



# FINANCIAL PERFORMANCE AND STABILITY ASSESSMENT OF TATA MOTORS LIMITED: EVIDENCE FROM COMPARATIVE FINANCIAL STATEMENT ANALYSIS

<sup>1</sup>Lavanya Veeran <sup>2</sup>Jeni Antonita J

<sup>1</sup>Assistant professor, <sup>2</sup>Master of Commerce

Department of Commerce, Faculty of Science and Humanities, SRM Institute of Science and Technology, Kattankulathur Campus

**Abstract** India's economy depends heavily on the automotive sector, and Tata Motors Limited is one of the top automakers that makes a substantial contribution to this industry. Examining the company's financial performance and stability throughout a five-year period from 2020–2021 to 2024–2025 is the goal of the current study. The research is mostly based on secondary data gathered from Tata Motors Limited's published annual reports and financial statements, as well as supporting material from pertinent financial periodicals and other sources.

The research employs a descriptive and analytical methodology to assess the company's financial standing. A comparative balance sheet has been the primary analytical tool for assessing year-over-year variations in the company's financial structure. The research focuses on key financial components such as shareholders' cash, reserves and surplus, long-term and short-term liabilities, non-current assets, and current assets. To comprehend the company's financial structure and the shifts in its asset and liability composition over the course of the study, these elements are looked at. As a result, the study offers a methodical framework for evaluating Tata Motors Limited's financial situation using financial statement analysis for the chosen time range.

**IndexTerms** - *Financial Growth, Financial Stability, Comparative Balance Sheet, Tata Motors Limited*

## I. INTRODUCTION

The Automotive Industry in India is the fourth-largest by production in the world as per 2022 statistics. As of 2023, India is the 3rd largest automobile market in the world in terms of sales. In 2022, India became the fourth largest country in the world by the valuation of its automotive industry. As of April 2022, India's auto industry is worth more than US\$100 billion and accounts for 8% of the country's total exports and 7.1% of India's GDP. According to the 2021 National Family Health Survey, barely 8% of Indian households own an automobile. According to government statistics, India has barely 22 automobiles per 1,000 people. India's

major automobile manufacturing companies includes Maruti Suzuki, Hyundai Motor India, Tata Motors, Ashok Leyland, Mahindra & Mahindra, Force Motors etc.. Over the years, the company expanded its portfolio to include commercial vehicles, passenger cars, electric vehicles, and luxury brands. The acquisition of Jaguar Land Rover (JLR) in 2008 was a game-changer, elevating Tata Motors to a global automotive powerhouse. The company has since continued its journey of transformation, with a focus on sustainability, electric mobility, and digital innovation.

Tata Motors Limited is an Indian Multinational automotive company, headquartered in Mumbai, and part of the Tata Group. The company produces cars, trucks, vans, and buses. Subsidiaries include British Jaguar Land Rover and South Korean Tata Daewoo. Tata Motors has a joint venture with Hitachi (Tata Hitachi Construction Machinery) and Stellantis, which makes vehicle parts for Fiat Chrysler and Tata-branded vehicles. On 12 October 2021, private equity firm TPG invested \$1 billion in Tata Motors' electric vehicle subsidiary. Tata Motors is listed on the BSE (Bombay Stock Exchange), where it is a constituent of the BSE SENSEX index, the National Stock Exchange of India, and the New York Stock Exchange. The company is ranked 265th on the Fortune Global 500 list of the world's biggest corporations as of 2019. On 17 January 2017, Natarajan Chandrasekaran was appointed chairman of the company Tata Group. Tata Motors increased its UV market share to over 8% in FY2019.

## GROWTH

Determining and focusing on profitability at the beginning, or start-up, of a company, is essential. On the other hand, growth of market and sales is the means to achieving that initial profitability. Identifying growth opportunities should become the next important item on any

company's goal list after a company moves beyond the start-up phase. Growth for a business is essentially an expansion, making the company bigger, increasing its market, and ultimately making it more profitable. Measuring growth is possible by looking at some pertinent statistics, such as overall sales, the number of staffs, market share, and turnover.

## **STABILITY**

Effective resource allocation, risk management, and sustainable economic growth are all facilitated by a stable financial system. It restricts excessive volatility in the prices of real and financial assets and keeps employment close to its natural rate. When the system can use self-corrective mechanisms to absorb shocks from internal imbalances or unanticipated external events, financial stability is present. The real economy is shielded from disruptions by such stability. A comparative study of financial stability is crucial in this situation. Tata Motors' Relative liquidity, solvency, and profitability positions can be evaluated by comparing it to similar companies' variety of financial circumstances as well as its resilience to economic shocks.

## **FINANCIAL STATEMENTS**

Comparative Financial Statements, as the word suggests, are the statements that show the financial numbers of more than one year (consecutive periods) of an entity. Moreover, such a type of presentation allows the reader to compare the financial performance of the company with previous years. Generally, a company's comparative statements show the results of the most recent three years. In such a statement, the previous period's financial numbers come along with the current period numbers. And they are grouped and presented in a similar sequence and format for ease of reading and understanding.

- The Balance Sheet, which describes the financial position of the company at the end of the accounting period day for multiple periods.
- Further, the presentation of comparative statements helps to draw conclusions with regard to the profitability and financial performance of the firm.

Financial statements are prepared primarily for decision making. They play a dominant role in setting the frame work of managerial decisions. The financial analysis is the process of financial strength and weakness of the firm by properly establishing relationship between items of the balance sheet and P & L account.

This study aims at analyzing the overall financial study of the Tata Motors by using various

financial tools. The study is based on the accounting information of Tata Motors. This study analyzes the financial statements such as income statements and balance sheet. The data of the past five years are considered for the study. The performance of Tata Motors is significant not only for its shareholders but also for the overall automotive industry and the economy.

## II REVIEW OF LITERATURE

**Dr. C. Selvaraj and Ms. Suryasri M (2023)** They analyzed the financial performance of Tata Motors from 2000-2023. It examines key financial indicators such as current assets, liabilities, net profit, current ratio, and debt-equity ratio, providing a detailed analysis of the company's financial position and offering suggestions for improvement. The study concludes that Tata Motors' financial performance from 2000–2023 showed considerable fluctuations in liquidity, profitability, and leverage. It recommends better working capital management and a balanced debt–equity structure to improve long-term financial stability. **Mr. R. Suresh and Ms. Tharanya K, (2023)** investigated the financial performance of Tata Motors over five years (2018-2022). It uses profitability, liquidity, and solvency ratios. The study concludes that Tata Motors showed fluctuating profitability and weak liquidity during 2018–2022 due to high debt levels. It emphasizes the need for improved liquidity management and reduction in leverage to strengthen overall financial stability. **Dr. Abdul Rahman (2024)** They focused on assessing the financial performance of Tata Motors and Toyota Motor Corporation over a five-year period from 2019-20 to 2023-24. The main goal is to understand how sales, profit, and working capital trends have affected these companies and to determine if poor working capital management can negatively impact a company's profitability. The study also acknowledges that company size is a key factor in working capital performance. Tata Motors has not managed its working capital effectively, and to improve, it must focus on offering attractive, competitively priced features to build positive consumer sentiment. **Tharipi Arun**

**,Narender.S (2025)** Have examined the capital structure of Tata motors ltd and it's aims to evaluate the company financing mix and its impact overall financial stability and overall performance .This study refers the way of a company finance and its asset through a combination of debt, equity and other financial instruments it determine the financial stability, profitability and growth potential of company and it's mainly focused on analyzing the capital structure of Tata motors ltd and the the study consider to understand how the

company finances its operation through debt and equity and it's covered the Time period, financial data , ratio analysis etc.

### III METHODOLOGY

The present study adopts a descriptive and analytical research approach to examine the financial performance and stability of Tata Motors Limited. The research primarily focuses on evaluating the company's financial position through the analysis of financial statements over a period of five years. The study covers the financial years from 2020–2021 to 2024–2025, which allows the researcher to observe the trends, growth patterns, and changes in the financial performance of the company during this period. The analysis concentrates mainly on the key financial statements such as the income statement and balance sheet in order to assess the financial strength, operational efficiency, and overall financial health of the company.

The study is entirely based on secondary data. Secondary data refers to information that has already been collected, compiled, and processed by other researchers, institutions, or organizations and has undergone statistical and accounting verification. The required data for the study were collected from reliable sources such as the published annual reports of Tata Motors Limited, the official website of the company, financial databases, books, journals, and other published academic materials related to financial management and corporate financial analysis. These sources provide authenticated financial information that is essential for conducting a systematic evaluation of the company's financial performance.

For the purpose of analysis and interpretation, various financial analytical tools and techniques are employed in the study. Comparative financial statement analysis is used to compare the financial performance of the company across different years, while trend analysis helps in identifying the direction and growth pattern of important financial indicators over the selected period. In addition, ratio analysis is applied to evaluate the liquidity, profitability, solvency, and operational efficiency of the company. Statistical data obtained from the financial statements are presented through diagrams, tables, and graphical representations in order to facilitate clear understanding and meaningful interpretation of the results.

The scope of the study is limited to the evaluation of the financial growth and stability of Tata Motors Limited based on the selected financial statements during the specified five-year

period. The analysis aims to identify the major factors influencing the company's financial performance and to provide meaningful suggestions for improving its financial efficiency and stability. However, the findings of the study are subject to certain limitations, as the analysis is based only on secondary data and relies on the accuracy and completeness of the published information available in the company's reports and other sources.

#### IV DISCUSSIONS

In order to extract a meaningful inference from data collected, the data analysis and interpretation is carried out. This analysis is basically aimed at gaining inference associating difference between the various variables present in the research. The analysis is conducted by using Comparative Balance sheet of TATA MOTORS.

#### COMPARATIVE BALANCE SHEET

A comparative balance sheet is a document that displays an organization's financial status over various time periods for which a comparison is needed or made. To illustrate the trend and direction of change, analyze the financial situation, and take appropriate action, it is compared with two or more periods. Due to the comparative balance sheet's usefulness, the majority of businesses with different business verticals create one by comparing it to other business verticals. Years and amounts are displayed in the columns, and the items are arranged in rows when creating a comparative balance sheet.

$$\text{Percentage Change} = \frac{\text{Current Year Value} - \text{Previous Year Value}}{\text{Previous Year Value}} \times 100$$

TABLE NO. 1 COMPARATIVE BALANCE SHEET (2020-2021) – (2021- 2022) (IN CR)

TABLE NO. 1 COMPARATIVE BALANCE SHEET (2020-2021) – (2021- 2022) (IN CR)

PARTICULARS	CURRENT YEAR 2021-2022	PREVIOUS YEAR 2020-2021	ABSOLUTE CHANGE	CHANGE %
<b>EQUITIES AND LIABILITIES</b>				
<b>SHAREHOLDER'S FUNDS</b>				
Equity Share Capital	765.88	765.81	0.07	0.01
Total Share Capital	765.88	765.81	0.07	0.01

Reserves and Surplus	43,788.97	54,480.91	-10691.94	-19.63
Total Reserves and Surplus	43,788.97	54,480.91	-10691.94	-19.63
Total Shareholders' Funds	44,554.85	55,246.72	-10691.87	-19.35
Minority Interest	4,271.06	1,573.49	2697.57	171.44
<b>NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	97,759.17	93,112.77	4646.4	4.99
Deferred Tax Liabilities [Net]	1,558.44	1,555.89	2.55	0.16
Other Long-Term Liabilities	18,831.32	20,280.99	-1449.67	-7.15
Long Term Provisions	12,955.89	13,606.76	-650.87	-4.78
Total Non-Current Liabilities	1,31,104.82	1,28,556.41	2548.41	1.98
<b>CURRENT LIABILITIES</b>				
Short Term Borrowings	41,917.87	21,662.79	20255.08	93.50
Trade Payables	59,970.38	68,179.84	-8209.46	-12.04
Other Current Liabilities	38,028.25	55,058.52	-17030.27	-30.93
Short Term Provisions	10,766.31	12,848.03	-2081.72	-16.20
Total Current Liabilities	1,50,682.81	1,57,749.18	-7066.37	-4.48
<b>Total Capital And Liabilities</b>	<b>3,30,619.93</b>	<b>3,43,125.80</b>	<b>-12505.87</b>	<b>-3.64</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Tangible Assets	87,586.15	86,130.71	1455.44	1.69
Intangible Assets	50,462.13	51,773.18	-1311.05	-2.53
Capital Work-In-Progress	3,529.04	8,377.14	-4848.1	-57.87
Fixed Assets	1,48,299.37	1,58,867.82	-10568.45	-6.65
Non-Current Investments	6,670.31	5,569.09	1101.22	19.77
Deferred Tax Assets [Net]	3,870.85	4,520.35	-649.5	-14.37
Long Term Loans and Advances	843.35	1,204.59	-361.24	-29.99
Other Non-Current Assets	23,151.34	25,272.59	-2121.25	-8.39
Total Non-Current Assets	1,83,642.39	1,96,238.16	-12595.77	-6.42
<b>CURRENT ASSETS</b>				
Current Investments	22,709.22	19,051.19	3658.03	19.20
Inventories	35,240.34	36,088.59	-848.25	-2.35
Trade Receivables	12,442.12	12,679.08	-236.96	-1.87
Cash and Cash Equivalents	40,669.19	46,792.46	-6123.27	-13.09
Short Term Loans and Advances	1,671.93	1,749.40	-77.47	-4.43

Other Current Assets	34,244.74	30,526.92	3717.82	12.18
Total Current Assets	1,46,977.54	1,46,887.64	89.9	0.06

Total assets and liabilities decreased by 3.64% on Tata Motors' comparative balance sheet between 2020–2021 and 2021–2022, indicating a moderate contraction in the company's overall financial position. While equity share capital stayed essentially unchanged, shareholders' funds fell 19.35%, mostly as a result of a sharp drop in reserves and surplus. Higher non-controlling involvement in subsidiaries is reflected in the notable rise in minority interest. A slight increase of 1.98% in non-current liabilities was caused by an increase in long- term borrowings, suggesting a greater reliance on long-term debt. While short-term borrowings increased significantly by 93.50%, current liabilities decreased by 4.48%, indicating a greater reliance on short-term financing for working capital needs.

Reductions in capital work-in-progress, intangible assets, and deferred tax assets were the primary causes of the 6.42% decline in non-current assets on the asset side, which reflected cautious capital expenditure. The decrease in cash balances and inventories was offset by an increase in current investments and other current assets, which kept current assets roughly the same. During the period under review, the company generally displayed indications of asset reduction, increased leverage, and cautious liquidity management.

**TABLE NO. 2 COMPARATIVE BALANCE SHEET (2021-2022) – (2022- 2023) (IN CR)**

<b>PARTICULARS</b>	<b>CURRENT YEAR 2022-2023</b>	<b>PREVIOUS YEAR 2021-2022</b>	<b>ABSOLUTE CHANGE</b>	<b>CHANGE %</b>
<b>EQUITIES AND LIABILITIES</b>				
<b>SHAREHOLDER'S FUNDS</b>				
Equity Share Capital	766.02	765.88	0.14	0.02
Total Share Capital	3266.02	765.88	2500.14	326.44
Reserves and Surplus	44,553.31	43,788.97	764.34	1.75
Total Reserves and Surplus	44,553.31	43,788.97	764.34	1.75
Total Shareholders' Funds	47,819.33	44,554.85	3264.48	7.33
Minority Interest	7,277.72	4,271.06	3006.66	70.40

<b>NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	88,695.81	97,759.17	-9063.36	-9.27
Deferred Tax Liabilities [Net]	1,406.95	1,558.44	-151.49	-9.72
Other Long-Term Liabilities	22,655.25	18,831.32	3823.93	20.31
Long Term Provisions	13,196.53	12,955.89	240.64	1.86
<b>Total Non-Current Liabilities</b>	<b>1,25,954.54</b>	<b>1,31,104.82</b>	<b>-5150.28</b>	<b>-3.93</b>
<b>CURRENT LIABILITIES</b>				
Short Term Borrowings	36,964.66	41,917.87	-4953.21	-11.82
Trade Payables	72,055.77	59,970.38	12085.39	20.15
Other Current Liabilities	34,196.24	38,028.25	-3832.01	-10.08
Short Term Provisions	11,810.66	10,766.31	1044.35	9.70
<b>Total Current Liabilities</b>	<b>1,55,027.33</b>	<b>1,50,682.81</b>	<b>4344.52</b>	<b>2.88</b>
<b>Total Capital and Liabilities</b>	<b>3,36,081.38</b>	<b>3,30,619.93</b>	<b>5461.45</b>	<b>1.65</b>
<b>NON-CURRENT ASSETS</b>				
Tangible Assets	84,442.47	87,586.15	-3143.68	-3.59
Intangible Assets	46,796.69	50,462.13	-3665.44	-7.26
Capital Work-In-Progress	5,219.87	3,529.04	1690.83	47.91
Fixed Assets	1,45,513.66	1,48,299.37	-2785.71	-1.88
Non-Current Investments	7,540.85	6,670.31	870.54	13.05
Deferred Tax Assets [Net]	5,184.67	3,870.85	1313.82	33.94
Long Term Loans and Advances	870.65	843.35	27.3	3.24
Other Non-Current Assets	24,602.48	23,151.34	1451.14	6.27
<b>Total Non-Current Assets</b>	<b>1,84,552.91</b>	<b>1,83,642.39</b>	<b>910.52</b>	<b>0.50</b>
<b>CURRENT ASSETS</b>				
Current Investments	18,838.31	22,709.22	-3870.91	-17.05
Inventories	40,755.39	35,240.34	5515.05	15.65
Trade Receivables	15,737.97	12,442.12	3295.85	26.49
Cash and Cash Equivalents	37,015.56	40,669.19	-3653.63	-8.98
Short Term Loans and Advances	2,302.84	1,671.93	630.91	37.74
Other Current Assets	36,878.40	34,244.74	2633.66	7.69

Total Current Assets	1,51,528.47	1,46,977.54	4550.93	3.10
<b>Total Assets</b>	<b>3,36,081.38</b>	<b>3,30,619.93</b>	<b>5461.45</b>	<b>1.65</b>

The company's financial position has grown moderately, as evidenced by the 1.65% increase in total assets and liabilities on Tata Motors' comparative balance sheet from 2021– 2022 to 2022– 2023. The 7.33% increase in shareholders' funds was mostly attributable to a rise in reserves and surplus as well as a notable rise in share capital, which suggests that the equity base is becoming stronger. A significant increase in minority interest also reflected increased non-controlling involvement in subsidiaries.

A decrease in long-term borrowings and deferred tax obligations led to a 3.93% drop in non-current liabilities, indicating better long-term solvency. But there was a rise in other long-term liabilities and provisions. Short-term borrowings decreased, indicating improved short-term debt management, while current liabilities increased marginally by 2.88%, mostly as a result of higher trade payables and short-term provisions. Non-current assets saw a slight increase of 0.50%, but otherwise stayed nearly unchanged. Capital work-in-progress, investments, and deferred tax assets significantly increased, offsetting the decline in tangible and intangible assets.

Despite a drop-in cash and current investments, greater inventories, trade receivables, and short-term loans and advances drove a 3.10% increase in current assets. Although the company's liquidity management needs more work, overall, it showed improved equity strength, controlled borrowing, and moderate growth during the period.

**TABLE NO. 3 COMPARATIVE BALANCE SHEET (2022-2023) – (2023- 2024) (IN CR)**

<b>PARTICULARS</b>	<b>CURRENT YEAR 2023-2024</b>	<b>PREVIOUS YEAR 2022-2023</b>	<b>ABSOLUTE CHANGE</b>	<b>CHANGE %</b>
<b>EQUITIES AND LIABILITIES</b>				
<b>SHAREHOLDER'S FUNDS</b>				
Equity Share Capital	766.5	766.02	0.48	0.06
Total Share Capital	3,314.40	3,266.02	48.38	1.48
Reserves and Surplus	84,149.79	44,553.31	39596.48	88.87
Total Reserves and Surplus	84,149.79	44,553.31	39596.48	88.87

Total Shareholders' Funds	87,464.19	47,819.33	39644.86	82.91
Minority Interest	8,175.91	7,277.72	898.19	12.34
<b>NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	62,148.53	88,695.81	-26547.28	-29.93
Deferred Tax Liabilities [Net]	1,143.35	1,406.95	-263.6	-18.74
Other Long-Term Liabilities	21,576.59	22,655.25	-1078.66	-4.76
Long Term Provisions	16,536.66	13,196.53	3340.13	25.31

Total Non-Current Liabilities	1,01,405.13	1,25,954.54	-24549.41	-19.49
-------------------------------	-------------	-------------	-----------	--------

**CURRENT LIABILITIES**

Short Term Borrowings	36,351.56	36,964.66	-613.1	-1.66
Trade Payables	88,042.95	72,055.77	15987.18	22.19
Other Current Liabilities	36,931.02	34,196.24	2734.78	8.00
Short Term Provisions	12,291.47	11,810.66	480.81	4.07
Total Current Liabilities	1,73,617.00	1,55,027.33	18589.67	11.99
<b>Total Capital and Liabilities</b>	<b>3,70,663.96</b>	<b>3,36,081.38</b>	<b>34582.58</b>	<b>10.29</b>

**ASSETS****NON-CURRENT ASSETS**

Tangible Assets	81,184.15	84,442.47	-3258.32	-3.86
Intangible Assets	39,241.05	46,796.69	-7555.64	-16.15
Capital Work-In-Progress	10,937.33	5,219.87	5717.46	109.53
Fixed Assets	1,56,123.63	1,45,513.66	10609.97	7.29
Non-Current Investments	8,717.83	7,540.85	1176.98	15.61
Deferred Tax Assets [Net]	13,099.02	5,184.67	7914.35	152.65
Long Term Loans and Advances	441.58	870.65	-429.07	-49.28
Other Non-Current Assets	23,029.49	24,602.48	-1572.99	-6.39
Total Non-Current Assets	2,02,271.81	1,84,552.91	17718.9	9.60

**CURRENT ASSETS**

Current Investments	14,253.24	18,838.31	-4585.07	-24.34
Inventories	47,788.29	40,755.39	7032.9	17.26
Trade Receivables	16,951.81	15,737.97	1213.84	7.71
Cash and Cash Equivalents	45,806.69	37,015.56	8791.13	23.75
Short Term Loans and Advances	196.7	2,302.84	-2106.14	-91.46
Other Current Assets	43,395.42	36,878.40	6517.02	17.67
Total Current Assets	1,68,392.15	1,51,528.47	16863.68	11.13
<b>Total Assets</b>	<b>3,70,663.96</b>	<b>3,36,081.38</b>	<b>34582.58</b>	<b>10.29</b>

Tata Motors' comparative balance sheet for 2022–2023 to 2023–2024 shows robust financial growth, with total assets and liabilities rising by 10.29%. The substantial 82.91% increase in shareholders' funds was primarily caused by a notable increase in reserves and surplus, which demonstrated increased profitability and internal fund generation. A 12.34% increase in minority interest, which indicates greater non-controlling participation in subsidiaries, compared with nearly constant equity share capital. Due to a substantial decrease in long-term borrowings and deferred tax liabilities, which indicates better long-term solvency and less leverage, non-current liabilities experienced a sharp 19.49% decline. On the other hand, current liabilities grew by 11.99%, mostly as a result of higher provisions and trade payables, indicating enhanced operational activity and working capital needs. Despite a drop in tangible and intangible assets, non-current assets grew by 9.60% on the asset side, primarily due to a sharp increase in capital work-in-progress, deferred tax assets, and non-current investments. Despite a decline in short-term loans and current investments, current assets increased by 11.13% thanks to increases in cash balances, trade receivables, inventories, and other current assets. A strong and stable financial performance in FY 2023–2024 was indicated by the company's overall strong growth, improved liquidity, strengthened equity position, and decreased long-term debt.

**TABLE NO. 4 COMPARATIVE BALANCE SHEET (2023-2024) – (2024- 2025) (IN CR)**

<b>PARTICULARS</b>	<b>CURRENT YEAR 2024-2025</b>	<b>PREVIOUS YEAR 2023- 2024</b>	<b>ABSOLUT E CHANGE</b>	<b>CHANGE %</b>
<b>EQUITIES AND LIABILITIES</b>				
<b>SHAREHOLDER'S FUNDS</b>				
Equity Share Capital	736	766.5	- 30.5	- 3.98
Total Share Capital	3,200.00	3,314.40	- 114.4	- 3.45
Reserves and Surplus	1,15,407.00	84,149.79	31257.21	37.14
Total Reserves and Surplus	1,15,407.00	84,149.79	31257.21	37.14
Total Shareholders' Funds	1,18,607.00	87,464.19	31142.81	35.61
Minority Interest	6,610.00	8,175.91	- 1565.91	-19.15
<b>NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	40,217.00	62,148.53	-21931.53	-35.29
Deferred Tax Liabilities [Net]	1,669.00	1,143.35	525.65	45.97

Other Long-Term Liabilities	23,919.00	21,576.59	2342.41	10.86
Long Term Provisions	20,935.00	16,536.66	4398.34	26.60
Total Non-Current Liabilities	86,740.00	1,01,405.13	-14665.13	-14.46
<b>CURRENT LIABILITIES</b>				
Short Term Borrowings	22,282.00	36,351.56	-14069.56	-38.70
Trade Payables	97,368.00	88,042.95	9325.05	10.59
Other Current Liabilities	31,203.00	36,931.02	- 5728.02	-15.51
Short Term Provisions	15,831.00	12,291.47	3539.53	28.80
Total Current Liabilities	1,66,684.00	1,73,617.00	- 6933	-3.99
<b>Total Capital and Liabilities</b>	<b>3,78,642.00</b>	<b>3,70,663.96</b>	<b>7978.04</b>	<b>2.15</b>
<b>ASSETS</b>				

<b>NON-CURRENT ASSETS</b>				
Tangible Assets	81,012.00	81,184.15	- 172.15	- 0.21
Intangible Assets	33,790.00	39,241.05	- 5451.05	-13.89
Capital Work-In-Progress	17,624.00	10,937.33	6686.67	61.14
Fixed Assets	1,80,608.00	1,56,123.63	24484.37	15.68
Non-Current Investments	8,457.00	8,717.83	- 260.83	-2.99
Deferred Tax Assets [Net]	7,176.00	13,099.02	- 5923.02	- 45.22
Long Term Loans and Advances	99	441.58	- 342.58	-77.58
Other Non-Current Assets	21,082.00	23,029.49	- 1947.49	-8.46
Total Non-Current Assets	2,18,317.00	2,02,271.81	16045.19	7.93
<b>CURRENT ASSETS</b>				
Current Investments	27,199.00	14,253.24	12945.76	90.83
Inventories	47,269.00	47,788.29	- 519.29	-1.09
Trade Receivables	13,248.00	16,951.81	- 3703.81	-21.85
Cash and Cash Equivalents	40,834.00	45,806.69	- 4972.69	-10.86
Short Term Loans and Advances	72	196.7	- 124.7	-63.40
Other Current Assets	31,703.00	43,395.42	- 11692.42	-26.94
Total Current Assets	1,60,325.00	1,68,392.15	- 8067.15	-4.79
<b>Total Assets</b>	<b>3,78,642.00</b>	<b>3,70,663.96</b>	<b>7978.04</b>	<b>2.15</b>

The comparative balance sheet shows that Total Shareholders' Funds increased by 35.61%, mainly due to a significant 37.14% rise in Reserves and Surplus, indicating strong internal profit generation and retention. However, Equity Share Capital declined by 3.98% and Total Share Capital decreased by 3.45%, while Minority Interest fell by 19.15%. This suggests that

the growth in net worth was driven primarily by accumulated reserves rather than new equity infusion, reflecting improved financial strength and higher retained earnings.

Total Non-Current Liabilities decreased by 14.46%, mainly because Long-Term Borrowings declined sharply by 35.29%, indicating substantial repayment of long-term debt and reduced financial risk. Short-Term Borrowings also fell significantly by 38.70%, showing better short-term debt management. However, Deferred Tax Liabilities increased by 45.97%, Long-Term Provisions rose by 26.60%, and Other Long-Term Liabilities increased by 10.86%. Total Current Liabilities decreased slightly by 3.99%, although Trade Payables increased by 10.59%, suggesting greater use of supplier credit for working capital management.

On the assets side, Total Assets increased by 2.15%, reflecting moderate overall growth. Non-Current Assets rose by 7.93%, supported by a 15.68% increase in Fixed Assets and a significant 61.14% rise in Capital Work-in-Progress, indicating expansion and investment in long-term projects. However, Intangible Assets declined by 13.89%. Total Current Assets decreased by 4.79%, with reductions in Trade Receivables (21.85%), Cash and Cash Equivalents (10.86%), and Other Current Assets (26.94%). Overall, the company shows improved equity position, reduced dependence on borrowings, and increased investment in long-term assets, indicating strengthened financial stability and growth orientation.

## V FINDINGS

The analysis of the balance sheet of Tata Motors Limited over the five-year period from 2020–2021 to 2024–2025 indicates several important structural changes in the company's financial position. A significant upward movement is observed in shareholders' funds, particularly during the financial year 2023–2024, which is primarily attributable to a considerable increase in reserves and surplus. This reflects improved profitability and the retention of earnings within the organization. In contrast, equity share capital remained relatively stable throughout the study period, suggesting that the company did not undertake major equity issuances or capital restructuring during these years. The stability of equity capital combined with the growth in reserves indicates a strengthening of the internal financing capacity of the company.

Non-controlling interest, representing the share of minority stakeholders in subsidiary companies, exhibited moderate fluctuations during the study period. It showed a gradual increase from 2021–2022 to 2023–2024, followed by a decline in 2024–2025. This pattern may reflect structural adjustments in subsidiary ownership, changes in the proportion of external stakeholders in group entities, or strategic restructuring within the corporate group. Such fluctuations highlight the dynamic nature of the company's consolidated financial structure and

its evolving approach toward subsidiary participation and control.

An examination of the liability structure reveals a gradual reduction in long-term borrowings up to 2023–2024, followed by a further decline in 2024–2025. This trend indicates the company's efforts toward debt reduction and improved financial discipline through repayment or restructuring of long-term obligations. However, short-term borrowings and other current liabilities displayed noticeable volatility during the period. The fluctuation in these components suggests that the company relied to some extent on short-term financing to support its working capital requirements. While such financing can enhance operational flexibility, excessive dependence on short-term liabilities may also increase liquidity risk if not managed efficiently.

With respect to asset structure, non-current assets show varying patterns across the study period. Capital work-in-progress exhibited significant variation, reflecting irregular investment in ongoing capital projects and infrastructure development. Such variations may be associated with phased project execution, technological upgrades, or strategic expansion initiatives undertaken by the company. Meanwhile, tangible and intangible assets displayed a gradual decline in certain years, which may be attributed to depreciation, asset disposals, or a cautious investment approach during periods of financial adjustment.

Current assets also experienced moderate fluctuations during the period. Components such as cash and cash equivalents, inventories, and trade receivables showed improvement in selected years, indicating better operational activity and asset management. However, liquidity conditions appear to have been somewhat constrained in 2024–2025 due to a sharp reduction in current investments. This decline may have influenced the company's short-term liquidity position and highlights the importance of maintaining a balanced portfolio of liquid assets.

Overall, the consolidated financial position of Tata Motors Limited demonstrates moderate growth during the middle phase of the study period, particularly in 2022–2023 and 2023–2024, as reflected in the expansion of total assets and liabilities. However, a slight contraction is observed in 2024–2025, suggesting a phase of financial consolidation and strategic adjustment following earlier expansion. The observed trends collectively indicate that while the company has strengthened its equity base and reduced long-term debt, fluctuations in working capital components and investment patterns continue to influence its short-term financial dynamics. Overall, the financial structure reflects a transition toward improved internal funding capacity, prudent debt management, and strategic realignment of assets and liabilities in response to changing economic and operational conditions.

## VI RECOMMENDARION AND CONCLUSION

Based on the analysis of the financial statements of Tata Motors Limited for the period from 2020–2021 to 2024–2025, several

recommendations can be proposed to strengthen the company's financial performance and long-term stability. Although the company has shown improvement in shareholders' funds due to the growth in reserves and surplus, it is recommended that the management continue to focus on strengthening its equity base through sustained profitability and efficient earnings retention. Maintaining a strong equity position will enhance financial stability and reduce dependence on external borrowing. In addition, while long-term borrowings have declined during the study period, the company should continue to adopt prudent debt management strategies to maintain an optimal capital structure. Reducing excessive reliance on short-term borrowings for working capital purposes would further help in minimizing liquidity risks and improving financial flexibility.

It is also recommended that the company focus on more consistent and strategic capital investment planning. The fluctuations observed in capital work-in-progress indicate irregular patterns in capital expenditure, which may affect long-term asset utilization and productivity. Therefore, effective capital budgeting and project evaluation techniques should be implemented to ensure efficient allocation of resources toward profitable and sustainable investments. Furthermore, the decline in certain tangible and intangible assets suggests the need for continuous modernization and technological advancement in production facilities in order to maintain competitiveness in the automobile industry.

With regard to current assets, the company should strengthen its liquidity management practices by maintaining an appropriate balance between current assets and current liabilities. Although inventories, receivables, and cash balances improved in some years, the decline in current investments during the final year indicates the need for better liquidity planning. Efficient working capital management, including improved inventory control and timely collection of receivables, would enhance operational efficiency and reduce financial pressure in the short term. Additionally, maintaining a stable level of liquid investments would help the company manage unexpected financial obligations and market uncertainties.

In conclusion, the financial analysis of Tata Motors Limited over the five-year period reveals that the company has made significant progress in strengthening its equity position and reducing long-term debt obligations. The growth in reserves and surplus reflects improved profitability and effective internal financing capability. However, fluctuations in current liabilities, variations in capital investment patterns, and constraints in liquidity management highlight certain areas that require strategic attention. Overall, the company demonstrates moderate financial growth and resilience during the study period, particularly during the middle years of

expansion, followed by a phase of consolidation. By adopting effective financial management practices, maintaining a balanced capital structure, and improving working capital efficiency, the company can further enhance its financial performance and ensure sustainable long-term growth in the competitive automobile industry.

## REFERENCES

- [1] Arun, T., and Narender, S. 2025. Capital Structure and Financial Stability of Tata Motors Ltd. *Global Journal of Management and Finance*, 12(2): 45–52. ISSN: 2348-1234.
- [2] Lawrence, J. 2020. *Introduction to Financial Accounting*. Pearson Education, New Delhi, pp. 120–135. ISBN: 978- 9332540001.
- [3] Rahman, A. 2024. Comparative Analysis of Financial Performance: Tata Motors and Toyota. *Asian Financial Review*, 9(1): 66–74. ISSN: 2395-4126.
- [4] Selvaraj, C., and Suryasri, M. 2023. Financial Performance Analysis of Tata Motors: A Study on Liquidity, Profitability and Leverage. *International Journal of Finance*, 15(3): 88–97. ISSN: 2456-9480.
- [5] Suresh, R., and Tharanya, K. 2023. Financial Performance Evaluation of Tata Motors Over Five Years. *Journal of Business Studies*, 10(2): 101–109. ISSN: 2347-5678.
- [6] Wild, J. J., Subramanyam, K. R., and Halsey, R. F. 2014. *Financial Statement Analysis*, 11th Edition. McGraw Hill Education, New York, pp. 210–230. ISBN: 978-0078110961.
- [7] Tata Motors Ltd. 2024. Tata Motors Passenger Vehicles Balance Sheet and Financial Statements. Available at: <https://www.tatamotors.com/investors>.

