ANALYSIS OF FINANCIAL PERFORMANCE OF NON-BANKING FINANCIAL COMPANIES IN INDIA

Mr.S.Rajasekaran, Ph.D Research Scholar, Department of Management Studies, Dr. SNS Rajalakshmi College of Arts and Science, Coimbatore-641 049.

Dr. K. Premalatha, Assistant Professor, Department of Management Studies, Dr. SNS Rajalakshmi College of Arts and Science, Coimbatore-641 049.

ABSTRACT:

The study is based on Non-Banking Financial Companies towards India. The aim of the study to analysis understand the profile of the NBFCs based on the hypothesis tested with Profitability, Liquidity, Risk Indicator and Return on Asset ratios. Period of study is only six financial years, a longer time period would have yielded a better results. The study is based on both primary and secondary data. The result of the study could have been enriched with the primary data from the managers of NBFCs. Statistical tools likes mean, standard deviation, ANOVA, and Correlation. The study is useful to the NBFCs in their financial decision making.

Keywords: NBFCs, Profitability, Leverage, Liquidity, Risk Indicator.

INTRODUCTION

The Non-Banking Financial Companies (NBFCs) have been considered as the one of the segments of the Indian financial system. In the 1980's this sector had a mushrooming of institutions and the profile of the industry has undergone many changes over the years. Beginning from 1997 the implementation of prudential norms and the strict supervision by the RBI has led to the orderly growth of the firms in this sector. Capital adequacy norms and assets classification norms which applied to banks are also made applicable to NBFCs. A performance review of NBFCs indicates that a number of NBFCs has come down gradually over the years. In the perspective of changed regulatory structure of NBFCs, it is pertinent to undertake a research study of the overall performance of select NBFCs.NBFCs form a broad category of financial institutions other than commercial banks. NFBCs operate largely in vehicle financing, hire purchase, lease, personal loans, working capital loans, consumer loans, housing loans, loans against shares, investments, distribution of financial products, etc.

The heterogeneous sector of NBFC is broadly categorised as (i) NBFC-Deposit taking (NBFC-D) and (ii) NBFCs-Non-Deposit taking (NBFC-ND) (iii) Residuary non-banking finance companies (RNBCs) - deposit taking companies of different character. Among NBFCs-ND, companies with asset size of Rs. 1bn and more have been categorised as systemically important (NBFC-ND-SI). NBFC-D and NBFCs-ND-SI are further classified under three categories: Asset Finance Company (AFC), Investment Company (IC), and Loan Company (LC). New category that was recently added is Infrastructure Finance Company (IFC), as called Core Investment Company (CIC).

Over the years, NBFCs have become a crucial part of the Indian financial system and they form around 11% of the assets of the total financial system. NBFCs have emerged as an important intermediary for financing and have provided strong competition to banks and financial institutions. Although banks have access to low-cost funds; however, NBFCs are reducing dependence on public deposits and RBI too is supportive of the move. The regulatory and supervisory framework for NBFCs has been continuously strengthened in order to ensure their strong and healthy functioning and limit excessive risk-taking practices and protect the interests of the deposit holders.

LITERATURE REVIEW

Kalasalingam and Ramasundaram (2012) has studied the solvency position of NBFCs during the year 2005-2009. They have analysed the financial statement for a period of 5 years from 2005 to 2009. The study is confined to 25 NBFCs including housing finance companies,catering to asset finance, infrastructure finance and housing finance. They have employed a flmer and springate models to predict the solvency of NBFCs.

Paul (2011) analysed the financial performance of the selected NBFCs during the period 2004 to 2009. In his study five listed NBFCs have been taken as a sample for analysing the financial performance of the NBFCs. He concluded that the selected companies are significantly different in terms of their financial performance from one another.

Vadde (2011) analysed the performance of NBFCs in India during the year 2008-2009 they have found a significant decrease in the operating profit along with diminishing profitability during 2008-2009. Business of selected non-banking financial of investment companies expanded at a slower pace during 2008-2009.

Topy (2008) analysed the financial performance of nigerian quoted manufacturing companies. He have found a statistically significant relationship between measure of liquidity and selected measure of profitability, efficiency and indebtedness in Nigerian quoted manufacturing companies. The impact of one percent increase in average liquidity measure produced a more significant increase in average profitability (21.9%) efficiency (16.1%) and ineptness' (16.6%).

Poongodi (2003) analysed the financial performance of cement industries in south India (with special reference to Tamilnadu, Karnataka and Andhrapradesh) This study ascertained the profitability and measured the earning capacity of cement in industry. She had suggested that they had to develop their long term and short term solvency position and increase the sale by adopting modern marketing techniques.

Kantwala (1997) analysed the performance of NBFCs in India. In his study he used the profitability, liquidity, leverage ratio and krushkal wallies test to find out the financial position of the NBFCs in India. He have found a significant difference in the profitability ratio, leverage ratio, liquidity ratio of various categories of NBFCs in india during the year 1985-1995.

STATEMENT OF THE PROBLEM:

In India considerable growth has taken place in the Non-banking financial sector in last two decades. Over a period of time they are successful in rendering a wide range of services. Initially intended to cater to the needs of savers and investors, NBFCs later on developed into institutions that can provide services similar to bank. This study analyses the performance of the NBFCs (Auto financing and Other Asset financing) during the year 2014-2020.

Financial performance analysis of Non- Banking Financial Companies have been the subject of the research by many researchers. The data relating to NBFCs regarding the assets and liabilities, Income and Expenditure are quite different from the manufacturing companies. Being a financial institution offering credit and other financial services, the profile of NBFCs and their functioning can be brought out through the analysis of the financial statement and information of such companies. Seema Sagar (1995) studied the financial performance of leasing companies by taking a sample of ten leasing companies. Harihar (1998) studied the performance of NBFCs throwing light on the operating margin, return on net worth and cost of debt. The strict implementation of prudential norms by the RBI had many implications on the performance of NBFCs. Since the activities of NBFCs have undergone the qualitative change in the recent years, there is a need to look at the salient issues like liquidity, profitability, nonperforming assets, interest margins etc. Further, the need to study the income of NBFCs arising from fund based activities and fee based activities is also felt. The profitability of NBFCs viz-a-viz banks have to be examined.

OBJECTIVE OF THE STUDY

- To study the overall profitability of the firm, margins, and return on total assets of NBFCs.
- To analyse the sources of funding of NBFCs namely, the capital structure and the associated issues of leverage.
- To analyse the risk profile of the assets of NBFCs

HYPOTHESES

H_0- There is no significant difference between the selected NBFCs in terms of selected Profitability Ratio, Leverage Ratio, Liquidity Ratio and the Risk Indicator Ratios.

H_1 - There is no significant relationship between the Return on Assets and the selected ratios.

METHODOLOGY

For the purpose of this study the data relating to NBFCs were collected from the "PROWESS" database of from centre for monitoring Indian economy (CMIE) and "CAPITALINE" data base. The study covers a period of six financial years starting from 2014 to 2020.The study is confined to ten of NBFCs having operation all over India. The NBFCs listed in National Stock Exchange [NSE] have been taken for the present study.

TOOLS USED FOR ANALYSIS OF DATA

i) Statistical methods used in the study: Different statistical tools like Arithmetic Mean, Standard deviation, ANOVA, and Correlation were used.

ii) Financial ratios were used in the study to examine the profitability, efficiency and turnover aspects. Common Size Balance Sheet Analysis was used to explain the structural changes. The selected financial ratios were divided into 4 broad groups: viz. Profitability ratios, leverage ratios, liquidity ratios and equity multiplier ratio.

ANALYSIS OF PROFITABILITY

The revenue of NBFCs consists of fund based revenue and non-fund based revenue. Interest received on loans and advances constitutes major source of income for the NBFCs. In the case of deposit- taking NBFCs interest paid is an expenditure. Therefore the profitability of NBFCs depends on the spread between interest received and interest paid. Profitability is also affected by the provisioning requirements as in the case of banks. Profitability position of the NBFCs is measured through the following ratios: Return on Net Worth, Return on Capital Employed, Earnings per Share, Price Earnings Ratio.

Return on Net Worth

Table shows the average Return on Net Worth was found to be 17%. The mean ratio is high for the Manappuram Finance Ltd (295) and low for the Bajaj Finance Ltd and Cholamandalam Investment and Finance Co (9%). The SD is high for Manappuram Finance Ltd (15%) and it is low for the Shriram City Union Finance Ltd.(2%).

Table - Return on Net Worth for the period - 2014-2020

Companies	Mean (%)	Std.Deviation (%)
Bajaj Finance Ltd	9	8
Cholamandalam Investment and Finance Co.	9	4
First Leasing Co.of India Ltd.	16	4
Indiabulls Financial Services Ltd.	12	5
Magma Fincorp Ltd.	16	5
Mahindra & Mahindra Financial Services Ltd.	17	3
Manappuram Finance Ltd.	29	15
Shriram City Union Finance Ltd.	19	2
Shriram Transport Finance Co. Ltd.	22	3
Sundaram Finance Ltd.	17	4
Average	**17**	**8**

Sources : Computed

Table: ANOVA result of Return on Net worth

Sources of variation	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.193	9	.021	**5.430***	.000
Within Groups	.197	50	.004		
Total	.389	59			

Sources : Computed, *Significant @ 5% level

INTERPRETATION:

The ANOVA result given in table shows that the calculated F value is 5.430, which is greater than the table value of F at 5 % level of significance. Hence we reject the null hypothesis that there is no significant difference among the selected NBFCs in terms of Return on Net worth. Hence we conclude that the Return on Net worth is significantly different for the selected NBFCs..

Return On Capital Employed

Table shows the average Return on Capital Employed was found to be 13%. The mean ratio is high for the Manappuram Finance Ltd and low for Bajaj Finance Ltd and Cholamandalam Investment and Finance Co. The SD is high for Manappuram Finance Ltd (3%).

Table: Return On Capital Employed for the period - 2014-2020

Companies	Mean (%)	Std.Deviation (%)
Bajaj Finance Ltd	10	2
Cholamandalam Investment and Finance Co.	10	1
First Leasing Co.of India Ltd.	13	1
Indiabulls Financial Services Ltd.	11	2
Magma Fincorp Ltd.	12	1
Mahindra & Mahindra Financial Services Ltd.	13	1
Manappuram Finance Ltd.	21	3
Shriram City Union Finance Ltd.	14	1
Shriram Transport Finance Co. Ltd.	15	1
Sundaram Finance Ltd.	12	2
Average	**13**	**4**

Sources: Database

Table: ANOVA result of Return on Assets

Sources of variation	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	587.453	9	65.273	**20.705***	.000
Within Groups	157.621	50	3.152		
Total	745.074	59			

*Significant @ 5% level

INTERPRETATION:

The ANOVA result given in table shows that the calculated F value is 20.705, which is greater than the table value of F at 5 % level of significance. Hence we reject the null hypothesis that there is no significant difference among the selected NBFCs in terms of Return on Capital Employed. Hence we conclude that the Return on Capital Employed is significantly different for the selected NBFCs.

Price Earnings Ratio

Table shows the average Price earnings ratio was found to be 26%. The mean ratio is high for the Cholamandalam Investment and Finance Co (24%) and low for First Leasing Co.of India Ltd (3%). The SD is high for Bajaj Finance Ltd (21%) and low for First Leasing Co.of India Ltd (1%).

Table: Price Earnings Ratio for the period - 2014-2020

Companies	Mean (%)	Std.Deviation (%)
Bajaj Finance Ltd	22	21
Cholamandalam Investment and Finance Co.	24	20
First Leasing Co.of India Ltd.	3	1
Indiabulls Financial Services Ltd.	23	19
Magma Fincorp Ltd.	15	8
Mahindra & Mahindra Financial Services Ltd.	14	3
Manappuram Finance Ltd.	11	8
Shriram City Union Finance Ltd.	13	3
Shriram Transport Finance Co. Ltd.	13	4
Sundaram Finance Ltd.	9	2
Average	**15**	**12**

Sources: Database

Table: ANOVA result of Price Earnings

Sources of variation	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2322.804	9	258.089	1.896	.074
Within Groups	6805.526	50	136.111		
Total	9128.330	59			

Sources : Computed, *Significant @ 5% level

INTERPRETATION:

The ANOVA result given in table 4.21 shows that the calculated F value is 1.896, which is lesser than the table value of F at 5 % level of significance. Hence we accept the null hypothesis that there is no significant difference among the selected NBFCs in terms of Price Earnings ratio. Hence we conclude that the composition of PE is same for the selected NBFCs.

ANALYSIS OF LEVERAGE RATIOS

Leverage ratios are considered crucial for finance companies because these ratios represent the composition of capital structure of the NBFCs. The extent to which the companies depends on the borrowings are outsiders funds' is revealed by leverage ratios. Further it affects the risk profile as well as the profitability. Hence is considered essential to analyse leverage ratios in the present study.

Debt-Equity Ratio

Table shows the average Debt-Equity ratio was found to be 5%. The mean ratio is high for the Cholamandalam Investment and Finance Co and low for Bajaj Finance Ltd, Indiabulls Financial Services Ltd and Manappuram Finance Ltd. The SD is high for Magma Fincorp Ltd and Shriram Transport Finance Co. Ltd and it is low for First Leasing Co.of India Ltd, Manappuram Finance Ltd and Shriram City Union Finance Ltd

Debt-Equity Ratio for the period - 2014-2020

Companies	Mean (%)	Std. Deviation (%)
Bajaj Finance Ltd	3	1
Cholamandalam Investment and Finance Co.	8	1
First Leasing Co.of India Ltd.	4	0
Indiabulls Financial Services Ltd.	3	1
Magma Fincorp Ltd.	5	2
Mahindra & Mahindra Financial Services Ltd.	4	1
Manappuram Finance Ltd.	3	0
Shriram City Union Finance Ltd.	6	0
Shriram Transport Finance Co. Ltd.	6	2
Sundaram Finance Ltd.	6	1
Average	**5**	**2**

Sources : Computed

ANOVA result of Debt-Equity Ratio

Sources of variation	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	165.756	9	18.417	**15.411***	.000
Within Groups	59.753	50	1.195		
Total	225.509	59			

Sources : Computed, *Significant @ 5% level

INTERPRETATION:

The ANOVA result given in table shows that the calculated F value is 15.411, which is greater than the table value of F at 5 % level of significance. Hence we reject the null hypothesis that there is no significant difference among the selected NBFCs in terms of Debt-Equity ratio. Hence we conclude that the Debt-Equity Ratio is significantly different for the selected NBFCs.

Long-term Debt Equity Ratio

Table shows the average Long-term Debt Equity was found to be 4%. The mean ratio is high for the Cholamandalam Investment and Finance Co (6%). The SD is high for Bajaj Finance Ltd and Indiabulls Financial Services Ltd and it is low for First Leasing Co.of India Ltd and Sundaram Finance Ltd.

Long-term Debt Equity Ratio for the period - 2014-2020

Companies	Mean (%)	Std.Deviation (%)

Bajaj Finance Ltd	2	2
Cholamandalam Investment and Finance Co.	6	1
First Leasing Co.of India Ltd.	4	0
Indiabulls Financial Services Ltd.	2	2
Magma Fincorp Ltd.	3	1
Mahindra & Mahindra Financial Services Ltd.	4	1
Manappuram Finance Ltd.	2	1
Shriram City Union Finance Ltd.	5	1
Shriram Transport Finance Co. Ltd.	5	1
Sundaram Finance Ltd.	4	0
Average	**4**	**2**

Sources : Computed

ANOVA result of Long-term debt equity ratio

Sources of variation	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	122.450	9	13.606	**9.737***	.000
Within Groups	69.865	50	1.397		
Total	192.316	59			

Sources : Computed, *Significant @ 5% level

INTERPRETATION:

The ANOVA result given in table shows that the calculated F value is 9.737, which is greater than the table value of F at 5 % level of significance. Hence we reject the null hypothesis that there is no significant difference among the selected NBFCs in terms of Long-term debt equity ratio. Hence we conclude that the Long-term Debt Equity Ratio is significantly different for the selected NBFCs.

ANALYSIS OF LIQUIDITY AND RISK INDICATOR RATIO

Liquidity ratios measures a firm's ability to meet short-term obligations. The Liquidity position of the NBFCs is measured through the current ratio. The Risk indicator ratios measures the risk in order to avoid failure of the bankruptcy

Current Ratio

Table shows the average Current Ratio of NBFCs is 4.24 %. The Current Ratio of almost all the compaies shows an increasing trend. The Current ratio is high for the First Leasing Co.of India Ltd (6.49 %). It may be concluded that the NBFCs have good solvency as they have the current ratio of more than the 2:1 the standard yardstick

Current Ratio for the period - 2014-2020

Companies	Mean (%)	Std.Deviation (%)
Bajaj Finance Ltd	3.96	4.51
Cholamandalam Investment and Finance Co.	3.5	2.02
First Leasing Co.of India Ltd.	6.49	1.19
Indiabulls Financial Services Ltd.	3.65	3.59
Magma Fincorp Ltd.	2.29	1.16
Mahindra & Mahindra Financial Services Ltd.	6.02	0.9
Manappuram Finance Ltd.	4.12	3.16
Shriram City Union Finance Ltd.	5.69	4.63
Shriram Transport Finance Co. Ltd.	3.98	0.23
Sundaram Finance Ltd.	2.67	0.45
Average	4.24	2.82

Sources : Computed

ANOVA result of Current Ratio

Sources of variation	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	105.887	9	11.765	1.622	.135
Within Groups	362.692	50	7.254		
Total	468.579	59			

Sources : Computed, *Significant @ 5% level

INTERPRETATION:

The ANOVA result given in table shows that the calculated F value is 1.622, which is lesser than the table value of F at 5 % level of significance. Hence we accept the null hypothesis that there is no significant difference among the selected NBFCs in terms of Current Ratio. Hence we conclude that the composition of Current Ratio is same for the selected NBFCs.

Equity Multiplier Ratio

Table shows the average Equity Multiplier Ratio was found to be 124.5%. The mean ratio is high for the Sundaram Finance Ltd (190.66%) and low for Manappuram Finance Ltd

(49.01). The SD is high for Indiabulls Financial Services Ltd (120.05%) and low for the Cholamandalam Investment and Finance Co (12.10).

Table: Equity Multiplier Ratio for the period - 2014-2020

Companies	Mean (%)	Std.Deviation (%)
Bajaj Finance Ltd	143.52	94.83
Cholamandalam Investment and Finance Co.	94.57	12.1
First Leasing Co.of India Ltd.	54.55	12.71
Indiabulls Financial Services Ltd.	238.47	120.05
Magma Fincorp Ltd.	148.65	49.61
Mahindra & Mahindra Financial Services Ltd.	97.07	41.3
Manappuram Finance Ltd.	49.01	29.78
Shriram City Union Finance Ltd.	126.68	64.92
Shriram Transport Finance Co. Ltd.	101.87	31.79
Sundaram Finance Ltd.	190.66	46.75
Average	124.5	78.9

Sources : Computed

Table: ANOVA result of Equity Multiplier Ratio

Sources of variation	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	186414.780	9	20712.753	**5.725***	.000
Within Groups	180886.118	50	3617.722		
Total	367300.898	59			

Sources : Computed, *Significant @ 5% level

INTERPRETATION:

The ANOVA result given in table shows that the calculated F value is 1.622, which is greater than the table value of F at 5 % level of significance. Hence we reject the null hypothesis that there is no significant difference among the selected NBFCs in terms of Equity Multiplier Ratio. Hence we conclude that the ratio of Equity Multiplier is significantly different for the selected NBFCs.

Equity Ratio

Table shows the average Equity Ratio was found to be 1.25%. The mean ratio is high for Manappuram Finance Ltd (3.35%) and low for Sundaram Finance Ltd (0.55%). The SD is high for Manappuram Finance Ltd (3.01%) and low for the Sundaram Finance Ltd (0.131%).

Table: Equity Ratio for the period - 2014-2020

Companies	Mean (%)	Std.Deviation (%)
Bajaj Finance Ltd	0.95	0.473
Cholamandalam Investment and Finance Co.	1.07	0.14
First Leasing Co.of India Ltd.	1.92	0.471
Indiabulls Financial Services Ltd.	0.61	0.524
Magma Fincorp Ltd.	0.75	0.295
Mahindra & Mahindra Financial Services Ltd.	1.16	0.382
Manappuram Finance Ltd.	3.35	3.012
Shriram City Union Finance Ltd.	1.01	0.597
Shriram Transport Finance Co. Ltd.	1.09	0.429
Sundaram Finance Ltd.	0.55	0.131
Average	**1.25**	**1.237**

Sources : Computed

Table: ANOVA result of Equity Multiplier Ratio

Sources of variation	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.004	9	.000	**3.901***	.001
Within Groups	.005	50	.000		
Total	.009	59			

Sources : Computed, *Significant @ 5% level

INTERPRETATION:

The ANOVA result given in table shows that the calculated F value is 3.901, which is greater than the table value of F at 5 % level of significance. Hence we reject the null hypothesis that there is no significant difference among the selected NBFCs in terms of Equity Ratio. Hence we conclude that the Equity Ratio is significantly different for the selected NBFCs.

CORRELATION ANALYSIS FOR THE RETURN ON ASSETS WITH THE SELECTED RATIOS

Correlation analysis has been applied to analyse the degree of relationship between the set of independent variables. It measures the extent of relationship between the Leverage ratios, Liquidity ratio and the Risk Indicator ratios. The results of the correlation analysis for select ratios are given in the table

Relationship between Return on Assets and Selected Ratios for the period - 2014-2020

Dependent Variable	Independent Variable	Correlation
Return on Assets	Borrowings/Total Assets	-0.289
	Bank Borrowings/Total Assets	-0.073
	Net Worth / Total Assets	0.339
	Bank Borrowings / Borrowings	0.035
	Debt- Equity Ratio	-0.517
	Long Term Debt Equity Ratio	-0.416
	Interest Coverage Ratio	**0.804****
	Current Ratio	-2.6
	Total Assets / Equity	-0.238
	Earnings / Total Assets	0.389

Sources: Computed, ** Significant @ 1% level

INTERPRETATION

Table shows the result of Correlation among Return on Assets and the Selected Ratios. It is observed from that there is a high degree of positive Correlation between Return on Assets and Interest Coverage Ratio (0.804), which is significant @ 1% level. Hence we reject the null hypothesis in case of Interest Coverage Ratio that there is no positive relationship between the Return on Assets and Interest Coverage ratio and accept the null hypothesis for other Selected Ratios. Hence we conclude that there is positive relationship between Return on Assets and the Interest Coverage Ratio.

SUMMARY

This study adopts financial analysis technique to bring out various dimension of performance of NBFCs. Since the business profile and the composition of financial variables of

NBFCs differ from other corporate firms. A study of this nature is necessary to understand the functioning of an important constituent in the financial system. A time series approach was adopted to review the functioning of selected NBFCs in India. Intra-industry differences on select financial parameters were tested with the help of statistical tools.

FINDINGS

- The proportion of external liabilities such as secured loan and unsecured loan out of the total liabilities is higher for all years from 2014 to 2020.
- The Overall average of Return on Net worth and Return on Capital Employed, Earnings Per share and Price Earnings Ratios shows a better Profitability Position of the NBFCs.
- The Current Ratio of the NBFCs shows an increasing trend. NBFCs have good solvency as they have the current ratio of more than the 2:1 the standard yardstick.
- The Interest Coverage Ratio is low for the NBFCs. It shows the capacity to service the additional debts are low for the NBFCs.
- There was no significant difference was found for the Price Earnings Ratio and the Current Ratio between the selected NBFCs. It shows that the Price Earnings Ratio and the Current Ratio have same composition for the NBFCs. It shows that the NBFCs are following the standard yardstick 2:1 for the Current Ratio.
- The Selected NBFCs differ significantly in terms of Profitability and Leverage indicators from one another.
- The degree of positive Correlation between Return on Assets and Interest Coverage Ratio was found.

CONCLUSION

On the basis of the study, it can be concluded that there exists a significant difference in the profitability ratios, leverage ratios, liquidity ratios and risk indicator ratios of selected NBFCs. When all companies are taken together the significant difference does not exist for only two ratios i.e Price Earnings Ratio and Current Ratio. The ratios for all the selected NBFCs are differing significantly from one another. The proportion of external liabilities such as secured loan and unsecured loan out of the total liabilities are high for the selected NBFCs. The relationship of Return on Assets and the Interest Coverage Ratio is positive for the selected

NBFCs. The analysis of variance along with details about average ratios may become a useful guide to the NBFCs in their financial decisions making.

REFERENCES

1. Kasilingam and Ramasundaram (2012), "Predicting solvency of non-banking financial institutions in india using fulmer and springate model", Journal of Services Research., vol 12., pp 65- 88
2. Prasanta Paul, (2011), "Financial Performance Evaluation- A Comparative Study of Some selected NBFCs", Indian journal of finance, May 2011,pp.13-22
3. Suresh Vadde (2011), "Performance of non-banking financial companies in India - an evaluation", International Refereed Research Journal , Vol.– II., Issue –1,January 2011
4. Joginder Singh and Ramniwas (2011), " Growth and Performance of the non-banking financial institute in India, Journal of banking financial services and insurance research, vol-1., Issue- 8 pp. 94-112
5. Sufian and Parman (2009), "Specialization and other determinants of non commercial bank financial institutions' profitability - Empirical evidence from Malaysia", Studies in Economics and Finance, Vol., 26 No. 2, pp. 113-128
6. Topy (2008), "Liquidity Performance relationship in Nigerian manufacturing companies (1990-2002)", Finance India vol 2, issue 3., pp117-131
7. Poongodi (2003), "A study on the financial performance of south Indian cement industries", Journal Of International Trade And Economic Development., pp 33-45
8. Amita S. Kantawala (1997),"Financial performance of non banking finance companies in India", The Indian Economic Journal.,Vol.49., No.1.
9. Subramanian and papola (1979), "Profitability and Growth Firm: The case of Indian chemical industry" Anvesak, vol., pp.131-142
10. Marcus M., (1969), "Profitability and size of the firm: some further evidence statistics", Review Of Economics And Statistics vol.51,, pp.104-107.

