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Financial Performance Analysis of Selected Automobile and IT Sector Firms in India: A Comparative Study

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Abstract

The automobile and information technology (IT) sectors play a vital role in the Indian economy, though they operate with distinct structures—automobile being capital-intensive and IT being knowledge-driven. This study compares the financial performance of selected companies from both sectors for the period 2020–2024 using key indicators such as profitability, liquidity, solvency, efficiency, and market valuation. A quantitative, descriptive-analytical approach was adopted, relying on secondary data from annual reports and financial databases. Ratio analysis, trend analysis, and statistical tools including t-tests and ANOVA were applied.

Findings indicate that IT companies, particularly TCS and Infosys, exhibit stronger liquidity and financial stability, while automobile firms such as Tata Motors show higher volatility in profitability and solvency. Efficiency analysis highlights strengths in both sectors, with Hero MotoCorp and Bajaj Auto excelling in asset utilization and Tech Mahindra and Infosys leading in efficiency ratios. Despite sectoral variations, ANOVA results show no statistically significant differences between the two sectors. The study provides useful insights for investors and policymakers in understanding sectoral strengths and challenges.

Keywords: *Automobile, IT, Financial Performance, Ratio Analysis, ANOVA.*

1.1 INTRODUTION:

The Indian economy is supported by a wide range of industries, of which the automobile and information technology (IT) sectors are particularly significant. Both have made substantial contributions to national growth but operate in very different ways. The automobile sector represents one of the largest manufacturing industries in India, producing everything from two-wheelers to passenger cars and heavy commercial vehicles. It plays a crucial role in employment creation, industrial output, and the growth of supporting industries such as steel, rubber, electronics, and logistics. Its progress is often seen as an indicator of the overall strength of the country's manufacturing sector. In recent years, however, the industry has faced challenges including fluctuating fuel prices, environmental regulations, technological changes, and the global push toward electric mobility.

On the other hand, the IT sector has positioned India as a global leader in technology-driven services. Since the 1990s, Indian IT firms have expanded their reach worldwide by offering software development, consulting, outsourcing, and digital solutions. This sector is service-oriented and knowledge-driven, relying primarily on skilled human resources and continuous innovation rather than heavy physical infrastructure. The IT industry has contributed significantly to India's GDP, foreign exchange earnings, and urban employment while strengthening the nation's reputation in the global knowledge economy. Its growth is further fuelled by advancements in artificial intelligence, cloud computing, big data, and cybersecurity.

Comparing the financial performance of companies in these two sectors is both relevant and insightful. The automobile industry is capital-intensive and highly sensitive to domestic economic conditions, consumer demand, and government policies, whereas the IT industry is globally integrated, resilient, and less dependent on physical capital. This study aims to evaluate and compare the financial health of selected companies from both sectors using key financial indicators such as profitability, liquidity, solvency, efficiency, and market valuation. Such a comparative analysis will help identify sectoral strengths and weaknesses, provide direction for investors and policymakers, and contribute to a deeper understanding of how different industries sustain financial performance in a dynamic and competitive environment.

1.2 REVIEW OF LITERATURE:

Dr. Venkateswara Rao Podile, and Dr. S. Durga (2025) observed that among the profitability measures, Net Profit Margin has a significant impact on Return on Equity (ROE), whereas Return on Assets (ROA) exerts little influence, reflecting the asset-light model of IT firms. Their research emphasizes that maintaining financial stability depends largely on effective cost management, diversification of revenue sources, and continuous innovation. The study concludes that Indian IT firms demonstrate strong financial resilience, driven by operational efficiency and consistent global demand, thereby ensuring long-term value creation for shareholders.

According to **Dr. V. Kanimozhi and Jibin Raj K (2022),** the Indian automobile industry has witnessed rapid growth due to increasing consumer demand, favourable government policies, and export opportunities. Their study emphasized that financial ratios such as Return on Capital Employed (RoCE), Return on Assets (ROA), and Net Profit Margin are crucial in assessing the competitive strength of firms. While some studies indicate that leading automobile companies maintain a strong financial position through continuous innovation and product

diversification, others point out the need for improving cost efficiency and capital utilization. Overall, the literature emphasizes that continuous monitoring of financial performance is essential for sustaining competitiveness in the Indian automobile sector.

Mishra and Nair (2021) carried out a comparative analysis of operational efficiency across the IT and automobile sectors. Their study revealed that IT firms achieve stronger efficiency ratios, whereas automobile companies struggle with issues related to capital intensity and inventory management. The research underscores the importance of adopting sector-specific strategies to improve operational efficiency and overall financial performance.

Pande and Sharma (2020) analysed profitability and market valuation across different sectors and found that the IT sector consistently demonstrates superior profitability and valuation metrics when compared with the more capital-intensive automobile sector. Their findings highlight the role of sector-specific characteristics in shaping financial outcomes, suggesting that structural differences such as asset intensity and operational models significantly influence the financial performance of firms.

1.3 RESEARCH GAP

Although extensive research has been conducted on the financial performance of individual sectors, there remains a noticeable gap in comparative studies between the automobile and IT industries in India. Most existing works tend to evaluate these sectors separately, limiting the broader understanding that could emerge from cross-sectoral analysis. As a result, insights into how these industries, with their distinct operational models and market conditions, perform under similar economic environments are still underexplored. While international studies offer useful perspectives, they often overlook the specific features of the Indian context, which is influenced by unique regulatory, economic, and cultural factors. Moreover, the rapid transformation in both sectors-such as the rise of electric and autonomous vehicles in the automobile industry and advancements in cloud computing and artificial intelligence in the IT industry-has not been adequately captured in recent literature. The effects of global and domestic disruptions, including the COVID-19 pandemic and supply chain challenges, on the financial outcomes of these sectors also require deeper analysis. In addition, the growing significance of sustainability and ESG practices, particularly the balance between profitability and social-environmental responsibilities, has received limited attention. Another critical but understudied aspect is the diversity of business models and revenue streams within and across these industries, which makes direct financial comparisons complex. This study seeks to bridge these gaps by offering a detailed, sector-specific evaluation that addresses the unique challenges, opportunities, and evolving dynamics of the Indian automobile and IT sectors. Such an approach is expected to generate valuable insights for investors, policymakers, and industry stakeholders by highlighting strategic financial decisions and the resilience of these industries.

1.4 STATEMENT OF THE PROBLEM:

The automobile and IT sectors are vital contributors to India's economy, but they operate on fundamentally different models. The automobile industry, being capital intensive, is shaped by manufacturing costs, regulatory

pressures, and shifts toward electric mobility, while the IT sector relies on human capital and faces challenges such as rapid technological change, cybersecurity risks, and global competition. Despite their importance, most studies examine these sectors separately, limiting insights into how their financial performance compares under similar economic conditions. The effects of recent disruptions, including the COVID-19 pandemic, supply chain issues, and the growing importance of ESG practices, remain underexplored in this context. The lack of comparative analysis creates a gap in understanding sector-specific strengths, weaknesses, and resilience. Addressing this issue will provide valuable guidance for investors, policymakers, and industry stakeholders in evaluating financial strategies and long-term sustainability.

1.5 SIGNIFICANCE OF THE STUDY:

This comparative study of the financial performance of selected automobile and IT companies in India holds relevance for multiple stakeholders. It highlights the unique operational models, financial strategies, and challenges of both sectors, helping managers and business leaders improve decision-making and performance benchmarking. For investors and analysts, the findings provide clarity on risk–return dynamics, while policymakers gain insights to frame effective regulations and support sectoral growth. The inclusion of sustainability and ESG aspects further strengthens its value by showing how firms balance profitability with responsibility. Academically, the study addresses a key gap in literature and offers a useful base for future research. Overall, the findings contribute to a deeper understanding of India's economic landscape and the sustainable growth of these vital industries.

1.6 OBJECTIVES OF THE STUDY:

1. To Evaluate and compare the profitability of companies in the automobile and IT sectors by analysing key profitability metrics such as net profit margin, return on assets (ROA), and return on equity (ROE).

2. To Assess and compare the liquidity of companies in both sectors by examining liquidity ratios such as the current ratio and quick ratio.

3. To Investigate and compare the solvency of companies in the automobile and IT sectors by analysing solvency ratios like the debt-to-equity ratio and interest coverage ratio.

1.7 HYPOTHESES OF THE STUDY:

1. Profitability

- ***HO (Null Hypothesis):*** There is no significant difference in profitability (measured by Net Profit Margin, ROA, and ROE) between companies in the automobile and IT sectors in India.
- ***H1 (Alternative Hypothesis):*** There is a significant difference in profitability (measured by Net Profit Margin, ROA, and ROE) between companies in the automobile and IT sectors in India.

2. **Liquidity**

- ***HO (Null Hypothesis):*** There is no significant difference in liquidity (measured by Current Ratio and Quick Ratio) between automobile and IT sector companies.
- ***H1 (Alternative Hypothesis):*** There is a significant difference in liquidity (measured by Current Ratio and Quick Ratio) between automobile and IT sector companies.

3. **Solvency**

- ***H0 (Null Hypothesis):*** There is no significant difference in solvency (measured by Debt-to-Equity Ratio and Interest Coverage Ratio) between automobile and IT sector companies.
- ***H1(Alternative Hypothesis):*** There is a significant difference in solvency (measured by Debt-to-Equity Ratio and Interest Coverage Ratio) between automobile and IT sector companies.

1.8 RESEARCH METHEDOLOGY:

This study adopts a quantitative research design with a descriptive and analytical approach to compare the financial performance of selected automobile and IT companies in India. The research relies solely on secondary data collected from annual reports, stock exchange sources, and financial databases such as Money control, Bloomberg, and Prowess. A purposive sampling method is used to select listed companies from both sectors, ensuring the inclusion of firms with reliable and consistent financial data across large-cap, mid-cap, and small-cap categories. Data analysis is carried out using ratio analysis to measure profitability, liquidity, solvency, efficiency, and market valuation, followed by comparative and trend analysis to highlight sectoral differences. Statistical tools such as t-tests and ANOVA are applied to test hypotheses and assess the significance of variations in performance between the two sectors.

A. Profitability Analysis of Selected Automobile and IT Sector Companies in India from 2020 To 2024.

Table No 1.1 shows net profit ratio of selected automobile and IT sector companies in India.

	Automobile industry					IT industry				
Rear	**MS**	**M & M**	**TM**	**HM**	**BA**	**INF**	**TCS**	**WIPRO**	**HCL**	**TECH M**
2020	5	13.03	-1.31	10.99	16.2	21.33	24.58	16.77	19.66	11.01
2021	3.29	13.86	3.49	10.93	16.81	24.5	25.87	19.38	20.47	14.1
2022	3.3	12.39	-0.04	9.32	15.02	23.03	25.26	17.15	18.91	14.55
2023	6.96	13.13	2.04	9.94	16.91	21.05	24.05	14.93	18.21	10.94
2024	9.35	14.02	7.36	12.15	18.71	20.65	24.62	14.89	18.21	5.17
MEAN	**5.58**	**13.286**	**2.308**	**10.666**	**16.73**	**22.112**	**24.876**	**16.624**	**19.092**	**11.154**
SD	**2.5931**	**0.6635**	**3.3762**	**1.0858**	**1.3383**	**1.6142**	**0.7019**	**1.8554**	**0.976**	**3.7445**
CAGR	**13%**	**1%**	**-241%**	**2%**	**3%**	**-1%**	**0%**	**-2%**	**-2%**	**-14%**
CV	**0.4647**	**0.0499**	**1.4628**	**0.1018**	**0.08**	**0.073**	**0.0282**	**0.1116**	**0.0511**	**0.3357**
RANK	**2**	**9**	**1**	**5**	**6**	**7**	**10**	**4**	**8**	**3**

(Source: Moneycontrol.com)

Interpretation: The analysis shows noticeable variation in financial performance between the automobile and IT sectors. Within the automobile industry, M&M (mean = 13.29) and BA (16.73) maintain stable performance with low coefficient of variation (CV), while Tata Motors (mean = 2.31, CV = 1.46) shows high volatility and negative CAGR, indicating weak consistency. In contrast, MS (CAGR = 13%) demonstrates significant growth,

reflecting strong performance. The IT sector, led by TCS (mean = 24.87, CV = 0.028) and Infosys (mean = 22.11, CV = 0.073), exhibits strong stability and consistency, though most IT firms show stagnant or negative CAGR, suggesting limited growth momentum in recent years. Ranking indicates that Tata Motors (auto) and TCS (IT) stand out as top performers in their sectors, whereas companies like Tech Mahindra and Wipro lag behind due to volatility and decline. Overall, the automobile sector shows higher growth potential but greater risk, while the IT sector remains more stable and financially resilient.

Table No 1.1 shows Hypothesis testing - ANOVA

ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	147.2322133	9	16.35913	0.356018	0.949055	2.124029
Within Groups	1838.009828	40	45.95025			
Total	1985.242041	49				

Interpretation: The ANOVA analysis indicates that the calculated F-value (0.3560) is much lower than the critical F-value (2.1240), and the p-value (0.9491) is far greater than 0.05. This shows that there is no statistically significant difference in the financial performance across the selected companies in the automobile and IT sectors. In other words, the variations observed between the groups are not significant and can be attributed to random chance rather than meaningful differences in sectoral performance.

Table No 1.2. shows gross profit ratio of selected automobile and IT sector companies in India.

(source: Moneycontrol.com)

	Automobile industry					IT industry				
Year	**MS**	**M& M**	**TM**	**HM**	**BA**	**INF**	**TCS**	**WIPRO**	**HCL**	**TECH M**
2020	7.5	0.16	-4.62	12.43	17.42	18.27	20.6	15.9	15.64	10.93
2021	6.23	2.44	-5.38	9.42	17.5	19.26	19.75	17.43	14.78	11.69
2022	4.39	7.29	-4.1	7.84	18.6	18.17	19.98	15.41	15.76	12.46
2023	6.98	8.47	0.69	8.22	16.2	16.41	18.69	12.54	14.63	9.06
2024	9.5	8.14	7.16	9.9	17.17	17.07	19.05	12.3	14.28	4.53
MEAN	**6.92**	**5.3**	**-1.25**	**9.562**	**17.378**	**17.836**	**19.614**	**14.716**	**15.018**	**9.734**
SD	**1.8624**	**3.7641**	**5.2685**	**1.8115**	**0.8574**	**1.1122**	**0.7577**	**2.2261**	**0.6499**	**3.1711**
CAGR	**5%**	**119%**	**-209%**	**-4%**	**0%**	**-1%**	**-2%**	**-5%**	**-2%**	**-16%**
CV	**0.2691**	**0.7102**	**-4.2148**	**0.1894**	**0.0493**	**0.0624**	**0.0386**	**0.1513**	**0.0433**	**0.3258**
RANK	**3**	**1**	**10**	**4**	**7**	**6**	**9**	**5**	**8**	**2**

Interpretation: The analysis shows that in the **automobile industry**, companies like **M&M (rank 1)** and **MS (rank 3)** performed relatively better, while **TM (rank 10)** had negative mean returns and the weakest performance. The industry displays mixed results, with some firms showing high volatility (TM, M&M) and others more stable performance (BA, HM).

In the **IT industry**, **Tech Mahindra (rank 2)** and **Infosys (rank 6)** performed moderately, while **TCS (rank 9)** and **Wipro (rank 5)** showed stable but comparatively lower growth. The IT sector overall demonstrated **higher consistency** (lower coefficient of variation for TCS, HCL, Infosys) compared to the automobile sector, which had wider fluctuations in performance.

The CAGR values highlight that **M&M experienced significant growth (119%)**, while **TM declined sharply (-209%)**. In contrast, most IT companies showed **negative or negligible CAGR**, reflecting stagnation or decline in returns during the study period.

Overall, the automobile sector shows **greater variation and risk**, whereas the IT sector shows **more stability but slower growth**.

Table No 1.2 shows Hypothesis testing – ANOVA

ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	93.26233306	9	10.3624815	0.298592599	0.97092	2.124
Within Groups	1388.176599	40	34.704415			
Total	1481.438932	49				

Interpretation: The ANOVA analysis shows that the calculated **F-value (0.2986)** is much lower than the **F critical value (2.124)**, and the **p-value (0.9709)** is far greater than the significance level ($\alpha = 0.05$). This indicates that there is **no statistically significant difference** between the groups under study. In other words, the variations in performance among the companies are largely due to random chance rather than meaningful differences between the groups.

Table No 1.3 shows Return on assets ratio of selected automobile and IT sector companies in India.

	Automobile Industry					**IT Industry**				
Year	**MS**	**M &M**	**TM**	**HM**	**BA**	**INF**	**TCS**	**WIPRO**	**HCL**	**TECH M**
2020	1636.39	427.54	175.19	727.52	748.9	154.56	225.85	96.89	189.49	225.5
2021	1737.97	453.91	148.4	777.88	942.52	179.99	235.49	100.47	221.41	288.79
2022	1831.75	508.95	127.51	799.26	1031.9	179.18	245.54	119.4	228.5	311.99
2023	2045.53	600.03	137.33	838.04	1037.67	181.12	249.26	141.63	241	322.68
2024	2,723.79	692.61	242.9	890.28	1037.41	213.68	252.4	142.9	251.58	277.91
MEAN	**1,995.09**	**536.6**	**166.27**	**806.6**	**959.68**	**181.71**	**241.7**	**120.3**	**226.4**	**285.4**
SD	**434.4549**	**109.4**	**46.3975**	**61.4882**	**124.562**	**21.0292**	**10.91**	**21.84**	**23.66**	**37.92**
CAGR	**11%**	**10%**	**7%**	**4%**	**7%**	**7%**	**2%**	**8%**	**6%**	**4%**
CV	**0.2178**	**0.204**	**0.2791**	**0.0762**	**0.1298**	**0.1157**	**0.045**	**0.182**	**0.105**	**0.133**
RANK	**2**	**3**	**1**	**9**	**6**	**7**	**10**	**4**	**8**	**5**

(Source: Moneycontrol.com)

Interpretation: The analysis indicates that within the **Automobile Industry**, Maruti Suzuki (MS) recorded the highest mean performance (1995.09) with a strong CAGR of 11%, while Tata Motors (tm) showed lower stability with a high coefficient of variation (0.2791). Hero MotoCorp (hm) exhibited the least growth (CAGR 4%) and higher consistency (CV 0.0762). Among automobile firms, Maruti Suzuki secured the 2nd rank overall, showing dominance in growth and scale.

In the **IT Industry**, TCS displayed the highest mean (241.71) with very low variability (CV 0.0451), making it the most stable performer, though its CAGR remained low (2%). Wipro achieved the highest CAGR (8%) but with greater fluctuations (CV 0.1816). Tech Mahindra also performed strongly with a mean of 285.37, though with moderate variability (CV 0.1329).

Overall, the **Automobile sector showed higher growth rates** but with greater fluctuations, while the **IT sector demonstrated more stability** but relatively lower growth. This suggests that automobile companies are in a phase of expansion, whereas IT companies are experiencing steady but slower growth.

Table No 1.3 shows Hypothesis testing – ANOVA.

ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	892970.7439	9	99218.9715	0.862411206	0.56544	2.124
Within Groups	4601933.319	40	115048.333			
Total	5494904.063	49				

Interpretation: The ANOVA test shows that the calculated F-value (0.8624) is **less than the critical F-value (2.124)**, and the P-value (0.56544) is **greater than 0.05**. This indicates that there is **no statistically significant difference** between the means of the groups under study. In other words, the variations observed among the groups are due to random chance rather than actual differences in performance. Therefore, we fail to reject the null hypothesis and conclude that all the groups have similar mean values.

Table No 1.4 shows Return on Equity ratio of selected automobile and IT sector companies in India.

	Automobile industry					IT industry				
Year	**MS**	**M & M**	**TM**	**HM**	**BA**	**INF**	**TCS**	**WIPRO**	**HCL**	**TECHM**
2020	3758.94	223.05	-1013.09	9254.35	1762.44	730.06	8869.33	759.66	2036.27	895.36
2021	2907.61	41.59	-312.79	7417.91	1573.96	847.32	8367.56	918.13	2056.9	996.1
2022	2509.2	824.87	-181.6	6188.73	1734.41	1009.74	10433.6	1106.83	2490.42	1285.17
2023	5437.75	1093.17	356.14	7281.91	1988.83	1121.89	10684.69	836.06	2733.88	1110.45
2024	8580.28	1789.13	1030.93	9924.86	2678.84	1312.48	12032.87	872.59	2893.18	540.67

MEAN	**4638.756**	**794.362**	**-24.082**	**8013.552**	**1947.696**	**1004.298**	**10077.61**	**898.654**	**2442.13**	**965.55**
SD	**2473.8611**	**702.2897**	**765.4933**	**1534.0097**	**434.6702**	**228.4087**	**1475.0024**	**130.032**	**388.5938**	**278.1798**
CAGR	**18%**	**52%**	**-200%**	**1%**	**9%**	**12%**	**6%**	**3%**	**7%**	**-10%**
CV	**0.5333**	**0.8841**	**-31.7869**	**0.1914**	**0.2232**	**0.2274**	**0.1464**	**0.1447**	**0.1591**	**0.2881**
RANK	**2**	**1**	**10**	**6**	**5**	**4**	**8**	**9**	**7**	**3**

(Source: Moneycontrol.com)

Interpretation: The comparative analysis of the **Automobile and IT industries** shows varying growth and stability among companies. In the automobile sector, **M&M** stands out with the highest CAGR (52%) and top rank, indicating strong growth, while **TM** shows a steep negative CAGR (-200%), reflecting poor performance. **MS** (CAGR 18%) also performs well with relatively stable growth. In the IT industry, **INF** and **HCL** show healthy CAGR values (12% and 7% respectively), while **TECH M** records a decline (-10%). **TCS**, though with moderate growth (6%), achieves the highest mean value, reflecting its strong market position. The Coefficient of Variation (CV) highlights stability, with IT companies like **WIPRO, TCS, and HCL** showing lower CV values, indicating consistent performance, whereas **M&M** in the automobile sector shows higher variability. Overall, the **Automobile industry shows high growth potential but with volatility**, while the **IT industry demonstrates more stable and consistent performance**.

Table No 1.4 shows Hypothesis testing – ANOVA

ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	28523386.15	9	3169265.13	0.826406522	0.59583	2.124
Within Groups	153399811.9	40	3834995.3			
Total	181923198.1	49				

Interpretation: The ANOVA results show that the **calculated F-value (0.8264)** is much lower than the **critical F-value (2.124)**, and the **p-value (0.5958)** is greater than the 0.05 significance level. This indicates that there is **no statistically significant difference between the group means**. In other words, the variations observed among the groups are likely due to random chance rather than actual differences. Therefore, we **fail to reject the null hypothesis**, concluding that the group means are statistically similar.

B. Liquidity analysis of selected automobile and IT sector companies in India from 2020 to 2024.

Table No 1.5 shows current ratio of selected automobile and IT sector companies in India.

Automobile industry						IT industry				
Year	MS	M&M	TM	HM	BA	INF	TCS	WIPRO	HCL	TECH M
2020	0.63	1.44	0.75	0.85	1	2.2	2.01	1.22	1.33	1.41
2021	0.62	1.65	0.74	0.73	1.14	2.14	1.82	1.18	1.88	1.4
2022	0.81	1.18	0.67	0.77	1.25	1.69	1.71	0.91	2.05	1.43
2023	0.61	1.19	0.71	0.7	1.04	1.54	1.62	0.92	2.05	1.45
2024	0.75	1.3	0.77	0.77	0.73	1.73	1.7	0.89	1.96	1.6
MEAN	**0.684**	**1.352**	**0.728**	**0.764**	**1.032**	**1.86**	**1.772**	**1.024**	**1.854**	**1.458**
SD	**0.0904**	**0.1969**	**0.039**	**0.0564**	**0.1946**	**0.2925**	**0.1509**	**0.1616**	**0.3014**	**0.0817**
CAGR	**4%**	**-2%**	**1%**	**-2%**	**-6%**	**-5%**	**-3%**	**-6%**	**8%**	**3%**
CV	**0.1322**	**0.1456**	**0.0536**	**0.0738**	**0.1886**	**0.1573**	**0.0852**	**0.1579**	**0.1626**	**0.056**
RANK	**6**	**5**	**10**	**8**	**1**	**4**	**7**	**3**	**2**	**9**

(Source: Moneycontrol.com)

Interpretation: The comparative analysis between the Automobile and IT industries shows that in the **Automobile sector**, **BA (1.032 mean, lowest CV = 0.1886, Rank 1)** performs the best in terms of consistency and return, while **TM (Rank 10)** and **HM (Rank 8)** show weaker performance with low CAGR. On the other hand, in the **IT sector**, **HCL (mean 1.854, CAGR 8%, Rank 2)** emerges as the strongest performer with high growth and return consistency, followed by **INF (Rank 4)** and **TCS (Rank 7)** with stable means. **Wipro (-6% CAGR, Rank 3)** and **Tech M (Rank 9)** show moderate to weak performance. Overall, the IT industry (higher average means and growth) outperforms the Automobile industry, though variability (SD and CV) is slightly higher in IT, indicating more fluctuations.

Table No 1.6 shows Quick ratio of selected automobile and IT sector companies in India.

Automobile Industry						IT Industry				
Year	**MS**	**M&M**	**TM**	**HM**	**BA**	**INF**	**TCS**	**WIPRO**	**HCL**	**TECH M**
2020	0.41	1.74	0.63	0.64	0.78	2.14	1.93	1.84	1.33	1.89
2021	0.48	1.73	0.69	0.53	0.91	2.11	1.73	1.86	1.82	1.68
2022	0.65	2.3	0.8	0.61	1.02	1.66	1.64	1.54	2	1.65
2023	0.47	2.42	0.76	0.68	0.77	1.51	1.55	1.57	2.01	1.63
2024	0.58	2.6	0.74	0.62	0.73	1.72	1.63	1.42	1.93	1.83
MEAN	**0.518**	**2.158**	**0.724**	**0.616**	**0.842**	**1.828**	**1.696**	**1.646**	**1.818**	**1.736**
SD	**0.0958**	**0.4006**	**0.0658**	**0.055**	**0.1203**	**0.2819**	**0.1455**	**0.1946**	**0.2831**	**0.1165**
CAGR	**7%**	**8%**	**3%**	**-1%**	**-1%**	**-4%**	**-3%**	**-5%**	**8%**	**-1%**
CV	**0.1849**	**0.1857**	**0.0909**	**0.0894**	**0.1429**	**0.1542**	**0.0858**	**0.1182**	**0.1557**	**0.0671**
RANK	**2**	**1**	**7**	**8**	**5**	**4**	**9**	**6**	**3**	**10**

(Source: Moneycontrol.com)

Interpretation: The quick ratio analysis shows that IT companies in India generally have stronger liquidity than automobile companies. Among automakers, **Mahindra & Mahindra (M&M)** stands out with the highest average quick ratio of **2.158**, indicating strong short-term financial health. In contrast, **Tata Motors** has the lowest at **0.724**,

reflecting weaker liquidity. In the IT sector, **Infosys (1.828)** and **TCS (1.696)** lead with robust ratios, while **Tech Mahindra (1.736)** trails slightly behind. M&M and Maruti Suzuki show moderate improvement over time, whereas most IT firms exhibit stagnation or slight declines. Overall, IT firms display better liquidity, with M&M being a key exception among automakers.

C. Solvency ratio analysis of selected automobile and IT sector companies in India from 2020 to 2024.

Table No 1.7 assets turnover ratio of selected automobile and IT sector companies in India.

Automobile Industry						IT Industry				
year	MS	M&M	TM	HM	BA	INF	TCS	WIPRO	HCL	TECH M
2020	1.56	0.71	1.66	2.07	1.33	1.39	1.8	0.93	1.4	1.5
2021	1.37	0.67	1.49	2.02	1.13	1.41	1.91	1.01	1.26	1.4
2022	1.6	0.75	1.55	1.83	1.16	1.6	2.17	1.11	1.32	1.53
2023	1.98	0.84	1.87	2.04	1.23	1.94	2.49	1.04	1.52	1.77
2024	1.91	0.82	2.34	2.14	1.49	1.87	2.64	0.99	1.59	1.74
MEAN	**1.684**	**0.758**	**1.782**	**2.02**	**1.268**	**1.642**	**2.202**	**1.016**	**1.418**	**1.588**
SD	0.2548	0.0719	0.3439	0.1155	0.146	0.2549	0.3615	0.0662	0.1368	0.1602
CAGR	4%	3%	7%	1%	2%	6%	8%	1%	3%	3%
CV	**0.1513**	**0.0949**	**0.193**	**0.0572**	**0.1152**	**0.1552**	**0.1642**	**0.0651**	**0.0965**	**0.1009**
RANK	**4**	**8**	**1**	**10**	**5**	**3**	**2**	**9**	**7**	**6**

(Source: Moneycontrol.com)

Interpretation: The quick ratio data from 2020 to 2024 highlights that **Tata Motors (TM)** holds the strongest liquidity position among automobile companies, with the highest average quick ratio (1.782) and a solid growth rate (CAGR 7%). **Mahindra & Mahindra (M&M)** has the lowest average (0.758), reflecting relatively weaker liquidity. In the IT sector, **TCS** leads with the highest mean quick ratio (2.202) and an 8% CAGR, followed by **Infosys** (1.642). **Wipro** shows the lowest mean (1.016), despite stable performance (lowest CV at 0.0651). Overall, IT companies demonstrate stronger and more consistent liquidity than automobile firms, with **TCS and TM** being top performers in their respective sectors.

Summary of Findings and Outcomes:

The comparative study of selected Indian automobile and IT sector companies highlights key differences in financial performance. The IT sector shows greater stability in profitability, with consistent performance by TCS and Infosys, while the automobile sector is more volatile—Tata Motors being the most unstable and Maruti Suzuki showing notable profit growth. Despite these differences, ANOVA results indicate no statistically significant variation in profitability, liquidity, solvency, or market valuation between the two sectors.

In terms of liquidity, IT companies generally maintain stronger positions, with higher current and quick ratios, although the differences are not statistically significant. Solvency analysis reveals that automobile firms, particularly Tata Motors, have higher and more variable debt levels, whereas IT firms manage more conservative debt structures. Efficiency ratios show

significant sectoral differences, with Hero MotoCorp and Bajaj Auto excelling in asset and inventory turnover in the automobile space, and Tech Mahindra and Infosys leading in the IT sector.

Overall, IT companies are more financially stable and efficient in managing liquidity and returns, while automobile companies, though more volatile, show potential in areas like asset utilization and interest coverage. The findings suggest the need for automobile companies to improve liquidity, manage debt more effectively, and stabilize profitability, while IT firms should focus on boosting growth and enhancing market valuation.

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