A Study of Financial Performance of Select Financial Services Companies

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DECLARATION BY STUDENT

I hereby declare that the data presented in this Dissertation report entitled, "A Study of Financial Performance of Select Financial Services Companies" is based on the results of investigations carried out by me in the (MBA) in Financial Services at the Goa Business School, Goa University under the Supervision of Dr. Prachi Kolamkerand the same has not been submitted elsewhere for the award of a degree or diploma by me. Further, I understand that Goa University or its authorities / College will be not be responsible for the correctness of observations / experimental or other findings given the dissertation.

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Saieel Vishant Vernekar

Seat no: 19

Date: 29/04/2024

Place: Goa University

COMPLETION CERTIFICATE

This is to certify that the dissertation report "A Study of Financial Performance of Select Financial Services Companies" is a bonafide work carried out by Mr Saieel Vishant Vernekar under my supervision in partial fulfilment of the requirements for the award of the degree of Masters in Business Administration in the Discipline Financial Services at the Goa Business School, Goa University.

30/04/2024

Dr. Prachi Kolamker
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Date: 29/04/2024

30/04/2024

Goa Business School Goa University

Signature of Dean of the School/HoD

Dept School/Dept Stamp

Date: 29/04/2024

Place: Goa University

COMPLETION CERTIFICATE GIVEN BY THE ORGANIZATION

WHITEOAK
CAPITAL MUTUAL FUND

22nd April 2024

To Whomsoever It May Concern

This is to certify that Mr. Saieel Vernekar has completed his internship with Whiteoak Capital AMC Ltd at Panaji Goa branch in sales and operations departments from 15th February 2024 to 12th April 2024.

He was found to be hardworking, sincere and discharged his duties and responsibilities satisfactorily. His conduct was found to be very good during the said period of internship.

We wish him all the very best in his future endeavours.

WHITEOAK CAPITAL MUTUAL FUND
PANJIM

Rahul Kantak
(Branch Head)

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1. COMPANY PROFILE

2.1 INTRODUCTION

White Oak Capital Asset Management Ltd is a well-known organization in the financial services industry, providing a wide range of investment options that are customised to satisfy the various demands of its customers. Since its establishment with a goal of offering creative and client-focused investment strategies, white oak capital has grown to become a trustworthy advisor for people, organisations and businesses looking to maximise their financial investments.

White oak capital, which was established on the values of honesty, transparency and excellence sets itself on its client-centric approach which carefully customises each investment strategy to the individual financial objectives, risk tolerance and investment goals of each of its clients. The company provides a range of investments options to meet a variety of goals and time horizons, whether the focus is wealth keeping, capital growth or income creation.

In addition to its constant commitment to investment excellence, white oak capital asset management ltd also maintains strict standards of corporate governance and ethical behaviour, assuring the protection of its clients and stakeholder's interests consistently. The company is committed to providing value and maintaining transparency in all of its operations and it keeps raising the standards of excellence in the asset management sector.

1.2 Products and services

2.2.1 Products

White Oak Capital Asset Management Company provides a wide range of investment products in multiple categories.

Table 1: different types of mutual fund schemes under White Oak Capital Asset Management Company are as below

FUND TYPE	FUND NAME	RETURNS (as on April 2024)
Equity Fund	White Oak Capital Mid Cap Fund	32.72%
	White Oak Capital ELSS Tax Saver Fund	28.81%
	White Oak Capital Flexi Cap Fund	25.94%
	White Oak Capital Multi Cap Fund	23.89%
	White Oak Capital Large Cap Fund	20.52%
	White Oak Capital Large & Mid Cap Fund	Not completed 6 months
	White Oak Capital Banking & Financial Services Fund	Not completed 6 months
	White Oak Capital Pharma & Healthcare fund	Not completed 6 months
Hybrid Fund	White Oak Capital Balance Advantage Fund	20.59%
	White Oak Capital Multi Asset Allocation Fund	18.79%
Debt Fund	White Oak Capital Balanced Hybrid Fund	13.45%
	White Oak Capital Ultra Short Duration Fund	5.42%
	White Oak Capital Liquid Fund	5.13%

Source: https://mf.whiteoakamc.com/scheme-list/all_funds

2.2.2 SERVICES

i. Mutual Fund Management: the company handles a number of mutual fund plans that covers a number of asset classes such as Debt, Equity and Hybrid funds. These funds are made according to various risk levels and investment goals.
ii. Client relationship management: white oak capital sets a high priority on establishing long-term bonds with the clients by providing excellent customer care, frequent updates and customised interactions.
iii. Investment Advisory Services: the company offers clients professional advice and suggestions on fund selection, asset allocation and investment strategies over time.
iv. NAV allotment and Settlement: White Oak Capital AMC uses innovative technology and strong data base to assure effective NAV allotment and settlement procedures.
v. Compliance & Regulatory Affairs: white oak capital AMC ensures compliance with relevant laws and regulations by maintaining high regulatory compliance standards.
vi. Customer Support: company provides detailed customer support services such as help in account opening, answering questions and providing information over calls.
vii. Educational programmes: To provide clients with information and knowledge for investing company conducts seminars, webinars and advertisement.

2.3 TASK(S) HANDLED

During my 8 weeks as a corporate intern at white oak capital asset management company ltd., I gained important knowledge about the constantly changing asset management and financial services companies. I developed fundamental skills and developed my knowledge of investment products and client management and obtain practical experience in many different kinds of industry aspects through a combination of office-based and on-field tasks.

My primary task at white oak capital AMC was given an operational level work where I had to fill application forms of various investors including individual Indian, NRI (non-resident Indian) and NRE (non-resident external) and others.

KYC authentication and completing customer's KYC registration was another task assigned.

During the internship period a task was assigned to find and prepare a presentation on major financial events affecting the company/stocks returns was to be submitted.

On field task was also assigning such as:

a) I was assigned to visit different insurance companies around panjim inquiring about the commission structure, placement qualification and peaks by the company.
b) Another task was similar were I had to visit different public and private sector banks to get information about the prevailing saving account interest rates, FD & RD returns, minimum account balance and additional benefits offered by banks.
c) I was also tasked to explain schemes the customers who visited the branch office.

2.4 CONCLUSION

Overall, I had a beneficial and educational internship at White Oak Capital Asset Management Company that gave me the chance to work with experts on field, use my academic skills in real life situation and gain an in-depth knowledge of the asset management company. I acknowledge the chance to achieve the goals of the company and know that the knowledge and abilities learned from the internship will be great invaluable resource to me in my future work in the financial services industry.

A STUDY OF FINANCIAL PERFORMANCE OF SELECT FINANCIAL SERVICES COMPANIES

2. ABSTRACT

The study is aimed to examine the financial performance and liquidity management of the financial services companies selected from the NIFTY 200 Index over the period from 2013-14 to 2022-23. The ratios, percentages and trend analysis are used in the paper and has represented in-depth features of company's performance within the selected period. HDFC Asset Management Company can be considered as the company with the highest outcomes since the profitability ratios are high and the liquidity is also managed in the best manner. However, ICICI Prudential Life Insurance company can be used an example of accompany with inconsistent figures and low level of returns. This study shows that it is important for the financial companies to manage their finances effectively to stay stable and grow over time.

Keywords: Financial performance, liquidity management, ratio analysis, NIFTY 200 index, financial services companies

3. INTRODUCTION

3.1 BACKGROUND

Financial performance is a measure of a company's overall health as well as its capacity to generate revenue and expand over time. Primarily, a variety of financial measures including cash flow, profit margins, revenue and return on investment are used to evaluate it. Companies need to understand their financial performance as it gives them an improved understanding of how well they are managing their assets, how well they are meeting their financial obligations and how well they are using assets.

Analysing financial performance can provide important information about how different companies operations operate or fail, how the impact of economy affects a company's profitability and how well financial management techniques works. Investors can identify trends, evaluate performance in future and provide well informed suggestions to improve financial stability and overall business profitability. Studying financial performance makes it necessary for creditors and other relevant shareholders to make informed decisions about financing or investing in the company.

Liquidity management refers to how liquidity has a direct effect on a financial services company's capacity to satisfy immediate liabilities, make profitable investments, and preserve its financial stability. Obtaining optimal liquidity levels enables these companies to meet their obligations and maximise profits by allocating funds strategically. It involves maintaining a close watch on estimating and improving the flow of cash to keep a proper balance between liquidity risk and profitability.

In addition, there is a complex relationship between profitability and liquidity. Stability can be achieved by keeping high levels of liquidity, but excess liquid assets may result in reduced returns, which could have an effect on profitability. On the other hand, a lack of liquidity might result in insolvency and financial failure. Liquidity management ensures that companies can pay for their daily operating costs, settle debts and maximise investment opportunity and reducing the chances of insolvency, strong liquidity management improves creditworthiness and boosts overall financial performance.

liquidity refers to how easily assets may be turned into cash or utilized to support operations without leading to significant changes in price. It includes the existence of liquid assets and the ability of sectors to handle substantial transactions while avoiding price volatility. Liquidity management refers to the strategic control and optimizing assets and liabilities that ensure enough cash flow to satisfy short-term obligations while optimizing profitability and lowering risks is known as liquidity management. In order to find a balance between the need for long-term investments and growth prospects involves detailed planning and execution of financial plans. Liquidity and liquidity management are essential components of financial stability and health, with efficient management ensuring the flexibility and smooth operation of companies.

The Nifty 200 index, one of the important indexes in the Nifty family, gives investors a comprehensive understanding of the general performance and trends of the market. It comprises businesses from a range of industries, including manufacturing, consumer goods, banking, financial services, and information technology. The performance and dynamics of the index are greatly impacted by 44 financial services stocks, which include those in asset management, banking, insurance, non-banking financial institutions (NBFCs), and other related services. They are among the biggest and most well-known players in India's financial environment, making significant contributions to the economic growth and development of the nation.

In today's markets, financial services companies are essential because they act as intermediaries between borrowers and investors to facilitate effective capital allocation and boost growth in the economy. Since financial services companies have so many components, it is important to explain their position. Primarily, these companies meet the various financial requirements of people, organizations and governments by offering necessary services including banking, investing, insurance and asset management. Furthermore, their operations guarantee smooth operation and lower systematic by strengthening the stability and liquidity of financial markets.

Additionally, financial services also promote technical and financial product innovation which promotes financial sustainable economic development. Thus, researching the operations and effects of financial services companies provides useful data about the workings of the financial system and how various shareholders are affected.

Financial performance ratios are essential for explaining an organizations operational effectiveness, solvency and profitability. Shareholders, investors and analysts can evaluate a company's health and make wise decisions by using ratios, which are useful tools. It can offer an in-depth assessment of the financial health of an organization by combining indicators including liquidity, profitability, efficiency and leverage ratios. By highlighting the importance of these ratios for assessing risk levels, forecasting future performance and measuring the effectiveness of management policies. It also shows the value of ratio analysis in the overall structure of financial management.

Financial performance ratios also highlight how useful they are useful for making comparisons across various companies, sectors and historical periods. These ratios despite the size or type of organization, provide a standard framework for evaluating financial health. Financial performance can improve their knowledge of the fundamental factors influencing a company's financial performance by using ratio analysis to find trends, patterns and exceptions. Additionally, analysis of financial performance provides opportunities for more in-depth research into how ratio analysis affects investment choices, corporate governance processes and strategic planning activities.

Bansal (2014) proposed that financial accounts provide wealth of information when analysed. A company's financial statements are the means through which it provides information about its financial performance. Those who practice fundamental analysis base their investment decisions on data extracted from financial statements. Suvvari, Raja Sethu Durai, & Goyari, (

2019) analysed that Companies need to have strong financial performance in order to remain in the market and support the growth of the sector. It is particularly important to the life insurance business because it is expected to take a while to develop, incurring losses during its initial stages while seeking for long-term expansion. According to V.Arulmathi, (2019) about 88 commercial banks, consisting 31 private, 27 public sector, and 38 foreign banks, operate in India. With 75% of the industry's total assets under their control, public sector banks are the dominant players in this market.

Investors which seek to maximise returns and effectively manage risks regularly monitor the performance and liquidity management of these stocks, as they have a significant impact on investment decisions. Through an analysis of these stocks, investors can assess the constantly shifting financial market environment, make well-informed decisions, and take advantage of opportunities. The objective of this study is to examine the stock prices of NIFTY 200 financial services companies. Using a range of financial variables, the study analyses a number of financial indicators to explain the liquidity and financial performance of companies in stock market.

3.2 OBJECTIVE

i. To study the financial performance of selected financial services companies.

ii. To analyse the liquidity and profitability position of select financial services companies.

3.3 RESEARCH QUESTION

i. How strong is the company maintaining its assets and generating profits?

ii. How does company maintain the levels to facilitate the debt?

3.4 RESEARCH GAP

There is a lack of research which studies the financial performance considering the liquidity and profitability position of financial services companies of NIFTY 200 Index. Existing research is done comparing some specific companies or only the insurance sector or the financial performance of public sector banks, private sector banks or finance companies. However, studies focusing on examining the holistic financial structure using ratio analysis is limited.

3.5 RESEARCH SCOPE

The study's objective is to assess the financial performance of the select NIFTY 200 Index financial services companies. The analysis between profitability, consumer trust and liquidity management become evident with the help of the study. This study will benefit the finance industry by studying and analysis of the financial stability and performance improvement.

3.6 LITERATURE REVIEW

Bansal (2014) analysed the performance of the commercial banks from April 2011 to march 2014 considering samples as Axis bank, ICICI bank, Federal bank and HDFC bank and comprehensive financial ratio analysis was used. It was examined that the Federal bank's total assets turnover ratio demonstrates that it maintains a sizably high level of assets to pay off debt. Thus, it was concluded that all things considered, the Federal bank has the most stable finances of any business.

V.Arulmathi (2019) examined the State Bank of India (SBI) and ICICI Bank, the country's two biggest public and private banks. This comparison of SBI and ICICI Bank's performance using ratio analysis, percentages and t-test shows notable variations in the two bank's results regarding deposits, advances, investments, net profits, and total assets. It is assumed that SBI operates more widely than ICICI Bank, compared to ICICI Bank, SBI operated in those factors more satisfactorily. Similarly, Ahuja & Gupta (2023) purpose of this study was to evaluate SBI and ICICI Bank's financial performance using ratios such as net profit margin and credit deposit using one way ANOVA. The study period covers from 2007-2008 to 2011-2012. According to the study, SBI is more financially stable and operating profitability than ICICI Bank, although ICICI Bank manages deposits and expenses more efficiently than SBI.

Koley (2019) evaluated the largest public and private sector Banks (SBI and HDFC) in terms of their financial standing, effectiveness and performance with CAMEL model. The study's goal was to determine the financial standing and performance of the chosen Banks and determine whether there are any appreciable differences in those standings. Most liquidity variables, including the liquid asset to total asset ratio, the liquid asset to total deposit ratio and the current ratio, show better results for HDFC Bank. One could agree that HFDC Bank has for greater liquidity than SBI Bank.

Rao (2017) study had analysed and compared the overall profitability of IDBI Bank with the industry averages as well as the bank's financial performance with ratios and CAGR. The net profit margin of IDBI Bank suggests that the bank's operations need to be improved as it shows a decline in the profits and is significantly lower than the industry averages. Better deposits from the IDBI Bank might result in less expensive funds, which can lead to impressive financial results. The return on assets (ROA) of IDBI Bank is trending downward and a comparison with industry averages suggests that the bank has to focus on making better use of its assets.

Kaur, Kaur, & Singh (2015) compared the bank's five-year performance analysed the financial performance of a section of public sector banks namely Bank of Baroda, State Bank of India, Punjab National bank, Bank of India, and Canara Bank using the CAMEL model technique. According to the study's findings, the Bank of Baroda leads in every CAMEL category, Punjab National Bank is leading in capital adequacy, management effectiveness and earning capacity, while the Bank of India is leading in asset quality.

Dar & Thaku (2015) the financial and statistical returns of a non-life insurer companies like national, new India, oriental, united India, Bajaj Allianz, ICICI Lombard, iffco tokio, royal Sundaram, several ratios have been provided and examined in this study. A selection of public and commercial non-life insurers has had their financial performance analysed and evaluated using three parameters defined by the CARAMEL model. The analysis of five ratios has been done under the first indication, “Earnings and Profitability” which includes the claim ratio, expenses ratio, combined ratio, investment income ratio and ROE ratio. Every rupee of earned premium is being siphoned off by private insurers in the form of claims and costs, according to an examination of their overall underwriting performance. This indicates that they are selecting the wrong risks and managing their expenditure policies improperly. Regarding the quality of their management, both organizations appear to have exceeded the conventional 20 percent guidelines.

The Srinivasan & Britto (2017) study includes 16 commercial banks, 5 of which are private and 11 of which are public namely State Bank of India (SBI), Axis Bank, Canara Bank, ICICI Bank, Indian Bank, Kotak Bank, Indian Overseas Bank (IOB), Karur Vysya Bank (KVB), Bank of India, Yes Bank, Bank of Baroda, Punjab National Bank (PNB), Andhra Bank, Union Bank of India (UBI), IDBI Bank, Vijaya Bank. Financial ratios are used to assess the institutions financial performance. The analysis demonstrates that during the study period, private sector Banks financial performance was comparatively superior to that of public sector banks with one-way ANOVA The empirical findings from the panel data estimations stated that the fact that profitability is a function of those ratios, showing that the liquidity ratio and solvency ratio, as well as the turnover ratio and solvency ratio, are found to have a positive and significant impact on the profitability of selected public sector and private sector Banks, respectively.

Suvvari, Raja Sethu Durai, & Goyari (2019) study aims to use Deng’s (1982) Grey Relational Analysis (GRA), which takes into account negative values in the analysis, to evaluate the financial performance of 24 Indian life insurance companies namely Aegon, Aviva, Bajaj, Bharti, Birla, Canara, DHFL, Edelweiss, Exide, Future, HDFC, ICICI, IDBI, India First, Kotak, Max, PNB, Reliance, Sahara, SBI, Shriram, Star, TATA and LIC for the years 2013 to 2016. Based on the results, it is evident that Shriram ranked highest with a relational grade score, ahead of IDBI, Sahara and LIC. This suggests that PR is a significant factor in influencing financial performance. The study's primary conclusion to improve their financial standing, insurance companies should focus more on public relations and ignoring negative value ratios in the research can lead to biased conclusions.

According to Popker (2018) PNB & ICICI Bank was analysed using SPSS for windows statistical. In comparison to private sector Banks, the survey shows that consumers of Banks have a higher level of trust in PNB. Decision-makers may find this study useful in focusing their attention on the key banking operations that will improve the Banks financial performance and standing against rival Banks. The management will find it easier to draw up plans and financial strategies with the help of the study's financial data. This analysis offers a fresh perspective for assessing the financial performance of top commercial Banks from an academic perspective.

3.7 RESEARCH METHODOLOGY

The research is based on secondary source of data aiming to measure the financial performance of 43 financial services companies from the nifty 200 index. The study was carried out for the period of 10 years from 2013-14 to 2022-23. The major tools applied for the analysis of the data are financial ratios and percentages. The secondary data has been used for the study, which is obtained from published annual reports, financial reports (balance sheet, profit and loss statements and financial ratios) of the respective companies from annual reports, CMIE, money control, yahoo finance, money control and other published websites. As applied in the study, financial ratios we categorised into 4 categories i.e. the profitability ratios, liquidity ratios, solvency ratios and leverage ratios. The details of the financial services companies and financial ratios used in this study are given in **Table 1 & Table 2.**

Table 1: Select Financial Services Companies of NIFTY 200 Category Wise

Banking Institutions	Asset management & insurance	Non-banking institutions

Bandhan Bank	HDFC Asset Management Company Ltd	Indian Railway Finance Corporation Ltd
HDFC Bank Ltd	ICICI Lombard General Insurance Company	LIC Housing Finance Ltd
Kotak Mahindra Bank Ltd	SBI Life Insurance Company	REC Ltd
AU Small Finance Bank Ltd	HDFC Life Insurance Company	Power Finance Corporation Ltd
Federal Bank Ltd	Life Insurance Corporation of India	Bajaj Holdings & Investment Ltd
Axis Bank Ltd	ICICI Prudential Life Insurance Company Ltd	Bajaj FinServ Ltd
Indian Bank		Muthoot Finance
ICICI Bank Ltd		Cholamandalam Investment & Finance Company Ltd
IndusInd Bank Ltd		Shriram Finance
IDFC First Bank Ltd		BSE Ltd
State Bank of India		Bajaj Finance Ltd
Bank of Baroda		Mahindra & Mahindra Financial Services Ltd
Union Bank of India		Poonawalla Fincorp Ltd
Canara Bank		Piramal Enterprises Ltd
Bank of Maharashtra		Max Financial Services Ltd
Bank of India		Aditya Birla Capital Ltd
Punjab National Bank		SBI Cards & Payment Services Ltd

Yes Bank Ltd		Jio Financial Services Ltd
IDBI Bank Ltd		

Table 2. Financial ratios

RATIOS	VARIABLES	TARGET
PROFITABILITY RATIOS	NET PROFIT MARGIN RATIO	Higher ratio is better
	OPERATING PROFIT MARGIN RATIO	Higher ratio is better
	RETURN ON ASSET (ROA)	Larger ratio is better
	RETURN ON INVESTMENT (ROI)	Larger ratio is better
	RETURN ON EQUITY	Higher ratio is better
	EARNINGS PER SHARE	Higher ratio is better
LIQUIDITY RATIOS	CURRENT RATIO	2:1 ratio is better
	QUICK RATIO	1:1 ratio is better
ACTIVITY RATIO	ASSET TURNOVER RATIO	Higher ratio is better
LEVERAGE RATIO	DEBT TO EQUITY RATIO	2:1 ratio is better

3.7.1 KEY FINANCIAL RATIOS

Profitability ratio, which measures the overall performance of the company and its efficiency in manging its assets, liabilities and equity.

Liquidity ratios, which measures company's ability to meet cash need when the company perform for a short period.

Activity ratio, which measures how well the company is utilizing its assets to in the long run to produce revenue.

Leverage ratio, which measures the level of a company's financing with the debt equals to equity for long term performance of a company.

3.7.2 PROFITABILITY RATIOS

3.7.2.1 Net profit margin ratio

This ratio measures the overall profitability of company considering all direct as well as indirect cost. A high ratio represents a positive return in the company and is better for the company.

Formula: -

$$\text{Net Profit Ratio} = \frac{net\ profit}{net\ sales} \text{ X } 100$$

3.7.2.2 Operating profit margin ratio

This ratio means the percentage of each sale in rupee that remains after payment of all costs and expenses except for interest and taxes. High Ratio is equal to more expenses and less profitability.

Formula: -

$$\text{Operating Profit Ratio} = \frac{EBIT}{net\ sales} \text{ X } 100$$

3.7.2.3 Return on assets (ROA)

This ratio measures the earning per rupee of assets invested in the company's Net profit and assets employed to earn the profit. A high ratio represents better for the company.

Formula: -

$$\text{Return on Asset (ROA)} = \frac{net\ profit\ after\ tax}{fixed\ assets} \text{ X } 100$$

3.7.2.4 Return on investment (ROI)

This ratio computes percentage return in the company on the funds invested in the business by its capital suppliers. ROI is higher than rate at which company borrows.

Formula: -

$$\text{Return on Investment (ROI)} = \frac{EBITD}{capital\ emplyed} \text{ X } 100$$

3.7.2.5 Return on equity

This ratio measures Profitability of equity fund invested the company. It also measures how profitably owner's funds have been utilized to generate company's revenues. A high ratio represents better it is for the company.

Formula: -

$$\text{Return on Equity}= \frac{PAT}{shareholders\ fund} \text{ X } 100$$

3.7.3 LIQUIDITY RATIOS

3.7.3.1 Current ratio

Current ratio means does a company have enough current assets to meet its current liabilities in a short period of time (12 months). It measures the financial health of the company.

Formula: -

$$\text{Current Ratio}= \frac{current\ assets}{current\ liabilities}$$

3.7.3.2 Quick ratio

This ratio measures how much liquidity is available with the company. It is debt paying capacity within short period of time.

Formula: -

$$\text{Quick Ratio}= \frac{quick\ assets}{current\ liability}$$

3.7.4 ACTIVITY RATIO

3.7.4.1 Total asset turnover ratio

This ratio measures the efficiency of the firm in utilizing its assets. A high ratio represents efficient utilization of total assets in generating sales.

Formula: -

$$\text{Total Asset Turnover Ratio} = \frac{revenue\ from\ operations}{net\ assets/capital\ employed}$$

3.7.5 LEVERAGE RATIO

3.7.5.1 Debt to Equity ratio

This ratio means how much a company is using debt to finance its assets. The ideal ratio that should be maintained is 2:1.

As a result, the performance of financial services companies can be ranked using ratio analysis. A greater and higher ratio indicates that the companies have performed better financially.

Formula: -

$$\text{Debt to Equity ratio} = \frac{total\ debt}{equity/shareholders\ \ fund}$$

4. DATA ANALYSIS AND RESULTS

1. Data Analysis and results of financial performance

4.1 Net profit Margin Ratio

Table 1.1: Net Profit Ratio

NET PROFT MARGIN RATIO		
NAME OF THE COMPANY	AVERAGE	RANK
Jio Financial Services Ltd	86.00	1
Bajaj Holdings & Investment Ltd	80.96	2
Bajaj Finserv Ltd	64.13	3
HDFC Asset Management Company Ltd	50.19	4
BSE Ltd	46.54	5
Max Financial Services Ltd	43.65	6
Muthoot Finance	26.42	7
REC Ltd	24.01	8
HDFC Bank Ltd	23.10	9
Kotak Mahindra Bank Ltd	22.10	10
Aditya Birla Capital Ltd	21.85	11
Power Finance Corporation Ltd	21.49	12
Bajaj Finance Ltd	20.16	13
Indian Railway Finance Corporation Ltd	19.35	14
ICICI Bank Ltd	18.64	15
IndusInd Bank Ltd	17.13	16
AU Small Finance Bank Ltd	16.95	17
Bandhan Bank	16.33	18
Cholamandalam Investment & Finance Company Ltd	15.59	19
Shriram Finance	15.23	20

SBI Cards & Payment Services Ltd	13.87	21
LIC Housing Finance Ltd	13.22	22
Mahindra & Mahindra Financial Services Ltd	12.56	23
Axis Bank Ltd	12.20	24
Federal Bank Ltd	11.62	25
ICICI Lombard General Insurance Company	10.94	26
Indian Bank	7.34	27
State Bank of India	6.59	28
Poonawalla Fincorp Ltd	6.35	29
Piramal Enterprises Ltd	5.31	30
ICICI Prudential Life Insurance Company Ltd	4.02	31
HDFC Life Insurance Company	3.57	32
Bank of Baroda	3.39	33
SBI Life Insurance Company	3.07	34
Yes Bank Ltd	2.77	35
Canara Bank	1.90	36
IDFC First Bank Ltd	1.44	37
Life Insurance Corporation of India	0.96	38
Union Bank of India	0.71	39
Bank of India	-2.12	40
Bank of Maharashtra	-2.50	41
Punjab National Bank	-2.56	42
IDBI Bank Ltd	-15.26	43

Figure 1.1: Trend analysis of Net Profit Ratio

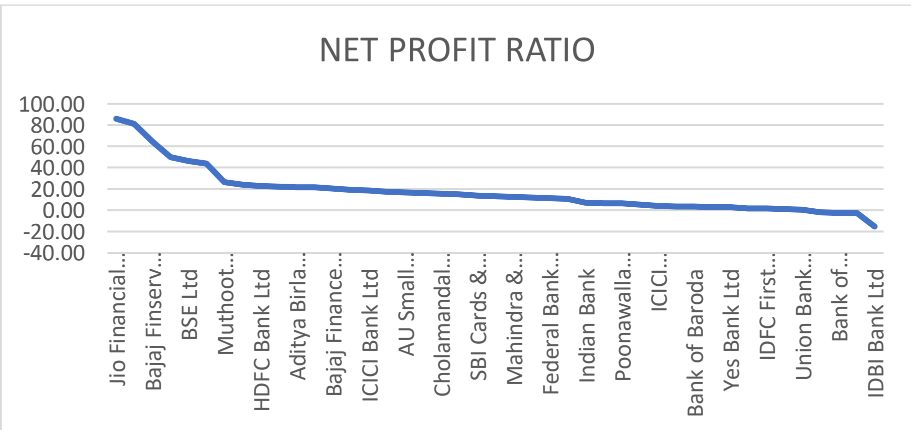

Table1.1 illustrates that the study of the net profit for the study period of 2013 to 2023. Jio Financial Services Ltd have shown steady and consistent profitability over the years, while several companies in insurance and finance sectors struggle to maintain the net profit ratios.

Jio Financial Services Ltd ranked at 1 displays a comparatively consistent performance over time moving steadily from 28.72% to 113.07% with an average of 86.00% which shows good profitability comparison with other finance companies.

Over the time the net profit of IDBI Bank has ranked 43 with declining significantly from 16.21% to 3.16 over the years and with an average of 2.77% indicating significant volatility and challenges in its financial performance. This indicates difficulties in managing profitability in comparison to the income.

4.2 Operating profit Margin Ratio

Table 1.2: Operating Profit Ratio

OPERATING PROFIT MARGIN RATIO		
NAME OF THE COMPANY	AVERAGE	RANK
Indian Railway Finance Corporation Ltd	99.57	1
LIC Housing Finance Ltd	92.81	2
REC Ltd	92.34	3
Power Finance Corporation Ltd	91.70	4
Bajaj Holdings & Investment Ltd	91.37	5
Bajaj Finserv Ltd	79.75	6
Muthoot Finance	78.35	7
Cholamandalam Investment & Finance Company Ltd	72.93	8
Shriram Finance	71.15	9

BSE Ltd	67.17	10
Bajaj Finance Ltd	64.86	11
HDFC Asset Management Company Ltd	64.54	12
Mahindra & Mahindra Financial Services Ltd	64.34	13
Poonawalla Fincorp Ltd	57.13	14
Piramal Enterprises Ltd	54.58	15
Max Financial Services Ltd	54.32	16
Aditya Birla Capital Ltd	38.34	17
SBI Cards & Payment Services Ltd	34.20	18
Jio Financial Services Ltd	9.80	19
ICICI Lombard General Insurance Company	8.27	20
Bandhan Bank	4.57	21
HDFC Bank Ltd	3.73	22
SBI Life Insurance Company	3.18	23
HDFC Life Insurance Company	3.11	24
Kotak Mahindra Bank Ltd	2.44	25
Life Insurance Corporation of India	2.07	26
AU Small Finance Bank Ltd	-0.65	27
Federal Bank Ltd	-0.98	28
Axis Bank Ltd	-1.11	29
ICICI Prudential Life Insurance Company Ltd	-3.74	30
Indian Bank	-6.17	31
ICICI Bank Ltd	-6.71	32
IndusInd Bank Ltd	-7.98	33
IDFC First Bank Ltd	-9.22	34
State Bank of India	-9.41	35
Bank of Baroda	-10.17	36
Union Bank of India	-13.54	37
Canara Bank	-14.55	38
Bank of Maharashtra	-15.97	39
Bank of India	-16.56	40
Punjab National Bank	-17.90	41
Yes Bank Ltd	-19.04	42

IDBI Bank Ltd	-34.14	43

Figure 1.2: Trend analysis of Operating Profit Ratio

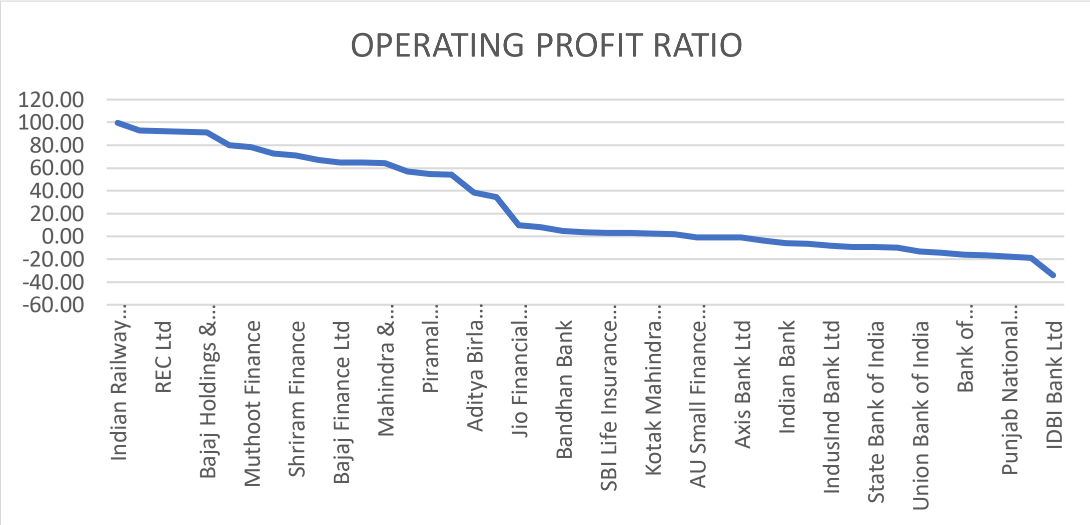

Table 1.2 illustrates that in the given period, Axis bank shows a stable and sturdy operational performance, but the operational efficiency of certain institutions fluctuates significantly.

Indian Railway Finance Corporation Ltd ranked at 1 display change in the operating profit over time, with the highest peak of 99.28% to 99.87% and the average operating profit ratio of 99.57% which shows a wide variation in operational effectiveness but a considerable amount of operating profit over the time.

IDBI Bank ranked 43 as it has moved from 4.22% to -3.53 and average of -17.05% which might be due to nature of operations and inadequate capitalization. The company struggled to maintain consistent profitability as seen substantial losses over the years.

4.3 Return on shareholders' investment

Table 1.3: Return On Shareholders Investment

RETURN ON SHAREHOLDERS INVESTMENT		
NAME OF THE COMPANY	AVERAGE	RANK
SBI Cards & Payment Services Ltd	60.21%	1
Bandhan Bank	48.09%	2
Indian Bank	47.74%	3
Bajaj Finserv Ltd	47.42%	4
AU Small Finance Bank Ltd	45.40%	5
Max Financial Services Ltd	42.91%	6
Mahindra & Mahindra Financial Services Ltd	40.32%	7
Power Finance Corporation Ltd	37.38%	8
HDFC Asset Management Company Ltd	32.64%	9
Poonawalla Fincorp Ltd	31.85%	10
Federal Bank Ltd	31.53%	11
REC Ltd	25.87%	12
Union Bank of India	24.72%	13
Cholamandalam Investment & Finance Company Ltd	22.66%	14
HDFC Life Insurance Company	21.15%	15
ICICI Prudential Life Insurance Company Ltd	20.25%	16
Muthoot Finance	19.54%	17
Piramal Enterprises Ltd	17.92%	18
ICICI Lombard General Insurance Company	17.79%	19
Kotak Mahindra Bank Ltd	17.46%	20
SBI Life Insurance Company	16.68%	21
HDFC Bank Ltd	16.43%	22
ICICI Bank Ltd	13.85%	23
Shriram Finance	13.54%	24
IndusInd Bank Ltd	12.94%	25
State Bank of India	12.43%	26

Life Insurance Corporation of India	11.62%	27
Indian Railway Finance Corporation Ltd	11.24%	28
Bajaj Holdings & Investment Ltd	10.89%	29
Axis Bank Ltd	8.50%	30
BSE Ltd	8.43%	31
Yes Bank Ltd	6.06%	32
LIC Housing Finance Ltd	5.20%	33
Bajaj Finance Ltd	3.88%	34
IDFC First Bank Ltd	3.59%	35
Bank of Baroda	2.98%	36
Canara Bank	2.19%	37
Aditya Birla Capital Ltd	2.00%	38
Jio Financial Services Ltd	0.75%	39
Bank of India	-1.85%	40
Punjab National Bank	-3.33%	41
Bank of Maharashtra	-3.79%	42
IDBI Bank Ltd	-10.83%	43

Figure 1.3: Trend analysis of Return on Shareholders Investment

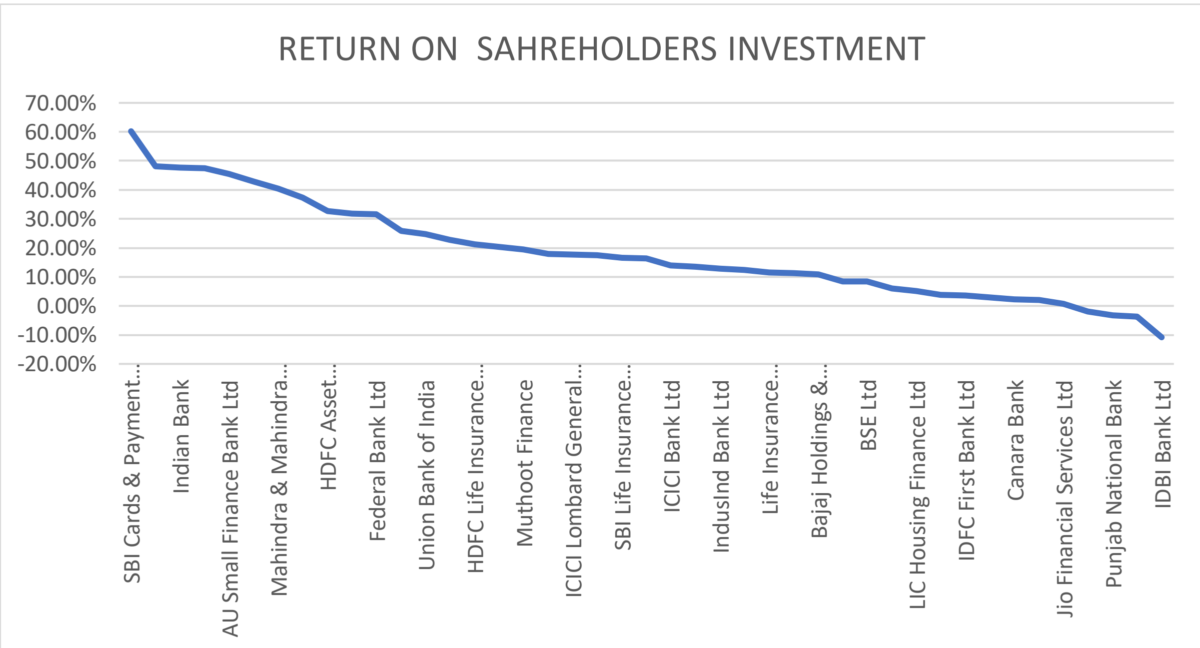

Table 1.3 illustrates that in given period, SBI Cards & Payments Services Limited is generating high return. On the other hand, IDBI Bank displays comparatively lower returns. The differences in various institutions highlights how crucial effective management and different market conditions are creating share value.

SBI Cards & Payments Services Limited ranked at 1 displays a high rate of return on investment for shareholders over the time ranging from 33.97% to 96.79% and average of 60.21%. This shows that the company's operations are producing excellent returns and making effective use of shareholder's capital.

IDBI Bank ranked 43 highlights an average return of -10.83% and declining returns from 11.03% to -47.18% sharp decline which is lower than that of other institutions. This indicates difficulties and inefficiencies in producing profits for shareholders.

4.4 Earnings per share

Table 1.4: Earnings Per Share

EARNINGS PER SAHRE RATIO		
NAME OF THE COMPANY	AVERAGE	RANK
HDFC Asset Management Company Ltd	104.61	1
Bajaj Holdings & Investment Ltd	93.14	2
Shriram Finance	90.89	3
Piramal Enterprises Ltd	75.66	4
Indian Railway Finance Corporation Ltd	67.06	5
HDFC Bank Ltd	60.26	6
Muthoot Finance	53.48	7
IndusInd Bank Ltd	51.56	8
Kotak Mahindra Bank Ltd	41.46	9

LIC Housing Finance Ltd	41.01	10
Bajaj Finance Ltd	37.95	11
Bank of India	36.81	12
REC Ltd	35.93	13
Axis Bank Ltd	35.10	14
ICICI Bank Ltd	32.13	15
Power Finance Corporation Ltd	31.73	16
Jio Financial Services Ltd	31.67	17
State Bank of India	31.62	18
Cholamandalam Investment & Finance Company Ltd	30.34	19
BSE Ltd	28.74	20
AU Small Finance Bank Ltd	27.05	21
Life Insurance Corporation of India	25.39	22
Yes Bank Ltd	23.68	23
Indian Bank	23.33	24
ICICI Lombard General Insurance Company	21.37	25
Canara Bank	21.25	26
Bank of Baroda	14.07	27
Bajaj Finserv Ltd	14.04	28
Mahindra & Mahindra Financial Services Ltd	13.39	29
SBI Life Insurance Company	11.92	30
SBI Cards & Payment Services Ltd	9.75	31
ICICI Prudential Life Insurance Company Ltd	8.99	32
Bandhan Bank	8.72	33
Federal Bank Ltd	7.83	34
Max Financial Services Ltd	5.53	35
HDFC Life Insurance Company	5.35	36
Union Bank of India	5.29	37
Poonawalla Fincorp Ltd	3.02	38
Punjab National Bank	1.83	39
IDBI Bank Ltd	0.66	40
IDFC First Bank Ltd	0.56	41
Aditya Birla Capital Ltd	0.03	42

Bank of Maharashtra	-0.17	43

Figure 1.4: Trend analysis of Earnings Per Share

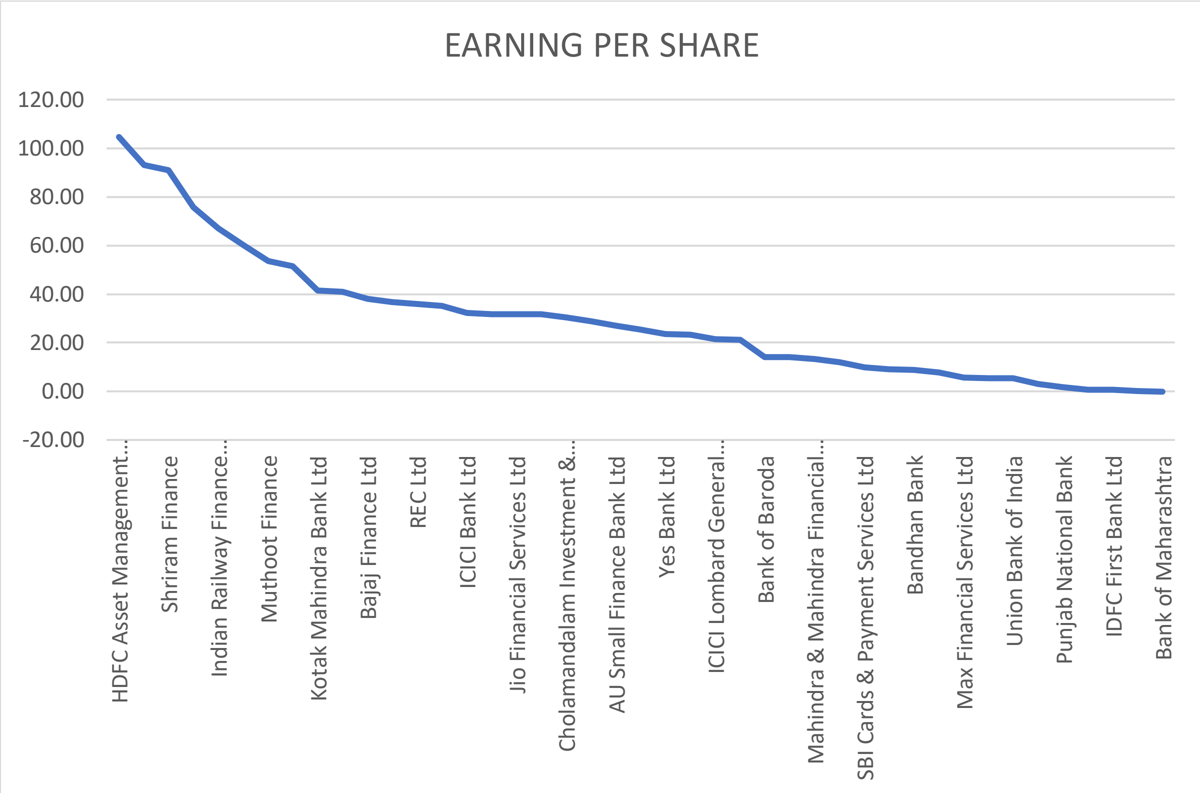

Table 1.4 illustrates that in given period over time HDFC Asset Management has consistently produced good earnings per share where other companies have shown variable performance. When compared with other organisation Shriram finance has extremely high average EPS.

HDFC Asset Management Company ranked at 1 shows a high EPS that has been consistent throughout time with the highest from 33.78% to 218.64%, averaging 104.61%. This suggests that shareholders received excellent profits per share.

Bank of Maharashtra ranked 43 shows EPS changes with the lowest going from 0% to -17.38% and with the average of -0.17%. The bank’s EPS has remained consistently low suggesting financial difficulties.

4.5 Asset turnover ratio

Table 1.5: Asset Turnover Ratio

ASSET TURNOVER RATIO		
NAME OF THE COMPANY	AVERAGE	RANK
HDFC Asset Management Company Ltd	0.63	1
SBI Cards & Payment Services Ltd	0.36	2
ICICI Lombard General Insurance Company	0.27	3
HDFC Life Insurance Company	0.22	4
SBI Life Insurance Company	0.21	5
Life Insurance Corporation of India	0.17	6
Muthoot Finance	0.17	6
BSE Ltd	0.17	6
ICICI Prudential Life Insurance Company Ltd	0.17	6
Bajaj Finance Ltd	0.17	6
Poonawalla Fincorp Ltd	0.16	7
Mahindra & Mahindra Financial Services Ltd	0.15	8
Shriram Finance	0.14	9
Cholamandalam Investment & Finance Company Ltd	0.14	9
Max Financial Services Ltd	0.13	10
Bajaj Holdings & Investment Ltd	0.13	10
Bajaj Finserv Ltd	0.12	11
Piramal Enterprises Ltd	0.12	11
Power Finance Corporation Ltd	0.10	12
Kotak Mahindra Bank Ltd	0.10	12
REC Ltd	0.10	12
LIC Housing Finance Ltd	0.09	13
Bandhan Bank	0.09	13
IndusInd Bank Ltd	0.08	14
Yes Bank Ltd	0.08	14
HDFC Bank Ltd	0.08	14

Federal Bank Ltd	0.08	14
Jio Financial Services Ltd	0.07	15
Bank of Maharashtra	0.07	15
Union Bank of India	0.07	15
Indian Bank	0.07	15
IDBI Bank Ltd	0.07	15
Bank of Baroda	0.07	15
Canara Bank	0.07	15
ICICI Bank Ltd	0.07	15
Punjab National Bank	0.07	15
State Bank of India	0.07	15
IDFC First Bank Ltd	0.07	15
Bank of India	0.06	16
Indian Railway Finance Corporation Ltd	0.06	16
Axis Bank Ltd	0.05	17
Aditya Birla Capital Ltd	0.02	18
AU Small Finance Bank Ltd	0.01	19

Figure 1.5: Trend analysis of Asset Turnover Ratio

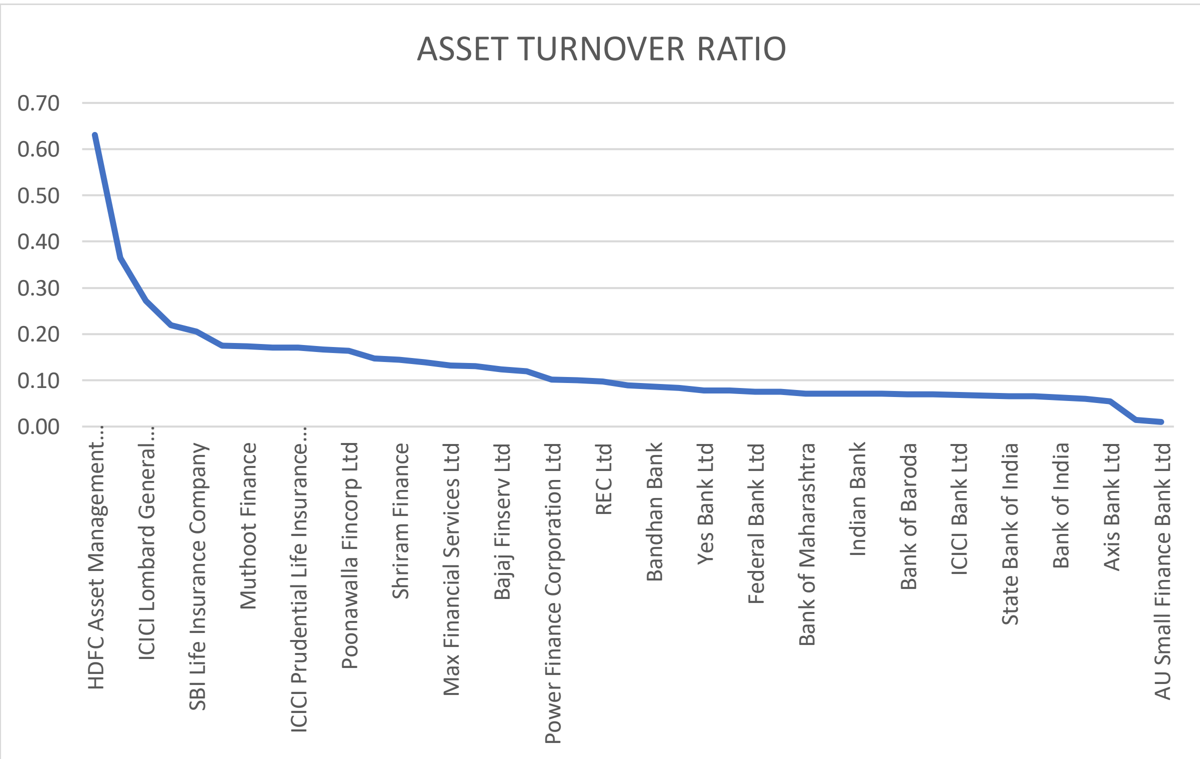

Table 1.5 illustrates that over the period, various financial companies have different total asset turnover ratio, were some functions steadily while other fluctuates overtime. HDFC Asset Management Company's asset turnover ratio is moving downward which suggests company might be less efficient over time.

HDFC Asset Management Company ranked 1 displays a downward movement over time, which peaked at 0.77% in 2013-14 and fell to 0.33 in 2022-23. It had the highest of 1.01% in 2015-16 and an average of 0.63%. The company's ability to generate sales from its assets is becoming less efficient.

AU Small Finance Bank ranked 13 shows variations over the time with lowest and average both 0.01%. The company is generating lower but a stable performance.

4.6 Dividend pay-out ratio

Table 1.6: Dividend Payout Ratio

DIVIDEND PAYOUT RATIO		
NAME OF THE COMPANY	AVERAGE	RANK
ICICI Lombard General Insurance Company	8.76	1
HDFC Asset Management Company Ltd	8.39	2
Muthoot Finance	6.97	3
BSE Ltd	5.99	4
Bajaj Holdings & Investment Ltd	4.88	5
Cholamandalam Investment & Finance Company Ltd	4.47	6
Kotak Mahindra Bank Ltd	3.35	7
Shriram Finance	3.19	8
Bajaj Finance Ltd	1.36	9
Piramal Enterprises Ltd	0.78	10
Poonawalla Fincorp Ltd	0.40	11

Power Finance Corporation Ltd	0.32	12
Indian Railway Finance Corporation Ltd	0.31	13
Mahindra & Mahindra Financial Services Ltd	0.28	14
Axis Bank Ltd	0.22	15
Bajaj Finserv Ltd	0.22	15
Max Financial Services Ltd	0.17	16
Federal Bank Ltd	0.17	16
ICICI Bank Ltd	0.15	17
State Bank of India	0.14	18
Indian Bank	0.12	19
HDFC Bank Ltd	0.12	19
Yes Bank Ltd	0.11	20
IndusInd Bank Ltd	0.11	20
Bank of Maharashtra	0.11	20
LIC Housing Finance Ltd	0.11	20
Union Bank of India	0.10	21
Life Insurance Corporation of India	0.09	22
Canara Bank	0.09	22
Punjab National Bank	0.07	23
SBI Life Insurance Company	0.06	24
IDBI Bank Ltd	0.06	24
Bank of India	0.06	24
Bandhan Bank	0.05	25
SBI Cards & Payment Services Ltd	0.04	26
IDFC First Bank Ltd	0.04	26
REC Ltd	0.02	27
ICICI Prudential Life Insurance Company Ltd	0.02	27
HDFC Life Insurance Company	0.02	27
Bank of Baroda	0.02	27
AU Small Finance Bank Ltd	0.01	28
Jio Financial Services Ltd	0.00	29
Aditya Birla Capital Ltd	0.00	29

Figure 1.6: Trend analysis of Dividend Payout Ratio

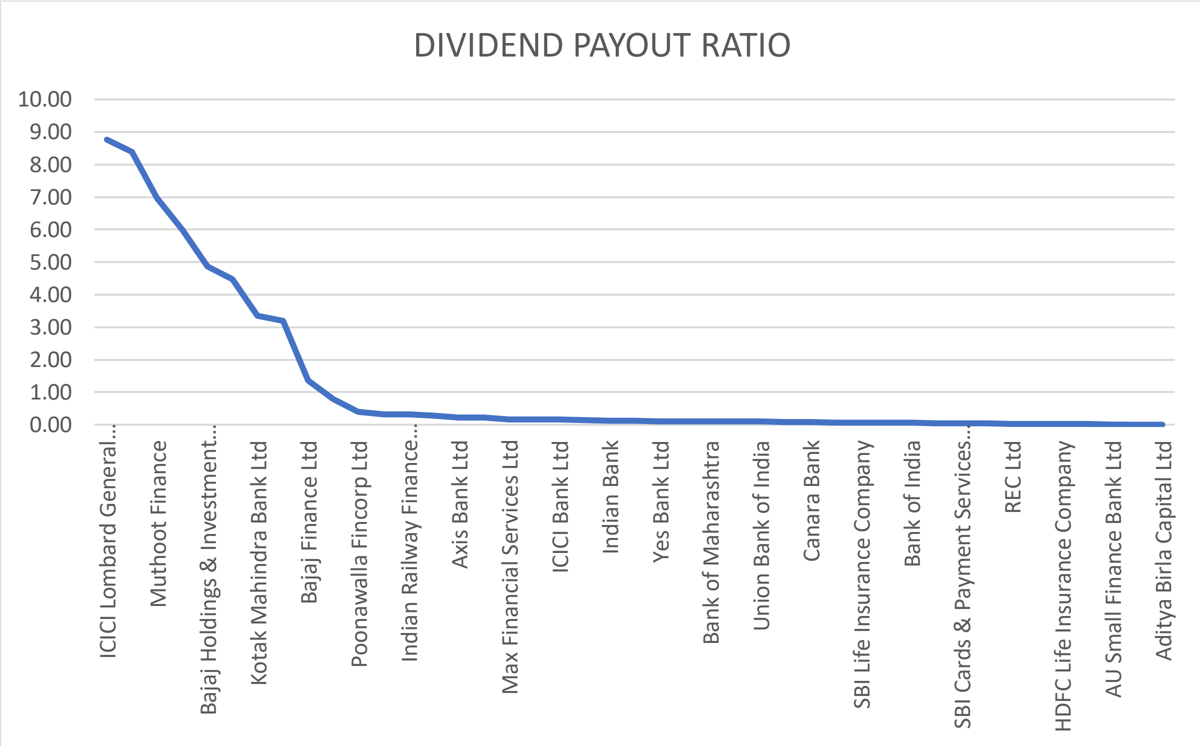

Table 1.6 illustrates that over the period, Different financial institutions have various dividend pay-out ratio, some have more stable performance, while others have more variations. Compared to other companies, ICICI Lombard General Insurance Company sets out for having a continuously high dividend payout ratio.

ICICI Prudential Life Insurance Company Ltd. Ranked 1 displays an average of 8.76% and highest of growing from 3.58% to 14.59% showing an upward trend towards dividend distribution. Compared to other companies, the performance is rather consistent.

Aditya Birla Capital Ltd. Ranked at 29 shows that dividend pay-out ratio has no dividend payout ratio over the years with an average of 0%. The company's performance appears little fluctuating compared to other companies.

4.7 Debt-to-equity ratio

Table 1.7: Debt-to-equity Ratio

DEBT TO EQUITY RATIO		
NAME OF THE COMPANY	AVERAGE	RANK
HDFC Life Insurance Company	58.01	1
BSE Ltd	51.66	2
SBI Life Insurance Company	40.99	3
State Bank of India	40.93	4
Bajaj Finserv Ltd	38.78	5
Bandhan Bank	34.46	6
Cholamandalam Investment & Finance Company Ltd	31.82	7
Muthoot Finance	27.64	8
Shriram Finance	21.24	9
ICICI Prudential Life Insurance Company Ltd	19.73	10
Canara Bank	17.04	11
LIC Housing Finance Ltd	16.34	12
Punjab National Bank	14.69	13
Indian Railway Finance Corporation Ltd	9.58	14
Bajaj Finance Ltd	9.52	15
REC Ltd	8.02	16
HDFC Bank Ltd	7.89	17
IndusInd Bank Ltd	7.37	18
Axis Bank Ltd	6.52	19
ICICI Bank Ltd	6.38	20
SBI Cards & Payment Services Ltd	4.70	21
Kotak Mahindra Bank Ltd	4.55	22
Federal Bank Ltd	4.01	23
Union Bank of India	3.51	24
Yes Bank Ltd	3.00	25

Power Finance Corporation Ltd	1.41	26
Jio Financial Services Ltd	1.31	27
Bajaj Holdings & Investment Ltd	1.00	28
IDFC First Bank Ltd	0.92	29
IDBI Bank Ltd	0.90	30
ICICI Lombard General Insurance Company	0.86	31
Life Insurance Corporation of India	0.57	32
Bank of Baroda	0.46	33
Indian Bank	0.29	34
Aditya Birla Capital Ltd	0.19	35
Poonawalla Fincorp Ltd	0.17	36
Mahindra & Mahindra Financial Services Ltd	0.03	37
Piramal Enterprises Ltd	0.03	37
Max Financial Services Ltd	0.02	38
Bank of Maharashtra	0.02	38
HDFC Asset Management Company Ltd	0.02	38
Bank of India	0.00	39
AU Small Finance Bank Ltd	0.00	39

Figure 1.7: Trend analysis of Debt-to-equity Ratio

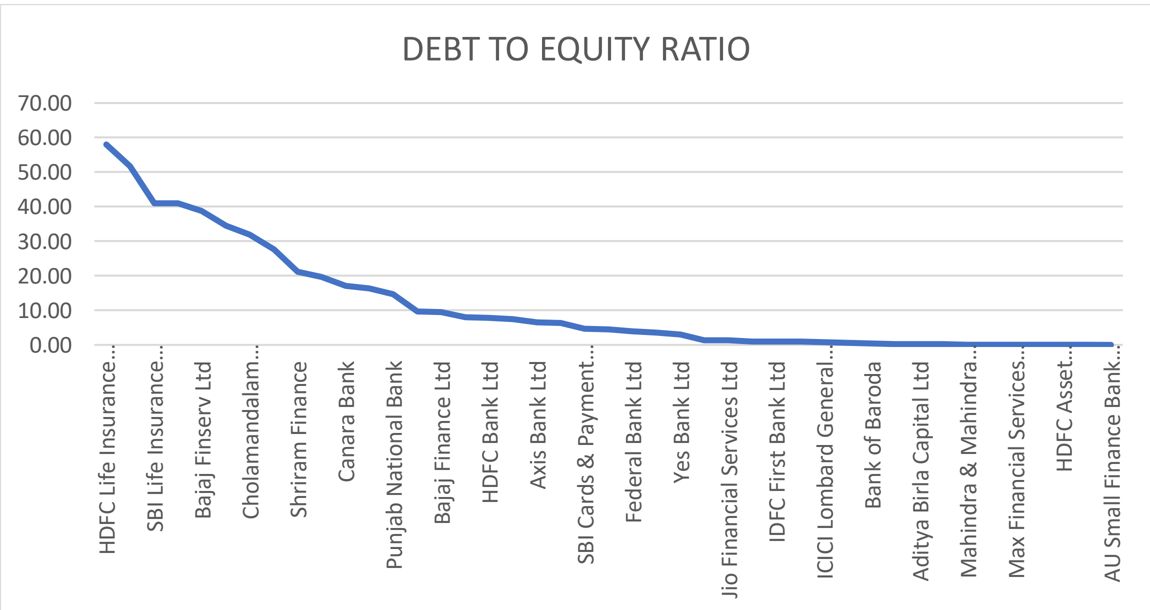

Table 1.7 illustrates that over the period, different financial institutions have different debt-to-equity ratios, which reflects their capital structures and levels of financial risk. While some companies like HDFC Life Insurance Company have larger amounts of debt in their capital structure, others, like HDFC Asset Management Company retain reasonable capital structures with a lower dependence on debt.

HDFC Asset Management Company ranked 1 displays a consistently low and steady debt to equity ratio over time, averaging 0.02% and declining from 0.03% to 0.00% debt to equity ratio. The business relies less on debt and keeps a surplus capital structure in operation.

HDFC Life Insurance Company ranked at 39 shows how the debt-to-equity ratio has fluctuated over time, with an average of 58.01 and the highest from 24.51% to 105.44%. The capital structure of the organization reflects fluctuations in the ratio of debt over equity

5. Data Analysis and results of liquidity management interpretation

4.8 <u>CURRENT RATIO</u>

Table 2.1: Current Ratio

CURRENT RATIO		
NAME OF THE COMPANY	AVERAGE	RANK
Bajaj Finance Ltd	7.96	1
Bank of India	7.52	2
Federal Bank Ltd	7.41	3
Life Insurance Corporation of India	6.86	4
Mahindra & Mahindra Financial Services Ltd	6.41	5
Punjab National Bank	6.22	6
Bank of Baroda	5.74	7
Canara Bank	5.68	8
Bandhan Bank	5.54	9

LIC Housing Finance Ltd	5.23	10
Cholamandalam Investment & Finance Company Ltd	5.09	11
Union Bank of India	5.07	12
IDBI Bank Ltd	5.07	12
Bank of Maharashtra	4.89	13
Indian Bank	4.55	14
Indian Railway Finance Corporation Ltd	3.92	15
IndusInd Bank Ltd	3.28	16
State Bank of India	3.19	17
ICICI Bank Ltd	2.97	18
HDFC Bank Ltd	2.91	19
Axis Bank Ltd	2.83	20
Bajaj Holdings & Investment Ltd	2.77	21
Yes Bank Ltd	2.71	22
Jio Financial Services Ltd	2.47	23
Piramal Enterprises Ltd	2.39	24
Poonawalla Fincorp Ltd	2.38	25
Kotak Mahindra Bank Ltd	2.19	26
Bajaj Finserv Ltd	1.82	27
AU Small Finance Bank Ltd	1.76	28
HDFC Asset Management Company Ltd	1.73	29
Muthoot Finance	1.47	30
SBI Cards & Payment Services Ltd	1.46	31
IDFC First Bank Ltd	1.27	32
Shriram Finance	1.16	33
BSE Ltd	1.12	34
SBI Life Insurance Company	1.06	35
Max Financial Services Ltd	0.97	36
ICICI Prudential Life Insurance Company Ltd	0.88	37
Power Finance Corporation Ltd	0.66	38
HDFC Life Insurance Company	0.65	39
REC Ltd	0.60	40
Aditya Birla Capital Ltd	0.44	41

ICICI Lombard General Insurance Company	0.33	42

Figure 2.1: Trend analysis of Current Ratio

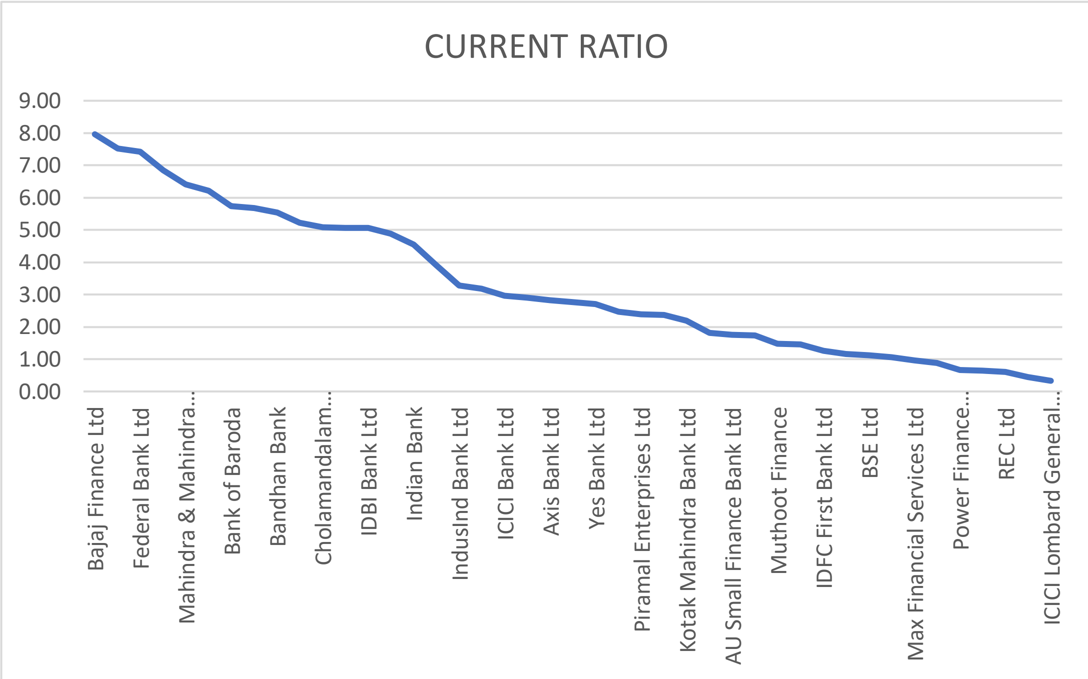

Table 2.1 provides the current ratios for different financial companies from 2013-14 to 2022-23. The current ratio evaluates how well a business can be use its short-term assets to cover its short-term liabilities.

Bajaj Finance Ltd ranked at 1 display change over time with the range of 2.49% to 14.01%. This indicates that the company's short-term liability ratio has been kept comparatively steady. This suggests that the business has a strong liquidity position because its short-term assets are comparatively higher than its short-term liabilities. ICICI Lombard General Insurance Company rank at 42 showing a constant low current ratio between 0.34% and 0.25% over time. In comparison to its short-term requirements this may indicate that the company has comparatively fewer short-term assets and company has a low current ratio but has been stable with its short-term assets to pay it's a short-term liability.

Therefore, various financial companies have various current ratios, which should be tried to maintain high over time to meets it short term liabilities. Company like Bajaj Finance Ltd keep comparatively strong current ratio.

4.9 QUICK RATIO

Table 2.2: Quick Ratio

QUICK RATIO		
NAME OF THE COMPANY	AVERAGE	RANK
Bajaj Finserv Ltd	55.54	1
Jio Financial Services Ltd	22.05	2
Federal Bank Ltd	21.85	3
Punjab National Bank	20.18	4
Aditya Birla Capital Ltd	16.96	5
Bandhan Bank	16.78	6
Canara Bank	16.52	7
Bank of India	16.23	8
Muthoot Finance	15.79	9
Union Bank of India	15.53	10
Bank of Maharashtra	13.49	11
Indian Bank	12.93	12
IndusInd Bank Ltd	12.10	13
Bank of Baroda	11.64	14
IDBI Bank Ltd	11.18	15
Kotak Mahindra Bank Ltd	10.19	16
HDFC Bank Ltd	9.95	17
Axis Bank Ltd	9.66	18
AU Small Finance Bank Ltd	9.60	19
State Bank of India	9.33	20
ICICI Bank Ltd	9.14	21
Yes Bank Ltd	8.33	22
IDFC First Bank Ltd	6.12	23
Max Financial Services Ltd	4.99	24
Mahindra & Mahindra Financial Services Ltd	4.34	25
Indian Railway Finance Corporation Ltd	3.92	26

HDFC Asset Management Company Ltd	3.75	27
Life Insurance Corporation of India	3.72	28
REC Ltd	2.91	29
Bajaj Finance Ltd	2.90	30
Power Finance Corporation Ltd	2.72	31
LIC Housing Finance Ltd	2.46	32
Bajaj Holdings & Investment Ltd	2.37	33
BSE Ltd	1.97	34
Cholamandalam Investment & Finance Company Ltd	1.94	35
SBI Cards & Payment Services Ltd	1.49	36
Poonawalla Fincorp Ltd	1.26	37
Piramal Enterprises Ltd	1.20	38
SBI Life Insurance Company	1.06	39
Shriram Finance	0.97	40
HDFC Life Insurance Company	0.65	41
ICICI Prudential Life Insurance Company Ltd	0.39	42
ICICI Lombard General Insurance Company	0.33	43

Figure 2.2: Trend analysis of Quick Ratio

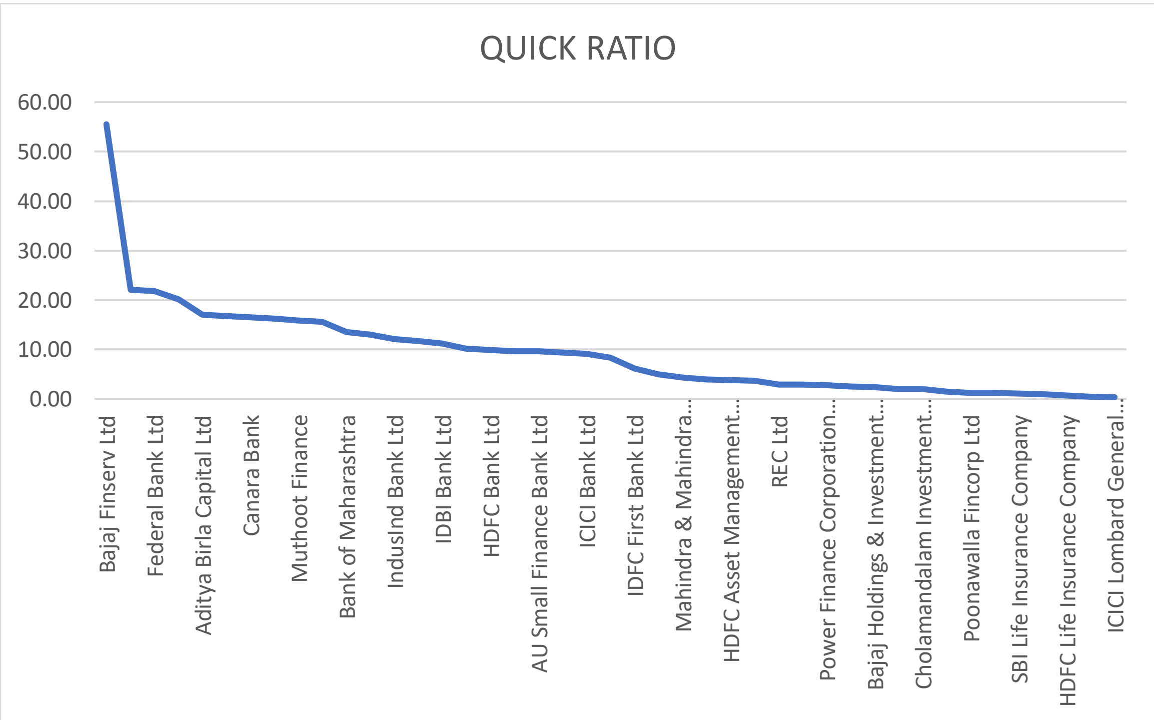

Table 2.2 shows the quick ratios for several financial companies from 2013-14 to 2022-23. The liquidity ratio calculates how much of the company's liquid assets can be used to settle its short-term debt.

Bajaj FinServ Ltd rank 1 over the years has a continuously high liquidity ratio, ranging from 4.1% to 126.96%. This shows that the business has a strong liquidity position and can easily pay off its short-term debts with its liquid assets and company's steady position indicates how well positioned the company is using its liquid assets to pay out their debts. ICICI Lombard General Insurance Company ranked 43 showing that the company's liquidity ratio its fluctuating over the period from 0.34% to 0.24%. This indicates their ability to cover its debt is not as well compared to other companies. Thereby the company's liquidity has fluctuated over time.

Therefore, companies should focus more on increasing their quick ratio as it will keep them in a position to pay off their short-term debts quickly over time.

4.10 RETURN ON ASSET

Table 2.3: Return on Asset (ROA)

RETURN ON ASSET		
NAME OF THE COMPANY	AVERAGE	RANK
HDFC Asset Management Company Ltd	125.89	1
ICICI Lombard General Insurance Company	85.10	2
ICICI Prudential Life Insurance Company Ltd	32.44	3
HDFC Life Insurance Company	26.87	4
Bajaj Holdings & Investment Ltd	10.48	5
Bajaj Finserv Ltd	7.73	6
BSE Ltd	6.02	7
Max Financial Services Ltd	5.45	8

Piramal Enterprises Ltd	5.20	9
Muthoot Finance	4.55	10
SBI Cards & Payment Services Ltd	4.39	11
Bajaj Finance Ltd	3.29	12
Jio Financial Services Ltd	2.99	13
REC Ltd	2.37	14
Shriram Finance	2.19	15
Power Finance Corporation Ltd	2.11	16
Cholamandalam Investment & Finance Company Ltd	2.06	17
Bandhan Bank	1.83	18
AU Small Finance Bank Ltd	1.82	19
HDFC Bank Ltd	1.72	20
Mahindra & Mahindra Financial Services Ltd	1.71	21
Kotak Mahindra Bank Ltd	1.69	22
IndusInd Bank Ltd	1.42	23
ICICI Bank Ltd	1.28	24
LIC Housing Finance Ltd	1.17	25
Indian Railway Finance Corporation Ltd	1.06	26
SBI Life Insurance Company	0.87	27
Axis Bank Ltd	0.86	28
Federal Bank Ltd	0.86	28
Poonawalla Fincorp Ltd	0.71	29
Indian Bank	0.47	30
State Bank of India	0.42	31
Bank of Baroda	0.26	32
Life Insurance Corporation of India	0.16	33
Canara Bank	0.12	34
Yes Bank Ltd	0.07	35
Union Bank of India	0.06	36
Aditya Birla Capital Ltd	0.05	37
Punjab National Bank	-0.16	38
Bank of India	-0.16	38
Bank of Maharashtra	-0.19	39

IDFC First Bank Ltd	-0.50	40
IDBI Bank Ltd	-1.08	41

Figure 2.3: Trend analysis of Return on Asset (ROA)

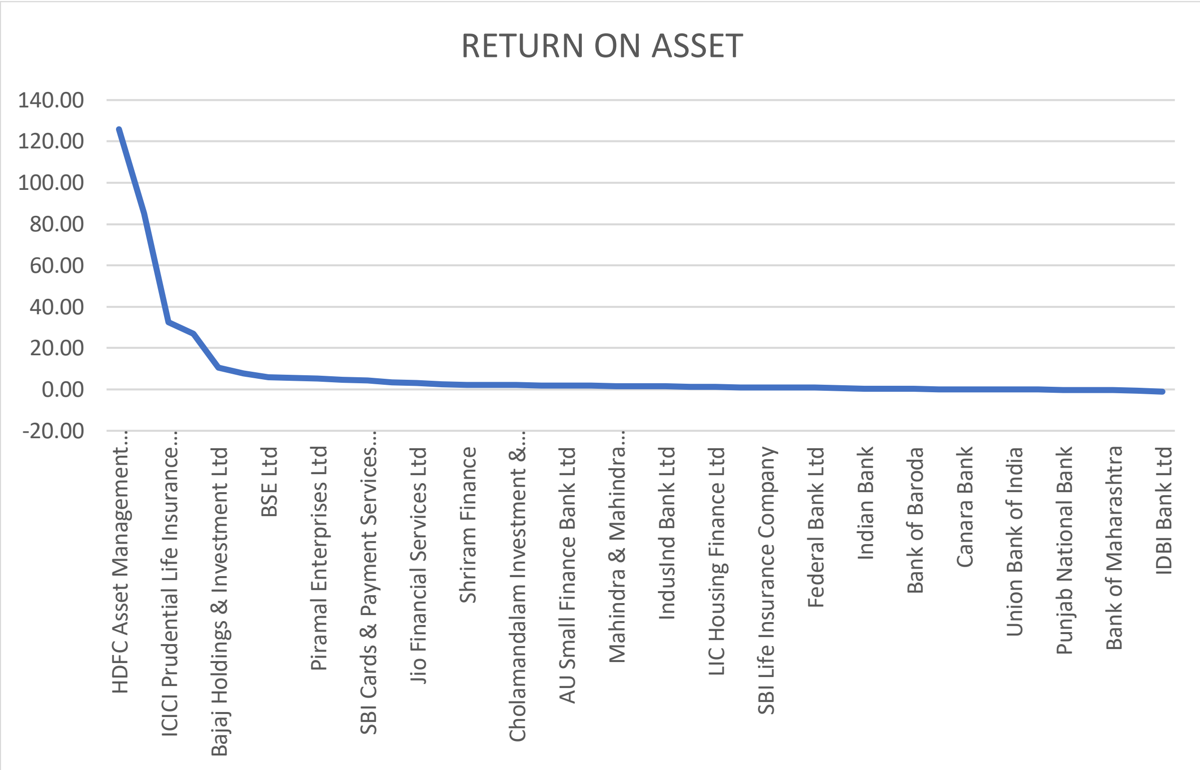

Table 2.3 provides return on assets (ROA) of different financial companies from 2013-14 to 2022-23. The efficiency with which a company generates profits from its assets is measured by return on assets. It shows how well a business is using its assets to turn it into profit.

HDFC Asset Management Company ranked 1 throughout the years, displaying a continuously strong return on assets, ranging from 31.9% to 280.99%. In comparison to its assets, company generates profits with outstanding efficiency. IDBI Bank Ltd ranks 41 displaying comparatively low from 0.34% to -4.71%. The profitability of the company with respect to its assets fluctuates but is comparative low.

Overall, the return on assets of different financial companies fluctuates due to changes in their business models, asset management techniques and operational efficiencies based on company's approach towards its business.

4.11 RETURN ON INVESTMENT

Table 2.4: Return on Investment (ROI)

RETURN ON INVESTMENT		
NAME OF THE COMPANY	AVERAGE	RANK
HDFC Asset Management Company Ltd	34.73	1
Life Insurance Corporation of India	34.59	2
SBI Cards & Payment Services Ltd	25.07	3
HDFC Life Insurance Company	21.34	4
Muthoot Finance	20.37	5
ICICI Prudential Life Insurance Company Ltd	20.26	6
REC Ltd	18.54	7
ICICI Lombard General Insurance Company	17.61	8
Bajaj Finance Ltd	17.04	9
Cholamandalam Investment & Finance Company Ltd	16.73	10
SBI Life Insurance Company	16.67	11
HDFC Bank Ltd	16.16	12
Power Finance Corporation Ltd	15.17	13
LIC Housing Finance Ltd	14.62	14
Kotak Mahindra Bank Ltd	14.24	15
Shriram Finance	13.55	16
IndusInd Bank Ltd	13.29	17
AU Small Finance Bank Ltd	12.83	18
Bajaj Holdings & Investment Ltd	11.34	19
Indian Railway Finance Corporation Ltd	11.23	20
Bandhan Bank	10.96	21
ICICI Bank Ltd	10.67	22
Mahindra & Mahindra Financial Services Ltd	10.29	23
Federal Bank Ltd	10.13	24
Axis Bank Ltd	8.42	25
Indian Bank	8.19	26

Bajaj Finserv Ltd	7.87	27
BSE Ltd	7.72	28
State Bank of India	7.49	29
Piramal Enterprises Ltd	7.43	30
Max Financial Services Ltd	5.75	31
Jio Financial Services Ltd	4.80	32
Poonawalla Fincorp Ltd	3.69	33
Bank of Baroda	3.11	34
Canara Bank	2.43	35
Yes Bank Ltd	1.51	36
Union Bank of India	1.07	37
IDFC First Bank Ltd	-0.07	38
Aditya Birla Capital Ltd	-0.68	39
Bank of India	-3.36	40
Punjab National Bank	-3.73	41
Bank of Maharashtra	-9.16	42
IDBI Bank Ltd	-16.28	43

Figure 2.4: Trend analysis of Return on Investment (ROI)

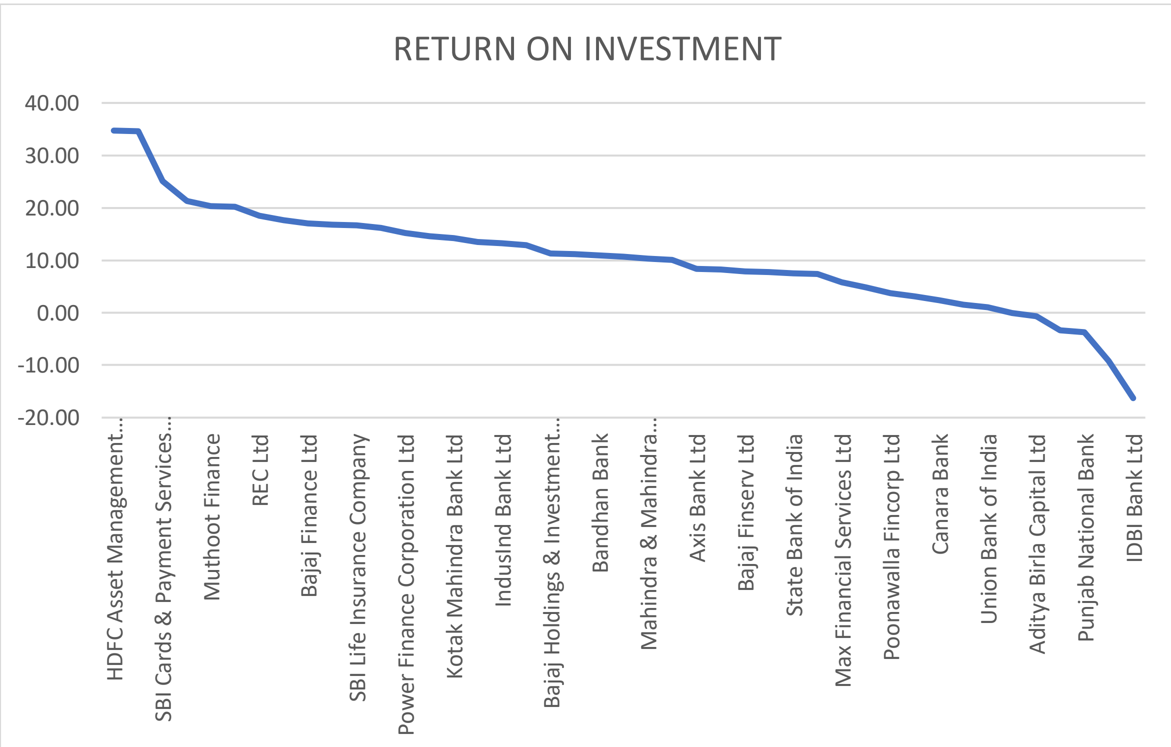

Table 2.4 presents the return on investment (ROI) for the year 2013-14 to 2022-23. The efficiency of an investment in producing profit when compared to its cost is defined as return on investment.

HDFC Asset Management Company ranked 1 displays a consistently high return on investment. However, when we compare with other companies, HDFC Asset Management Company has comparatively high and excellent returns of 24.00% to 44.63%. IDBI Bank Ltd ranked 43 shows shift in the declining trend over time from 5.11% to -50.99%. The return on investment is comparatively lower to the other companies which shows difficulties and poor returns in the finance industry

Overall, while other companies display different level of stability and performance in making returns on investment over time, HDFC Asset Management Company consistently shows strong return on investment based on the company's strategies and plans.

5. FINDINGS

Based on the comparative analysis of the financial ratios, HDFC Asset Management Company stands out as the top performing company, showing steady profitability, effective operations, strong returns on shareholders investments, steady earnings per share and a healthy capital structure.

Axis bank, on the other hand, seems to have the least attractive financial performance, struggling to earn a profit and repay shareholders while still keeping its debt-to-equity ratio and dividend payout ratio steady.

HDFC Asset Management Company is the best performing financial firms since it shows high numbers of financial indicators. Company maintains strong and steady liquidity position throughout time, indicating effective short-term asset management to meet its short-term obligation. It also shows constant high operating and net profit margins, which is a sigh of efficient cost control and revenue generation. Company also has strong return on investments and assets, indicating the business have effectiveness in making the most use of its resources to make profit out of it. Considering all values HDFC Asset Management Company is the best company to manage is liquidity position compared to other financial companies.

ICICI prudential life is the least preferable company as it shows inconsistent, relatively low liquidity and asset turnover ratios over time, having difficulties in efficiently managing short-term liquidity and use of assets. Company also shows lower net profit and operating margins as compared to other business which could indicate higher costs in terms of revenue and profitability. It also has reduced returns on its investment and assets, which shows ineffectiveness in the use of resources to produce profits.

6. CONCLUSION

In conclusion, the comparative study of financial measures indicates that HDFC Asset Management Company is the best performer in the financial industry, showing exceptional stability, profitability and liquidity management. As a result of its effective resources management and revenue production, the company continuously maintains strong liquidity issues, high operating and net profit margins and outstanding returns on investments and assets. On the other hand, ICICI Prudential Life Insurance Company comes out as the least attractive company because of its irregular asset turnover and liquidity ratios, lower profit margin and decreased returns on assets and investments.

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