

## A Study On “Financial Analysis”

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### ABSTRACT

The success of every business enterprise is directly related to the competencies of business management. The business enterprise can, as a result, create variations of how to approach the new complex and changing situations of success in the market. Therefore managers are trying during negative times to change their management approach, to ensure long-term and stable running of the business enterprise. They are forced to continuously maintain and obtain customers and suppliers. By implementing these measures they have the opportunity to achieve a competitive advantage over other business enterprises.

**Keywords : Financial analysis, company, profit, activity, profitability, liquidity, indebtedness**

### INTRODUCTION

Financial Analysis (also referred to as budget Analysis or Accounting Analysis or Analysis of Finance) refers to the analysis of the viability, stability and profitableness of a business, sub-business or project. This is done by specialists United Nations agency create reports exploitation proportions that use data derived from monetary statements and alternative reports. These reports area unit typically given to prime management together of their bases in creating business selections.

### Financial analysis

Maintain or discontinue its main operation or a part of its business; Make or get some ingredients in its product preparation; obtaining or rental / leasing sure machinery and instrumentality within the production of its goods; Issue stocks to lift assets or discuss a bank loan; Make selections concerning investment or loaning capital; Make alternative selections to tell the assorted alternatives within the business behavior of management.

### Significance of proportions

Profitability ratios show the angle of a company's profitableness (a). homeowners of the corporate and (b). The company's operative potency, .ROI magnitude relation falls into the primary class. The company's potency in terms of economical use of resources is mirrored in lucre. Despite the high come on the check of improved performance, a lower margin doesn't imply a lower come on investment if a firm has higher investment / quality turnover. Therefore, the operative potency of a corporation are often calculable supported a mix of each the earnings power and also the come on investment (ROI). The earning power of a corporation are often outlined because the overall profitableness of a corporation.

There square measure 2 aspects to the current ratio:

(A) Profitableness on sales as mirrored in lucre, and

(B) The profitableness of AN investment is

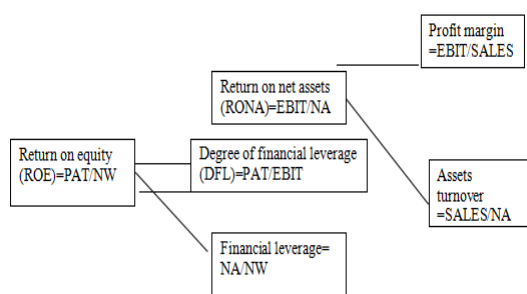
thought through the investment / plus turnover.

### Comparative statement analysis

A common technique of characteristic periodic changes during a company's monetary performance is to arrange comparative statements. Comparative monetary statements cover a minimum of 2 periods. Changes — growth and reduce — within the financial gain statements and over time the record will show 2 ways:

(1) Total changes and (2) proportional changes.

Total or proportion, or both, could represent total changes by drawing separate columns for growth and reduce. The relative, or proportional, case of the profit and loss statement is that the amount of sales is assumed to be traditional (hence up to 100) and every one different product square measure expressed as a proportion of sales. Similarly, record things square measure expressed as a proportion of total funds. monetary statements ready on common base proportion things square measure referred to as general-sized statements. the sort of study is named vertical analysis and since it studies changes at a selected information, it implies consistent relationships.



Research of comparative monetary statements will facilitate highlight necessary facts and means the requirement for any analysis. India's revealed balance sheets of common-stock firms and profit and loss accounts square measure given in biennial comparative type. Some firms additionally report shortened statements to shareholders for AN extended year. produce AN

analytical perspective, such statements square measure terribly helpful for investors.

### NEED FOR THE STUDY

Financial coming up with is AN integral part of monetary coming up with. prediction uses past information to predict future monetary wants. it's vital to achieve power to grasp the monetary performance of the corporate. it's used as a benchmark for assessing the monetary position and performance of an organization. Earning power helps to capture giant amounts of monetary of economic information and build qualitative judgments concerning the financial performance of the corporate. Since MSL could be a leading company in NBFCS, it's necessary to try and do analysis and calculate company earnings.

With the assistance of earning power, one will decide-

- Ability to fulfill returns on internet assets liabilities.
- To what extent has the corporate used its semi permanent economic condition by taking funds.
- The flexibility of the corporate to use its assets to get sales revenue.
- All operational potency and performance of the operational company

### RESEARCH

Based on the objectives of the study, careful analysis was adopted. The descriptive one, it's most frequently wont to interfere with attainable relationships between variables. this can be the only kind of analysis. it's designed to assemble careful data and supply data to form a lot of refined studies. It involves creating a lot of specific hypotheses and testing them through applied mathematics logical thinking.

### SOURCE OF KNOWLEDGE

The analysis is predicated on secondary information. Secondary information were

collected from records and to boot printed as annual reports of the corporate. Relevant data was collected from journals and journals of publications in trade and social science.

#### LIMITATIONS OF THE STUDY

- The data used is principally from historical annual reports out there to the general public and doesn't represent this state of the organization.
- Thanks to restricted fundamental quantity, careful analysis of project work can't be done.
- Matters don't get a similar simply as monetary matters are sensitive in nature.

#### ANALYSIS TOOL:

Muthoot Capital Services restricted Company's knowledge taken from 2 totally different sources has been rigorously & meaningfully analyzed mistreatment well-established money instruments and applied math strategies. money performance on a company's earning power is measured supported come on internet assets and come on equity.

- To analyze the firm's operating performance.

$$RONA = \frac{EBIT}{NA} = \frac{Sales}{NA} * \frac{GP}{Sales} * \frac{EBIT}{GP}$$

- To analyze the firm's financial efficiency.

$$ROE = \frac{PAT}{NW} = \frac{EBIT}{NA} * \frac{PAT}{EBIT} * \frac{NA}{NW}$$

- To estimate the future earning's of the company, trend analysis is used

- The linear equation is  $Yc = a+bx$   
 $\Sigma Y = Na+b\Sigma x$   
 $\Sigma XY = a\Sigma x + b\Sigma x^2$

#### ABOUT INDUSTRY

The Indian economy is in turmoil thanks to the turmoil within the western monetary sector that began within the last half of

2008-2009. However, our economy will face up to those pressures and record a GDP rate of vi.7%. though down from 11th of September the previous year. rate compared to our neighbors and Western countries. this can be thanks to the sturdy actions taken by the govt of Republic and also the bank of India.

Non-Banking monetary Services continuing its sturdy growth with the sturdy support of the govt of Asian nation and helped lower financial gain teams by providing sensible returns on their savings and providing timely and fast financial backing to those in would like. Demand for NBFCs' credit product raised as a results of reduced credit flows from banks and monetary establishments throughout the year. However, NBFCs have additionally suffered the negative effects of the financial condition, that could be a major a part of their operating funds thanks to the reduced convenience and raised value of bank finance. the govt and tally have recognized the importance of NBFCs in meeting the requirements of unorganized sector disposal in rural and semi-urban areas and have given sturdy suggestions for guaranteeing credit flow to NBFCs. Since then true has improved and with continuing support from the govt and tally, NBFCs ar able to continue their glorious performance.

#### MUTHOOT SECURITIES LIMITED PROFILE

##### Contact

•Muthoot Securities restricted (MSL) may be a public restricted non-banking no depository financial institution registered with the banking concern of Republic of India and listed on the city securities market. Established in Feb 1994 in Kerala, MSL provides capital market solutions, as well as Leasing Purchase, Vehicle Loans and Bonds & Deposits, with added services for the advantage of our customers.

To increase its funding base, MSL came up with a public issue in Feb 1995. This issue

has been signed eight.5 times - throughout which period the national capital market has slowed. most the subscription was received from the state of Kerala. MSL is additionally diversifying into fund and non-fund based mostly activities with equal stress on company and non-corporate sectors in Kerala. Encouraged by the area unit Muthoot Pappachan cluster, MSL has these days become one amongst the leading money establishments within the capital market, with its foundations chemical analysis back to 1939, within the banking and finance sector, notably in rural and semi-southern Republic of India.

### DATA ANALYSIS AND INTERPRETATION

#### Asset turnover

Some analysts need to calculate total plus turnover additionally to or rather than internet plus turnover. This ration shows the flexibility to come up with sales from all monetary sources committed to (or not) internet assets. Funds that treat internet assets ar known as Capital utilized. internet assets equal internet mounted assets and current assets minus current liabilities excluding bank loans. This way:

$$\text{Assets Turn over} = \frac{\text{Sales}}{\text{Net assets}}$$

#### Gross profit margin

The first gain quantitative relation in regard to sales is margin. it's calculated by dividing margin by sales. margin is that the distinction between marketing and marketing product.

$$\text{Gross profit Margin} = \frac{\text{Gross profit}}{\text{Sales}} \times 100$$

#### Evaluation of operating leverage

Operating leverage is outlined as a amendment in earnings before interest and taxes (EBIT) for a given amendment in sales. EBIT changes additional or less changes in sales counting on the magnitude

relation of fastened prices. instead, operational leverage is outlined as taxes to earnings and profits (GP) before interest.

$$\text{Operating leverage} = \frac{\text{EBIT}}{\text{Gross Profit}}$$

#### Operating Performance Of Return On Net Assets (Or) Return On Capital Employed

This magnitude relation is expounded to the come on investment within the firm and reflects the general profit of the business in relevancy the investment, associate degree indicator of the excess generated on the invested with money; This magnitude relation measures productivity. Investment, expressed in percentages. The term investment refers to semi permanent funds invested with in an exceedingly business and is termed web assets (or) capital.

$$\text{Return on net assets} = \frac{\text{EBIT}}{\text{Net Assets}} \times 100$$

Financial leverage through PAT /EBIT  
Financial leverage (or) tax leverage is defined as the ability of a firm to use interest and tax to magnify the effects changes in PAT/EBIT on the firm's earning power.

$$\text{Financial leverage} = \frac{\text{PAT}}{\text{EBIT}} \times 100$$

#### Financial leverage through net assets/net worth

There is another various thanks to categorical the elemental relationship between debt and equity. The loaner and also the owner might want to grasp what proportion cash every owner has for every rupee. Contribution? this could be calculated by conniving the magnitude relation of internet cyber web net cyberspace information superhighway world wide web Infobahn} price of a capital job or net assets.

$$\text{Financial leverage} = \frac{\text{Net Assets}}{\text{Net worth}}$$

### RETENTION RATIO:

The ratio shows the proportion of profits retained in the business out of the current year's profits. In fact the payout ratio and retained earnings ratio should be equal to 100.

$$\text{RETENTION RATIO} = \frac{\text{Retained Earnings}}{\text{PAT}}$$

### Financial efficiency return on equity

Ordinary or general shareholders square measure entitled to the remaining profits. The dividend rate isn't determined: earnings are often distributed to shareholders or maintained within the business. However, net profit when tax represents their come. come on shareholders 'equity is calculated to visualize the gain of the owners' investment. Shareholders' equity or internet value includes paid share capital and reserves and surplus.

$$\text{Return on equity} = \frac{\text{PAT}}{\text{Net work}} \times 100$$

### Equity Growth

A firm can convert its return on equity (ROE) into a growth in equity through retention. Equity growth as a result of retention policy is a product of return on equity and retention ratio.

$$\text{Equity growth} = \frac{\text{Retained earnings}}{\text{Net worth}}$$

### Earning power

A company might sell little quantities at higher costs or larger ones at lower costs to keep up gain. In different words, the firm's revenue strength relies on 2 factors: (a) lucre and (b) investment turnover. along these factors gift a whole image of the company's operation. Investment returns mirror the share earning power and this is

often the merchandise of lucre and investment turnover.

$$\text{Earning power} = \frac{\text{Return on investment}}{\text{Net profit after tax}}$$

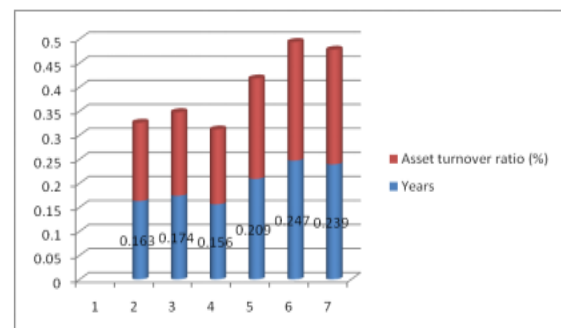
$$\text{Earning power} = \frac{\text{Total assets}}{\text{Sales}}$$

## 1 CALCULATION OF ASSET TURNOVER RATIO

$$\text{Assets turnover ratio} = \frac{\text{Sales}}{\text{Net assets}}$$

Table 3.1 Asset Turnover ratio

Years	Sales (Rs.in crs)	Net Assets (Rs.in crs)	Asset turnover ratio (%)
2012	2.54	15.55	0.163
2013	2.81	16.06	0.174
2014	4.42	28.21	0.156
2015	8.03	38.41	0.209
2016	12.43	50.29	0.247
2017	17.38	72.59	0.239



Interpretation:

From the on top of table, it will be determined that cyberspace quality turnover quantitative relation has steady inflated except in 2012. web quality worth additionally inflated at constant time. however compared to sales, web value has not inflated. cyberspace quality turnover quantitative relation was the best in 2014, 0.247% and also the lowest in 2011 was zero.156%.

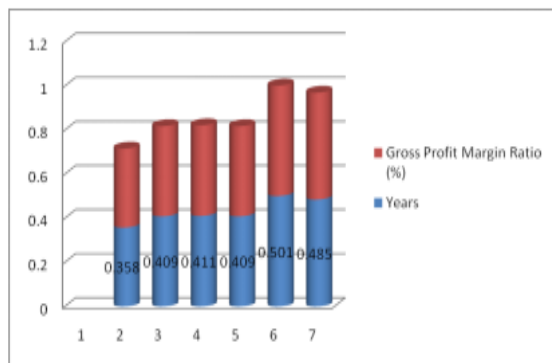
## 3.2 CALCULATION OF GROSS PROFIT MARGIN RATIO



$$\text{Gross profit Margin} = \frac{\text{Gross profit}}{\text{Sales}} \times 100$$

**Table: 3.2 Gross profit margin ratio**

Years	Gross Profit (Rs.in crs)	Sales (Rs. in crs)	Gross Profit Margin Ratio (%)
2012	0.91	2.54	0.358
2013	1.15	2.81	0.409
2014	1.82	4.42	0.411
2015	3.29	8.03	0.409
2016	6.23	12.43	0.501
2017	8.43	17.38	0.485



**Interpretation:**

From the higher than table, it will be ascertained that the net profit margin redoubled throughout the 2012-17 study amount, excluding 2013-17. The net profit margin redoubled attributable to redoubled sales of the corporate, that additionally redoubled net profit. The net profit margin price for 2014 was zero.501%. and also the minimum in 2012 is zero.358%.

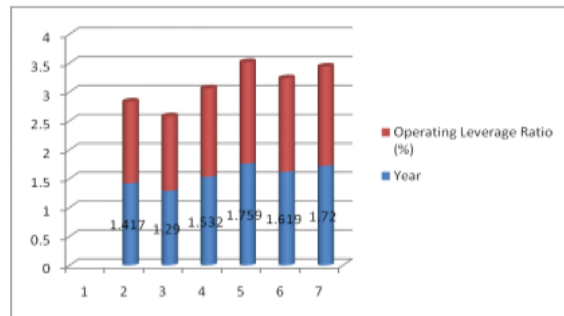
**3.3 CALCULATION OF OPERATING LEVERAGE:**

Operating leverage may be defined as change in earnings before interest and taxes (EBIT) for a given change in sales.

$$\text{Operating leverage} = \frac{\text{EBIT}}{\text{Gross profit}}$$

**Table: 3.3 operating leverage ratio**

Year	EBIT (Rs.in crs)	Gross Profit (Rs.in crs)	Operating Leverage Ratio (%)
2012	1.29	0.91	1.417
2013	1.49	1.15	1.290
2014	2.79	1.82	1.532
2015	5.79	3.29	1.759
2016	10.09	6.23	1.619
2017	14.5	8.43	1.720



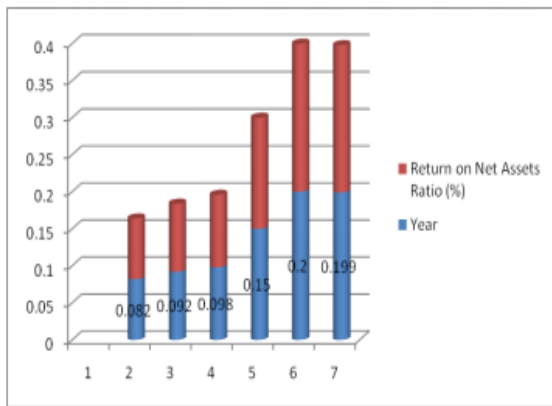
**Interpretation:**

From the on top of table, it is discovered that the in operation leverage magnitude relation fluctuated throughout the 2012-17 study amount. in operation leverage magnitude relation fluctuated because of inconsistencies between the degree of modification of EBIT and also the degree of modification of the general practitioner. in operation leverage magnitude relation stands at one.759% in 2013 and one.29% in 2012.

**3.4 CALCULATION F RETURN ON NET ASSETS**

$$\text{Return on net assets} = \frac{\text{EBIT}}{\text{Net Assets}} \times 100$$

Year	EBIT (Rs.in crs)	Net Assets (Rs.in crs)	Return on Net Assets Ratio (%)
2012	1.29	15.55	0.082
2013	1.49	16.06	0.092
2014	2.79	28.21	0.098
2015	5.79	38.41	0.15
2016	10.09	50.29	0.200
2017	14.5	72.59	0.199



**Interpretation:**

From the higher than table, it may be seen that world wide web plus come back accrued throughout the 2012-17 study amount apart from 2015. come back on web assets accrued as EBIT accrued. RONA was at its peak in 2014, which is 0.2% .NET assets additionally accrued within the amount below that EBIT accrued.

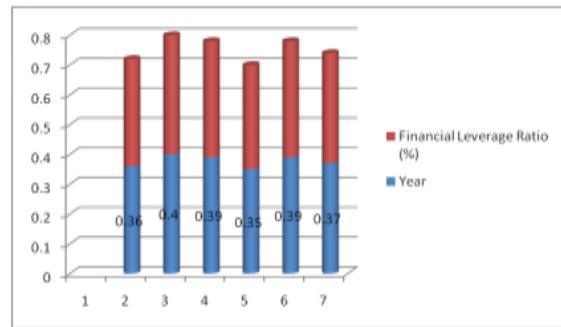
**3.5 CALCULATION OF FINANCIAL LEVERAGE THROUGH PAT/EBIT:**

Financial leverage (or) tax leverage is defined as the ability of a firm to use interest and tax to magnify the effects changes in PAT/EBIT on the firm’s earning power.

$$\text{Financial leverage} = \frac{\text{PAT}}{\text{EBIT}} \times 100$$

Table: 3.5 Financial Leverage through PAT/EBIT

Year	PAT (Rs.in crs)	EBIT (Rs.in crs)	Financial Leverage Ratio (%)
2012	0.47	1.29	0.36
2013	0.6	1.49	0.40
2014	1.09	2.79	0.39
2015	2.05	5.79	0.35
2016	4.00	10.09	0.39
2017	5.42	14.5	0.37



**Interpretation:**

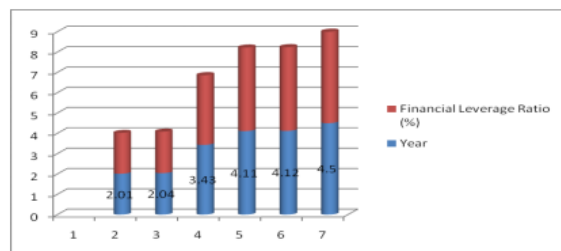
From the higher than table, it is seen that the monetary leverage fluctuated throughout the 2012-17 study amount. monetary leverage fluctuates as EBIT and PAT increase in worth. monetary leverage was zero.4% in 2012 and zero.35% in 2013.

**3.6 CALCULATION OF FINANCIAL LEVERAGE RATIO THROUGH NET ASSETS/NET WORTH:**

$$\text{Financial leverage} = \frac{\text{Net Assets}}{\text{Net worth}}$$

Table: 3.6 financial leverage ratio

Year	Net Assets (Rs. in crs)	Net worth (Rs. in crs)	Financial Leverage Ratio (%)
2012	15.55	7.720	2.01
2013	16.06	7.870	2.04
2014	28.21	8.21	3.43
2015	38.41	9.34	4.11
2016	50.29	12.20	4.12
2017	72.59	16.10	4.50



**Interpretation:**

From the higher than table, it's discovered that monetary leverage enhanced throughout the 2012-17 study amount. Continuous will increase within the worth of web assets have enhanced monetary leverage. The degree to that information superhighway value is enhanced is a smaller amount than the degree to that information superhighway

quality worth is enhanced. monetary leverage in 2015 was four.50% and in two012 it absolutely was 2.01%.

### 3.7 CALCULATION OF RETURN ON EQUITY

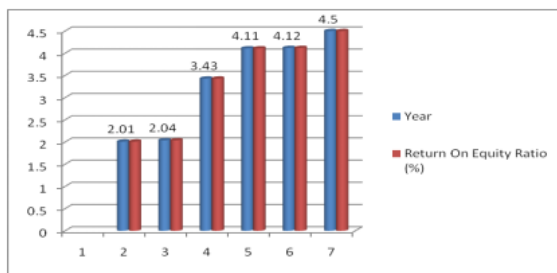
PAT

$$\text{Return on equity} = \frac{\text{PAT}}{\text{Net worth}} \times 100$$

Net worth

**Table: 3.7 Return on equity**

Year	PAT (Rs. in crs)	Net worth (Rs. in crs)	Return On Equity Ratio (%)
2012	0.47	7.720	2.01
2013	0.6	7.870	2.04
2014	1.09	8.21	3.43
2015	2.05	9.34	4.11
2016	4.00	12.20	4.12
2017	5.42	16.10	4.50



#### Interpretation:

From the table higher than, it may be seen that the come back on equity accrued slightly throughout the 2012-17 study amount. The come back on equity is thanks to a rise in PAT. come back on equity was high in 2015, which implies four.50% and therefore the low is a pair of.2.01%.

### 3.8 Retention ratio:

Retention ratio shows the relationship between retained earnings and profit after tax

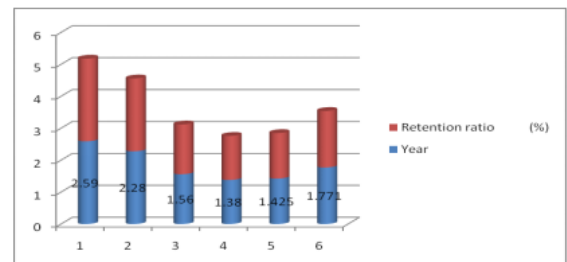
Retained earnings

$$\text{Retention ratio} = \frac{\text{Retained earnings}}{\text{Profit after tax}}$$

Profit after tax

**Table 3.8: Retention Ratio**

Year	Retained earnings (Rs. in crs)	Profit after-tax (Rs. in crs.)	Retention ratio (%)
2012	1.22	0.47	2.59
2013	1.37	0.6	2.28
2014	1.71	1.09	1.56
2015	2.84	2.05	1.38
2016	5.70	4.00	1.425
2017	9.60	5.42	1.771



#### Interpretation:

From the on top of table, it is discovered that the retention magnitude relation fluctuated throughout the 2012-17 study amount. The retention magnitude relation exaggerated for the primary 2 years and so bated 2 years later as a result of changes in PAT and preserved earnings. The retention magnitude relation was the very best in 2012, i.e. 2.5% in 2013 and also the lowest in 2013 i.e. 1.38%.

### 3.9 CALCULATION OF EQUITY GROWTH:

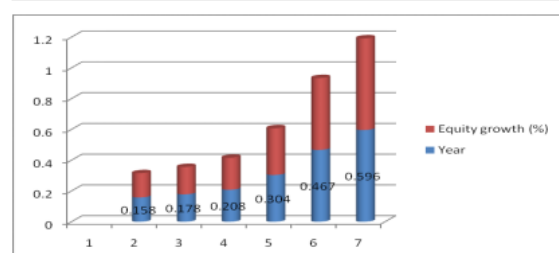
Retained earnings

$$\text{Equity growth} = \frac{\text{Retained earnings}}{\text{Net worth}} \times 100$$

Net worth

**Table 3.9: Equity growth**

Year	Retained Earnings (Rs. in crs.)	Net worth (Rs. in crs)	Equity growth (%)
2012	1.22	7.720	0.158
2013	1.37	7.870	0.1780
2014	1.71	8.21	0.208
2015	2.84	9.34	0.304
2016	5.70	12.20	0.467
2017	9.60	16.10	0.596





**Interpretation:**

From the on top of table, it is ascertained that the equity growth quantitative relation has hyperbolic ceaselessly throughout the amount 2012-17 .The equity growth quantitative relation has hyperbolic steady as all preserved earnings have hyperbolic. Equity Growth quantitative relation was the best in 2015, with a mean of zero.096% and an occasional of zero.158% in 2012.

**3.10CALCULATION OF EARNING POWER**

The percentage of return of investment reflects the earning power and it is the product of net profit margin and investment turn over.

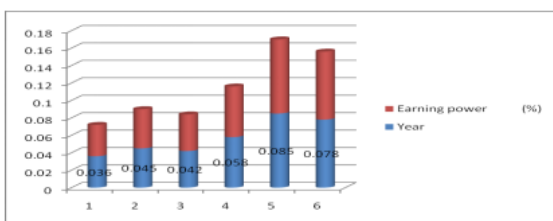
**Earning power = Return on investment**

Net profit after taxes

$$\text{Earning power} = \frac{\text{Net profit after taxes}}{\text{Total assets}}$$

**Table 3.10: Earning power**

Year	PAT (Rs.in crs)	Total Assets (Rs.in crs)	Earning power (%)
2012	0.47	13.04	0.036
2013	0.6	13.22	0.045
2014	1.09	25.56	0.042
2015	2.05	35.23	0.058
2016	4.00	46.84	0.085
2017	5.42	69.37	0.078



**Interpretation:**

From the on top of table, it are often seen that the earning power magnitude relation fluctuated throughout the 2012-17 study amount, and also the earnings power magnitude relation exaggerated in 2012 and so shrunken over consequent year, increasing the earning power magnitude relation from 2012-14. The earning power magnitude relation for 2014 was at a most of zero.085% and a minimum of zero.0.36%.

**3.11ESTIMATION OF RETURN ON NET INCOME:**

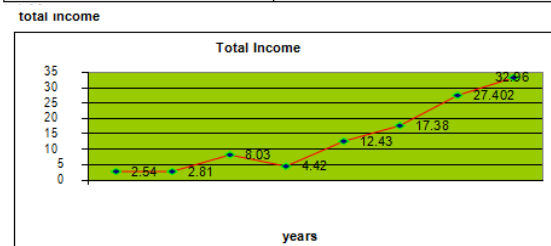
By using the statistical formula, based on the past data we can estimate the future value

Using  $Y = a + bx$

$$\Sigma Y = na + b\Sigma x$$

$$\Sigma XY = a\Sigma x + b\Sigma x^2$$

Years (x)	Total Income (Rs.In crs)
2012	2.54
2013	2.81
2014	8.03
2015	4.42
2016	12.43
2017	17.38



**Interpretation:**

- Forecasted values of return on total income for 2018 = 27.402 crores
- Forecasted value of return on total income for 2019= 32.96 crores

**3.12ESTIMATION OF TOTAL ASSETS:**

By using the statistical formula, based on the past data we can estimate the future value

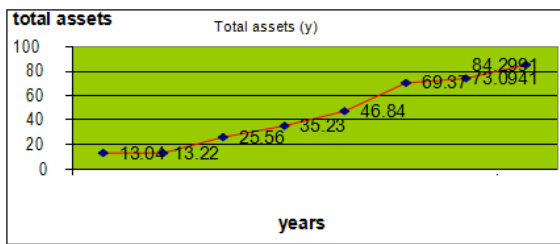
Using  $Y = a + bx$

$$\Sigma Y = na + b\Sigma x$$

$$\Sigma XY = a\Sigma x + b\Sigma x^2$$

**Table 3.12: Estimation of Total Assets**

Years (x)	Total assets (y) (Rs.In crs)
2012	13.04
2013	13.22
2014	25.56
2015	35.23
2016	46.84
2017	69.37
2018*	73.09
2019*	84.299



Interpretation:

- Forecasted values of total assets for 2018= 73.0941 crores
- Forecasted value of total assets for 2019= 84.2991 crores

### 3.13 CALCULATION OF CO-EFFICIENT OF CORRELATION BETWEEN ASSET TURNOVER RATIO (ATR) & OPERATING LEVERAGE (OLR)

$$\text{Co-efficient correlation} = \frac{\sum xy}{\sqrt{\sum x^2 \cdot \sum y^2}}$$

3.13.Co-efficient correlation between ATR and OLR

Year	Asset turnover ratio (x) (%)	Operating leverage ratio (y)(%)
2012	0.163	1.417
2013	0.174	1.29
2014	0.156	1.532
2015	0.209	1.759
2016	0.247	1.619
2017	0.239	1.720

Co-efficient correlation between Asset turnover ratio and Operating leverage R = 0.4059

Interpretation:

The parametric statistic between the plus turnover magnitude relation and operational leverage is zero.4059. This shows that there's a positive relationship between plus turnover and operational leverage. This suggests that if the plus turnover magnitude relation will increase, therefore will the operational leverage magnitude relation.

### FINDINGS CONCLUSION

### SUGGESTIONS

### FINDINGS

- 2020 A Muthoot Securities sales and internet quality values increased from 2012-2017. the worth of sales was high in 2015, that is seventeen.38 crores and internet assets valued at seventy two.59 crores in 2015, however the proportion increase isn't an equivalent as in 2015, because of the very fact that the quality turnover quantitative relation rose to a most of zero.247% in 2014
- As the total revenue exaggerated throughout amount the amount} study period, the gross profit margin price conjointly exaggerated and in 2014 the most gross profit margin quantitative relation exaggerated to eight.43 crores.
- LTD's EBIT of square measure Muthoot Securities exaggerated throughout the study amount and exaggerated to a most of fourteen.5 crores in 2014 and an occasional of one.29 crores in 2012, compared to the gross profit margin. because of this operational leverage, fluctuations and lows in 2013 mean one.29%.
- Changes Degree EBIT and PAT aren't identical, that results in money leverage over the study amount. The degree of amendment in 2014 is zero.74% for EBIT and zero.95% for PAT.
- 17 Muthoot Securities Limited's investor fund is that the highest in 2015, which means it's price ten.10 crores. this can be as a result of net price of Muthoot Securities restricted exaggerated throughout the 2012-17 study amount .This means that investor funds can grow over the years and therefore the internet price in 2015 can increase to Rs sixteen.10 crore.
- PAT and internet price exaggerated throughout the 2012-17 study amount. The degree to that net price rises on top of the degree of growth of the pot. the most internet price growth degree in 2015 is zero.35%.
- -17 maintained earnings exaggerated throughout the 2012-17 study amount.

meaning reserves and surpluses area unit increasing year on year. maintained Earnings most in 2015 was nine.6 crores.

- Increased maintained Earnings and internet price exaggerated Equity Growth quantitative relation.
- AT PAT and total assets have exaggerated steady however there's a distinction within the level of amendment. the most amendment degree in 2015 is zero.48% .This earning power quantitative relation has fluctuated.

#### SUGGESTIONS

- AT PAT is rising however at constant time interest prices are rising. If the debt obligations square measure reduced and also the interest is reduced, then the corporate will get the most PAT.
- If net value rises to a particular level, interest expenses square measure reduced and profits square measure possible to extend.
- Retained earnings in Muthoot securities square measure higher as dividends square measure lower for Divide shareholders. attempt to maintain a satisfactory methodology of equalization the earnings and investor fund.
- The share worth of Muthoot Securities is low once benchmarking as a result of the dividend policy is insufficient. Share worth will increase if the corporate adopts AN acceptable methodology of distributing dividends.
- Share helps the corporate to keep up higher revenues thanks to less profit to its shareholders. This weakens the company's market image.
- Operative leverage quantitative relation has fluctuated, which implies that operative leverage isn't used. Management should take forceful measures against it.
- Reason Company has no advertising portion, for this reason solely some members realize the corporate.

#### CONCLUSION

Based on information collected mistreatment Muthoot Securities restricted and money ratios, I conclude that the company's total revenues inflated throughout the 2011-16 study amount which the gross profit margin inflated throughout the study amount, which means that the company's gross profit margin inflated throughout the study amount. operational leverage inflated endlessly as gross profit margin inflated throughout the study amount. Management performance is growing, that makes it clear that management is mistreatment web assets suitably. The company's maintained earnings stood at fifty nine in 2015, indicating that it's smart prospects for increasing returns on the company's equities, and therefore the most at 2016 is five.5%.

Finally, we will conclude that Muthoot Securities restricted encompasses a excellent likelihood of turning into a number one company in their sector.

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