

## A Comparative Analysis of Value Addition Capacity of Selected Companies of Indian Tyer Industry

**Rani Karshan Parmar**

**Ph.D. Scholar**

**Department of Commerce and  
Business Administration,  
Saurashtra University, India**

**E-mail ID:**

**parmarraniben777@gmail.com**

**Dr. Kailash P. Damor**

**Professor**

**Department of Commerce and Business  
Administration,  
Saurashtra University, India**

### **Abstract**

This study's primary goal is to assess the value addition potential of a subset of Indian tyer sector. For that reason, two samples—MRF tyers and APOLLO tyer were selected based on their profit. The study period included five years, from 2019-2020 to 2023-2024. The t-test was employed for analysis. Following data collection, analysis, and interpretation, it was found that apollo tyer is the most value-adding company among samples. In terms of both Gross Value Added (GVA) and Net Value Added (NVA), apollo tyer is producing more value on its own then.

**Keywords:** Gross Value Added (GVA), Net Value Added (NVA), MRF tyers and APOLLO tyer

### **1.INTRODUCTION:**

India's value-added accounting system is currently expanding. Its increased utility in comparison to conventional accounting statements is the primary cause of its rising popularity. It is more efficient than others at providing information that is both relevant and necessary. Value Added Statement is one of its components. The value-added

statement is helpful in determining the amount of wealth generated and utilized by the company, measured in terms of Net Value Added (NVA) and Gross Value Added (GVA). It provides further understanding to a wide range of stakeholders who are not limited to shareholders and are interested in the company's financial data.

## **2.REVIEW OF LITERATURE:**

**B. S. Yogesh Shah (2014)**, A review directed on Indian Oil Partnership for quite some time during the period 2005-2012. The primary objective of this paper was to investigate the public sector company's value-added ratio. This paper thoroughly focuses on how the worth added proportions were gainful to the organization to quantify the action the efficiency and productivity of an association.

**Dr. A. Polisetty, S.J. Madhuri (2018)**, This paper provides insight into Volkswagen's Value-Added Statement. For the purpose of data analysis and interpretation, researchers utilized multiple correlation analysis and multiple regression analysis.

**Dr. R. A. Rathi (2017)**, By presenting a relational perspective on the company and a value-added statement theoretical framework, the purpose of this paper is precisely to emphasize the need for change. The study also emphasizes the value of such a VAS as an alternative to a traditional financial statement that can meet the additional requirements of all stakeholders.

**Sumit Kumar Maji (2016)**, Value added expression is straightforwardly associated with exposure of data and social detailing. For that reason, it is acquiring ubiquity in now days. This paper is likewise addressing exactly the same thing that Worth Added Assertion ought to give sufficient detail that it can fulfill its extremely essential goal and furthermore add some worth in friendly revealing. Because of its high demand, social reporting ought to be taken into account alongside everything else.

## **3.OBJECTIVES OF THE STUDY**

To find out Gross Value Added (GVA) and Net Value Added (NVA) of selected companies

To analyze and make comparison of Gross Value Added (GVA) and Net Value Added (NVA)of selected companies

## 4. RESEARCH METHODOLOGY

### 4.1 Sample and Sample Selection

Samples of this study is selected with Non-probability – Judgmental technique. MRF tyer and APOLLO tyer was selected on the basis of annual profit in the year 2023-2024 of company.

### 4.2 Period of the study

The study period is starting from 2019-20 to 2023-24 (5 Years).

### 4.3 Hypotheses of the study

**H0** = There is no significant change in Gross Value Added (GVA) of selected companies of tyer industry

**H0**= There is no significant change in Net Value Added (NVA) of selected companies of tyer industry

### 4.4 Tool for analysis

For the purpose of data analysis and interpretation, researcher used t-test. It is

## 5. DATA ANALYSIS AND INTERPRETATION

**Table No. 1 MRF Tyer**

Years	PB T	(+) cost of employees	(+) Depreciati on	(+) Interest	GVA	(-) Depreciati on	NVA
2019-20	1434.25	1344.93	982.32	292.82	<b>4054.32</b>	982.32	<b>3072.00</b>
2020-21	1736.84	1415.03	1140.77	274.67	<b>4567.31</b>	1140.77	<b>3426.54</b>
2021-22	907.93	1501.95	1205.05	253.80	<b>3868.73</b>	1205.05	<b>2663.68</b>
2022-23	1069.74	1595.38	1253.05	319.00	<b>4237.17</b>	1253.05	<b>2984.12</b>
2023-24	2787.42	1796.78	1429.97	353.01	<b>6367.18</b>	1429.97	<b>4937.21</b>

### Analysis:

The business's profitability and operational efficiency increased significantly from 2019-20 to 2023-24. The significant rise in Profit Before Tax (PBT) from 1434.25 to 2787.42 indicates an increase in earnings. As a result of expanding operations and making investments in assets, employee costs and depreciation went up. Interest costs remained

somewhat steady. Gross Worth Added (GVA) rose from 4054.32 to 6367.18, featuring upgraded esteem creation. The substantial rise in net value added (NVA) from 3072.00 to 4937.21 also points to efficient cost management and solid performance. By and large, the organization effectively scaled activities while expanding productivity and worth age.

**Table No. 1 APOLLO Tyer**

Years	PBT	(+) cost of employees	(+) Depreciation	(+) Interest	GVA	(-) Depreciation	NVA
<b>2019-20</b>	543.44	2482.20	1138.12	280.83	<b>444.59</b>	1138.12	<b>3306.47</b>
<b>2020-21</b>	561.19	2513.37	1314.95	442.96	<b>4832.47</b>	1314.95	<b>3517.52</b>
<b>2021-22</b>	847.58	2574.24	1399.67	444.42	<b>5265.91</b>	1399.67	<b>3866.24</b>
<b>2022-23</b>	1426.95	2619.92	1419.14	531.24	<b>5997.25</b>	1419.14	<b>4578.11</b>
<b>2023-24</b>	2539.84	2964.00	1477.83	505.94	<b>7487.61</b>	1477.83	<b>6009.78</b>

**Analysis:**

The company demonstrated robust growth in key financial metrics from 2019-20 to 2023-24. Profit before tax (PBT) expanded fundamentally from 543.44 in 2019-20 to 2539.84 in 2023-24, mirroring a significant ascent in functional proficiency and productivity. Representative expenses, deterioration, and premium have likewise developed, demonstrating expanded speculations and extension. The rise in gross value added (GVA) from 4444.59 to 7487.61 indicates an increase in value creation. As a result, the company's net value added (NVA) increased from 3306.47 to 6009.78, indicating that costs were effectively managed while overall productivity and financial performance were improved.

## 6.application of t-test

Table no.4 Gross Value Added (GVA)

t-Test: Two-Sample Assuming Equal Variances		
	MRF Tyer	APOLLOTyer
Mean	4618.942	5605.566
Variance	1021591.969	1439103.717
Observations	5	5
Pooled Variance	1230347.843	
Hypothesized Mean Difference	0	
df	8	
t Stat	1.40639633	
P(T<=t) one-tail	0.098620754	
t Critical one-tail	1.859548038	
P(T<=t) two-tail	0.197241507	
t Critical two-tail	2.306004135	

### Analysis:

Here from the table, it is clear that table value for the data is 2.30 and calculated value is - 1.40 for 8 degree of freedom and 5 % level of significance. It can be said that null hypothesis is accepted and hence, there is no significant difference in GVA of Apollo tyre & MRF tyre.

**Table no.5 Net Value Added (NVA)**

<b>t-Test: Two-Sample Assuming Equal Variances</b>		
	<i>MRF</i>	<i>APO LLO</i>
Mean	3416.71	4255.624
Variance	796257.5	1194593
Observations	5	5
Pooled Variance	995425.2	
Hypothesized Mean Difference	0	
df	8	
t Stat	1.32948	
P(T<=t) one-tail	0.110174	
t Critical one-tail	1.859548	
P(T<=t) two-tail	0.220348	
t Critical two-tail	2.306004	

**ANALYSIS:**

Here from the table, it is clear that table value for the data is 2.30 and calculated value is - 1.33 for 8 degree of freedom and 5 % level of significance. It can be said that null hypothesis is accepted and hence, there is no significant difference significant difference in NVA of Apollo tyre & MRF tyre.

## 7. RESULT OF THE STUDY

**Table no. 6 Result of Study**

No.	Ratio	Calculated Value (F)	Table Value (F crit)	Result
1	Gross Value Added (GVA)	-1.40639	2.306004	H0 is Accepted
2	Net Value Added (NVA)	-1.32948	2.306004	H0 is Accepted

### **Analysis:**

It is very much clear from the table that calculated value for all samples for Gross Value Added (GVA) is -1.40639, which is clearly less than table value of the same 2.306004. hence, null hypothesis failed to be rejected. Which means there is no difference in Gross Value Added of all selected companies during the study period.

The calculated value of Net Value Added (NVA) for all companies is -1.32948 which is again less than table value. which means null hypothesis failed to be reject and that states that there is no difference between companies in Net Value Added (NVA) during study period.

### **FINDINGS**

In generation of Gross Value Added (GVA) apollo tyer was way better than any other sample of the study. The main reason behind it is the humongous amount of Profit Before Taxation.

In Net Value Added (NVA), apollo tyer again out performs MRF tyre.

One of the prime reasons because of which apollo tyer defeated MRF tyre is their installed tyer manufacturing capacity. Which is currently highest in India.

## REFERENCES

- Ali, M., & Abdullah, S. (2021). Macro sustainability accounting: A new way to prepare Value Added Statement. *Journal of Economics and Administrative Science* , 185-197.
- Bohra, D., Nagansur, S., & Anute, N. (2022). Comparative analysis of FMCG Products with special reference to HUL and ITC. *Omniscience : A Multidisciplinary Journal*, 1-10.
- Chirodiya, A. P. (2022). A comparative study on Value Added Ratios of Ultratech Cement Ltd and Ambuja Cement Ltd. *Journal of Social Commerce*, 174-182.
- Patel, A. D. (2018). Basic Concept of Value Added Statement. *Research Guru : online journal of multidisciplinary subject*, 382-386.
- Polisetty, A., & Madhuri, J. (2018). Value added statement: Analysis on Volkswagen. *IOSR Journal of Business and Management*, 20(2), 48-52.
- Staden, C. V. (2000). Aspects of the usefulness of the value added statement in South Africa. *Social and Environmental Accountability Journal*, 11-14.
- Stainbank, L. (1992). Value Added Reporting in South Africa. *De Ratione*, 6(1), 43-58.
- Stainbank, L. (2009). The Value Added Statement :Does it add any value ? *Meditari Accountancy Research*, 17(2), 137-149.
- Vijayalaxmi, B., & Srikanth, P. (2014). Value Added Statement - An Innovative Dimension of Financial Performance Measurement - A case study of Steel Authority of India Ltd. (SAIL). *Asian Journal of Research in Business Economics and Management*, 4(4), 138-152.

[www.moneycontrol.com](http://www.moneycontrol.com)

<https://www.gapgyan.org/>