

Ratio Analysis: A Study on Financial Performance of Tata Motors

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Abstract: *Financial ratio analysis is the process of reviewing the financial position of the company. Ratio analysis is extensively used by firms as a technique to forecast the financial soundness of the company to build future growth. This study aims at analyzing the financial performance of Tata Motors by calculating financial ratios. The primary objective of this study is to evaluate the performance of Tata Motors during the last decade. The reference period taken for study is 5 years starting from 2016 to 2020. Five Ratios were calculated to serve the purpose of assessing the financial performance of the company that includes net profit margin, return on capital employed, inventory turnover ratio, asset turnover & current ratio. Secondary data was collected from annual reports of Tata Motors to derive relevant information. The results reveal that the company has performed reasonably well during the reference period. The company has shown a good potential by earning returns for their shareholders.*

Key words: Earnings per Share, Financial Ratios, Annual Report, Financial performance