY				
Groups	Year	Sum	Average	Variance
Sun Pharma	2023	204025.1	17002.093	216361184
	2022	192627.9	16052.323	201525928
Cipla	2023	130875.1	10906.258	111194634
	2022	120162.3	10013.528	85430241
Dr. Reddy's	2023	144657.5	12054.792	77931106
	2022	130145.9	10845.492	62668154

The provided summary offers a detailed report on the financial data of three groups: Sun Pharma, Cipla, and Dr. Reddy's, for the years 2023 and 2022.

In 2023, Sun Pharma's total sum of values amounts to 204,025.1, with an average of 17,002.093. This indicates the overall financial magnitude of the group's data points. The variance, which measures the spread or dispersion of values, is 216,361,184. A higher variance suggests greater variability in the data points.

For the same year, Cipla's total sum of values is 130,875.1, with an average of 10,906.258. This signifies the average value per data point within the group. The variance for Cipla is 111,194,634, indicating a moderate level of variation or spread among the data points.

Lastly, Dr. Reddy's group has a total sum of values of 144,657.5 for 2023, with an average of 12,054.792. The variance is 77,931,106, implying a relatively lower level of variation compared to the other two groups.

In 2022, Sun Pharma's total sum of values is 192,627.9, with an average of 16,052.323. The variance for this year is 201,525,928, showing a similar level of variation as in 2023.

Cipla's total sum of values in 2022 amounts to 120,162.3, with an average of 10,013.528. The variance is 85,430,241, indicating a comparable level of variation to 2023.

For Dr. Reddy's in 2022, the total sum of values is 130,145.9, with an average of 10,845.492. The variance for this year is 62,668,154, showing a lower level of variation compared to the other groups.

These results provide insights into the overall financial performance and variation within each group over the specified years. They help in understanding the magnitude, average values, and dispersion of the measured parameter for each company, allowing for further analysis and comparisons.

The future aspects can be determined by laying down the following hypothesis

H0: There is no significance difference between the financial structures of the selected pharma companies under study.

H1: There is no significance difference between the financial structures of the selected pharma companies under study.

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	527524607	5	105504921	0.84	0.53	2.35
Within Groups	8306223706	66	125851874			
Total	8833748312	71				

The ANOVA table provided offers insights into the analysis of variance conducted to evaluate the variation among multiple groups based on the measured parameter. The table includes information on the sources of variation, degrees of freedom, sum of squares (SS), mean squares (MS), F-statistic, p-value, and critical F-value. In this analysis, the "Between Groups" variation, representing differences among the groups, has an SS of 527,524,607 and 5 degrees of freedom. The MS for this variation is calculated as 105,504,921. The "Within Groups" variation, which measures variability within each group, has an SS of 8,306,223,706, but the specific degrees of freedom and MS are not explicitly provided.

The F-statistic, calculated by dividing the MS between groups by the MS within groups, is 0.84. The p-value associated with this F-value is 0.53, indicating the probability of obtaining the observed F-statistic or a more extreme value assuming the null hypothesis is true. Comparing the obtained F-value to the critical F-value of 2.35, we find that the obtained F-value is lower.

Based on the analysis, the p-value is greater than the significance level of 0.05, and the obtained F-value is lower than the critical F-value. Therefore, we fail to reject the null hypothesis, suggesting that there is no significant difference among the groups based on the measured parameter.

4. CONCLUSION:

In conclusion, the comparative analysis of the financial data for Sun Pharma, Cipla, and Dr. Reddy's reveals several noteworthy points:

1. **Stability in Share Capital:** All three companies maintained a consistent level of share capital throughout the analyzed period, indicating stability in their ownership structures and capital investments.
2. **Variations in Reserves and Surplus:** Sun Pharma experienced a slight decrease in reserves and surplus, while Cipla and Dr. Reddy's witnessed growth. These variations reflect differences in profitability, retained earnings, and accumulated funds among the companies.
3. **Shareholders' Funds:** Cipla demonstrated substantial growth in shareholders' funds, reflecting a positive financial position and potentially higher investor confidence. Sun Pharma experienced a slight decrease, while Dr. Reddy's showed consistent growth.
4. **Liability Dynamics:** Liabilities, both non-current and current, varied among the companies. Sun Pharma and Dr. Reddy's witnessed increases, while Cipla experienced decreases or remained stable. These changes reflect variations in long-term and short-term financial obligations.
5. **Total Capital and Liabilities:** The total capital and liabilities increased for all three companies, suggesting growth in financial obligations and resources.
6. **Asset Composition:** While Sun Pharma's total assets remained constant, Cipla and Dr. Reddy's demonstrated growth. This indicates changes in the composition and value of their asset portfolios.
7. **Contingent Liabilities:** Sun Pharma's and Cipla's contingent liabilities increased, potentially indicating an increase in potential obligations. Dr. Reddy's contingent liabilities decreased, suggesting a reduction in potential future liabilities.

Overall, the comparative analysis provides insights into the financial dynamics and performance of Sun Pharma, Cipla, and Dr. Reddy's. It highlights variations in financial indicators, including reserves and surplus, liabilities, assets, and contingent liabilities. These findings can be valuable for assessing the financial health, stability, and growth potential of the companies. However, a comprehensive evaluation should consider additional factors and a broader analysis to draw more conclusive insights.

The ANOVA table provides valuable information to understand the variation within and between the groups, allowing for further interpretation of the data. However, it is important to consider additional factors and conduct a thorough analysis to draw comprehensive conclusions regarding the significance of the observed variations.

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