

# A COMPARATIVE STUDY OF CASH FLOW STATEMENT OF TATA MOTORS LIMITED AND MARUTI SUZUKI INDIA LIMITED

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## ABSTRACT:

The cash flow statement is very important part of the financial statement. This statement provides the information about the cash inflows and cash outflows of the company. In this research paper researcher analyze the cash flow from the operating, investing and financing activity. In this study 5 year's data used from 2019-20 to 2023-24 and researcher was select two sample automobile companies Tata Motors Limited and Maruti Suzuki India Limited from the convenience sampling and statistical tools T-test applied for the analyze the data. In this research findings that the trends of the cash flow generated from all three activities fluctuating for the Tata Motors Limited compare to Maruti Suzuki India Limited. So, researcher concludes Tata Motors Limited is better compare to Maruti Suzuki India Limited.

**Keywords:** Automobile, Cash flow statement, Operating, Investing, Financing activities

## 1. INTRODUCTION:

Cash is one of the most important assets of a business and Cash Flow Statement is a statement, which describes the inflows (sources) and outflows (uses) of cash and cash equivalents during a particular period. It is a summary of cashbook. A Cash Flow Statement explains the causes of changes in cash position of a business enterprise between two dates of balance sheets. Cash flow statement is a tool that is available to the management to assess, monitor and control the liquidity available in the enterprise. According to AS-3 (Revised), an enterprise should prepare and enclose the Cash flow statement for the same period for which the financial statements are prepared, in the prescribed format, by the listed companies. Cash flow statement is divided into three activities: cash flow from operating activities, cash flow from investing activities, cash flow from financing activities.

## 2. LITERATURE REVIEW:

**(P. Bhargavi, 2024)** The cash flow statement, that complements the balance sheet and profit and loss account and provides information on receipts of cash and payments, is a key instrument to evaluate a company's cash position. It is helpful for business owners, investors, and organizations that are thinking about making a loan to the company. The summary shows the cash balance at both the beginning and the end of the time frame.

**(Sk.Nasreen Begum, 2023)** In this study, the components of the cash flow statement—such as operating, investing, and financing activities—as well as their function in financial reporting and decision-making are examined. It examines international accounting standards, various statement preparation techniques, and their benefits and drawbacks. To show the practical impacts, the paper uses Kotak Mahindra Bank as a case study. The results help to evaluate a company's financial performance and comprehend the function of cash flow statements in financial analysis.

**(Nidhi Varshney, 2016)** In this research study, a comparative study of cash flow statement of Bank of Baroda and syndicate bank is considered as a research paper. This study period is 2011-12 to 2015-16. This research was based on secondary data and in this paper, statistical tools used like mean, standard deviation and co- variation. This study finding that the performance of bank of Baroda is better than the syndicate bank.

### 3. OBJECTIVES OF THE STUDY:

- To analyze the cash flow statement of selected automobile sector companies.
- To make comparative analysis of cash generating from operating, investing and financing activities of selected companies during the study periods.

### 4. RESEARCH METHODOLOGY:

#### 4.1 Type of the study:

This research is secondary research. It is based on the secondary data. So, researcher collects the data from annual reports of selected companies and websites.

#### 4.2 Sample of the Study:

In this study, researcher has selected two automobile sector companies. 1. Tata Motors Limited 2. Maruti Suzuki India Limited

#### 4.3 Period of the Study:

This research paper study period is 5 years which is from 2019-20 to 2023-24.

#### 4.4 Hypothesis of the Study:

- **H<sub>0</sub>:** There is no significant difference cash flow generated from operating activities of Tata Motors Limited and Maruti Suzuki India Limited during the study period.
- **H<sub>0</sub>:** There is no significant difference cash flow generated from investing activities of Tata Motors Limited and Maruti Suzuki India Limited during the study period.
- **H<sub>0</sub>:** There is no significant difference cash flow generated from financing activities of Tata Motors Limited and Maruti Suzuki India Limited during the study period.

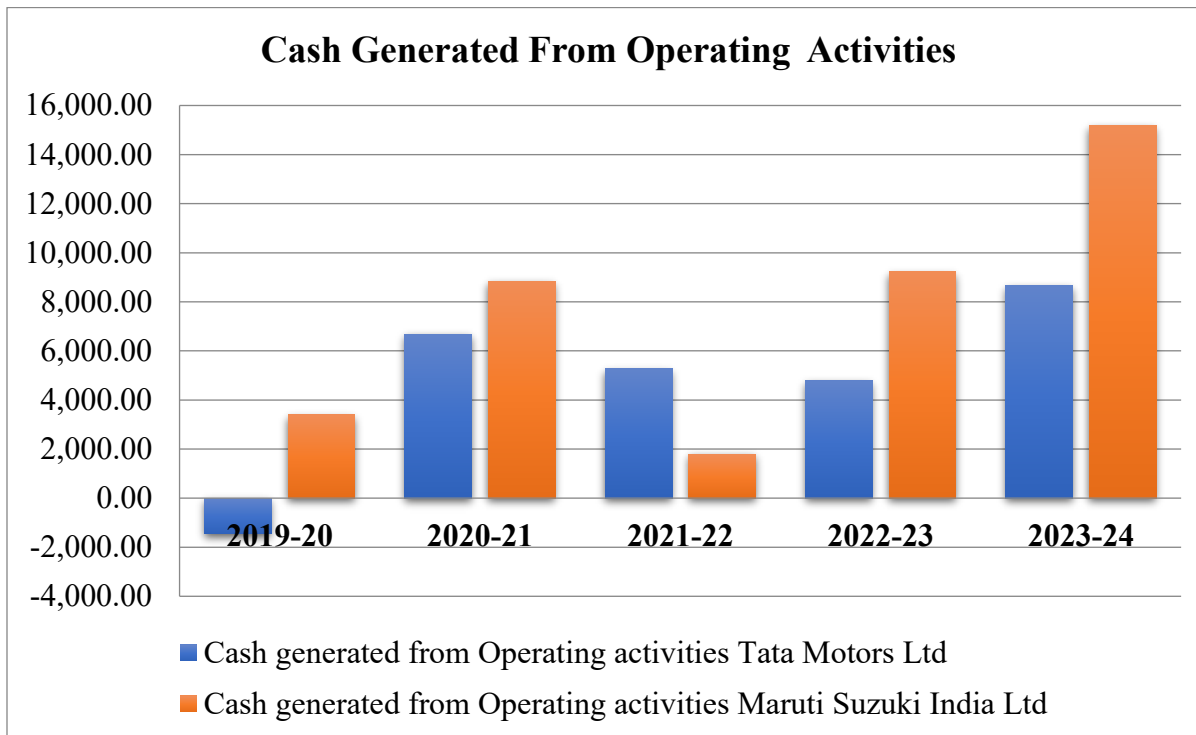
### 5. STATISTICAL TOOLS FOR DATA ANALYSIS:

For the purpose of analyzing the cash flow statement, cash generated activities of the selected companies; operating activities, investing activities and financing activities are used. The Mean and Variance are employed to help in calculations. T- Test is utilized, when testing a hypothesis at the 0.05 level of significance and 95% confidence level. This table shows the cash flow generated from operating, investing and financing activities of the Tata Motors Limited and Maruti Suzuki India Limited.

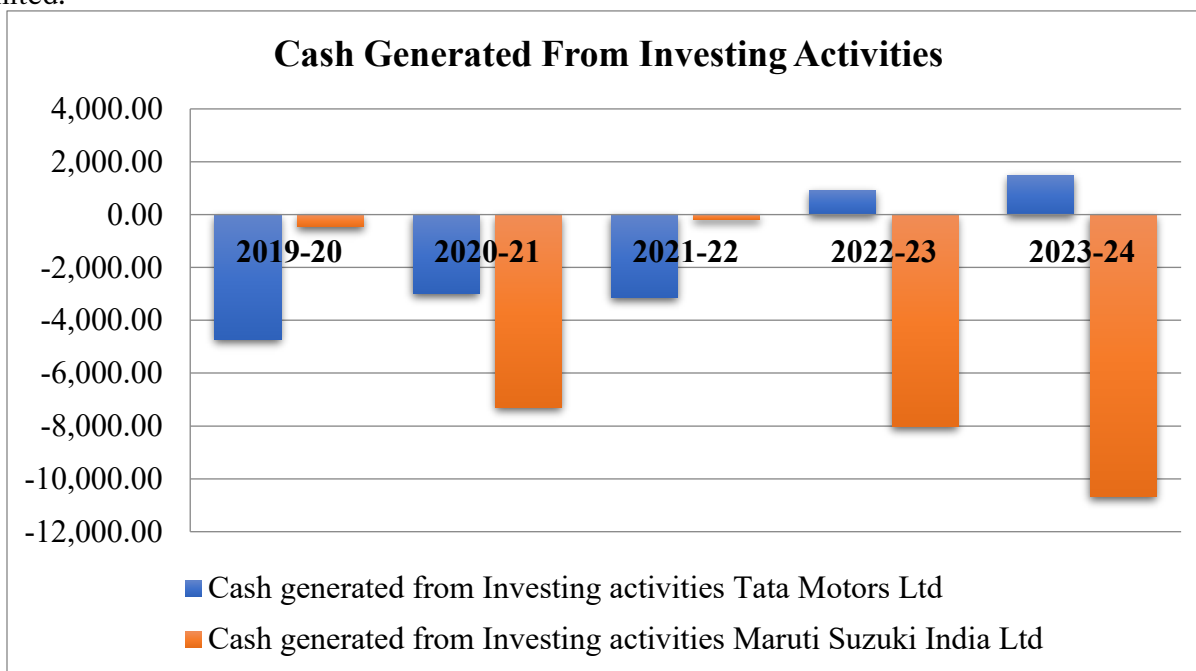
Particular	Cash generated from Operating activities		Cash generated from Investing activities		Cash generated from Financing activities	
	Tata Motors Limited	Maruti Suzuki India Limited	Tata Motors Limited	Maruti Suzuki India Limited	Tata Motors Limited	Maruti Suzuki India Limited
2019-20	(1,454.59)	3,405.10	(4,718.86)	(463.90)	7,749.21	(3,100.00)
2020-21	6,680.32	8,838.80	(2,991.32)	(7,283.90)	(3,471.91)	(1,540.80)
2021-22	5,281.93	1,791.20	(3,149.49)	(189.00)	(515.84)	(1,602.50)
2022-23	4,775.43	9,228.00	922.67	(8,018.20)	(7,021.32)	(1,208.40)
2023-24	8,661.71	15,167.00	1,488.19	(10,682.80)	(7,930.45)	(4,061.90)

#### Graphical Presentation:

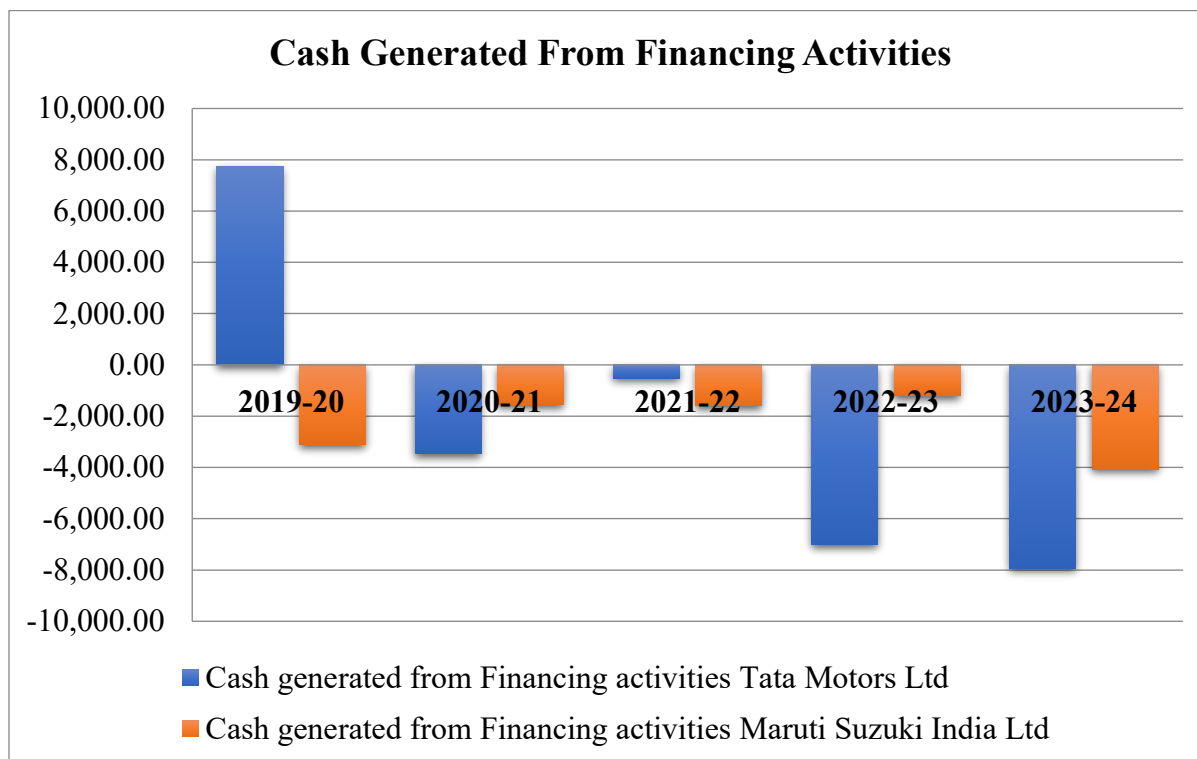
Graphical presentation of cash flow generated from operating activities of Tata Motors Limited and Maruti Suzuki India Limited.



Graphical presentation of cash flow generated from investing activities of Tata Motors Limited and Maruti Suzuki India Limited.



Graphical presentation of cash flow generated from financing activities of Tata Motors Limited and Maruti Suzuki India Limited.



This graphical presentation of cash flow statement analysis of activities reveals that Maruti Suzuki India Limited is stable comparing to Tata Motors Limited. The performance of Tata Motors Limited is very fluctuating during the study time periods.

**T-test: Two Sample For Means:**

	Operating activities		Investing activities		Financing activities	
	Tata Motors Ltd	Maruti Suzuki India Ltd	Tata Motors Ltd	Maruti Suzuki India Ltd	Tata Motors Ltd	Maruti Suzuki India Ltd
<b>Mean</b>	4788.96	7686.02	-1689.76	-5327.56	-2238.06	-2302.72
<b>Variance</b>	14450139	28186711	7481118	22451348	39879217	1499684
<b>Observations</b>	5	5	5	5	5	5
<b>Hypothesized Mean Difference</b>	0		0		0	
<b>df</b>	4		4		4	
<b>t Stat</b>	-1.66377		1.13021		0.02209	
<b>P(T&lt;=t) one-tail</b>	0.085746		0.160784		0.491717	
<b>t Critical one-tail</b>	2.131847		2.131847		2.131847	
<b>P(T&lt;=t) two-tail</b>	0.171492		0.321567		0.983434	
<b>t Critical two-tail</b>	2.776445		2.776445		2.776445	

**ANALYSIS:**

The mean of cash flow generated from operating activities of Maruti Suzuki India Limited is higher than the Tata motors. So, in the operating activities Maruti Suzuki India Limited rank 1 and Tata Motors Limited rank 2 because of in theory Higher the mean, higher the rank given. After that investing and financing activities Tata Motors Limited is higher than Maruti Suzuki India Limited. So, in the case of investing activities and financing activities, rank 1 is Tata motors ltd and rank 2 is Maruti Suzuki India ltd.

**Summary of two sample T-test:**

	Operating activities	Investing activities	Financing activities
<b>t Stat</b>	-1.66377	1.13021	0.02209
<b>t Critical Value</b>	2.776445	2.776445	2.776445
<b>Result of T-test</b>	Accepted	Accepted	Accepted

## 6. FINDINGS:

- From the given table finding that cash flow generated from operating activities t-test -1.66 is less than the table value 2.78. so, in this cash null hypothesis is accepted which means there is no significant difference cash flow generated from operating activities of Tata Motors Limited and Maruti Suzuki India Limited during the study period.
- From the table, it is clear that the calculated value of t-test of cash flow generating from investing activities is 1.13 which is less than the t critical value 2.78. So, researcher concluded that there is no significant difference cash flow generated from investing activities of Tata Motors Limited and Maruti Suzuki India Limited during the study period. It means null hypothesis is accepted.
- For the cash flow generated from financing activities, calculated value 0.02 is less than the table value 2.78, therefore null hypothesis is accepted. It means that there is no significant difference cash flow generated from financing activities of Tata Motors Limited and Maruti Suzuki India Limited during the study period.

## 7. LIMITATIONS OF THE STUDY:

- This study is based on secondary data, so their own limitation applied.
- This study take the time period of five years and two samples, so it's difficult to draw conclusion based on this selected sample and study period.
- In this study used statistical tools, so those have their own limitation.

## 8. CONCLUSION:

This study concludes that in case of cash flow generating operating activities performance of Maruti Suzuki India ltd is better than Tata Motors ltd. In other side cash generating investing and financing activities performance of Tata Motors ltd is better compare to Maruti Suzuki India ltd. So, based on analysis of mean and variance the performance of Tata Motors Limited is better compare to Maruti Suzuki India Limited.

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