Financial Statement Analysis of Shri Ram City Union Finance

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Abstract- Financial banking is the science of managing money and other assets pertaining to a specific business. We all know that banks offer basic loans, deposits and financial advice, but they also facilitate transactions on sophisticated financial instruments such as private equity, bonds and mutual funds. Most top performing candidates typically view careers in banking as the pinnacle of achievement, and sectors such as treasury, equity trading, investment banking and private banking are viewed as the most lucrative jobs for new graduates. In addition to traditional bank, other financial institutions such as credit unions, trust companies, mortgage loan companies, insurance companies, brokerage firms and asset management firms also offer a host of financial advice. Hence, when viewing the opportunities in the sector, one must also carefully consider these other specialised financial institutions.

I. INTRODUCTION

Shri ram city union Finance Ltd is Indians premier financial services company, specializing in retail finance. The company is a part of three decades old Chennai based Shriram Group, India's premier financial service chain. The company offers multiple loan products to small business owners and for acquiring assets such as two wheelers, commercial vehicles, passenger vehicles, loan against gold and personal loans. The company operates across India with 969 branches. The company has tie-ups with major dealers and top manufactures across the country, giving them the advantage of quick pay-offs and sanction of loans. They focus on semi urban and rural areas with product routed through either chit fund network of Shriram Chits or non-chits fund network including dealers. Shriram City Union Finance Ltd was incorporated on March 27, 1986 as a private limited company with the name operations with truck financing. In October 29, 1988, the company became a public limited company and the name was changed to Shriram Hire Purchase Finance Ltd. In March 1990, City Union Bank Ltd acquired shareholding to the extent of Rs.20 Lakh after obtaining the necessary approvals from the Reserve Bank of India. Consequently, the name of the company was changed to Shriram City Union Finance Ltd. The company is registered as a deposit taking assets financing NBFC with RBI and went public in 1994. Prior to 2002, the company was exclusive engaged in transport finance with special emphasis on financing pre-owned commercial vehicles to small road transport operators. In h year 2002, the company discontinued the truck financing business as that was consolidated in its sister concern. Since then, the company product lines had expand to include financing of consumer durables, financing through a tie-up with ICICI Bank. During the year 2004-05, the company increased the production capacity of generation of power by wind mills from 7800 kw to 12800 kw. Also, their shares were listed on the national stock exchange with effect from April 4, 2005. During the year 2005-06, the company forayed into the customer finance segment.

The company ceased financial services holding pvt lid with effect from march 31, 2006. Consequent to the transfer of 1,44,21.462 equity shares aggregating 53.22% of the paid-up capital of the company to Shriram Enterprises Holding Pvt Ltd. thus, the company became the subsidiary of Shriram enterprises holdings pvt ltd. in April 24, 2007, the company promoted a subsidiary company, namely Shriram non-conventional energy ltd. During the year 2007-08, they divested the shares held in Shriram non-conventional energy ltd, and thus Shriram non-conventional energy ltd ceased to be a subsidiary company with effect from march 20, 2008, During the year 2008-09, the company transferred the Bio mass plant to Shriram non-conventional energy ltd with effect from January 10, 2009 and making Shriram non-conventional energy ltd as a wholly owned subsidiary company.

This transfer is mainly to carry out only the core business of financing in the company.

1.1 INDUSTRY PROFILE

In July 2010, the company decided to set up a wholly owned subsidiary company for doing housing finance, mortgage finance, other related finances and such other activities as may be decided from time to time. In 2010, Shriram city union finance net worth touched Rs 1000 crore. In 2010, Shriram city union finance successfully launched its maiden debt public issue. Shriram city union finance subsidiary Shriram housing finance limited (SHFT) commenced operations in December 2011. SHFL provides housing loans and loan against property. In 2014, Piramal Enterprises picked up 9.99% stake in Shriram city union finance at Rs 1200 per share through preferential allotment. In 2015, Shriram housing finances assets under management crossed Rs 1000 crore. In 2016, Shriram city union finance became the largest two-wheeler financer in the country based on volume.

The financial crisis of 2007-2008 was triggered by an insolvent United States banking system (catalysts of which were sub-prime lending, over leveraging and poor regulation) resulting in the collapse of large financial institution, the bailout of banks by national governments and downturns in stock markets around the world.

The destabilization of the banking sector in the U.S. had a domino effect on the global financial industry, with effects felt in Europe, the middle East and the Asia Pacific. 24 months later, the global financial industry still hasn't regained its lost glory, and even countries with deep pockets such as the U.A.E. and Singapore have exhibited limited sectoral growth.

The Indian financial industry underwent rapid transformation post liberalization in the early 90's, resulting in greater inflow of investments from F'll in to the capital market. Despite the foray of foreign banks in the country, nationalised banks continue to be the biggest lenders in the country, primarily due o their size and presentation of networks. In fact, industry estimates indicate that over 80% of commercial banks in India are I the public sector and the 50-odd private banks, less than half are foreign banks. The Reserve bank of India is the Indian equivalent of the fed. The opportunities in this industry remain extremely promising due to its relatively low penetration of both as well as advanced financial products.

Though the Indian finance and banking industry did suffer significantly during the past 2 tears, it was relatively sheltered from the triggers of the global melt-down, suffering instead due to monies from F'll drying up, interest raes, rapidly rising inflation and poor investor confidence. Annual reports suggest that most of the larger Banks have begun to pick up from where they left off, albeit with more caution, and most industry pundits are optimistic about the current fiscal year.

- Growth Potential

There are a range of retail jobs to suit most skill sets, including banking officer, loan agent, assessor, mortgage, loan processing officer, accountant, product marketing and sales executive, and customer service executive among others. However, job security is not very high in retail banking as many players suffer from shrinking margins and poor.

Customer retention due to increasing competition and limited market differentiation, leading to lay-offs. Meanwhile, there are also more skilled jobs available such as actuarist, equity researcher, forex trader, securities linked products developer and portfolio manager for those with the relevant knowledge and ambition. The biggest opportunity in this sector remains in improving information flow to customers. Hence, there is a growing emphasis on in-house research and market intelligence.

- Future Prospects:

In the upcoming 12 months, hiring is likely to remain robust. Many banks are investing in training programs to upgrade worker skill to enhance their competitive edge in anticipation of the segment once more regaining its rightful place as the harbinger of development and progress.

1.2 COMPANY PROFILE

Shriram City Union Financed Ltd is Indian's premier financial services company, specializing in retail finance. The company is a part of three decade-old Chennai-based Shriram group, India's premier financial services chain. The range of services offered by the company is financing for consumer durables, two wheelers, three wheelers, four-wheeler finance, both new and pre-owned, passenger and commercial, personal loans, small business loans and loan against gold.

They have over Business outlets across the country. The company has tie-up with major dealers and top manufacturers across the country, giving them the advantage of quick pay-offs and sanction of loans.

They focus on semi urban abd rural areas with products routed through either chi fund network of Shriram Chits or non-chit fund network including dealers. Shriram City Finance Ltd was incorporated on March 27,1986 as a private limited company with the name Shriram Hire Purchase Finance Pvt. Ltd. The company started their operation with truck financing. in October 29, 1988, the company became a public limited company and the name was changed to Shriram Hire Purchase Finance Ltd. In March 1990, City Union Bank Ltd acquired shareholding to the extent of Rs.20 lakh (200,000 shares at par) after obtaining the necessary approvals from the Reserve Bank of India. Consequently, the name of the company was changed to Shriram City Union Finance Ltd.

The company is registered as a deposit taking asset financing NBFC with RBI and went public in 1994. Prior to 2002, the company was exclusively engaged in transport finance with special emphasis on financing pre-owned commercial vehicles to small road transport operators.

In the year 2002, the company discontinued the truck financing business (except for truck > 10 years old), as that business was consolidated in its sister concern (viz. Shriram Transport Finance Ltd). Since then, the company product lines had expand to include financing of consumer durables, two-wheelers, three-wheelers, tractors, commercial vehicles and non-commercial vehicles, personal loans and enterprise funding. In the year 2002, the company entered the business of consumer durables financing through a tie-up with ICICI Bank.

During the year 2004-05, the company increased the production capacity of generation of power by wind mills from 7,800 kw to 12,800kw. Also, their shares were listed on the National Stock Exchange with effects from April 4, 2005. During the year 2005-06, the forayed into the consumer finance segment. The company ceased to be a subsidiary of Shriram Financial Services Holding Pvt. Ltd. with effect from March 31, 2006, consequent to the transfer of 1,44,21,462 equity shares aggregating 53.22% of the paid up capital of the company to Shriram Enterprises Holding Pvt Ltd. thus, the company became the subsidiary of Shriram Enterprises Holding Pvt Ltd. in April 24, 2007, the company promoted a subsidiary company, namely Shriram Non-Conventional Energy Ltd. during the year 2007-08, they divested the shares held in Shriram Non-Conventional Energy.

Ltd ceased to be a subsidiary company with effect from March 20.2008. during the year 2008-09, the company transferred the Bio mass plant to Shriram Non-Conventional Energy Ltd with effect from January 10, 2009 and making Shriram Non-Conventional Energy ltd as a wholly owned subsidiary company. This transfer is mainly to carry out the core business of financing in the company. In July 2010, the company decided to set up a wholly owned subsidiary company for doing housing finance, mortgage finance, other related finance and such other activities as may be decided from time to time.

II. THEORETICAL BACKGROUND OF THE STUDY

- INTRODUCTION:

Financial statement analysis is the process of reviewing and analysing a company's financial statements to make better economic decisions to earn income in future. This statement includes the income statement, balance sheet, statement of cash flows, notes to accounts and a statement of changes in equity. Financial statement analysis is a method or process involving specific techniques for evaluating risks, performance, financial health, and future prospects of an organisation. It is used by a variety of stakeholders, such as credit and equity investors, the government, the public and decision – makers within the organization. These stakeholders have different interests and apply a variety of different techniques to meet their needs.

Financial statement analysis is a method of reviewing and analysing a company's accounting reports in order to gauge its past, present or projected future performance. This process of reviewing the financial statements allows for better economic decision making. Globally, publicly listed companies are required by law to file their financial statements with the relevant authorities.

As a financial statement are prepared in order to meet requirements, the second step in the process is to analyse them effectively so that future profitability and cash flows can be forecasted.

Therefor the main purpose of financial statement analysis is to utilize information about the past performance of the company in order to predict how it will fare in the future. Another important purpose of the analysis of financial statements is to identify potential problem areas and troubleshoot those.

Meaning:
Financial statement analysis is the process of analysing a company's financial statements. For decision making purpose. External stakeholders use it to understand the overall health of an organization as well as to evaluate financial performance and business value. Internal constituents use it as a monitoring tool for managing the finances.

The financial statements of a company record important financial data on every aspects of a business's activities. as such they can be evaluated on the basis of past, current and projected performance.
In general, financial statements are centered around generally accepted accounting principles (GAAP) in the U.S. These principles required a company to create and maintain three main financial statements: the balance sheet, the income statement, and the cash flow statement. Public companies have stricter standards for financial statement reporting. Public companies must follow GAAP standards which requires accrual accounting, private companies have greater flexibility in their financial statement preparation and also have the option to use either accrual or cash accounting.

Types:
1. Internal analysis:
Internal analysis is made by the top management executives with the help of management accountant. The finance and accounting department of the business concern have direct approach to all the relevant financial records. Such analysis emphasis on the overall performance of the business concern and assessing the profitability of various activities and operations.

2. External analysis:
Shareholders as investors, banks, financial institutions, material suppliers, government department and tax authorities and the like are doing the external analysis. They are fully depending upon the published financial statements. The objective of analysis is varying from one party to another.

3. Short term analysis:
The short term analysis of financial statement is primarily financial statement is primarily concerned with the working capital analysis so that a forecast may be made of the prospects for future earnings, ability to pay interest, debt maturities both current and long term and probability of a sound dividend policy.

A business concerns has enough funds in hand to meet its current needs and sufficient borrowing capacity to meet its contingencies. In this aspects, the liquidity position of the business concern is determined through analysing current assets and current liabilities. Hence, ratio analysis is highly useful for short term analysis .

4. Long term analysis:
There must be a minimum rate of return on investment. It is necessary for the growth and development of the company and to meet the cost of capital. Financial planning is also necessary for the continued success of a company. The fixed assets structure, leverage analysis, ownership pattern of securities and the like are made in the long term analysis.

5. Horizontal analysis:
It is otherwise called as dynamic analysis. When financial statements for a number of years are viewed and analysed, the analysis is called horizontal analysis. The preparation of comparative statements is an example of this type of analysis.

6. Vertical analysis:

It is otherwise called as static analysis. Under this type of analysis, the ratios are calculated from the balance sheet of one year or from the profit and loss account of one year. It is used for short term analysis only.

Tools of financial statement analysis

1. Comparative statement or comparative financial and operating statement.

Comparative statements deal with the comparison of different items of the profit and loss account and balance sheets of two or more periods. Separate comparative statements are prepared for profit and loss account as comparative income statement and for balance sheets.

2. Comparative income statement

Three important information are obtained from the comparative income statement. They are gross profit, operating profit and net profit. The changes or the improvement in the profitability of the business concern is find out over a period of time. If the changes or improvement is not satisfactory, the management can find out the reasons for it and some corrective action can be taken.

3. Comparative balance sheet

The financial condition of the business concern can be find out by preparing comparative balance sheet. The various items of balance sheet for two different periods are used. The assets are classified as current assets and fixed assets for comparison. Likewise, the liabilities are classified as current liabilities, long term liabilities and shareholders net worth. The term shareholders net worth includes equity share capital, preference share capital, reserves and surplus.

4. Common size statement

A vertical presentation of financial information is followed for preparing common-size statements. Besides, the rupee value of financial statement contents are not taken into consideration. But, only percentage is considered for preparing common size statement.

5. Trend analysis

The ratio of different items for various periods are find out and then compared under this analysis. The analysis of the ratio over a period of years gives an idea of whether the business concern is trending upward or downward.

6. Average analysis

Whenever, the trend ratios are calculated for a business concern, such ratios are compared with industry average. These both trends can be presented on the shape of paper also in the shape of cures. This presentation of facts in the shape of pictures makes the analysis and comparison more comprehensive and impressive.

7. Cash flow analysis.

The extent of increase or decrease of working capital is identified by preparing the statement of changes in working capital. the amount of next working capital is calculated by subtracting the sum of current liabilities from the sum of current assets. It does not details the reasons for changes in working capital.

8. Fund flow analysis

Fund flow analysis deals with detailed sources and application of funds of the business concern for a specific period. It indicated where funds come from and how they are used during the period under review. It highlights the changes in the financial structure of the company.

9. Cash flow analysis

Cash flow analysis is based on the movement of cash and bank balances. In other words, the movement of cash instead of movement of working capital would be considered in the cash flow analysis.

10. Ratio analysis

Ratio analysis is an attempt of developing meaningful relationship between individual items (or group items) in the balance sheet or profit and loss account. Ratio analysis is not only useful to internal practices of business concern but also useful to external parties. Ratio analysis highlights the liquidity, solvency, profitability and capital gearing.

11. Cost volume profit analysis

This analysis discloses the prevailing relationship among sales, costs and profit. They are fixed cost and variable cost. There is a constant relationship between sales and variable cost. Cost analysis enables the management for better profit planning.

2.2 LITERATURE REVIEW

1. Domar and Timbergen (1946)

He measured the profitability of banks for the economic development purpose and settled the theoretical framework in expanded form which was first introduced by Jorgensen and nishimizudin for international economic growth comparison and development.

2. Gopal Karkal (1977)

He said some regions have done well in spreading the banking facilities, while some regions have still very backward. Further, our clients are merchants and big industrialists. They approach with their demand for larger loans and advances, and in return give large business. If we transfer our limited resources to small industry, agriculture etc. how we can increase our deposits, advances etc., how we can survive." As it give emphasis on a policy of planned and systematic branch expansion laying stress not only on opening branches in the underdeveloped and neglected areas but also in the providing additional banking facilities to the growing metropolitans and urban areas to cope with the ever-increasing requirements of trade, industry and commerce is more desirous.

3. Raghupathy (1977)

gave his view on the system of banking sector that "if the objectives are not fully achieved, the faults does not lie entirely with the bankers. The fault lies in our, not being able to integrate all powerful instruments of development into an effective system".

4. Shah (1977)

gave his view regarding bank profitability and productivity. He has expressed concern about increased expenses and overheads. Slow growth productivity and efficiency is due to wasteful work of the banks. He concludes that the higher probability can be result from increased spread and innovations have a limited role. He favored written job descriptions for improvement of staff productivity. He also emphasized reduction of costs, creation of a team spirit improvement in the management for improving bank profitability and productivity.

5. V.N. Saxena (1978)

analyzed that "Improvement in the systems and procedures of inspection of stocks, maintenance of stoke register is required. Reforms should be initiated in extension of sponsorship schemes, recovery, and consultancy". This can be supporting tools for banks.

6. Nayan, K. (1982)

conducted study on the performance evaluation of commercial banks and presented a performance evaluation model on the basis of important quantifiable parameters of performance.

III. RESEARCH DESIGN

3.1 STATEMENT OF THE PROBEM:

An analyst frequently compares the financial ratio of the different companies in order to see how they match up against each other. However, each company may aggregate financial information differently, so that the result of their ratios is not really comparable. These can lead an analyst to draw incorrect conclusion about the results of a company in comparison to its competitors.

3.2 NEED FOR THE STUDY:

Financial statement is used to identify the trends and relationship between financial statement items both internal management and external users (such as analysts, creditors, and investors) of the financial statements needs to evaluate a company's profitability, liquidity, and solvency. The most common methods used for financial statement analysis are trend analysis, common-size statements, and ratio analysis. These methods include calculations and comparisons of the results to historical company data, competitors, or industry averages to determine the relative strength and performance of the company being analysed.

3.3 OBJECTIVES OF THE STUDY

- Know the current position.
- Eliminating discrepancies if any
- Future decision making.
- Minimize the chance of fraud.

3.4 SCOPE OF THE STUDY:

Financial statement is the depiction of company growth and establishing its available resources. The statements are prepared for a particular period. The main objective of the company is to attain profitability but without analysing the cost behaviour profit analysis is meaningless.

3.5 RESEARCH METHODOLOGY:
Data collection:
The total data collection has been studied under two categories.

Primary data:
The source of primary data is the yield where the researcher has collected a fresh hand information or data from the customers.

Secondary data:
The next step involved after primary data is the secondary data. The information which has already been passed through statistical process is known as secondary data.

IV. ANALYSIS AND INTERPRETATION

4.1 ANALYSIS OF NET SALES:

Base Year is 2015=100%

Year	Net Sales	Trend Analysis
2015	3482.24	100
2016	3834.86	110.12
2017	4431.62	127.26
2018	5156.73	148.08
2019	5778.78	165.95

Calculation of Net sales

2015 = 100% (base year)

2016 = 3482.24 = 100 $\frac{3834.86 * 100}{3482.24}$ = 110.12%
834.86?

2017 = 3482.24 = 100 $\frac{4431.62 * 100}{3482.24}$ = 127.26%
4431.62?

2018 = 3482.24 = 100 $\frac{5156.78 * 100}{3482.24}$ =148.08%
5156.73?

2019 = 3482.24 = 100 $\frac{5778.78 * 100}{3482.24}$ =165.95%
5778.74=8?

Interpretation:
By using of trend analysis, the above graph shows that the net sale percentage of last five years. The net sales percentage is high during the year 2019 (165.95%) and low during the year 2015 is (100%).

4.2 ANALYSIS OF PROFIT AND LOSS

Base Year is 2015=100%

Year	Profit and Loss	Trend Analysis
2015	558.06	100
2016	529.78	94.93
2017	556.06	99.64
2018	710.94	127.39
2019	988.88	177.19

Calculation of profit and loss for the year

2015 = 100% (base year)

2016 = 558.06 = 100 $\frac{529.78 * 100}{558.06}$ = 94.93%
529.78?

2017 = 558.06 = 100 $\frac{556.06 * 100}{558.06}$ = 99.64%
556.06?

2018 = 558.06 = 100 $\frac{710.94 * 100}{558.06}$ =127.39%
710.94?

2019 = 558.06 = 100 $\frac{988.88 * 100}{558.06}$ =177.19%
988.88?

Interpretation:
By using the trend analysis, the above graph shows that the profit and loss percentage of last five years. The profit and loss percentage are high during the year 2019 (177.19%) and low during the year 2016 (94.93%).

4.3 ANALYSIS OF SHARE CAPITAL

Base Year is 2015=100%

Year	Share Capital	Trend Analysis
2015	65.91	100
2016	65.93	100.03
2017	65.94	100.04
2018	65.97	100.09
2019	65.99	100.12

Calculation of share capital

2015 = 100% (base year)

2016 = 65.91 = 100 $\frac{65.93 * 100}{65.91}$ = 100.03%
65.93?

2017 = 65.91 = 100 $\frac{65.94 * 100}{65.91}$ = 100.04%
65.94?

2018 = 65.91 = 100 $\frac{65.97 * 100}{65.91}$ =100.09%
65.97?

2019 = 65.91 = 100 $\frac{65.99 * 100}{65.91}$ =100.12%
65.99?

Interpretation:
By using of trend analysis, the above graph shows that the share capital percentage of last five years. The share capital percentage is high during the year 2019 (100.12%) and low during the year 2015 (100%).

4.4 ANALYSIS OF RESERVE AND SURPLUS

Base Year is 2015=100%

Year	Reserve and Surplus	Trend Analysis
2015	4035.24	100
2016	4445.69	110.17
2017	4962.47	122.97
2018	5488.69	136.01
2019	6325.33	156.75

Calculation of reserve and surplus

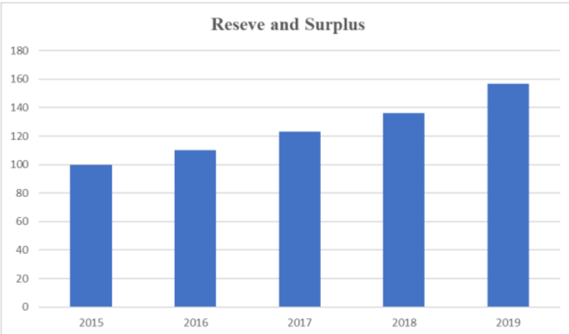
2015 = 100% (base year)

2016 = 4035.24 = 100 $\frac{4445.69 * 100}{4035.24}$ = 110.17%
4445.69?

2017 = 4035.24 = 100 $\frac{4962.47 * 100}{4035.24}$ = 122.97%
4962.47?

2018 = 4035.24 = 100 $\frac{5488.69 * 100}{4035.24}$ =136.01%
5488.69?

2019 = 4035.24 = 100 $\frac{6325.33 * 100}{4035.24}$ =156.75%
6325.33?



Interpretation:
By using of trend analysis, the above graph shows that the reserve and surplus percentage of last five years. The reserve and surplus percentage is high during the year 2019 (156.75%) and low during the year 2015 (100%).

4.5 ANALYSIS OF SECURED LOAN

Base Year is 2015=100%

Year	Secured Loan	Trend Analysis
2015	6132.30	100
2016	7001.26	114.17
2017	9076.10	148.00
2018	2140.08	348.98
2019	22570.72	368.06

Calculation of secured loan

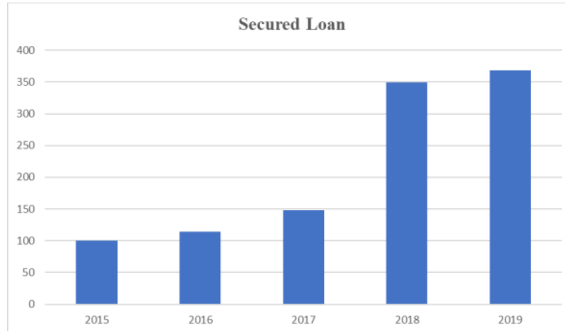
2015 = 100% (base year)

2016 = 6132.30 = 100 $\frac{7001.26 * 100}{6132.30}$ = 114.17%
7001.26?

2017 = 6132.30 = 100 $\frac{9076.10 * 100}{6132.30}$ = 148.00%
9076.10?

2018 = 6132.30 = 100 $\frac{21401.08 * 100}{6132.30}$ =348.98%
21401.08?

2019 = 6132.30 = 100 $\frac{22570.72 * 100}{6132.30}$ =368.06%
22570.72?



Interpretation:
By using of trend analysis, the above graph shows that secured loan percentage of last five years. The secured loan percentage is high during the year 2019 (368.06%) and low during the year 2015 (100%).

4.6 ANALYSIS OF TOTAL LIABILITIES

Base Year is 2015=100%

Year	Total Liabilities	Trend Analysis
2015	13011.47	100
2016	14779.44	113.58
2017	18655.69	143.37
2018	26955.74	207.16
2019	28962.05	222.58

Calculation of total liabilities

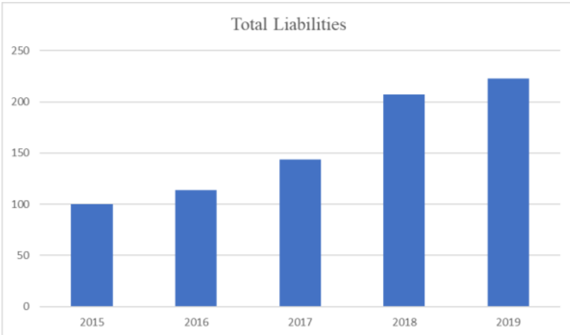
2015 = 100% (base year)

2016 = 13011.47 = 100 $\frac{14779.44 * 100}{13011.47}$ = 113.58%
14779.44?

2017 = 13011.47 = 100 $\frac{18655.69 * 100}{13011.47}$ = 143.37%
18655.69?

2018 = 13011.47 = 100 $\frac{26955.74 * 100}{13011.47}$ =207.16%
26955.74?

2019 = 13011.47 = 100 $\frac{28962.05 * 100}{13011.47}$ =222.58%
28962.05?



Interpretation:
By using of trend analysis, the above graph shows that total liabilities percentage of last five years. The total liabilities percentage is high during the year 2019 (222.58%) and low during the year 2015 (100%).

4.7 ANALYSIS OF INVESTMEN

Base Year is 2015=100 %

Year	Investments	Trend Analysis
2015	981.68	100
2016	792.34	80.71
2017	714.52	72.78
2018	735.52	74.92
2019	866.23	88.23

Calculation of investment

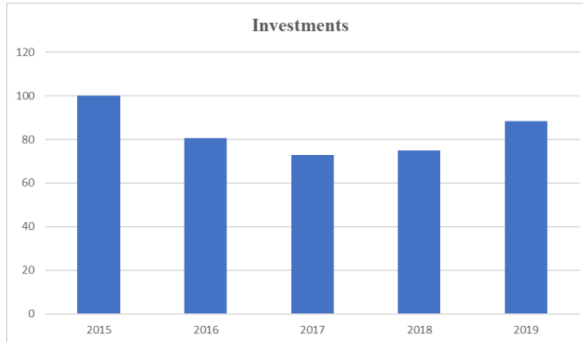
2015 = 100% (base year)

2016 = 981.68 = 100 $\frac{792.34*100}{981.68}$ = 80.71%
792.34?

2017 = 981.68 = 100 $\frac{714.52*100}{981.68}$ = 72.78%
714.52?

2018 = 981.68 = 100 $\frac{735.52*100}{981.68}$ =74.92%
735.52?

2019 = 981.68 = 100 $\frac{866.23*100}{981.68}$ =88.23%
866.23?



Interpretation:
By using of trend analysis, the above graph shows that investment percentage of last five years. The investment percentage is high during the year 2015 (100%) and low during the year 2017 (72.78%).

4.8 ANALYSIS OF CASH AND BANK

Base Year is 2015=100%

Year	Cash and Bank	Trend Analysis
2015	781.43	100
2016	641.91	82.14
2017	637.13	81.53
2018	534.92	68.45
2019	1284.19	164.33

Calculation of cash and bank

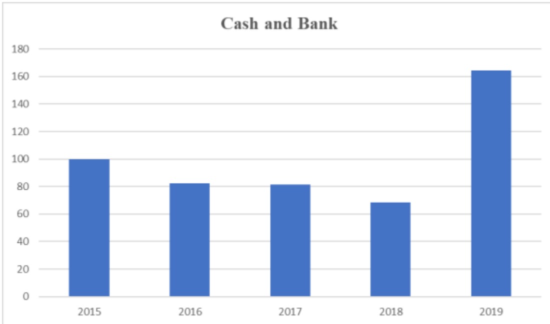
2015 = 100% (base year)

2016 = 781.42 = 100 $\frac{614.91*100}{781.42}$ = 82.14%
614.91?

2017 = 781.42 = 100 $\frac{637.13*100}{781.42}$ = 81.53%
637.13?

2018 = 781.42 = 100 $\frac{534.92*100}{781.42}$ =68.45%
534.92?

2019 = 781.42 = 100 $\frac{1284.19*100}{781.42}$ =164.33%
1284.19?



Interpretation:
By using of trend analysis, the above graph shows that the cash and bank percentage of last five years. The cash and bank percentage are high during the year 2018 (164.33%) and low during the year 2018 (68.45%).

4.9 ANALYSIS OF LOANS AND ADVANCES

Base Year is 2015=100%

Year	Loans and Advances	Trend Analysis
2015	16192.62	100
2016	19335.33	119.40
2017	23106.65	142.69
2018	25976.31	160.42
2019	27184.02	167.87

Calculation of loans and advances

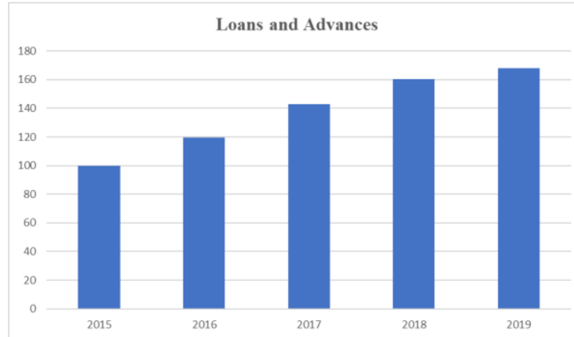
2015 = 100% (base year)

2016 = 16192.65 = 100 $\frac{19335.33 * 100}{16192.65}$ = 119.40%
19335.33?

2017 = 16192.65 = 100 $\frac{23106.65 * 100}{16192.65}$ = 142.69%
23106.65?

2018 = 16192.65 = 100 $\frac{25976.31 * 100}{16192.65}$ =160.42%
25976.31?

2019 = 16192.65 = 100 $\frac{27184.02 * 100}{16192.65}$ =167.87%
27184.02?



Interpretation:
By using of trend analysis, the above graph shows that loans and advances percentage of last five years. The loans and advances are high during the year 2019 (167.87%) and low during the year 2015 (100%).

4.10 ANALYSIS OF TOTAL CURRENT ASSETS

Base Year is 2015=100%

Year	Total Current Asset	Trend Analysis
2015	16974.08	100
2016	19977.23	117.69
2017	23743.78	139.85
2018	26511.23	156.18
2019	28468.21	167.71

Calculation of total current assets

2015 = 100% (base year)

2016 = 16974.08 = 100 $\frac{19977.23 * 100}{16974.08}$ =117.69%
19977.23?

2017 = 16974.08 = 100 $\frac{23743.78 * 100}{16974.08}$ =139.85%
23743.78?

2018 = 16974.08 = 100 $\frac{26511.23 * 100}{16974.08}$ =156.18%
26511.23?

2019 = 16974.08 = 100 $\frac{28468.21 * 100}{16974.08}$ =167.71%
28468.21?

Interpretation:
By using of trend analysis, the above graph shows that the total current asset percentage of last five years. The total current assets percentage is high during the year 2019 (167.71) and low during the year 2015 (100%).

V. FINDINGS

- Shri Ram city union finance increase their strength and decrease the weakness.
- The current analysis of profit of the Shri Ram city union finance is 177.19%.
- The current ratio of Shri Ram city union finance in the year 2019 149.85%.
- There is a still opportunity of making efficient and liquidity of financial statement analysis of Shri Ram city union.
- I observed that ratio is increase in the current year compare to previous year.

VI. SUGGESTIONS

- I suggest to Shri Ram city union finance ltd continually increase their strength year to year.
- The company should take effective step to increase the finances system and reduce the wastage.
- The Shri Ram city union finance ltd should developed and large infrastructure and pan India presence.
- I suggest that the Shri Ram city union finance provide a fixed rate of interest.
- I suggest Shri Ram city union finance they should have a technological improvement, financial system.

CONCLUSION

Shri Rama city union finance, while investing in a finance business the most important component to analyse the quality of management. Growth for finance companies is always there but how profitable is growth needs to be monitored. An aggressive managements poor decision making would come to light only after several tears. Hence, we believe that management plays a key role while investing in finance stocks. We have very little doubt in saying that Shri Ram group is certainly only of the best leaders in the country. By seeing the observation most of the customers are having positive perception towards Shri Ram city union finance ltd. The company is progressive continuously in the field of finance. We certainly believe that investors can have a peaceful sleep by investing with such managements.

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