

Analysis of Financial Erosion in Automobile Industry of India

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Automobile sector is one of the most significant contributors to the financial and social wellness of India. It plays a key role in the social and economic development and also in the contribution to the GDP of the country. It has been observed that the sector is facing deep financial crises from the last few years. Most of the manufacturing units are struggling with the problems of profitability and financial sustainability which ultimately generate the problems of unemployment, poverty and social crimes. The paper is written with the objectivity to analyze the financial erosion in automobile industry and also to suggest the way through which these could avoid the erosion in its profit, sales and capital structure and maintain a sustainable strength and growth. In order to observe the utmost accuracy in analyzing the financial erosion analysis in Automobile Industry, the paper suggest a deep analysis of profit, sales and capital erosion. For the purpose of in-depth study, three major automobile manufacturing units are selected from India.