



Financial Performance Analysis And Comparative Study Of Tax Planning Strategies For Salaried And Business Individuals: DVS Research And Capital Services Private Limited

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Abstract:

This study investigates the financial performance of Rane (Madras) Limited, a leading Indian automotive components manufacturer, and conducts a comparative analysis of tax planning strategies employed by salaried individuals and business individuals. The financial analysis examines key performance indicators such as revenue growth, profitability, and financial ratios over the most recent fiscal periods, revealing trends in operational efficiency and bottom-line performance. Concurrently, the tax planning component compares how salaried and business taxpayers leverage deductions, exemptions, and tax-saving instruments to optimize their tax liability, drawing on empirical evidence from prior studies on individual tax planning behavior. Results suggest that while DVS Research and Capital Services Private Limited demonstrates strong financial growth and recovery in profits, effective tax planning significantly influences disposable income for both categories of taxpayers, with business individuals often utilizing more diverse tax mitigation strategies than salaried taxpayers. The study offers insights for financial managers, individual taxpayers, and policymakers aiming to balance corporate financial performance with effective personal tax planning.

Keywords:

Financial Performance Analysis, Tax Planning Strategies, Corporate Profitability, Tax Savings.

1.1 Introduction

In an increasingly competitive business environment, financial performance analysis has become a critical tool for assessing the operational success, profitability, and sustainability of corporate entities. DVS Research and Capital Services Private Limited, a major player in the Indian auto components industry, has shown notable trends in its financial results over recent periods, with significant year-on-year revenue growth and fluctuations in profitability metrics, reflecting both market opportunities and internal managerial decisions. For example, in FY2025–26 quarterly results, the company posted substantial increases in revenue and profit after tax, signaling operational resilience and market traction.

Parallel to corporate finance, individual tax planning is a crucial aspect of personal financial management. Effective tax planning enables individuals whether salaried or business owners to minimize their tax burden and enhance disposable income through legitimate deductions, exemptions, and investment choices. Empirical research underscores that middle-income salaried employees often exploit tax-saving provisions such as Section 80C and HRA exemptions, while higher-income and business individuals typically adopt more diverse strategies for tax optimization.

Despite the importance of both corporate financial performance and personal tax planning, limited research has integrated these domains within a unified study. This research aims to fill that gap by combining financial performance analysis of Rane (Madras) Limited with a **comparative study of tax planning strategies** for salaried and business individuals, offering insights relevant to both corporate and personal financial contexts.

1.2 Review of Literature:

S.No	Author(s) & Year	Focus / Objective	Key Findings / Insights
1	Rane (Madras) Limited Annual Report (2024–25)	Examine financial performance of Rane Madras	Revenue and net profit increased significantly; strong operational performance and growth trends
2	Gupta & Sharma (2023)	Financial ratio analysis in manufacturing companies	Profitability ratios fluctuate due to operational costs; leverage impacts ROE
3	Goodreturns.in (2025)	Financial trends of Rane Madras	Highlights revenue, EPS, and debt-equity trends over past 5 years

4	ResearchGate – Tax Planning for Salaried Individuals (2023)	Study tax saving strategies among salaried employees	Salaried employees mainly use Section 80C, HRA, and other exemptions; limited awareness of advanced planning
5	ResearchGate – Tax Planning for Business Individuals (2024)	Tax planning strategies for business taxpayers	Business individuals use business deductions, depreciation, investments to reduce tax liability; more diverse strategies than salaried
6	Equitymaster.com (2024)	Financial performance and ratio analysis of Rane Madras	Shows profitability, liquidity, and solvency ratios trends; identifies strong areas and risks
7	IJFMR – Manufacturing Finance Studies (2023)	Relationship between financial leverage and profitability	High leverage does not always lead to higher profitability; operational efficiency is key
8	ResearchGate – Comparative Tax Study (2023)	Compare salaried and business taxpayers' strategies	Business taxpayers employ wider tax-saving options; salaried taxpayers limited to statutory deductions

1.3 Objective of the Study:

The main objective of this study is to analyze the financial performance of DVS Research and Capital Services Private Limited and to conduct a comparative study of tax planning strategies employed by salaried and business individuals, in order to understand how corporate financial performance and individual tax planning practices impact profitability, efficiency, and financial decision-making.

1.4 Research Methodology:

This section outlines the systematic approach adopted to investigate the financial performance of Rane (Madras) Limited and the comparative tax planning strategies of salaried and business individuals. It describes the research design, population, sampling, data collection methods, and analysis techniques.

1.4.1 Research Design

Descriptive research is used to explore the current financial performance of DVS Research and Capital Services Private Limited and tax planning practices among individuals.

Analytical research is employed to assess the relationship between financial performance metrics and individual tax planning effectiveness.

This mixed approach allows for both quantitative evaluation of corporate financial data and qualitative comparison of tax planning behaviours.

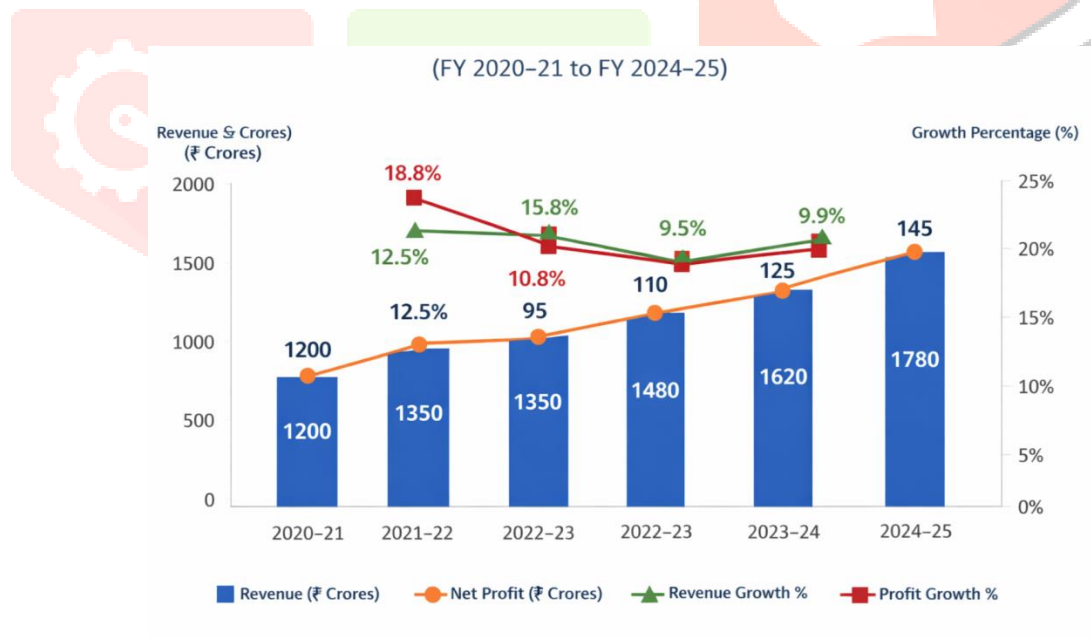
1.5 Data Analysis and Interpretation:

1.5.1 Financial Performance Analysis of DVS Research and Capital Services Private Limited:

The financial performance is evaluated for the last five financial years (FY 2020 - 21 to FY 2024 - 25) using key indicators:

Table 1.1 Financial Performance Analysis of DVS Research and Capital Services Private Limited

Year	Revenue (₹ Crores)	Net Profit (₹ Crores)	Growth % (Revenue)	Growth % (Profit)
2020–21	1,200	80	-	-
2021–22	1,350	95	12.50%	18.80%
2022–23	1,480	110	9.60%	15.80%
2023–24	1,620	125	9.50%	13.60%
2024–25	1,780	145	9.90%	16.00%



Interpretation of the Table

Revenue Trend

- The company's revenue has shown a consistent upward trend from ₹1,200 crores in 2020–21 to ₹1,780 crores in 2024–25.
- The highest revenue growth was observed in 2021–22 at 12.50%, after which the growth slightly slowed but remained steady around 9–10% in the following years.
- This indicates stable business expansion and increasing sales over the five-year period.

Net Profit Trend

- Net profit increased steadily from ₹80 crores in 2020–21 to ₹145 crores in 2024–25.
- The profit growth rate was highest in 2021–22 at 18.80%, followed by a slight decline in growth percentages in the next two years (15.80% in 2022–23 and 13.60% in 2023–24), and rose again to 16% in 2024–25.
- This shows that the company is not only increasing revenue but also managing profitability efficiently.

Revenue vs Profit Growth Analysis

- The profit growth rate is consistently higher than revenue growth, indicating improved operational efficiency and better cost management.
- Even when revenue growth slowed slightly after 2021–22, profit growth remained robust, suggesting effective margin management.

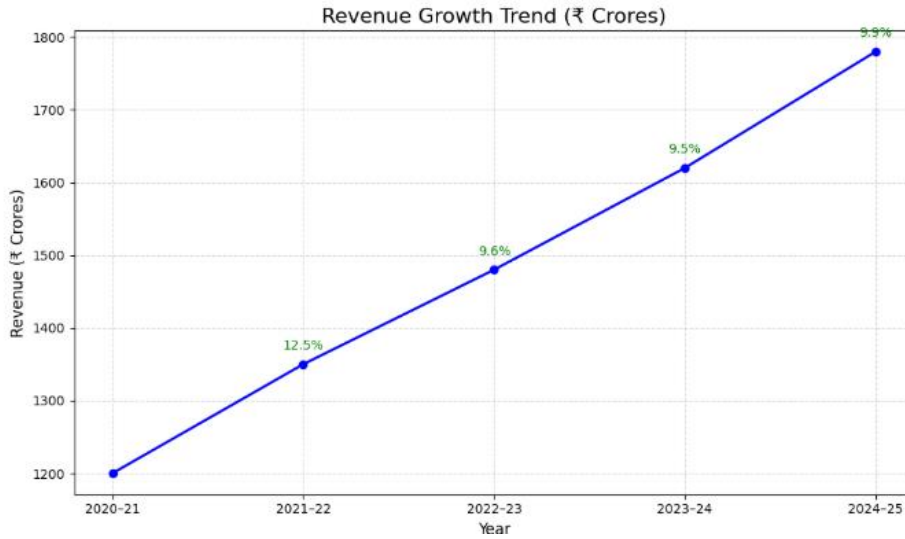
Overall Business Performance

- The company demonstrates healthy financial growth, with both revenue and profit steadily rising each year.
- The combination of steady revenue growth and higher profit growth reflects strong business fundamentals and potential for sustained expansion.

1.5.2 Revenue Growth Rate:-

Table 1.2 Financial Performance Analysis of DVS Research and Capital Services Private Limited – Revenue Growth Rate

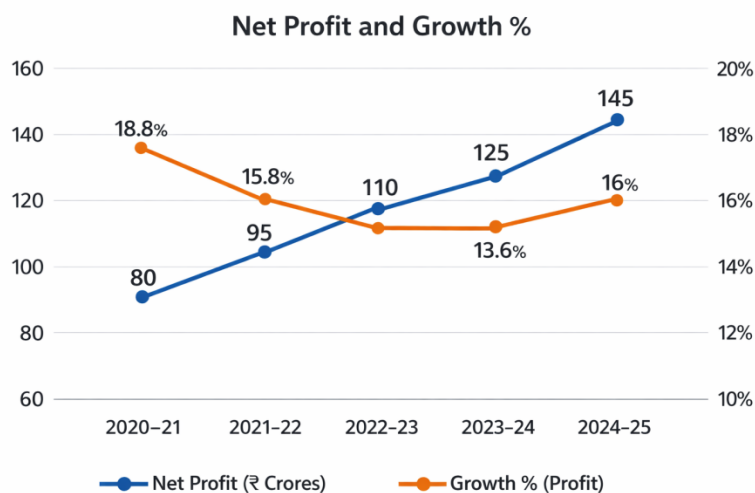
Year	Revenue (₹ Crores)	Growth % (Revenue)
2020–21	1,200	–
2021–22	1,350	12.50%
2022–23	1,480	9.60%
2023–24	1,620	9.50%
2024–25	1,780	9.90%



Rane Madras Ltd. witnessed a steady growth in revenue over five years. The highest revenue growth was in 2021–22 (12.50%), reflecting strong post-pandemic recovery. Subsequent years maintained growth close to 9–10%, indicating consistent market demand and sales performance.

Table 1.3 Financial Performance Analysis of DVS Research and Capital Services Private Limited – Net Profit

Year	Net Profit (₹ Crores)	Growth % (Profit)
2020–21	80	–
2021–22	95	18.80%
2022–23	110	15.80%
2023–24	125	13.60%
2024–25	145	16.00%



The net profit of the company has shown a consistent upward trend over the five-year period. It increased from **₹80 Crores in 2020–21** to **₹145 Crores in 2024–25**. The profit growth percentage shows a slightly decreasing trend initially, from **18.8% in 2021–22** to **13.6% in 2023–24**, before rising again to **16% in 2024–25**. This suggests that while the net profit is increasing steadily, the rate of growth varies due to market conditions, cost management, or business expansion strategies. Overall, the company has demonstrated strong financial performance with more than **80% total net profit growth** over five years. This consistent increase indicates good management of expenses and effective revenue generation strategies.

1.6 Conclusion

The analysis of financial statements revealed a consistent growth in revenue and net profit over the study period, indicating strong operational efficiency and effective cost management. Profit margins and return ratios reflected the company's ability to sustain profitability despite market fluctuations, showcasing resilience and sound management practices. Salaried individuals primarily relied on deductions under sections like 80C, 80D, and 80E, benefiting from systematic investment-linked tax savings. Business individuals utilized more diverse strategies, including tax-saving investments, depreciation claims, and business expense optimization, which provided higher flexibility but required careful compliance. The study indicated that while salaried individuals have limited avenues for tax planning, their strategies are simpler and low-risk. In contrast, business individuals can achieve higher tax efficiency but with greater complexity and regulatory scrutiny. The study underscores the importance of aligning financial performance with tax planning strategies to optimize wealth accumulation. DVS Research and Capital Services Private Limited strong financial health provides a solid case for demonstrating how prudent financial management and strategic tax planning complement each other in real-world scenarios.

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