

Navigating Complexity: Analysing Financial Performance of NBFCs

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ABSTRACT

NBFCs play supplement the role of banking sector in meeting the increasing financial needs of the corporate sector, delivering credit to the unorganized sector and to small local borrowers. NBFCs are often called shadow banks as they function a lot like banks but with fewer regulatory controls. Barring a few, they cannot accept deposits from people and so raise money from bonds or borrow from banks. NBFCs have a more flexible structure than banks. NBFCs are classified as Asset Finance Company, Investment Finance Company and Loan Company. The aim of the study is to find out the financial performance of selected NBFCs for a period of five years from year 2017 to year 2021. This study also helps in understanding the present financial status of the selected companies. Earnings per Share, Net Profit, Debt to Equity, Return on Equity and Price to Earning Ratio are used in the present study. analysis like Trend analysis and correlational analysis are done using the financial software named SPSSv20. As a conclusion it can be said that financial performances of Muthoot Finance and Bajaj Finance are up to the par and helpful for growth of companies as well as growth of shareholder's wealth for the period of study.

Keywords: NBFC, Financial Performance, Ratio Analysis, Financial Analysis

INTRODUCTION

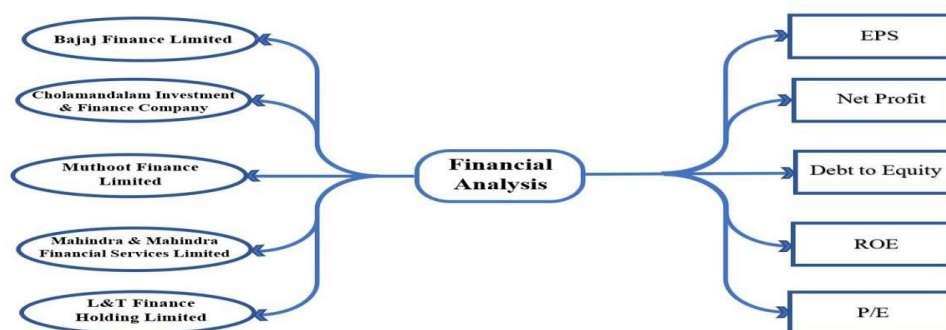
A Non-Banking Financial Company (NBFC) is a firm or organization listed under the Companies Act, 1956 and are involved in the business of loans, acquisition of stock, shares, bonds, debentures, securities issued by the government or local authority or other marketable securities of a like nature, leasing, hire purchase, insurance business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale or purchase or construction of immovable property (Kumar, Reddy & Dhanunjaya, 2016). NBFC constitutes as important segment of the financial system in India. The financial system of India comprises of financial markets that provide an effective payment and credit system and thereby facilitate channelizing of funds from savers to investors of the economy. NBFC have turnout to be engines of growth and are important part of Indian financial system (Soranganesh & Soris, 2013). NBFCs are the financial intermediaries engaged primarily in the business of accepting deposits and delivering credits. They play an important role in channelizing the limited financial resources to capital formation. NBFCs supplement the role of banking sector in meeting the increasing financial needs of the corporate sector, delivering credit to the unorganized sector and to small local borrowers. NBFCs have a more flexible structure than banks. As compared to banks, they can take quick decisions, assume greater risks, tailor make their services and changes according to the needs of the clients. Their flexible structure helps in broadening the market by providing the saver and investor a bundle of services on a competitive basis (Biswas, 2019).

In today time, the total number of NBFCs registered under RBI is 9,507. The vast majority of over nine thousand NBFCs belonged to the non-deposit taking category (Keelery, 2022). NBFCs (Non-Banking Financial Company) plays a vital role in supporting Indian economy as well as in normal persons lives. It is emerging as an alternative of banking industry, almost every facility provided by banking industry is now delivered by NBFCs. NBFCs have become the fundamental part of Indian Financial System. NBFCs have grown drastically in last few years despite of

the slowdown in the economy due to COVID. As per 2021, the share of non-banking financial companies – micro finance institution surge from 29.8% to 33.4%. The actual problem faced by citizens are in choosing the right NBFC for their need. For choosing right NBFC may analysis need to be done. Through this study, we have tried to highlight the financial performance of selected NBFCs from 2017 to 2021. This paper contains several analyses like trend analysis, ratio analysis, variance analysis, solvency analysis and regression analysis. This paper also aims to provide an overall subjective assessment of current status and financial performance of top5 NBFCs.

CONCEPTUAL FRAMEWORK OF THE STUDY

Figure 1: Framework of the Study



SIGNIFICANCE OF THE STUDY

The study has a great significance it provides the benefits to numerous people who is directly or indirectly interact with this company, because this project shows the growth of the few selected company, so investors who are interested in investing on this company will also get benefited by going through this study and the investor can easily take a decision whether to invest or not in the company. The project was showing the expected future growth and present and past growth of the company, so the people have to take a decision about the investment on this companies. It shows the which company growth was best and which company growth was worst, so according to the various analysis the growth of the company will find on this project so the investor or other people who want to invest on this company they have to go through this study it may help them for the better result.

LITERATURE REVIEW

Author	Sample Size	Objective	Methodology	Findings
Srinivas Gumparthin	The extending of the commercial vehicle and the different construction equipment for the use of finance is totalled to 10 and the overall offices whom the judgemental survey was initiated is totalled	The Objective of the paper is to build a Risk management model for Non-Banking Financial Companies related on the both qualitative and quantitative characteristic of the client.	Sampling Design, objective of the study, primary objective, secondary objective.	The finding of the paper is the risk calibration on the risk management model it says that the customers were high score and low risk was the promoter payers and the second one the customer with high risk and low score was the defaulter.

	to 19.			
Dr. Bhaskar Biswas	The sampling is done on multi-stage pattern and finally the data was collected from three cities Jaipur, Jodhpur and Udaipur.	The objective of the paper is to find out the relationship between earning, profitability, liquidity of the 10 selected NBFC companies from the period of 10 years from 2007 to 2016.	Selection of the data, Collection of the data, Analysis of the data.	Mahindra & Mahindra financial services the connection. In Sundaram finance there is Association among eps and current ratio, quick ratio and cash earnings retention ratio. Company there is numerous correlation co-efficient between net profit, return on capital employed, arrival on assets and the EPS. EPS and return on assets in situation of Bajaj Finance.
R. Vimaladevi, S. Vennilashree	Up to 90 samples collected from employees of NBFC from the city Chennai, the selected NBFCs were, Equitas Finance Ltd.	The basic objective extract social security scheme, analysing the satisfaction of the NBFCs employees in current social.	The data is carried out on the present study and it consists of both primary and secondary data and this primary Data is carried out by simple random sampling method.	The finding says that NBFCs are providing medical care facilities, Maternity benefits and accidents benefits among various social security schemes. It is true that social.

THE TOP FIVE NBFCs CHOSEN IN THIS STUDY

- (1) Bajaj Finance Limited (Market cap: ₹3,53,379 crores)
- (2) Cholamandalam Investment and Finance Company (Market cap: ₹53,706 crores)
- (3) Muthoot Finance Limited (Market cap: ₹43,078 crores)
- (4) Mahindra & Mahindra Financial Services Limited (Market cap: ₹22,592 crores)
- (5) L&T Finance Holding Limited (Market cap: ₹18,735 crores)

OBJECTIVES OF THE STUDY

- (1) to evaluate the financial performance of selected NBFCs from 2017 to 2021.
- (2) to portray a brief comparison among selected NBFCs using trend analysis and correlational analysis.
- (3) to provide an overall subjective assessment of current status and financial performance of top 5 NBFCs.

HYPOTHESES

H1: There is no significant positive or negative correlation of EPS and Net Profit.

H0: There is significant positive or negative correlation of EPS and Net Profit.

H2: There is no significant positive or negative correlation of EPS and Return on Equity.

H0: There is significant positive or negative correlation of EPS and Return on Equity.

H3: There is no significant positive or negative correlation of EPS and Debt to Equity.

H0: There is significant positive or negative correlation of EPS and Debt to Equity.

H4: There is no significant positive or negative correlation of EPS and Price to Earning.

H0: There is significant positive or negative correlation of EPS and Price to Earning.

SCOPE OF THE STUDY

(1) These analyses help the people to analyze the NBFCs companies for better result, because the NBFCs is a non-banking financial company is a company registered under the companies act 1956.

(2) It shows the growth of the companies, which company is best for the future investment and which company growth is high and which company growth is low according to that the people have to take a decision for the investment.

(3) To evaluate the company performance, because it knows the performance of the company which company goes to debt to equity, return on equity, net profit, P/E (Price to Earning) ratio, according to that this research help to people to reach their investment company without any problem.

(4) It shows the financial ranking of the company which company growth is high and which company growth is low according to the ranking the investor decided the position of the company in market.

(5) It shows the growth of the company in financial market for that the investors and others people help to decide the which company have more financial instrument and what's the current growth in financial market.

RESEARCH DESIGN

The present study based on quantitative research. The data of selected companies (for a period of five years from 2017 to 2021) has been collected from annual report and the balance sheet published by the companies and the websites of the respective firms.

SAMPLING DESIGN

The study is done with special reference to NBFCs. The reason being that the data or financial statement are readily available for them. Also, NBFCs are bound to disclose all their facts and figures publicly. Thus, the technique of Judgmental and Purposive Sampling is adopted for the study. The selection of sample companies is made on the basis of market capitalization. Five NBFCs were chosen as a sample size for the study on account of having highest market capitalization, these are Bajaj Finance Limited, Shriram Transport Finance Company Limited, Aditya Birla Capital Limited, L&T Finance Holding Limited, Mahindra & Mahindra Financial Services Limited.

DATA COLLECTION METHOD(S)

Secondary data is used for this study which is collected from the annual report of respective company and several financial websites like MoneyControl.com, Investing.com, NSE.com, BSE.com. No primary data was used in this study.

SECONDARY DATA

Secondary data refers to data that is collected by someone other than the user. Common sources of secondary data for social science include censuses, information collected by government departments, organizational records and data that was originally collected for other research purposes. Primary data, by contrast, are collected by the investigator conducting the research. In this project, we have used secondary data which has been collected from following sources:

- (1) Annual reports
- (2) Books
- (3) Internet
- (4) Other material and report published by the companies
- (5)

ANALYSIS OF DATA: TOOLS & TECHNIQUES

To analyze this data, we used a data analyzing software named SPSS v20. The analysis done through this software is Trend analysis and correlational analysis. The evaluation of these analysis constitutes of five ratios like Earning per share, Net Profit, Return on Equity, Debt to Equity and Price to Earnings ratio. This research is done with the confidence level of 95% and 5% margin of error.

LIMITATIONS TO THE STUDY

- (1) This research is limited to only top five performing NBFCs of the year 2021.
- (2) This paper only uses data of previous five years, i.e. from 2017 to 2021.
- (3) The study is confined to India, no foreign countries were encompassed.
- (4) Only secondary data was used to build this research paper.
- (5) This includes companies only from NBFC background.

FINDINGS AND DISCUSSION OF THE STUDY

DESCRIPTIVE ANALYSIS EPS

Earning per Share is calculated as company's profit divided by the outstanding share of its common stock. It shows the value of earning per outstanding share of common stock of company. EPS designate the organization profitability through display the how much money a business produce for each share of its stock. EPS have higher indicated great value because if the investors realize or think the company growth or relative share price going in higher profit, so the investor will pay more for the company.

Formula: It is calculated as Net Income divided by Available Shares.

Earning per Share = (Net Income - Preferred Dividends) ÷ End-of-Period Common Share Outstanding

Table 1: Earning per Share (EPS)

Year	Bajaj Finance Limited	Cholamandalam Investment and Finance Company	Muthoot Finance Limited	Mahindra & Mahindra Financial Services Limited	L&T Finance Holding Limited
2017	34.01	46.01	44.48	7.09	0.71
2018	47.54	58.75	49.27	18.52	1.46
2019	67.52	75.87	75.31	25.33	1.34
2020	83.25	13.37	92.79	14.74	1.33
2021	65.85	18.48	98.55	3.03	0.54
Minimum	34.01	13.37	44.48	3.03	.54
Maximum	83.25	75.87	98.55	25.33	1.46
Mean	59.6340	42.4960	72.08	13.7420	1.0760
Std. Deviation	19.11411	26.53044	24.607	8.90369	.419
Variance	365.349	703.864	605.514	79.276	.176

Source: MoneyControl.com

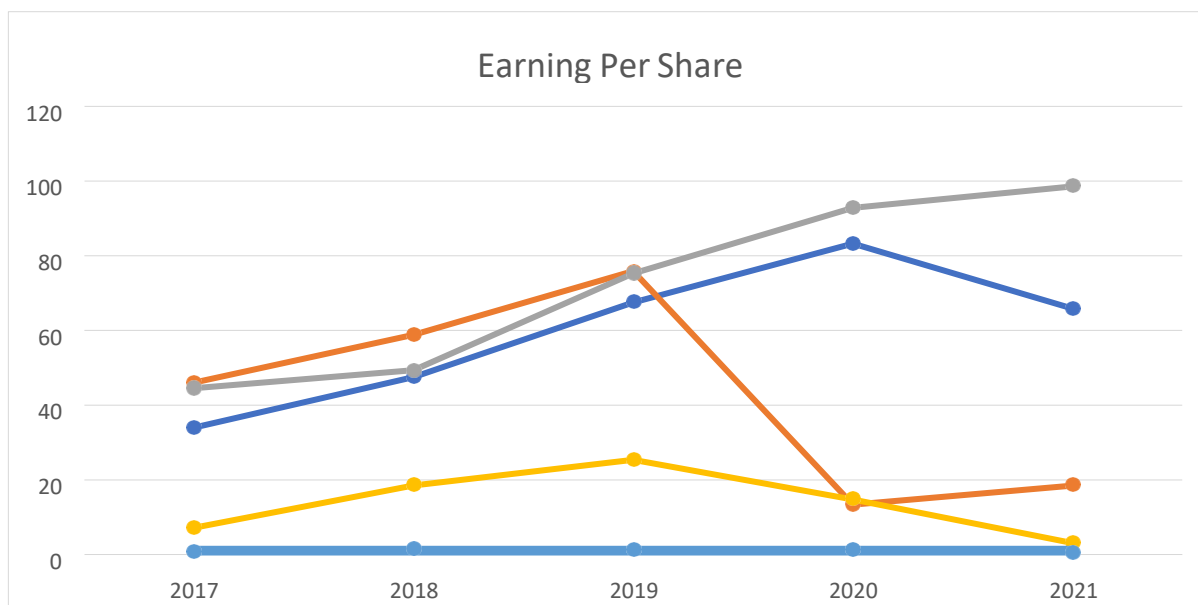
TREND ANALYSIS



Source: From Data Analysis by Self

INFERENCE

The chart EPS Showing the return on capital Earning per share of selected non-banking financial companies in India from year 2017-21. The year 2017 to 2019, the Cholamandalam Investment and Finance Company growth was high, but in 2019 to 2021, the growth of the Muthoot Finance Limited and remaining all company like Bajaj Finance Limited, Mahindra & Mahindra Financial Services Limited, L&T Finance Limited, these all companies' growth was very low, and in the future, the Muthoot Finance expectation future growth was going to be high. Accordingly, the return of the Muthoot Finance was very high compared to other 4 companies.



NET PROFIT MARGIN

Net profit margin represent the money the business earns after deducting all operating, interest over a given period of time. It shows net profit after taxes to the net sales of a firm. All the efforts and decisions making in the business is to achieve a higher net profit margin with an increase in net profit. It is a short-term profit measurable; and in long term, it was not able to measure immediately, it does not reveals profit in that period.

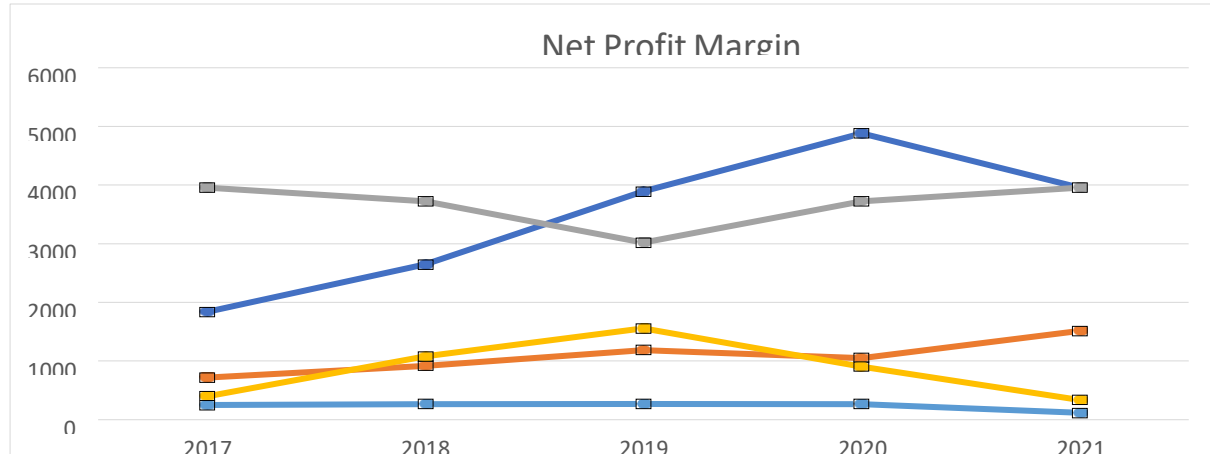
Formula: It is measured by Net Profit divided by Net Sales into hundred. **Net**

$$\text{Profit Margin} = (\text{Net Profit} \div \text{Net Sales}) \times 100$$

Table 2: Net Profit Margin

Year	Bajaj Finance Limited	Cholamandalam Investment and Finance Company	Muthoot Finance Limited	Mahindra & Mahindra Financial Services Limited	L&T Finance Holding Limited
2017	1836	718	3954	400	248
2018	2646	918	3722	1076	266
2019	3890	1186	3018	1557	267
2020	4881	1052	3722	906	266
2021	3955	1514	3954	335	116
Minimum	1836	718	3018.0	335	116.00
Maximum	4881	1514	3954	1557.0	267.00
Mean	3441.60	1077.6	3674	854.8	232.60
Std. Deviation	1198.69149	299.01304	384.62	505.38866	65.66430
Variance	1436861.300	89408.800	147936.0	255417.700	431.800

Source: MoneyControl.com



Source: From Data Analysis by Self

INFERENCE

The chart net profit margin shows the actual profit of the company. Muthoot Finance gained the highest profit in years 2017 to 2018, but after that the growth is negative from 2019 to 2021. Bajaj Finance Limited gained the highest profit, but in next years, the chart shows the profit growth was negative. Muthoot Finance gains the previous place and they acquire their position in future means the expected net profit growth of the company was Muthoot Finance according to remaining 4 companies like, Cholamandalam Investment and Finance Company, Mahindra & Mahindra Financial Services Limited, L&T Finance Holding Limited.

ROE

Return on equity sometimes it called as return on net worth. It is a measure of profitability that calculate how many dollars of profit a company generates with each dollar of shareholder equity. ROE Ratio help to compare with other

firms in the same industry and evaluate the financial performance and asset valuation of the company. Generally, it shows the company how well uses their fund for growth and how much they will gain.

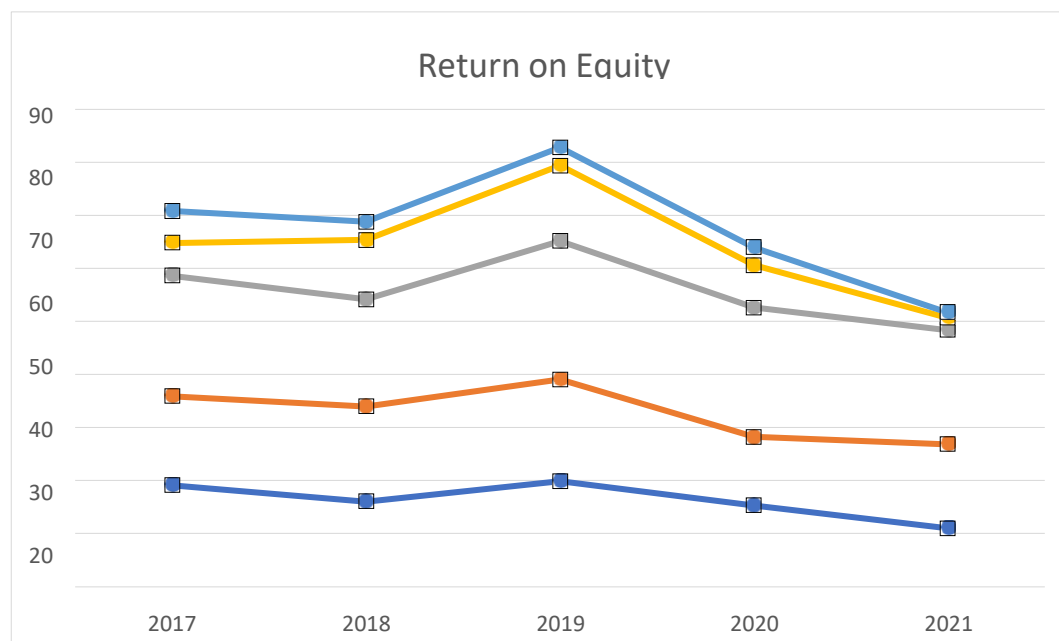
Formula = ROE measure by Total Liabilities divided by Total Shareholders' Equity.

ROE = Total Liabilities ÷ Total Shareholders' Equity

Table 3: Return on Equity (ROE)

Year	Bajaj Finance Limited	Cholamandalam Investment and Finance Company	Muthoot Finance Limited	Mahindra & Mahindra Financial Services Limited	L&T Finance Holding Limited
2017	19.13	16.77	22.75	6.17	6.04
2018	16.02	18.01	20.13	11.18	3.46
2019	19.88	19.2	26.08	14.27	3.41
2020	15.34	12.87	24.42	7.97	3.4
2021	11	15.84	21.55	2.27	1.05
Minimum	11	12.87	20.13	2.27	1.05
Maximum	19.88	19.20	26.08	14.27	6.04
Mean	16.2740	16.5380	22.986	8.372	3.4720
Std. Deviation	3.53242	2.4108	2.340	4.607	1.765
Variance	12.478	5.812	5.476	21.229	3.117

Source: MoneyControl.com



Source: From Data Analysis by Self

INFERENCE

The chart Return on equity is a measure of the profitability of a business in relation to the equity. ROE can also be thought of as a return on assets minus liabilities. The chart shows the profit on the business according to chart the L&T Finance Holding Limited shows the highest profitability in 2017 to 2021 but in 2021 the profitability growth was going the downward but in 2021 the 3 company combine with each other and these 3 companies were L&T Finance Holding Limited, Mahindra & Mahindra Financial Service Limited, Muthoot Finance Limited and there have very confusion with 3 companies for the growth of the companies which companies achieve the highest future profitability growth.

DEBT TO EQUITY RATIO

It is dividing a company's total liabilities through its shareholder equity; it is used to evaluate a company's financial leverage. Higher Debt-to-Equity ratio indicates higher risk of closure. Generally, this ratio was used in corporate finance. It is difficult to compare across industry groups where debt amount will vary. Generally, the information available of debt to equity in a company balance sheet.

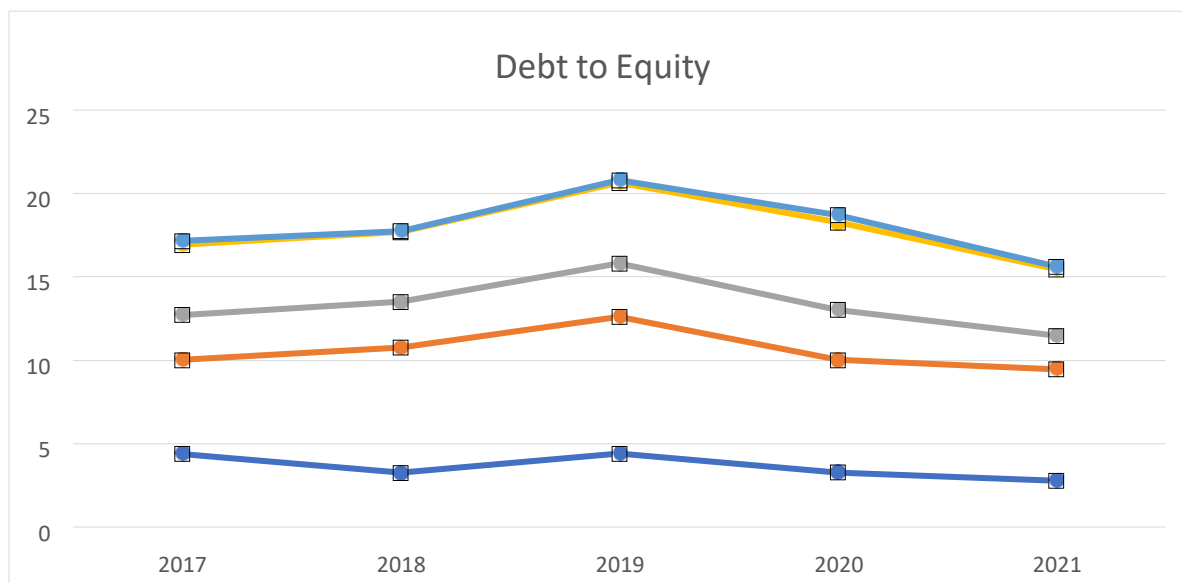
Formula = Total Personal Liabilities divided by Personal Asset minus Liabilities Debt to

Equity = Total Personal Liabilities ÷ (Personal Assets - Liabilities)

Table 4: Debt to Equity

Year	Bajaj Finance Limited	Cholamandalam Investment and Finance Company	Muthoot Finance Limited	Mahindra & Mahindra Financial Services Limited	L&T Finance Holding Limited
2017	4.38	5.63	2.71	4.2	0.24
2018	3.25	7.52	2.74	4.17	0.06
2019	4.41	8.19	3.21	4.84	0.15
2020	3.28	6.73	3.02	5.23	0.44
2021	2.78	6.67	2.03	3.98	0.16
Minimum	2.78	5.63	2.03	3.98	.06
Maximum	4.41	8.19	3.21	5.23	.44
Mean	3.6200	6.9480	2.7420	4.4840	.2100
Std. Deviation	.73481	.96588	.44841	.52833	.14353
Variance	5.40	9.33	.201	.279	.021

Source: MoneyControl.com



Source: From Data Analysis by Self

INFERENCE

The Chart Debt equity indicates the how much debt a company is using to finance its assets relatives to the value of shareholders equity, according to this the company are in high debt L&T Finance Holding Limited to equity from the year 2017 to 2021 according to others companies like Mahindra & Mahindra Financial Service Limited, Muthoot Finance Limited, Chalamandalam Investment and Finance Company, Bajaj Finance Limited, and the future expected growth of debt to equity according to chart it shows the Muthoot finance growth in highest in debt to equity according to remaining 4 companies which are shortlisted by us.

P/E RATIO

The price earning ratio, often called as P/E ratio, can be calculated only for listed companies. It is the ratio of company stock price to the earning per share. Market price per share and earning per share after that P/E ratio was formed.

It helps the investors to compare between market share with the company growth. It shows the how much company have to pay for a company company's growth. Before investing in any company investors want to know about the growth of the company and worth of the equity share of the company so, that's why company analyze the company as a P/E Ratio.

Formula = Share Price divided by Earning per Share.

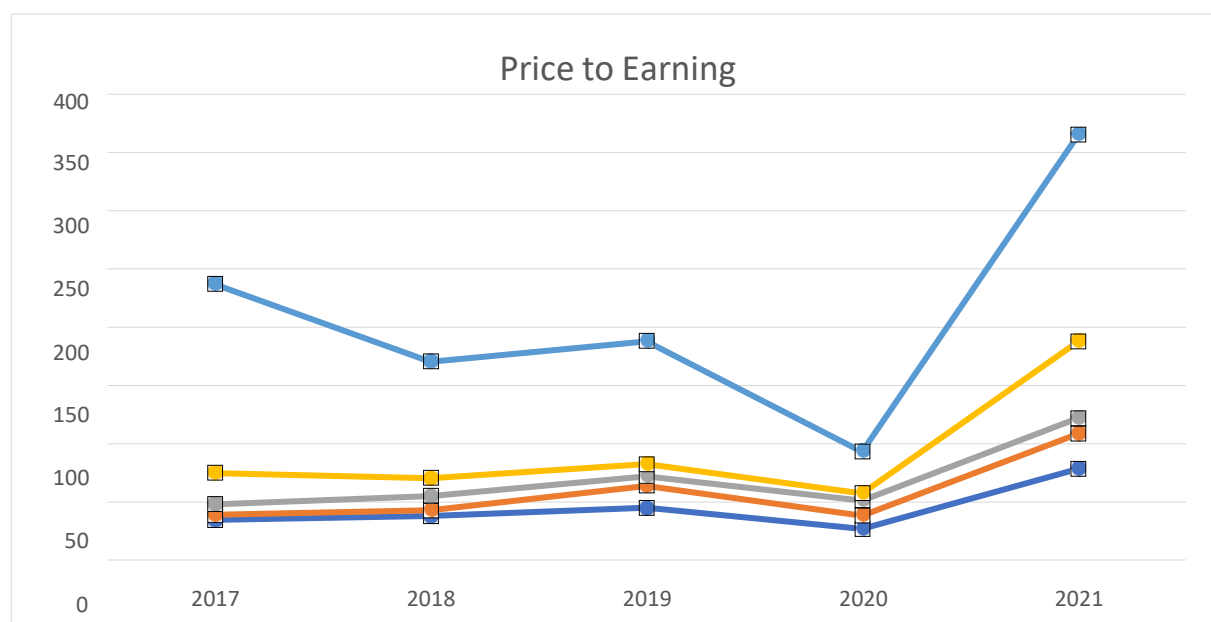
P/E Ratio = Share Price ÷ Earning per Share

Table 5: P/E Ratio

Year	Bajaj Finance Limited	Chalamandalam Investment and Finance Company	Muthoot Finance Limited	Mahindra & Mahindra Financial Services Limited	L&T Finance Holding Limited
2017	34.43	4.19	9.16	27.08	161.99

2018	37.57	4.94	12.49	15.25	100.08
2019	44.8	18.97	8.14	10.14	105.89
2020	26.62	11.42	13	6.09	35.87
2021	78.21	30.12	13.51	65.66	177.5
Minimum	26.62	4.19	8.14	6.09	35.87
Maximum	78.21	30.12	13.51	65.66	177.50
Mean	44.3260	13.9280	11.2600	24.8440	116.2660
Std. Deviation	20.03389	10.83404	2.43657	24.13975	56.28821
Variance	401.357	117.376	5.937	582.728	3168.363

Source: MoneyControl.com



Source: From Data Analysis by Self

INFERENCES

The price to earnings ratio, also known as P/E ratio, is the ratio of a company's share price to the company's earning earnings per share. The chart Price to earning shows the share earning price so according to chart the highest earning per share of the company is L&T Finance Holding Limited because in year 2017 to 2021 the only this company growth will higher and in future the excepted growth will be also the L&T Holding Limited company according to remaining 4 companies which are Mahindra & Mahindra Financial Services Limited, Muthoot Finance Limited, Cholamandalam Investment and Finance Company, Bajaj Finance Limited. Their growth was below to L&T Finance Holding Limited.

CORRELATION ANALYSIS

Table 6: Correlations

		EPS	Net Profit	Return on Equity	Debt to Equity	Price to Earning
	Pearson Correlation	1	.930*	.972**	.305	-.662

EPS	Sig. (2-tailed)		.022	.006	.618	.224
	N	5	5	5	5	5
Net Profit	Pearson Correlation	.930*	1	.839	.031	-.485
	Sig. (2-tailed)	.022		.076	.961	.407
	N	5	5	5	5	5
Return on Equity	Pearson Correlation	.972**	.839	1	.419	-.773
	Sig. (2-tailed)	.006	.076		.482	.125
	N	5	5	5	5	5
Debt to Equity	Pearson Correlation	.305	.031	.419	1	-.782
Equity	Sig. (2-tailed)	.618	.961	.482		.118
	N	5	5	5	5	5
Price to Earning	Pearson Correlation	-.662	-.485	-.773	-.782	1
	Sig. (2-tailed)	.224	.407	.125	.118	
	N	5	5	5	5	5

* Correlation is significant at the 0.05 level (2-tailed)

** Correlation is significant at the 0.01 level (2-tailed)

INFERENCE

Correlation is a statistic that measures the degree to which two securities move in relation to each other. Correlation is used in advanced portfolio management, computed as the correlation coefficient, which has a value that must fall between -1.0 and +1.0. A positive correlation is a relationship between two variable moves in which both variable move in the same direction. Therefore, when one variable increase as the other variable increase, or one variable decrease the other variable decrease. A Negative correlation is a relationship between two variables in which an increase in one variable is associated with a decrease in other. If the correlation between the ratio is less the 0.6 or -0.6 then the correlation between them is weak and if the ratio is more the 0.6 and -0.6 then correlation between them is strong like the correlation between EPS a Net Profit is .930, so the correlation between them is strong. The correlation between EPS and ROE is .972 so the correlation between them is also strong, and between EPS and Debt to Equity is .305 the correlation between them is negligible because it is less than 0.6 that's why it is negligible but the correlation between EPS and P/E ratio is -0.662 it is also form a strong correlation bond.

Table 7: Hypothesis Testing Table

Hypothesis	Pearson Correlation (ρ)	Accept / Reject
H1: There is significant positive or negative correlation of EPS and Net Profit	0.93	Accept
H0: There is no significant positive or negative correlation of EPS and Net Profit		Reject
H2: There is significant positive or negative correlation of EPS and Return on Equity	0.972	Accept

H0: There is no significant positive or negative correlation of EPS and Return on Equity		Reject
H3: There is significant positive or negative correlation of EPS and Debt to Equity	0.305	Reject
H0: There is no significant positive or negative correlation of EPS and Debt to Equity		Accept
H4: There is significant positive or negative correlation of EPS and Price to Earning	-0.662	Accept
H0: There is no significant positive or negative correlation of EPS and Price to Earning		Reject

DISCUSSION :

DISCUSSION ON TREND ANALYSIS

Trend analysis is a technique used in technical analysis that attempts to predict future stock price movements based on recently observed trend data.

We find a result after doing a trend analysis is:

- (1) After doing a trend analysis we analyze the EPS shows the Earning Per Share, according to the minimum growth of the company is Bajaj Finance Limited, Mahindra & Mahindra Financial Services Limited, L&T Finance Holding Limited, Cholamandalam Investment and Finance Company and the highest growth company is Muthoot Finance Limited.
- (2) In Net Profit Ratio we analyze that the maximum profit of the company is Bajaj Finance Limited, Muthoot Finance and the minimum profit company is Cholamandalam Investment and Finance company, Mahindra & Mahindra Financial Services Limited, L&T Finance Holding Limited.
- (3) In Debt-to-Equity the company which are going to debt is L&T Finance Holding Limited and the remaining companies which are minimum in debt-to-equity according to L&T Finance Holding Limited is Mahindra & Mahindra Financial Service Limited, Muthoot Finance Limited, Cholamandalam Investment and Finance Company, Bajaj Finance Limited.
- (4) In Return to Equity the highest return of the company is L&T Finance Holding Limited and Mahindra & Mahindra Financial Service Limited minimum return in equity is L&T Finance Holding Limited, Cholamandalam Investment & Finance Company, Muthoot Finance Limited.
- (5) In Price-to-Earning Ratio we analyze the highest earning share price of the company is L&T Finance Holding Limited and minimum earning per share company is Mahindra & Mahindra Financial services Limited, Muthoot Finance Limited, Cholamandalam Investment and Finance Company, Bajaj Finance Limited.

DISCUSSION ON CORRELATION ANALYSIS

- (1) It was found that there was very strong positive correlation between EPS and ROE ($\rho = 0.972$).
- (2) The correlation between EPS and Net Profit was strong as well as positive correlation with $\rho = 0.930$.
- (3) The correlation between EPS and Debt-to-Equity was found to be almost negligible with $\rho = 0.305$.
- (4) EPS and Price to Earning Ratio had a correlation of $\rho = -0.662$ which signifies negative correlation between them.

CONCLUSIONS

It can be concluded from the above analysis that in case of trend analysis, the company which showed highest rate of earning per share was Muthoot Finance, followed by Bajaj Finance Limited, then Cholamandalam Investment and Finance Company, Mahindra & Mahindra Financial Services Limited and lastly, L&T Finance Holding Limited. After analyzing the Net Profit Ratio, it was found that the high net profit was accumulated by Bajaj Finance Limited and remaining companies lied below it. In term of ROE, Muthoot Finance Limited outperformed, followed by Bajaj Finance Limited, then Cholamandalam Investment and Finance Company, then Mahindra & Mahindra Financial Services Limited and lastly, L&T Finance Holding Limited. Graph of Debt-to-Equity reflects that in the year 2021, Cholamandalam Investment and Finance Company has maximum amount of debt. The company which has least amount debt is L&T Finance Holding Limited. L&T Finance Holding Limited has maximum amount of Price-to-Earning Ratio, followed by Bajaj Finance Limited, then Mahindra & Mahindra Financial Services Limited, then Cholamandalam Investment and Finance Company and lastly, Muthoot Finance Limited.

Second analysis of this paper is correlational analysis which tells about the correlation between ratios. EPS had maximum positive correlation with ROE ($\rho = 0.972$). Correlation between Net Profit and EPS was ($\rho = 0.930$) which is also strong as well as positive whereas correlation between P/E Ratio and EPS is ($\rho = -0.662$) which is negative correlation. Lastly, correlation between EPS and Debt-to-Equity is almost negligible ($\rho = 0.305$).

SUGGESTIONS

- (1) Research should input the data carefully, one mistake in feeding data may cause whole result to diverge.
- (2) Investors and stakeholders should analyse the data properly before reaching to any decisions.
- (3) Companies should also take the analyses part seriously and should be more concerned about their companies' growth.
- (4) Researchers should look after accurate result as some the websites might mislead and display manipulated data.
- (5) Companies should make their financial data easily available for the researchers to conduct research.

DIRECTIONS FOR FUTURE RESEARCH

- (1) Future researcher can conduct research on international basis, companies across the world can be considered for the study.
- (2) Time frame of the study can be extended to 10 or more years to get more accurate result.
- (3) Companies from other background can also be taken for research in the future.
- (4) Exploration of more new analyses can be done like regression analysis, solvency analysis, bivariate analysis and many more.
- (5) Primary data can be used for analyses that can be collected from stakeholder, worker and normal people.

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