



A Study On Financial Analysis Of Mahindra & Mahindra

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ABSTRACT

This study presents a comprehensive financial analysis of Mahindra & Mahindra Limited (M&M), a leading Indian multinational corporation in the automotive and farm equipment sectors. The objective is to evaluate the company's financial health, performance trends, and strategic positioning over a five-year period. Key financial indicators such as profitability ratios, liquidity ratios, solvency ratios, and efficiency ratios have been analyzed using data sourced from annual reports and financial statements. The study also includes a comparative analysis with industry benchmarks and major competitors to provide a broader context. Findings reveal M&M's robust performance in its core segments, prudent financial management, and resilience amid market fluctuations. The analysis concludes with insights into the company's future growth prospects and recommendations for stakeholders based on the financial trends observed.

KEYWORDS

Financial Analysis, Trend Analysis, Profitability, Liquidity, Solvency, Automotive Industry, Financial Performance, Investment Analysis, Comparative Analysis, Annual Reports, Strategic Financial Management., Indian Corporations, Economic Trends.

1.1 INTRODUCTION

Finance is a broad term that describes activities associated with banking, leverage or debt, credit, capital markets, money, and investments. Financial performance is an important which influences the profitability and liquidity of organization. There are many ways to measure financial performance but all measures should be taken in aggregate. Financial performance is a process of measuring and resulting

a financial activity of the firm, The car industry benefits from several factors, including low-cost skilled labour, strong R&D centres, and low-cost steel production. The industry also offers excellent investment opportunities as well as direct and indirect jobs to professional and unskilled workers. By 2026, the Indian automobile industry (which includes component manufacturing) is estimated to be worth Rs 16-18 trillion

1.2 STATEMENT OF THE PROBLEM

In this study, the financial performance of Mahindra and Mahindra company is ascertained using the ratios analysis tool. It helps in evaluating the relationship between financial statements and other important parts of the company to understand the company's position and performance.

1.3 SCOPE OF STUDY

- An attempt is made to make a study of financial statements of Mahindra and Mahindra Ltd. The analysis of profitability will help one to understand the financial strength and weakness of the company.
- This study will provide the necessary information of financial and operational result over a period. This will facilitate the evaluation of the financial position, efficiency, and performance easily.

1.4 OBJECTIVES OF THE STUDY

- To analyse the overall profitability of Mahindra & Mahindra limited over the last five years
- To analyse the Trend Analysis over the last five years.

1.5 RESEARCH METHODOLOGY

A research methodology or involves specific techniques that are adopted in research processes to collect, assemble, and evaluate data.

1.5.1 DATA COLLECTION

Data collection is the processes of gathering and measuring information on variables of various of interest, in an established systematic fashion that enables one to answer stated research questions test hypotheses and evaluate outcomes. Here explains about two types of data collection they are:

- ✓ Primary data
- ✓ Secondary data

1.5.2 TOOLS AND TECHNIQUES

- ✓ Financial statements are prepared to have complete information regarding assets, liabilities, equity, reserves, expenses and profit and loss of an enterprise. To analyse & interpret the financial statements.

1.6 LIMITATIONS OF THE STUDY

- ✓ The data used in this study was secondary data.
- ✓ It does not cover any non-financial data which have some impact on financial performance over.

2.1 REVIEW AND LITERATURE

Surekha B. & Krishnah K. Rama (2015)¹ this study reveals the prosperity of Maruti Suzuki company. It can be concluded that inner strength of company of company is remarkable. Company can further improve its profitability by optimum capital gearing, reduction in administration and financial expenses for the growth of company.

Anu B. (2015)² tried to examine the relationship between capital structure indicators, market price per shares and to test relationship between debt-equity and market price per share of selected companies in industry. The study concludes that all three companies support the hypothesis that there is relation between debt-equity and MPS.

Maheshwari, V. (2015)³ tried to analyse the financial soundness of the Hero Honda motors limited have identified three factors namely liquidity position, solvency position and profitability position based on the study of period 2002 to 2010 using ratio analysis.

Surekha R K. Rama Krishnaiah (2015)⁴ explained profitability ratios to assess the financial position of the company for this study. By using various tools to analyse the overall financial study of the company. And, the company has stable growth and suggested to reduce the expenditure on this study. The company can further improve its profitability through optimum capital gearing and reduction in administration and financial expenses.

3.1 AUTOMOBILE INDUSTRY- AN OVERVIEW

The automobile industry comprises a wide range of companies and organizations involved in the design, development, manufacturing, marketing, selling, repairing, and modifying of motor vehicles. It is one of the world's largest industries by revenue and infrastructure. It is also the industry with the highest spending on research & development per firm.

3.2 TOP PERFORMANCES OF AUTOMOBILE INDUSTRY

i) General Motors

General Motors Corporation (GM), which ultimately became the world's largest automobile firm and the largest privately owned manufacturing enterprise in the world, was founded in 1908 by William C. Durant, a carriage manufacturer of Flint, Michigan. In 1904 he assumed control of the ailing Buick Motor

Company and made it one of the principal American producers. Durant developed the idea for a combination that would produce a variety of models and control its own parts producers.

ii) Toyota motors

Toyota motors has become the second largest automobile industry in the world. The company was originally founded as a spinoff of Toyota Industries, a machine maker started by Saki chi Toyoda, Kiichiro's father Toyota was praised for being a leader in the development and sales of more fuel-efficient hybrid electric vehicles, starting with the introduction of the Toyota Prius in 1997.

iii) Ford Motor:

Ford Motor has become the third largest automobile industry in the world. Ford Motor Company commonly known as Ford is an American multinational automobile manufacturer headquartered in Dearborn, Michigan, United States.

iv) Honda motor company:

Honda has become the fourth largest automobile industry in the world. Honda has been the world's largest motorcycle manufacturer since 1959, reaching a production of 400 million by the end of 2023, as well as the world's largest manufacturer of internal combustion engines measured by volume, producing more than 14 million internal combustion engines each year.

v) Mahindra &Mahindra Motor:

Mahindra & Mahindra Limited (M&M) is an Indian multinational automobile manufacturing corporation headquartered in Ludhiana. It was established in 1945 as Mahindra & Mohammed and later renamed as Mahindra & Mahindra. . It was ranked 17th on a list of top companies in India by Fortune India 500 in 2024. Its major competitors in the Indian market include Maruti Suzuki and Tata Motors.

3.3 GROWTH OF MAHINDERA&MAHINDERA

Most commercial and passenger vehicles made by the company follow the rule of ending with an 'O', like in Scorpio Verito XUV 700. In 2013, the then president Pawan Goenka confirmed that this was after the success of Bolero and Scorpio, the company thought the 'O' at the end of the vehicle was lucky and it has become a tradition.

3.4 HISTROY OF MAHINDERA&MAHINDERA

- Mahindra & Mahindra was founded as a steel trading company on 2 October 1945 in Ludhiana as Mahindra & Mohammed by brothers Kailash Chandra Mahindra and Jagdish Chandra Mahindra along with Malik Ghulam Muhammad. Anand Mahindra, the present Chairman of Mahindra Group, is the grandson of Jagdish Chandra Mahindra.
- In April 2023, Mahindra has said that it has claimed the No 1 position when it comes to sales of SUVs with the highest-ever sales of 34,262 units – a growth of 166 per cent from September 2023.
- In March 2024, Mahindra&Mahindra reported a processes analytical technology of Indian rupees 401% over Indian rupees 934 crore in fiscal year 2023. Revenue during the year stood at Indian rupees 57,446 crore, as against Indian rupees 44,630 crore reported in fiscal year 2023.

3.5 PRODUCTS OF MAHINDERA & MAHINDERA:

MPV				
	Marazzo	2024	2024	Compact MPV.
Marazzo				
UTV				
	Roxor	2024	2024	4x4 off-road only Sports utility vehicle.

4. ANALYSIS AND INTERPRETATION

4.1 TREND ANALYSIS AND INTERPRETATION

Trend analysis refers to the process of analysing historical data to identify patterns, trends, or consistent movements over time. This analysis helps to predict future outcomes based on those identified trends. It is commonly used in various fields like finance, marketing, business, and even in scientific research.

$$\text{TREND PERCENTAGE} = \left(\frac{\text{CURRENT PERIOD VALUE}}{\text{BASE PERIOD VALUE}} \right) * 100$$

4.2.1 TREND ANALYSIS

Table 4.2.1 of showing Trend Analysis

Particulars	Year-end (Rs in Crores)					Trend percentages base year 2020				
	2024	2023	2022	2021	2020	2020	2021	2022	2023	2024
Sales	76410	75310	91105	122475	141232	100	98.5	119	160	185
Less: Cost of goods	74305	72680	89354	119040	135804	100	98	120	160	182

sold										
Gross profit (A)	2105	2630	1751	3435	5428	100	125	84	163	258
Office expenses	6022	6102	5018	5830	7490	100	101	83	97	125
Selling expenses	8215	7814	8387	9678	10625	100	95	102	118	129
Total Expenses (B)	14237	13916	13405	15508	18115	100	98	94	109	127
Net profit/ Loss (A) - (B)	12132	11286	11654	12073	12687	100	93	96	102	110

INTERPRETATION

The above table shows on performance of trend Analysis. In the year 2020 It remains 100 as a base year for the trend analysis, after the 2021 there is gradual growth and remains constant profit growth till 2024, in the year 2021 it remains as 93, In the year 2022 it improved a bit up to 96, and for the year 2023 and 2024 it improved up to 100 and 105. As for the comparison of last 2 years trend analysis of net profit increased by 5%.

Chart 4.2.1 Trend Analysis Report



5. FINDINGS, SUGGESTIONS & CONCLUSIONS

5.1. FINDINGS

The Trend analysis in the year 2023-2024 the company reached higher percentage 110% and in the year 2020-2021 company attained very lowest percentage 93% Mahindra and Mahindra limit is in the satisfaction level.

5.2 SUGGESTIONS

- The suggestions are based on the Trend analysis and this through that company may improve their financial stability and liquidity position, operating efficiency, and restructure finance.

5.3 CONCLUSIONS

The project entitled “**A STUDY ON FINANCIAL ANALYSIS OF MAHINDRA & MAHINDRA**” is undertaken with the objective of examining the ratio analysis. The main aim of this study is to analysis overall position of Mahindra and Mahindra company with the help of 5 years (2019-2020 to 2023-2024) and collected data about Mahindra and Mahindra company, used analytical design and analysed the financial performance of business is good. For Future growth, they must increase the performance level and they should reduce the cash outflow and expenses. Then they will increase their turnover and profit which helps to increase financial performance of business.