

WORKING CAPITAL ANALYSIS OF SELECT AUTOMOBILE COMPANIES

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ABSTRACT

Survival of a company not only depends on earning potential but also it depends on its working capital. Any company should design their capital considering their present future growth opportunity that prevails for their company. Further, the workingcapital not only determines the future survival of the company but also it determines the day to day workings of the company. Thus, the management should design their working capital in a manner, where their financial solvency and earnings may be maximized to a maximum extent. Thus, in this study an attempt has been made to ascertain the financial workings of selected companies of Indian automobile industry. The result of the studydisclose thatsize of the company, asset structure and growth todetermine the working capital of five Indian automobile industry.

INTRODUCTION

The automobile industry in India is one of the largest industries in the world showing impressive growth over the years and has been significantly contributing to overall industrial development in the country. This is further enhanced to Government's support towards setting up centers for innovations. The department has undertaken several policy procedures and initiatives. During the early days, Indian automobile manufacturers depend upon foreign technologies. During last few years, the scenario has changed and the Indian automobile industry is using its own technology.

Due to global recession, there was a recent setback and after that, the Indian automobile market has again started to grow up. The Indian automobile industry is the world's fourth-largest has faced a slowdown after a half-decade of high growth. Sales for April which is the lowest in nearly eight years. According to the data from SIAM, car sales are down for the tenth consecutive month since July 2018. The overall sale of the auto industry was 2,001,096 units during April. In the last April, it had sold 2,380,294 units.

Declining automotive sales are primarily an indicator of how the Indian economy is performing, particularly the purchasing power of people while a slowdown in commercial vehicle sales indicates an investment cycle slowdown¹. The automotive sector contributes more than 7 percent to India's GDP. The Automotive Mission Plan 2016–26 sets an aspiration to increase the contribution to 12 percent. A number of economic trends could help in meeting this target. The future of automobile industry is expected to show around 50 percent growth.

The government has constant emphasis on supporting the industry. Through the Automotive Mission Plan, the National Electric Mobility Mission Plan (NEMMP) and other initiatives, the government seeks to achieve two objectives facilitate long-term growth in the industry and reduce absolute and oil dependence.

In the Automotive Mission Plan 2026, the government and industry usual objective to triple industry revenues, to \$300 billion, and expand exports sevenfold, to \$80 billion. To meet these aims, it is estimated that the sector possibly will contribute more than 60 million additional direct and indirect jobs, and the result improved manufacturing competitiveness and reduced emissions.

The government seeks to bring local standard with global standards, enabling India to leapfrog from BS-4 to BS-6 emissions (the Euro 6 equivalent) by 2020. Additionally, India has implemented Corporate Average Fuel Efficiency norms the manufacturers have to improve their fuel efficiency by 10 percent between 2017 and 2021 and by 30 percent or more from 2022.

IMPORTANCE OF WORKING CAPITAL

Working capital management show business a vital role in the performance of the firm. Since it has the direct relation with firm's profitability and liquidity excessive working capital weakens firms profitability and the inadequate working capital disturbs the solvency of the firm because its inability to across its current obligations. So the firm should maintain its working capital at an optimum level. Net working capital indicates the liquidity position of organizations. The working capital needs may be financed through permanent source of funds. It is a conventional rule that the current assets should be twice of current liabilities of a firm. A weak liquidity position makes the company unsafe and unsound. The negative liquidity is injurious the company's reputation. Excessive liquidity leads to the mismanagement of current assets. Various important determinants of working capital are nature and size of the business; market and demand conditions.

1.2 STATEMENT OF THE PROBLEM

The automotive industry in India is showing marvelous progression and has emerged as a major contributor of India's GDP. Its contribution to Global Auto Industry Development is significantly increasing. In India, since the de-licensing of the sector in 1991 and the subsequent opening up of 100 percent FDI through automatic route, Indian Automobile Sector has come a long way. Now, almost each global auto major has usual facilities in the country.

Working capital is vital component of the daily action of the business concerns irrespective of the proportions and it is referred to life blood of the business. Working capital is the short term obligation but if not managed properly it have emotional impact the profitability. Working capital management involves managing the relationship between the firm's short term assets and short term liabilities. Hence, optimum utilization of funds in working capital and investment in current asset is one of the important parts in the financial

management of the company. Therefore, the present study has been undertaken to find out the answers to the following questions:

1. Whether the automobile companies have good working capital structure and growth?
2. What is the trend of working capital position of automobile companies?
3. Is there any impact of working capital on profitability of automobile companies?

1.3 RESEARCH GAP

Working capital management has an impact on almost all the industries. The literature reviews show that there is a research gap in the aspect of period of the study, methodology, objectives, hypotheses and statistical tools. Hence, the present study differs from other studies.

1.4 SCOPE OF THE STUDY

The present study is a descriptive research based on secondary data. Required secondary data have been collected from available sources profit and loss account and balance sheet of selected ten automobile companies in India over a period of 12 years from 2005-06 to 2017-18.

1.5 OBJECTIVES OF THE STUDY

The primary objective of the present study is to analyze the determinants of working capital in selected automobile industry in India, the following are the specific objectives:

1. To bring out an overview of automobile selected companies in India
2. To examine the structure and growth of working capital of selected automobile companies
3. To bring out the trend in working capital position of selected automobile companies.

REVIEW OF LITERATURE

Milind Bade (2011) GM- Marketing, Bajaj Auto, has mentioned that Bajaj Auto Limited is currently trying to move the industry from a commuter to a biker mindset and at present the focus of the company is on keeping the sub brands and the mother brand different and the main motive behind establishing individual brand is to create differentiation which would

help Bajaj auto, as an organization to develop relationship easily with its customers. Mona J Fitzsimmons (2010) has concluded that the profitability of automobile manufacturers depends on exploiting value added services for instance automobile manufacturers have discovered that financing and after sales service can achieve significant profits. Abhijeet Singh and Brijesh Kumar (2011) Hero Honda Motors Ltd, is running a program called Good life Passport to Relationship Reward, with an objective to create an innovative environment for interaction between Hero Honda and its customers. Members of this program are given a magnetic card in which all information is stored and this card is swiped when using any service at a showroom or workshop and it works like a loyalty benefit card.

1.6 PERIOD OF THE STUDY

The present study is purely based on secondary data. The required secondary has been extracted from profit and loss account and balance sheet of selected 5 automobile companies in India from Capital in database. The study covers a period of 12 years from 2006-07 to 2017-18.

1.7 RESEARCH METHODOLOGY

The main objective of the study is to examine the working capital determinants of automobile companies. The automobile industry is a large sector and in order to represent the whole industry, major five automobile companies in India has been selected. There are about 10 automobile companies listed in the top S&P CNX 500 companies has been shortlisted which had similar business module and the financial information pertaining to income statements, balance sheets, and cash flow statements etc. and also supports the study variables. The other non-financial firms which lack in data were eliminated from this study. The companies selected for the study were;

1. Bajaj Auto Ltd.
2. Ashok Leyland Ltd.
3. Sundaram Clayton Ltd.
4. Eicher Motors Ltd.
5. Force Motors Ltd.

The data collected from the financial statements of the companies have been sorted, tabulated and analysed with respect to objectives of the study. The data have been grouped both company wise and year wise. Trend Analysis has been applied to find out the trend in working capital.

1.8 LIMITATIONS OF THE STUDY

1. In the present study, the data have been obtained from secondary sources and the findings depend entirely on the accuracy of such data.
2. The study considers only five automobile companies in India. Hence, the results may not be applicable to other industries and other companies.
3. The period covered in the study is only for the period of 11 years.

AUTOMOBILE INDUSTRY IN INDIA

The automotive industry in India instigated to develop in the 1940s, the different growth rates instigated only in the 1970s. Cars were considered to be harvests of state-of-the-art technology, the construction remained strictly approved, the growth was limited and there was a restrictive structure of the interest rate. In the 1985-1995 period, MarutiUdyog entered the passenger car segment in cooperation with Japan's Suzuki and Japanese manufacturers in the two-wheeler and commercial vehicle separations.

The Indian automotive industry rapidly advanced subsequently the opening of the new sector in 1991. By the 1990s, the car industry in India was predominantly dominated by Maruti Suzuki, Tata Motors, Hindustan Motors and Premier Padmini in the automotive sector. Ashok Leyland, Tata Motors and Mahindra dominated the classification of commercial vehicles, while Bajaj Auto dominated the two-wheeled segment. According to the Confederation of Indian Industry, the Indian automobile sector can be divided into different market sectors. It is the largest three-wheel drive market, the second-largest two-wheel drive market, the tenth largest car market, the fourth largest tractor market, the fifth largest commercial vehicle market and the fifth largest bus and truck sectors.

TOP 5 AUTOMOBILE COMPANIES IN INDIA

Indian automobile industry takes origin up a long way to require a diverse arrangement of cars these days. There are a number of top automobile companies in succession their operations in India which again have a kind of models in different segments of cars. The list of top 5 automobile companies in India has been highlighted in the below Table,

TABLE

S.NO	Company	Turnover	Profit After Tax (PAT)	Mean Cost of Replacement Parts (MCRP)	Assets
1	Ashok Leyland	11133.04	631.3	6653.15	6621.16
2	Bajaj Auto Ltd.	17008.05	3454.89	46885.69	5154.96
3	Eicher Motors Ltd.	5138.64	243.12	4448.27	474.14
4	Force motors ltd	1574.05	58.62	730.05	583
5	Sundaram Clayton Ltd.	7419.41	64.63	529.23	2428.87

(Source: <https://business.mapsofindia.com/automobile/top-automobile-companies.html>)

From the above Table, it is inferred that. Ashok Leyland Ltd stood first place with annual turnover of Rs. 11133.04 Crores, to the next Bajaj Auto Ltd possessed second place with Rs. 17008.05 Crores. The third place was occupied by Sundaram Clayton Ltd with annual turnover Rs. 7419.41 Crores, The fourth and fifth position was obtained by Force motors Ltd and Eicher motors Ltd with Rs 583 and 474.14 respectively.

ASHOK LEYLAND LTD

The origin of Ashok Leyland, a Hinduja group company, can be attributed to the need intended for self-sufficiency and sentimentality in independent India. Pandit Jawaharlal Nehru, India's first prime minister, convinced Raghunandan Saran, an industrialist, to pass in the automotive industry. In 1948, Ashok Motors was founded in Madras for the Austin Cars Assembly. The destiny and name of the company soon transformed with the contribution of British Leyland and Ashok Leyland began the construction of commercial vehicles in 1955. Since then, Ashok Leyland remained a major attendance in India's professional vehicle industry with the tradition of technological leadership achieved concluded associations with international technology leaders and through penetrating internal research and enhancement. Access to international technology has permitted the Company to establish a tradition of existence the first in technology. Whether it's a full air constraint, a power steering or a rear buss, Ashok Leyland partakes pioneered all of these concepts. Design philosophy comprises of "Designing long-term products that have meaning for the consumer, consuming the right technology" which in turn has shaped consumer conduct and kind temperament.

BAJAJ AUTO LTD

Bajaj Auto Limited is one of the main exchange companies and the lead of the company, Bajaj Auto is ranked as the world's fifth-largest manufacturer of three and two-wheel vehicles. The Bajaj brand is known in many countries of Latin America, Africa, the Middle East, South and South East Asia. Their lead company produces Chetak scooters which stayed the top merchant in the Indian market. The company uniformover the bikes like pulsar and now they are still working. The Bajaj Auto factory sells motorcycles, scooters and auto rickshaws. Bajaj Auto is a member of the Bajaj Group. It was founded by Jamnalal Bajaj in Rajasthan in the 1940s and is based in Pune, Mumbai, with plants in Chakan (Pune), Waluj (near Aurangabad) and Pantnagar in Uttarakhand. At present, Bajaj has happenings in 50 countries in generating a bicycle line tailored to the favorites of the original buyers. Near Bajaj Auto exported 35 per cent of its total sales and 47 per cent of its exports to Africa. The Boxer Motorcycle is the best trading label in Africa.

Bajaj Auto shares are listed on the Bombay Stock Exchange, part of the BSE SENSEX index and the National Stock Exchange of India, part of CNX Nifty. In May 2015, its capitalization was 640 billion pounds, creation it the 23rd largest company in India listed on the stock market based on its market value. The Forbes Global 2000 list for 2012 ranked Bajaj Auto at 1.416.

EICHER MOTORS LTD

Eicher Motors was founded in 1982 and is enthusiastic to the manufacture of commercial vehicles, motorcycles and mechanical mechanisms. In 1986, the company presented its first product "Canter". It is one of the leading manufacturers of commercial vehicles. It has production facilities located in Madhya Pradesh, Tamil Nadu, Maharashtra and Haryana.

The company offers three main products of engines, motorcycles and mechanical parts. As for the engines, it starts to produce many forms of commercial vehicles. Your 50-50 joint venture through Volvo Group, VE Commercial Vehicles Limited, designs, manufactures and markets reliable and cost-effective high quality vehicles with state-of-the-art technology, mechanical components and engineering design solutions. It technical and financial cooperation with Japan's Mitsubishi Motors Corporation, which directed to the construction of the CANTER range of vehicles. It manufactures about 20,000 vehicles per year.

The new Eicher Tractor Corporation of India Ltd was incorporated in 1958. The first indigenous Eicher tractor was launched and Eicher came out by way of India's first

indigenously built tractor from its Faridabad factory in 1959. Then, EicherGoodearth Ltd named as Eicher in the year 1980. In 1982, the company prepared an agreement with Mitsubishi for the manufacture of Light Commercial Vehicles signed in Tokyo Incorporation of Eicher Motors Ltd. It has received ISO certification for its quality systems, the IES Excellence Award as recognition of excellence in productivity, quality, innovation and management. The company takes received the award from the National Productivity Council for the best production yield. Eicher Motors, a company that manufactures Royal Enfield virtual motorcycles.

3.4.10 FORCE MOTORS LTD

Force Motors Ltd is a comprehensive automotive company that concentrations on the design, development and manufacture of components, aggregates and automobiles in India. The company offers tractors, tricycles, light commercial vehicles, multi-service vehicles and cross-country and heavy duty vehicles. Its subsidiaries are Man Force Trucks Pvt Ltd and Tempo Finance (West) Ltd. Force Motors Ltd was founded in 1958 under the name of Baja Tempo Ltd. The company was promoted by NK Firodia. Initially, the company activated production of HANSEAT 3-Wheelers in collaboration with Vidal & Sohn Tempo Werke Germany.

In 1959, the company originated its productive activities at a small factory in Goregaon, a suburb of Mumbai. In 1961, they acquired approximately 1502 acres of land in Akrudi near Pune. In May 1961, the company became a limited liability company. In 1964, they transferred their production facilities to Pune. In 1990, the company formed a new instrument shop in Akurdi, equipped with the latest 3-dimensional CNC cutting equipment and capable of manufacturing large-scale shapes for organizations. They also created a modern CAD / CAM installation to support the movement of the apparatus apartment. They agreed with Ricardo Accessing Engineers on the technology assessment of the engine D 301 E2.

SUNDARAM CLAYTON LTD

Sundaram Motors, part of T V SundramIyengar & Sons Private Ltd., is an authorized representative of Mercedes-Benz passenger cars in the states of Karnataka and Tamil Nadu. The automotive industry for more than six decades and strong relationship with trusted car manufacturers and corporate vendors. Sundaram Motors' turnover exceeds ROL 1135 million as of March 31, 2013. It participates in the sales and servicing of cars, the distribution of parts in the secondary market. Department has 13 car dealers and a network of 45 spare parts distribution points. The spare parts distribution firm consumes confidently established

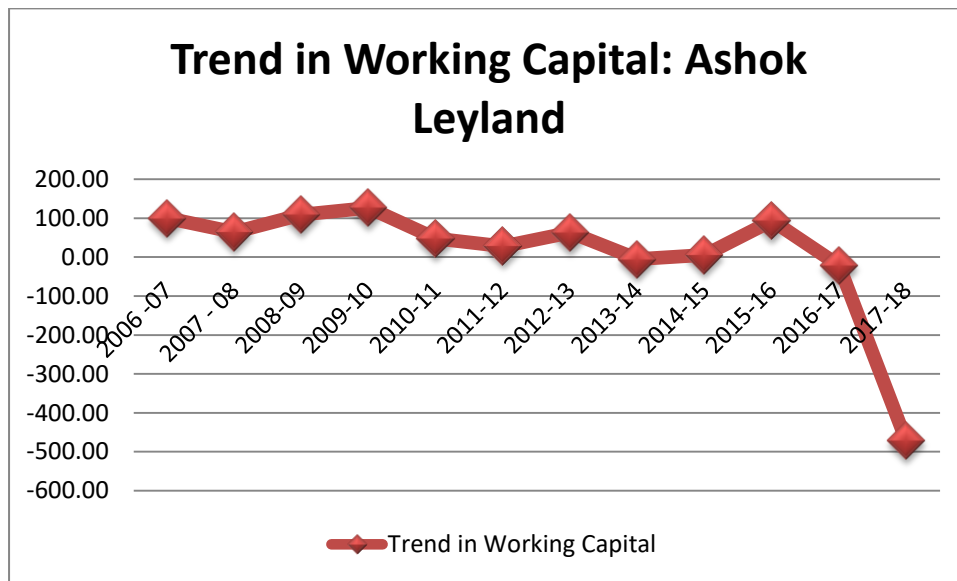
Sundaram Motors as one of the largest car parts distributors built of most important companies of auto industry in India. The network serves more than 6000 retailers in the country. Sundaram Motors launched its Mercedes-Benz Delegation in Karnataka in 2001 and ASC in Tamil Nadu in 2003 in Coimbatore. The TVS team is well-known intended forestablished trust, value and service. Sundaram Motors certain of in overall customer satisfaction and repeatedlygoes to improve quality standards to achieve brilliance. Sundaram Motors is known for its customer-centric approach and is a true "One-Stop-Shop" for the needs of automotive customers..

TABLE-1.1

TREND IN CURRENT WORKING CAPITAL COMPONENTS : ASHOK LEYLAND

S. No	YEAR	Inventories	Sundry Debtors	Cash and Bank	Loans and Advances	Total Current Assets	Trend in Current Assets	Total Current Liabilities	Trend in Current Liabilities	Net Working Capital	Trend in Working Capital
1	2006 - 07	1070.32	522.88	434.94	669.57	2697.71	100	1755.85	100.00	941.86	100.00
2	2007 - 08	1223.91	375.84	451.37	824.14	2875.26	106.58	2271.94	129.39	603.32	64.06
3	2008-09	1330.02	957.97	88.08	789.54	3165.61	117.34	2140.79	121.92	1024.82	108.81
4	2009-10	1638.24	1022.06	518.92	972.91	4152.13	153.91	2960.75	168.62	1191.38	126.49
5	2010-11	2208.9	1164.5	179.53	430.84	3983.77	147.67	3539.74	201.60	444.03	47.14
6	2011-12	2230.62	1230.76	32.56	809.94	4303.88	159.54	4038.6	230.01	265.28	28.17
7	2012-13	1896.02	1419.41	13.94	947.52	4276.89	158.54	3678.5	209.50	598.39	63.53
8	2013-14	1188.7	1299.01	11.69	642.96	3142.36	116.48	3192.79	181.84	-50.43	-5.35
9	2014-15	1398.53	1242.67	751.29	892.06	4284.55	158.82	4233.83	241.13	50.72	5.39
10	2015-16	1625.01	1250.95	1593.13	711.86	5180.95	192.05	4296.24	244.68	884.71	93.93
11	2016-17	2631.03	1064.39	911.97	615.56	5222.95	193.61	5423.21	308.87	-200.26	-21.26
12	2017-18	1709.88	980.48	1004.4	1119.89	4814.65	167.45	7660.35	337.17	-2845.7	-471.67

TREND ANALYSIS



INTERPRETATION

SOURCES: PRIMARY DATA

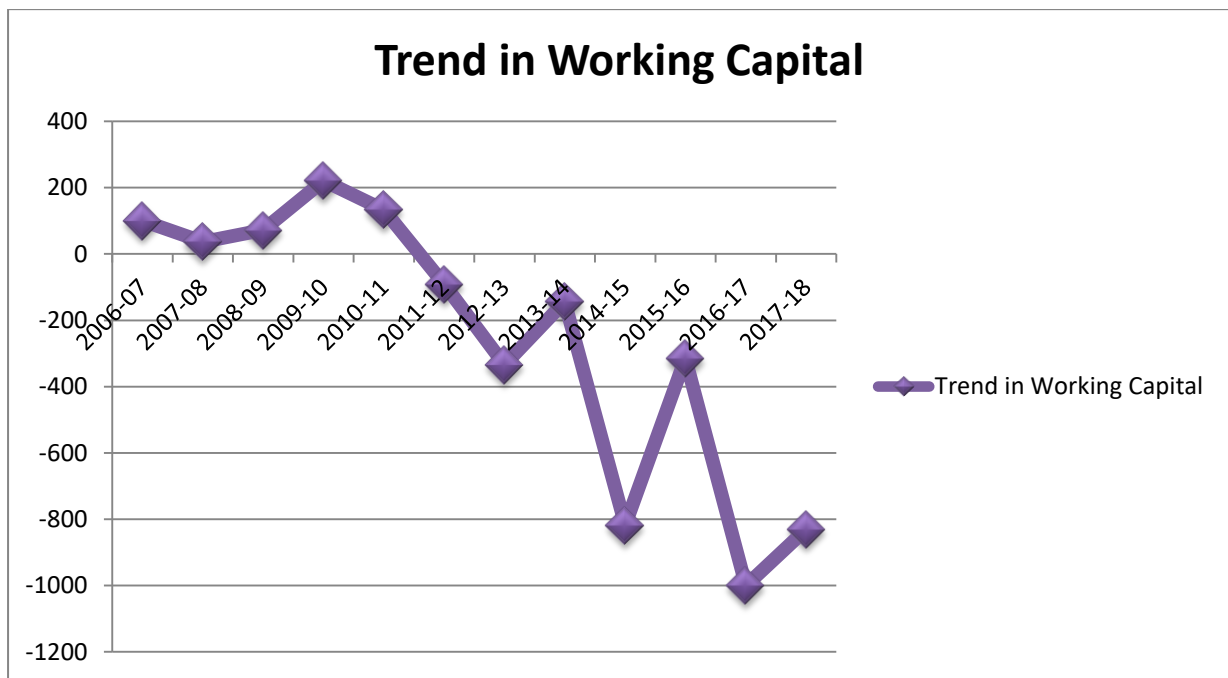
It is evident from Table 1, that trend in working capital of Ashok Leyland is highly fluctuating. There is an increasing trend during the year 2009-10 and 2010-11 and 2012-13. There is a tremendous increase during the year 2015-16. Negative trend in working capital is found during the year 2017-18.

TABLE -2

TREND IN WORKING CAPITAL COMPONENTS: BAJAJ AUTO

YEAR	Inventories	Sundry Debtors	Cash and Bank	Loans and Advances	Total Current Assets	Trend in Current Assets	Total Current Liabilities	Trend in Current Liabilities	Net Working Capital	Trend in Working Capital
2006-07	309.7	529.83	83.48	2814.92	3737.93	100	4355.22	100	-617.29	100
2007-08	349.61	275.31	56.07	968.72	1649.71	44.13	1877.29	43.10	-227.58	36.87
2008-09	338.84	358.65	136.87	1406.49	2240.85	59.95	2686.06	61.67	-445.21	72.12
2009-10	446.21	272.84	101.41	2101.17	2921.63	78.16	4287.95	98.46	-1366.32	221.34
2010-11	547.28	359.89	228.78	992.09	3031.15	81.09	3855.47	88.53	-824.32	133.54

2011-12	678.53	422.79	1653.83	1042.81	5190.15	138.85	4625.16	106.20	564.99	-91.53
2012-13	636.28	767.58	558.86	1311.72	6198.08	165.82	4133.63	94.91	2064.45	-334.44
2013-14	639.72	796.21	495.48	978.45	5616.63	150.26	4730.24	108.61	886.39	-143.59
2014-15	814.15	716.96	586.15	1261.61	9526.27	254.85	4476.79	102.79	5049.48	-818.01
2015-16	719.07	717.93	859.52	7.05	4725.25	126.41	2780.99	63.85	1944.26	-314.97
2016-17	728.38	953.29	293.68	6.47	9391.37	251.25	3212.58	73.76	6178.79	-1000.95
2017-18	742.58	1491.87	778	6.26	9235.63	247.08	4111.29	94.40	5124.34	-830.13



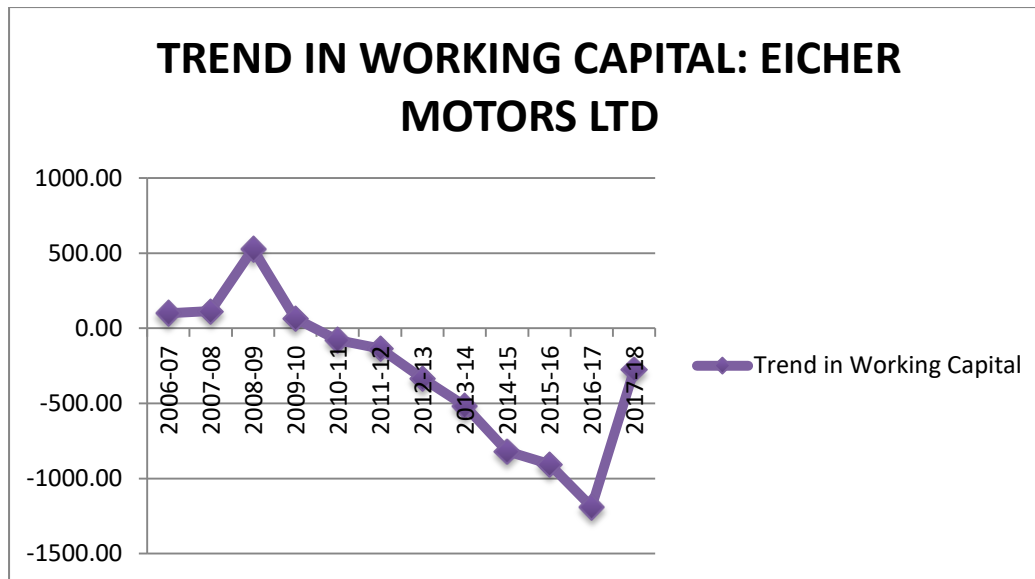
INTERPRETATION

SOURCES: PRIMARY DATA

It is clear from the above table 2, that trend in working capital of Bajaj Auto is highly fluctuating. There is a sudden decline in working capital in the year 2007-08, followed by upward trends. Again, in the year 2010-11 and 2016-17, there is a downward and 2017-18 trend is a upward.

TABLE -3**TREND IN WORKING CAPITAL COMPONENTS: EICHER MOTORS LTD**

S. No	YEAR	Inventories	Sundry Debtors	Cash and Bank	Loans and Advances	Total Current Assets	Trend in Current Assets	Total Current Liabilities	Trend in Current Liabilities	Net Working Capital	Trend in Working Capital
1	2006-07	168.91	189.38	47.73	207.09	613.11	100.00	534.31	100.00	78.8	100.00
2	2007-08	210.38	141.32	48.98	112.68	513.36	83.73	423.66	79.29	89.7	113.83
3	2008-09	19.37	5.08	471.88	28.22	524.55	85.56	108.89	20.38	415.66	527.49
4	2009-10	22.03	5.19	114	44.73	185.95	30.33	134.51	25.17	51.44	65.28
5	2010-11	28.23	3.64	11.1	53.14	96.11	15.68	158.53	29.67	-62.42	-79.21
6	2011-12	45.27	4.1	2.98	54.94	107.29	17.50	213.25	39.91	-105.96	-134.47
7	2012-13	75.41	6.2	3.5	24.23	109.34	17.83	371.86	69.60	-262.52	-333.15
8	2013-14	143.84	12.13	18.71	49.17	223.85	36.51	630.95	118.09	-407.1	-516.62
9	2014-15	205.13	10.7	20.89	74.84	311.56	50.82	956.82	179.08	-645.26	-818.86
10	2015-16	300.36	46.13	44.52	75.53	466.54	76.09	1179.02	220.66	-712.48	-904.16
11	2016-17	322.45	48.94	20.61	84.75	476.75	77.76	1414.52	264.74	-937.77	-1190.06
12	2017-18	379.23	78.02	1208.82	224.95	1891.02	308.43	2108.65	394.65	-217.63	-276.18



INTERPRETATION

SOURCES: PRIMARY DATA

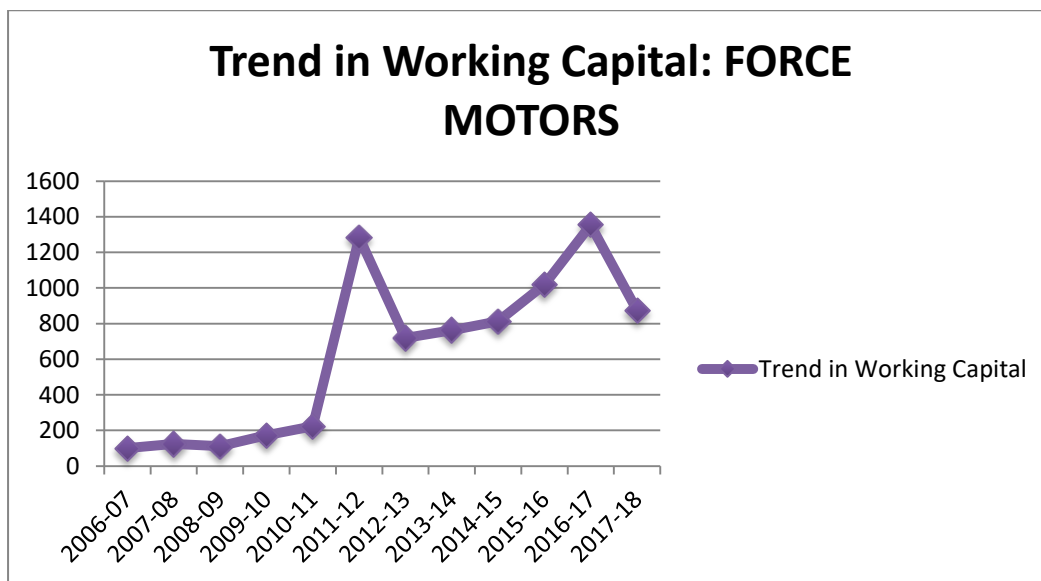
It is evident from Table 4 that there is a downward trend in the working capital of Eicher Motors Ltd., and also it shows an increasing trend only during the year 2008-09. The company suddenly faced downward trend in working capital and leads to negative from 2011-12 which shows the management of working capital and also the trend in 2017-18 shows a significant upward that indicates the flow of working capital is to meet the needs of company.

TABLE -4

TREND IN WORKING CAPITAL COMPONENTS: FORCE MOTORS LTD

S. No	YEAR	Inventories	Sundry Debtors	Cash and Bank	Loans and Advances	Total Current Assets	Trend in Current Assets	Total Current Liabilities	Trend in Current Liabilities	Net Working Capital	Trend in Working Capital
1	2006-07	203.92	119.9	18.27	69.67	411.76	100	361.49	100	50.27	100
2	2007-08	240.67	125.19	17.28	76.57	459.71	111.65	397.33	109.91	62.38	124.09
3	2008-09	196.03	122.89	16.63	71.04	406.59	98.74	350.89	97.07	55.7	110.80

4	2009-10	193.73	150.23	25.71	64.78	434.45	105.51	347.78	96.21	86.67	172.41
5	2010-11	311.31	161.36	14.76	40.44	527.87	128.20	415.43	114.92	112.44	223.67
6	2011-12	362.4	156.43	462.09	69.39	1050.31	255.08	404.72	111.96	645.59	1284.25
7	2012-13	381.63	108.8	225.15	104.95	820.53	199.27	459.37	127.08	361.16	718.44
8	2013-14	377.25	135.08	216.09	116.88	845.31	205.29	461.73	127.73	383.58	763.04
9	2014-15	392.55	108.68	303.03	188.91	993.18	241.20	584.22	161.61	408.95	813.51
10	2015-16	547.51	150.4	317.64	201.19	1216.74	295.50	704.05	194.76	512.69	1019.87
11	2016-17	437.67	115.1	234.22	597.13	1384.12	336.15	703.06	194.49	681.06	1354.80
12	2017-18	477.1	241.91	40.93	361.86	1121.8	272.44	682.85	188.90	438.95	873.18



INTERPRETATION

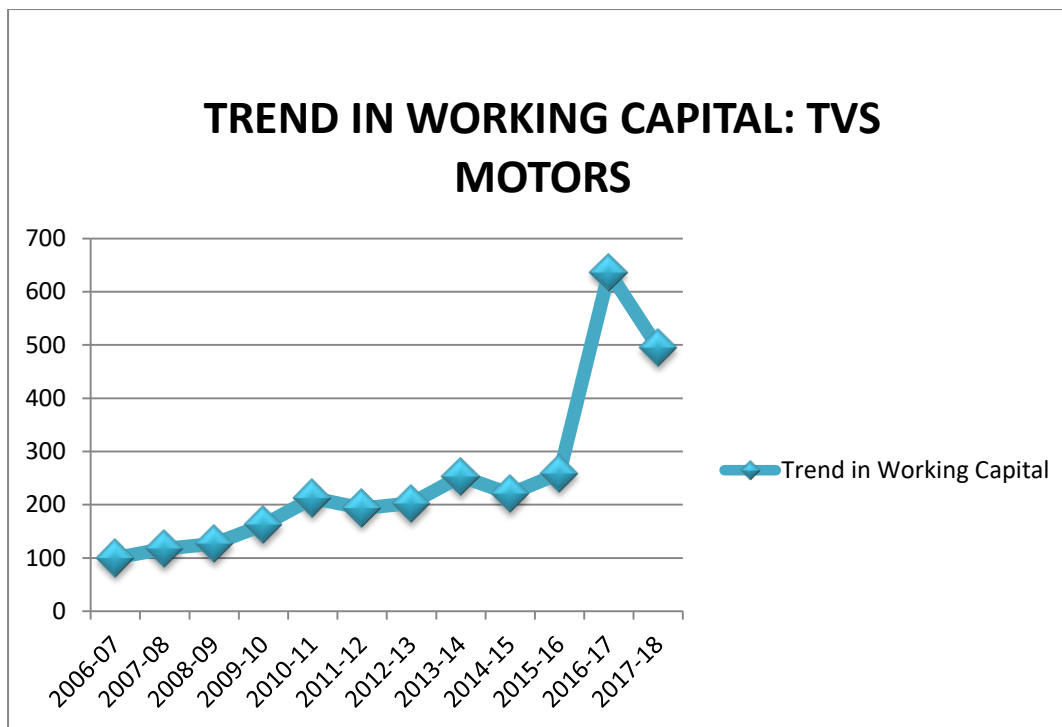
SOURCES: PRIMARY DATA

It is pertinent from Table 4, that trend in working capital of Force Motors faced upward trend except in the year 2008-09 and 2012-13. There is a sudden increase in trend in the year

2011-12. There is an excellent upward trend in the working capital position of the company.
In 2017-18 the flow of trend position is downward line.

TABLE-5**TREND IN WORKING CAPITAL: T.V.SUNDARAM IYENGAR & SONS**

S. No	YE A R	Invento ries	Sund ry Debt ors	Cas h and Ban k	Loans and Advan ces	Total Curr ent Asset s	Tren d in Curr ent Asset s	Total Curre nt Liabili ties	Trend in Curre nt Liabili ties	Net Work ing Capit al	Tren d in Work ing Capit al
1	2006 -07	187.88	149.23	40.33	29.94	407.38	100	225.54	100	181.84	100
2	2007 -08	235.15	174.9	42.45	32.95	485.45	119.16	272.35	120.75	213.1	117.19
3	2008 -09	305.42	153.81	32.87	49.74	541.84	133.01	311.77	138.23	230.07	126.52
4	2009 -10	238.69	134.63	73.62	55.25	502.19	123.27	207.62	92.05	294.57	161.99
5	2010 -11	263.17	151.93	88.43	148.68	652.21	160.10	265.56	117.74	386.65	212.63
6	2011 -12	409.21	215.56	70.2	106.8	801.77	196.81	450.2	199.61	351.57	193.34
7	2012 -13	398.46	254.77	79.09	147.94	880.26	216.08	511.82	226.93	368.44	202.62
8	2013 -14	536.24	319.79	125.11	442.09	1423.23	349.36	962.59	426.79	460.64	253.32
9	2014 -15	535.83	318.6	95.47	264.26	1214.17	298.04	813.39	360.64	400.78	220.40
10	2015 -16	621.41	341.83	97.34	385.83	1446.41	355.05	975.61	432.57	470.8	258.91
11	2016 -17	718.34	409.85	106.9	372.39	1607.48	394.59	449.37	199.24	1158.11	636.88
12	2017 -18	691.28	422.28	127.67	262.3	1503.53	369.07	603.78	267.70	899.75	494.80



INTERPRETATION

SOURCES: PRIMARY DATA

Table 5 highlight trend in working capital of T.V. SundaramIyengar& Sons. There is an upward trend in working capital position throughout the year. There is a decreasing trend in the year 2011-12 and 2014-15. The company has efficient working capital structure. There trend is very high during the year 2016-17 and 2017-18 is very low. It denotes the company has excellent working capital management.

FINDINGS

Thehelp of composite performance assessment model, a company can categories its position.

The less profitablecompanies may concentrate on their working capital utilization to make their company more profitable.

The flow of fund in eachcompany determine the working capital position of the company.

The financial performance of selected automobile companies are classified such as high, low and moderate performing companies during the study period.

CONCLUSION

An attempt has been made in the present study to investigate the analysis of working capital of selected automobile companies in India during the year.

The analysis of working capital includes growth analysis on selected terms such as current liabilities, current assets etc, The study reveals that the financial performance of the Indian automobile sector is fairly satisfactory during the study period. Similarly, the scrutiny of profitability of the selected automobile companies shows that their performance during the study period is satisfactory. Indian automobile industry has a significant growing probable assumed its prevailing low penetration levels and a fast growing economy.

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