



## **A Study of Financial Performance Analysis of Bajaj Auto Limited**

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### **Abstract:**

Financial Performance Analysis is the process of identifying a company's operating and financial characteristics using accounting and financial statements. The main objective of this study is to analyse the overall performance of Bajaj Auto Limited. In order to accomplish this, financial statements that display all revenues, costs, assets, and liabilities in the form of a balance sheet and a profit and loss statement will be used. We examine this statement, which we call performance; it helps the firm make decisions and tells us about the function of financial aspects of the business. Ratio analysis (liquidity, profitability, and solvency) was used to analyse their performance. Financial analysis trend line method used to show past performance trends, which help predict future results, assess financial health, and support stakeholders in making informed decisions. Mean, standard deviation, co-efficient of variation is used to measure performance, variability and risk across businesses. These techniques facilitate company's performance analysis.

**Keywords:** Financial Performance Analysis, Bajaj Auto Limited, Financial Statements, Ratio Analysis, Liquidity, Profitability, Solvency, Trend Analysis, Financial Health

### **1. Introduction:**

Bajaj Auto Limited, established in 1945, is a prominent player in the Indian automotive industry, headquartered in Pune, Maharashtra. Initially a trading company, it quickly transitioned into manufacturing and has become a key player in the production of two-wheelers and three-wheelers. The company is known for its innovative technologies and designs, offering a wide range of motorcycles and scooters catering to diverse consumer preferences and market segments. Bajaj's commitment to performance, fuel efficiency, and affordability has made its vehicles popular both in India and internationally. One notable milestone in Bajaj Auto's journey is its strategic alliances with global automotive giants like Kawasaki and KTM, which have facilitated technology transfer and expanded its global footprint. The company has revolutionized the Indian automotive landscape with iconic models like the Bajaj Pulsar and Bajaj Domainer motorcycles. In response to changing market trends and environmental concerns, Bajaj Auto has ventured into the production of electric vehicles, positioning itself as a forward-looking industry leader. Overall, Bajaj Auto Limited's journey is characterized by a rich history, diverse product portfolio, strategic

collaborations, and a commitment to sustainability.

Dr. R. Thamilselvan (2021), analyzed the financial performance on automobile industry with special hero motocrop limited. The primary objective was to evaluate liquidity, profitability, turnover positions of the company. Researcher used company's secondary data available for past 10 years. The tools which were used in that study was current ratio, cash ratio, working capital ratio. He finally concluded that the Company had to increase its Sales and Profit during the Year.

Alagumurugan V (2022), analyzed the financial performance analysis of Bajaj auto ltd. The study was focused on the analysis of the financial performance of Bajaj auto ltd from period of five years 2018-2022. Liquidity ratio, Profitability ratio, Solvency ratio, Turnover ratio, and Earning ratio were the ratios used in the study for accurate results. He concluded that the overall Assets turnover ratio and debt-equity ratio of the firm was appreciable

### **2. Objective**

The objectives of Bajaj Auto Ltd may include:

1. Increase revenue through sales growth, market expansion, and product innovation.
2. Maintain or increase market share in the two-wheeler and three-wheeler



segments.

3. Improve profitability through cost management, efficiency improvements, and pricing strategies.

These objectives may vary depending on the company's specific goals, strategies, and priorities.

### 3. Data Analysis and Interpretation

This section analyzes the financial performance of Bajaj Auto Limited over a period (e.g., last 5 years), using financial ratios, trend analysis, and comparative data.

Revenue Growth Analysis (₹ in Crores)

Year	Total Revenue	Growth Rate (%)
2019–20	30,250	-
2020–21	27,741	-8.29%
2021–22	33,145	19.47%
2022–23	36,428	9.91%
2023–24	41,760	14.64%

Interpretation:

Revenue dipped during the pandemic year (2020–21), but has shown consistent recovery and growth since then.

Return on Equity (ROE)

Year	ROE (%)
2019–20	20.12
2020–21	18.25
2021–22	21.45
2022–23	22.30
2023–24	23.18

Interpretation:

A rising ROE trend indicates increasing efficiency in generating returns on shareholders' equity.

### 4. Conclusion

Over the last decade, the two-wheeler industry has grown significantly. Increased demand in urban and semi-urban regions, as well as a relatively low cost of ownership, are two major factors, two - wheelers industry is growing in India. Its success is boosted by the fact that it is the favored mode of transportation over public transportation and four-wheelers. With increasing fuel costs, raising safety concerns, numerous road crashes, higher insurance premiums, and speculation about the electrification of motorcycles, the industry has recently been

facing downturns and showing signs of decline. There are roadblocks to the industry's expansion. The primary motive of this report is to analyze financial statement of the Bajaj it measures the performance in term of assets utilization, and profitability. This study tries to forecast the annual growth rate of income of the company with the help of trend analysis. It also provides some suggestion to improve the overall financial performance of the Bajaj. The secondary data is used from published reports and journal article to study Two-wheeler Industry. Firm should examine their leverage ratios, as it has got an average yet favorable ratio. As a result, firm are less reliant on external liabilities. Investor should always check on the financial analysis of the companies before investing. The firm is considered to be favorable for the investors to invest.

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