

CHAPTER- 6

STRUCTURES AND GROWTH OF ASSETS OF THE NBFCs (AGGREGATIVE AND CATEGORY-WISE)

Chapter Outline:

6.1 Analysis of Structure of Assets

6.1.1 Analysis of the Structure of Assets: Investment Companies (Aggregative)

6.1.2 Analysis of the Structure of Assets: Investment Companies (Company wise)

6.1.3 Analysis of the Structure of Assets: Asset Finance Companies (Aggregative)

6.1.4 Analysis of the Structure of Assets: Asset Finance Companies (Company wise)

6.2 Trend Growth Analysis

6.2.1 Trend Growth Rates of Assets of Selected Performance Indicators of Investment Companies (Aggregative and Company Wise)

6.2.2 Trend Growth Rates of Assets of Selected Performance Indicators of Asset Finance Companies (Aggregative and Company Wise)

6.3 References

Chapter – 6: Structures and Growth of Assets of the NBFCs (Aggregative and Category-wise)

In this chapter, an analysis of structure and growth of assets of the selected investment, and asset finance companies at aggregate level as well as company-wise level have been made.

Assets are the items of value of an organisation which owns or controls. The asset structure of an organisation represents its strategy for earning from its assets base. The objective of analysing asset structure of an organisation is to evaluate the relative magnitude of different components within each category such as Fixed Assets, Investments, Long Term Loans and Advances, Short Term Loans and Advances, Cash & Bank Balances, etc. Thus, analysing asset structure helps to meet business objectives, methods for assets' life cycle management, valuation of assets, acquisition of assets, etc.

In our study, we have analysed the asset structure of selected NBFCs in order to capture the relative importance of the assets to know the components as well as the investing strategies adopted by the selected companies during the period under study. In our analysis, the proportion of the different components of total assets has been calculated in the following way:

$$\text{Proportion of each Components of Total Assets} = \frac{\text{Individual Components of the Total Assets}}{\text{Total Assets}}$$

6.1 ANALYSIS OF THE STRUCTURE OF ASSETS

Here, we have carried out the analysis of asset structure of the two categories of NBFCs, i.e., Investment Companies (Company wise) and Asset Finance Companies (Company wise) individually during the period under study.

6.1.1 ANALYSIS OF THE STRUCTURE OF ASSETS: INVESTMENT COMPANIES (Aggregative)

Table 6.1: Structure of Assets of Investment Companies (Aggregative)

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	4.61%	23.53%	5.67%	7.93%	58.15%	0.12%	100.00%
2007-08	4.36%	24.47%	5.80%	8.03%	57.13%	0.20%	100.00%
2008-09	3.54%	18.77%	5.58%	18.34%	53.58%	0.18%	100.00%
2009-10	3.06%	18.98%	9.07%	15.48%	51.49%	1.93%	100.00%
2010-11	3.52%	18.48%	10.64%	12.68%	53.01%	1.66%	100.00%
2011-12	3.18%	15.05%	37.36%	12.09%	30.75%	1.58%	100.00%
2012-13	2.94%	19.40%	36.37%	11.29%	27.09%	2.90%	100.00%
2013-14	20.43%	10.78%	35.08%	8.48%	19.96%	5.27%	100.00%
2014-15	22.87%	10.52%	35.60%	9.78%	16.57%	4.66%	100.00%

Source: Computed from Annual Reports of the Selected Companies.

Figure 6.1: Structure of Assets of Investment Companies (Aggregative)

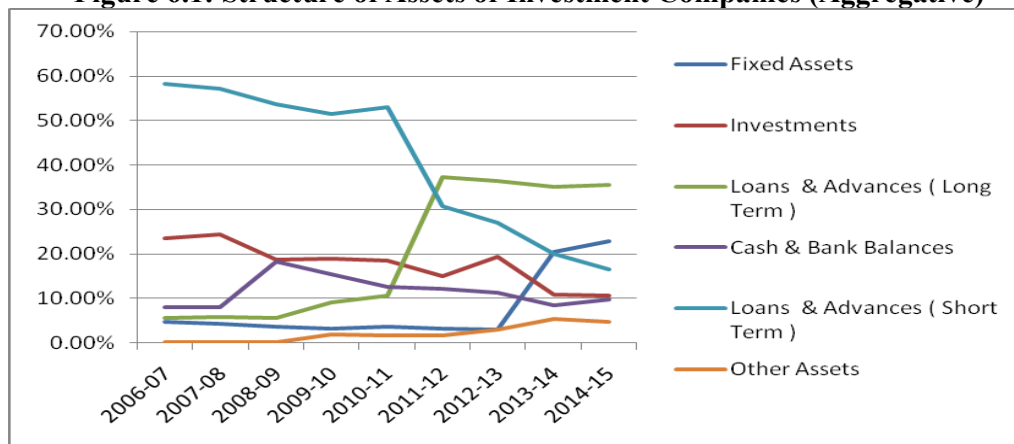


Table 6.1 & Figure 6.1 indicate that ‘investment’ and ‘loans & advances’ (Long Term & Short Term) comprised higher proportion in the assets structure. Proportion of fixed assets varied between 2.94% and 4.61% during the first 7 years under study i.e. between 2006-07 and 2012-13. But it took a sudden steep increasing trend in the following two years i.e. in 2013-14 & 2014-15. It implies that the new investment was made in the fixed assets in that later period. Proportion of ‘investment’ varied between 10.52% and 24.47%. It shows a decreasing trend during the study period. This trend implies that new investment in securities market was not made during the

study period. ‘Long term loans and advances’ varied between 5.67% and 10.64% during the period between 2006-07 and 2010-11 and it shows an increasing trend from the year 2011-12 to 2014-15. It varied between 35.08 % and 37.36%. It implies that the company had been more engaged in financing long term loans. So far as the financing in ‘short term loans and advances’ is concerned, it shows the opposite trend as compared to long term loans and advances. Proportions of ‘short term loans and advances’ have been on high levels during the period from 2006-07 to 2010-11 and varied between 51.49% and 58.15%, while they show a decreasing trend from the year 2011-12 to 2014-15. It indicates that the companies were more interested in financing long term loans as compared to short term loans. The proportion of ‘cash and bank balances’ shows a steady trend during the study period and varied between 7.93% and 18.34%. It indicates that the liquidity position of the companies is favorable. The proportion of ‘other assets’ varied between 0.12% and 5.27%.

6.1.2 ANALYSIS OF THE STRUCTURE OF ASSETS: INVESTMENT COMPANIES (Company -wise)

1. At first we present the structure of assets of Bengal & Assam Company Limited (BACL) in Table 6.2 and Figure 6.2

Table 6.2 : Structure of Assets of BACL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	0.68%	92.66%	0.00%	1.55%	5.11%	0.00%	100.00%
2007-08	6.20%	87.48%	0.00%	0.54%	5.79%	0.00%	100.00%
2008-09	6.03%	84.87%	0.00%	0.37%	8.73%	0.00%	100.00%
2009-10	5.79%	85.69%	0.00%	0.26%	8.27%	0.00%	100.00%
2010-11	5.44%	86.94%	0.00%	0.16%	7.46%	0.00%	100.00%
2011-12	4.16%	90.48%	2.44%	0.66%	2.27%	0.00%	100.00%
2012-13	4.05%	92.28%	2.17%	0.19%	1.31%	0.00%	100.00%
2013-14	4.22%	91.02%	3.24%	0.07%	1.45%	0.00%	100.00%
2014-15	3.55%	78.87%	11.21%	0.11%	6.26%	0.00%	100.00%

Source: Computed from Annual Reports of the Selected Companies.

Figure 6.2: Structure of Assets of BACL

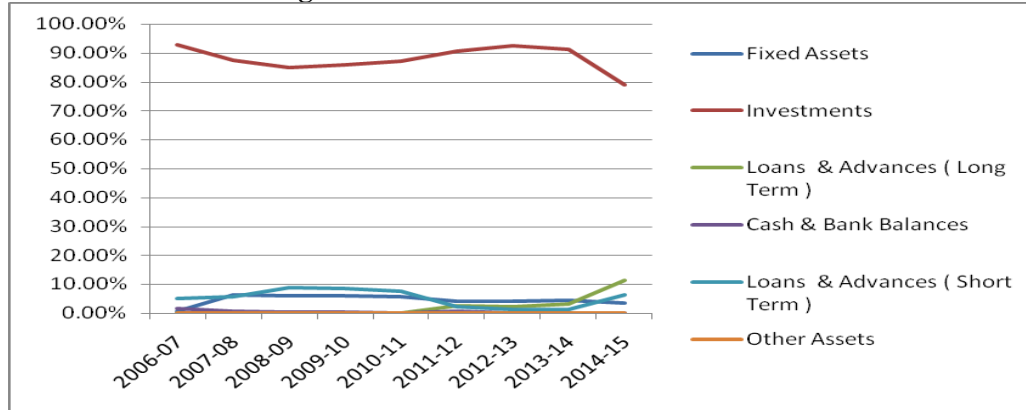


Table 6.2 & Figure 6.2 reveal that ‘investments’ capture the major portion of the assets structure. Most of the funds were invested in the securities market. It varied between 78.87% and 92.66%. Proportion of investment in fixed assets varied between 0.68% and 6.20% which was uniform during the study period and it implies that company was least interested in investment in the fixed assets. ‘Long term loans’ were granted only in 4 years, from 2011-12 to 2014-15. ‘Short term loans and advances’ varied from 1.31% to 8.73%. The company did not make any significant short term loans and advances. Proportion of ‘cash & bank balances’ varied from 0.07% to 1.55% which shows that the company had maintained a uniform liquidity position during the study period.

2. We present below the structure of assets of Shriram Capital Limited (SCL).

Table 6.3 : Structure of Assets of SCL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	1.00%	7.33%	1.30%	7.62%	82.69%	0.07%	100.00%
2007-08	0.78%	7.58%	1.43%	7.52%	82.52%	0.17%	100.00%
2008-09	0.54%	2.62%	1.78%	23.15%	71.81%	0.11%	100.00%
2009-10	0.17%	6.88%	8.93%	16.82%	66.59%	0.60%	100.00%
2010-11	0.12%	11.55%	13.22%	11.47%	62.85%	0.79%	100.00%
2011-12	0.11%	1.57%	43.97%	14.84%	38.63%	0.90%	100.00%
2012-13	0.13%	7.96%	44.35%	14.10%	32.28%	1.18%	100.00%
2013-14	0.20%	5.54%	44.89%	14.39%	34.11%	0.86%	100.00%
2014-15	0.17%	5.61%	51.95%	7.96%	33.61%	0.69%	100.00%

Source: Computed from Annual Reports of the Selected Companies.

Figure 6.3: Structure of Assets of SCL

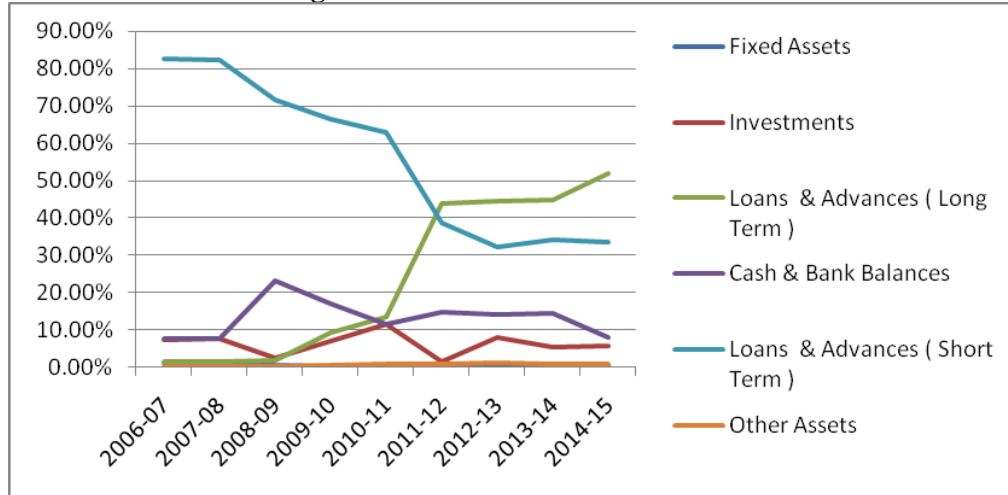


Table 6.3 & Figure 6.3 show that the ‘short term loans and advances’ enjoyed the major share in the assets structure of the company, though there was a decreasing trend in the ‘short term loans and advances’. From the year 2006-07 to 2009-10, the proportion of ‘short term loans’ was higher in relation to ‘long term loans and advances’. On the other hand, from the year 2009-10 to 2014-15, short term loans decreased and long term loans increased and from the year 2011-12 to 2014-15, the proportion of ‘Long term loans and advances’ increased as compared to ‘short term loans and advances’. Investment in fixed assets remained at a uniformly low level during the period from 2009-10 to 2014-15, ranging between 0.11% and 1%. The proportion of ‘cash and bank balances’ was favourable which indicates a sound liquidity position of the company. The proportion of ‘other assets’ varied from 0.07% to 1.18%.

3. A critical analysis of the structure of assets of L& T Infrastructure Development Projects Limited (LTIDPL) is presented below in the following Table 6.4 and Figure 6.4:

Table 6.4: Structure of Assets of LTIDPL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	0.20%	85.16%	13.57%	0.03%	1.03%	0.00%	100.00%
2007-08	0.20%	85.10%	13.60%	0.04%	1.05%	0.00%	100.00%
2008-09	1.44%	81.50%	16.54%	0.29%	0.23%	0.00%	100.00%
2009-10	3.85%	45.64%	12.11%	38.38%	0.02%	0.00%	100.00%
2010-11	3.18%	71.42%	22.14%	2.41%	0.84%	0.01%	100.00%
2011-12	2.16%	65.82%	16.50%	5.56%	9.96%	0.00%	100.00%
2012-13	1.90%	72.33%	17.13%	0.30%	7.68%	0.66%	100.00%
2013-14	1.34%	71.33%	21.85%	0.36%	4.31%	0.80%	100.00%
2014-15	0.76%	66.11%	25.46%	0.42%	6.60%	0.66%	100.00%

Source: Computed from Annual Reports of the Selected Companies.

Figure 6.4: Structure of Assets of LTIDPL

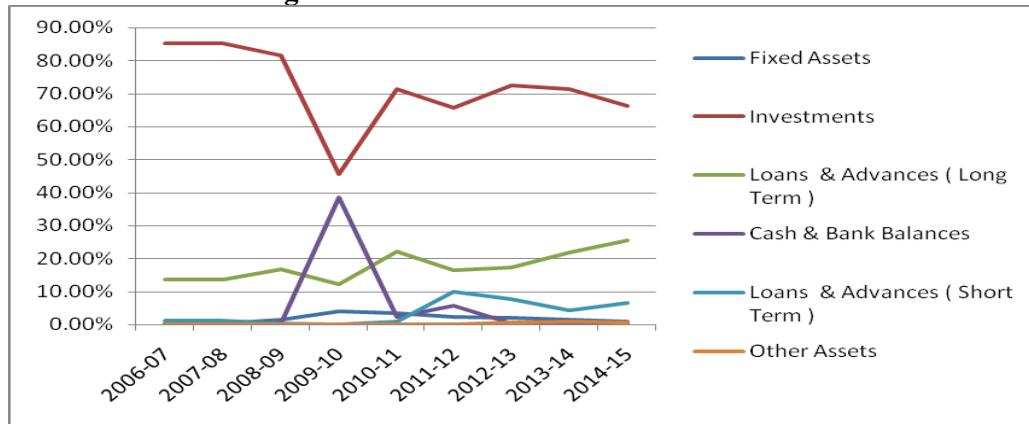


Table 6.4 & Figure 6.4 show that investments accounted for a major share in the total assets structure of the company during the period under study. Next comes the ‘long term loans and advances’. There was a decreasing trend in the proportion of ‘investments’, however. From the year 2006-07 to 2014-15, investment mainly varied between 65.82% and 85.16% except in the year 2009-10 where the share slipped to 45.64% and during that time, ‘cash and bank balances’ (i.e., liquidity position) was at a relatively higher level. It may be due to redemption of investment in that year. Proportion of investment in fixed assets was all along at the highest level during the study period and it varied between 0.20% and 3.85%. The component ‘Long term loans and advances’ was quite low but it exhibited a significant variability during the

study period. It varied between 13.57% and 22.14%. Proportion of ‘cash and bank balances’ was moderate except in the year 2009-10 when it is found to be 38.38%. This value is inconsistent with the trend of the series during the period under study. Proportion of ‘short term loans and advances’ varied between 0.02% and 9.96%.

4. The structure of assets of Religare Enterprises Limited (REL) is presented in the following Table 6.5 and Figure 6.5.

Table 6.5: Structure of Assets of REL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	17.88%	5.30%	0.00%	22.72%	53.89%	0.21%	100.00%
2007-08	16.95%	5.26%	0.00%	23.98%	53.61%	0.20%	100.00%
2008-09	16.80%	5.45%	0.00%	26.77%	50.79%	0.20%	100.00%
2009-10	9.15%	8.99%	0.00%	19.49%	55.28%	7.08%	100.00%
2010-11	9.15%	2.82%	0.00%	19.48%	64.53%	4.02%	100.00%
2011-12	8.35%	7.05%	36.29%	12.17%	32.99%	3.14%	100.00%
2012-13	9.00%	11.92%	28.55%	9.83%	32.80%	7.90%	100.00%
2013-14	9.43%	14.17%	33.62%	8.28%	27.26%	7.24%	100.00%
2014-15	8.38%	17.15%	39.41%	6.19%	24.60%	4.27%	100.00%

Source: Computed from Annual Reports of the Selected Companies.

Figure 6.5: Structure of Assets of REL

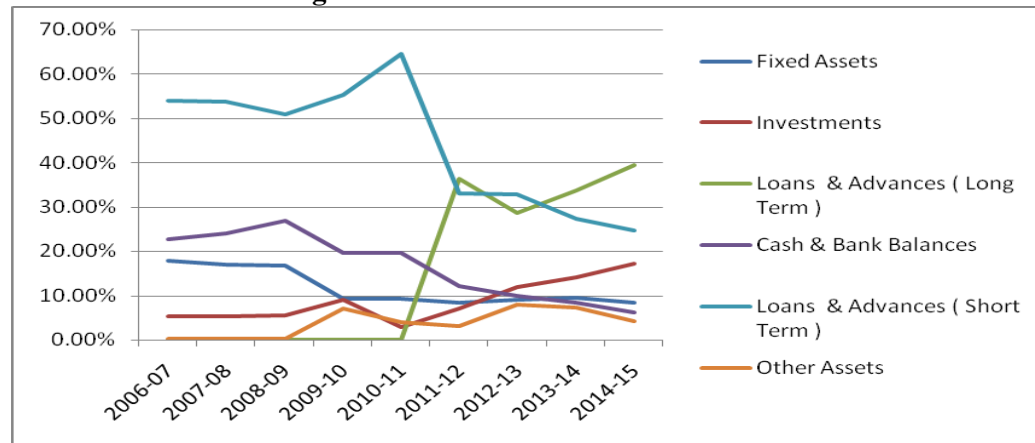


Table 6.5 & Figure 6.5 show that the ‘short term loans and advances’ had the major share in the total assets of the company. It varied between 24.60% and 64.53%. The company put greater emphasis on short term loans than on the long term finances. The

proportion of 'fixed assets' shows a declining trend. It implies that new assets had not been acquired by the company. The proportion of 'investments' shows uniformly low level during the period 2006-07 to 2011-12 while from the year 2012-13 to 2014-15, it suddenly jumped to as high as 14%, on an average, as compared to an average of approximately 5% in the previous years. The company had no 'long term loans and advances' during the period from 2006-07 to 2010-11 but it had been significantly increased from the year 2011-12 to 2014-15; it varied between 28.55% and 39.41%. The proportion of cash & bank balances show a declining trend and it varied between 6.19% and 26.77%. It implies that liquidity position of the company was quite all right to meet the short term obligation. The proportion of 'other assets' increased, on an average, during 2009-10 to 2014-15, though variations in it were also quite significant - between 0.20% and 7.90%.

5. Now we make a critical analysis of the assets of Infrastructure Leasing & Financial Services Limited (ILFSL). The following Table 6.6 and Figure 6.6 present the structure of assets of the company.

Table 6.6: Structure of Assets of ILFSL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	5.87%	69.11%	20.36%	0.28%	4.16%	0.22%	100.00%
2007-08	5.57%	69.27%	20.39%	0.30%	4.12%	0.36%	100.00%
2008-09	5.31%	69.06%	20.75%	0.32%	4.11%	0.45%	100.00%
2009-10	5.10%	66.37%	21.06%	0.52%	6.37%	0.58%	100.00%
2010-11	4.67%	62.05%	20.84%	6.08%	5.83%	0.53%	100.00%
2011-12	3.99%	63.11%	23.12%	4.18%	4.23%	1.37%	100.00%
2012-13	3.53%	61.49%	25.51%	6.38%	1.63%	1.46%	100.00%
2013-14	40.57%	8.78%	29.36%	4.75%	8.25%	8.29%	100.00%
2014-15	45.60%	7.47%	23.46%	12.96%	2.51%	7.99%	100.00%

Source: Computed from Annual Reports of the Selected Companies.

Figure 6.6: Structure of Assets of ILFSL

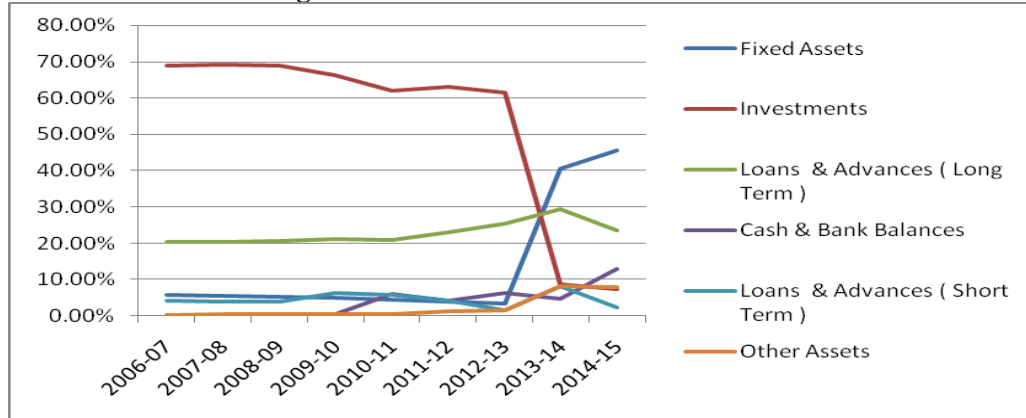


Table 6.6 & Figure 6.6 reveal that investment component in the asset structure of the company had the maximum share in the total assets during the period from 2006-07 to 2012-13, though it declined in the years 2013-14 and 2014-15. In the year 2013-14 and 2014-15, the investment in fixed assets increased significantly and resulted in the higher proportion of investment in fixed assets. The component of ‘fixed assets’ during 2006-07 to 2012-13 varied between 3.53% and 5.87%. The proportion of ‘long term loans and advances’ show uniformity during the study period and it varied between 20.84% and 29.36%. The proportion of ‘cash and bank balances’ show an increasing trend and it was the highest in the year 2014-15 and varied between 0.28% and 12.96%. The company exhibited lower preference for short term financing than for long term financing. It varied between 1.63% and 6.37%. The proportion of ‘other assets’ showed an increasing trend and its share varied between 0.22% and 7.99%. It got increased in the last two years during. 2013-14 and 2014-15.

6.1.3 ANALYSIS OF THE STRUCTURE OF ASSETS: ASSET FINANCE COMPANIES (Aggregative)

Table 6.7: Structure of Assets of Asset Finance Companies (Aggregative)

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	3.24%	4.02%	53.87%	7.29%	31.09%	0.49%	100.00%
2007-08	2.70%	3.89%	60.88%	7.77%	24.12%	0.65%	100.00%
2008-09	1.81%	2.65%	58.04%	17.90%	18.55%	1.04%	100.00%
2009-10	1.56%	4.40%	59.53%	11.78%	21.67%	1.07%	100.00%
2010-11	2.96%	6.87%	43.69%	7.81%	36.92%	1.75%	100.00%
2011-12	2.82%	5.48%	43.40%	6.74%	39.31%	2.26%	100.00%
2012-13	1.74%	4.44%	47.80%	7.08%	37.00%	1.94%	100.00%
2013-14	1.75%	3.89%	49.02%	7.14%	36.46%	1.75%	100.00%
2014-15	1.42%	3.66%	52.39%	3.98%	36.79%	1.77%	100.00%

Source: Computed from Annual Reports of the Selected Companies.

Figure 6.7: Structure of Assets of Asset Finance Companies (Aggregative)

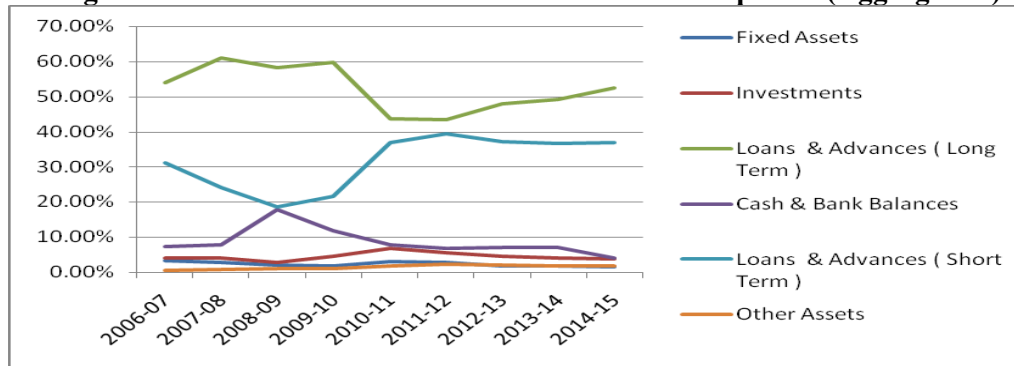


Table 6.7 & Figure 6.7 reveal that significant part of the assets consisted of ‘long term loans and advances’ and show a uniform trend during the study period varying between 43.40% and 60.88%. The short term loans and advances also constituted an important component of assets. It varied between 18.55% and 39.31%. This phenomenon implies that company focused mainly on long term finance. Focus on short term finance was also quite significant. From the year 2010-11 to 2014-15, however, the companies maintained almost a balancing situation between the long term and short term financing and the gap between these two components narrowed down to an appreciable extent during this period. The component ‘fixed assets’ showed a decreasing trend and it varied between 1.42% and 3.24%, thereby implying

that no new investment was made in fixed assets during the study period. The component of 'investments' showed a uniformity during the study period meaning that variations remained small although. It varied between 2.65% and 6.87%. From the year 2011-12 to 2014-15, the component of 'investments' showed a decreasing trend. It implies that the company made redemption of a good amount of investments. The component 'cash and bank balance' also showed a uniformity almost throughout the period under consideration excepting the years 2008-09 and 2009-10, when it reached the highest position and then showed a decreasing trend. It implies that the liquidity position of the companies was sound, excepting a year of aberration in 2014-15. The component 'other assets' too showed uniformity during the study period particularly during the period from 2009-10 to 2014-15. During the first two years of the period, i.e., in 2006-07 and 2007-08, its values were very insignificant, only 0.49% and 0.65% respectively, well below the average of the shares during the years from 2008-09 to 2014-15.

6.1.4 ANALYSIS OF THE STRUCTURE OF ASSETS: ASSET FINANCE COMPANIES (Company- wise)

1. At first we make a critical analysis of the structure of assets of Srei Equipment Finance Limited (SEFL) in the following paragraphs.

Table 6.8: Structure of Assets of SEFL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	10.67%	3.52%	3.90%	2.16%	79.60%	0.15%	100.00%
2007-08	6.61%	4.90%	13.41%	4.25%	70.41%	0.43%	100.00%
2008-09	5.63%	7.81%	24.07%	8.50%	53.50%	0.47%	100.00%
2009-10	3.84%	7.96%	42.93%	3.45%	41.64%	0.18%	100.00%
2010-11	14.11%	14.61%	34.23%	2.28%	34.38%	0.39%	100.00%
2011-12	12.45%	10.51%	26.79%	2.02%	44.16%	4.07%	100.00%
2012-13	8.30%	10.94%	45.30%	2.56%	30.22%	2.69%	100.00%
2013-14	8.65%	9.96%	46.56%	2.32%	31.63%	0.88%	100.00%
2014-15	7.47%	9.04%	50.14%	2.31%	29.99%	1.05%	100.00%

Source: Computed from Annual Reports of the Selected Companies.

Figure 6.8: Structure of Assets of SEFL

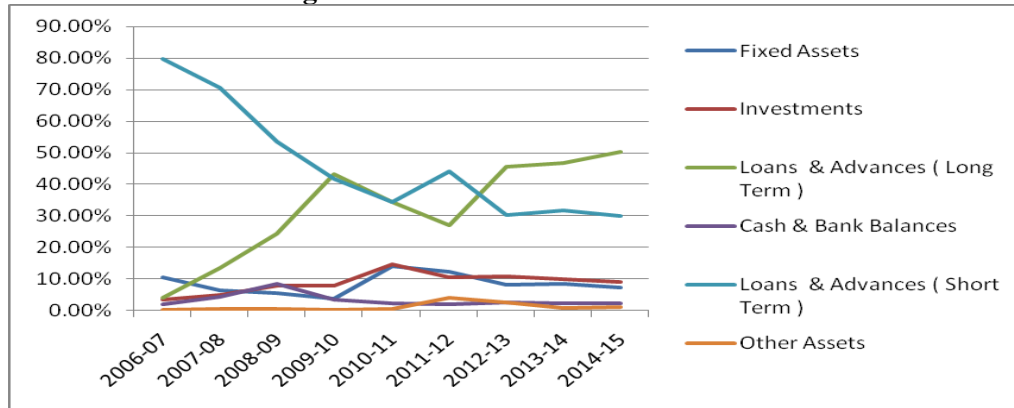


Table 6.8 & Figure 6.8 reveal that the structure of assets of the company (SEFL) mainly comprised of long term as well as short term loans and advances. In the years 2006-07 and 2008-09, the proportions of ‘long term loans’ in the total assets of the company were lower than the average of the shares during the following years. During that period, the proportion of ‘short term loans’ was on the rise while during the years 2008-09 to 2014-15, the long term loans significantly increased and short term loans decreased and the gap between them gradually narrowed down. These two financing components of the company played supplementary roles to each other. The proportion of ‘fixed assets’ varied between 3.84% and 14.11%. It signified that the company has put less emphasis on investments in the fixed assets during this period. The proportion of ‘investments’ showed an increasing trend from the year 2006-07 to 2010-11 followed by a decreasing trend from the year 2011-12 to 2014-15. The proportion of ‘cash & bank balances’ was almost constant during the study period except in the year 2008-09, where the proportion of ‘cash & bank balances’ was much higher. It signifies that the liquidity position of the company is good. The proportion of the component ‘other assets’ also showed uniformity during the study period except in the years 2011-12 and 2012-13, where the proportions were higher.

2. Below is presented the structure of assets of Magma Fincorp Ltd. (MFL) in Table 6.9 and Figure 6.9.

Table 6.9: Structure of Assets of MFL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	9.82%	0.74%	58.19%	26.37%	4.84%	0.04%	100.00%
2007-08	6.83%	2.36%	68.92%	18.21%	3.64%	0.03%	100.00%
2008-09	7.21%	1.28%	59.94%	27.21%	4.35%	0.01%	100.00%
2009-10	4.56%	0.66%	69.80%	21.25%	3.72%	0.01%	100.00%
2010-11	3.11%	0.19%	51.04%	14.18%	31.48%	0.00%	100.00%
2011-12	2.18%	0.00%	52.70%	9.89%	35.22%	0.00%	100.00%
2012-13	1.45%	2.04%	56.67%	9.29%	29.79%	0.76%	100.00%
2013-14	1.50%	3.05%	57.58%	6.27%	30.68%	0.91%	100.00%
2014-15	1.48%	2.78%	62.21%	4.21%	28.46%	0.85%	100.00%

Source: Computed from Annual Reports of the Selected Companies.

Figure 6.9: Structure of Assets of MFL

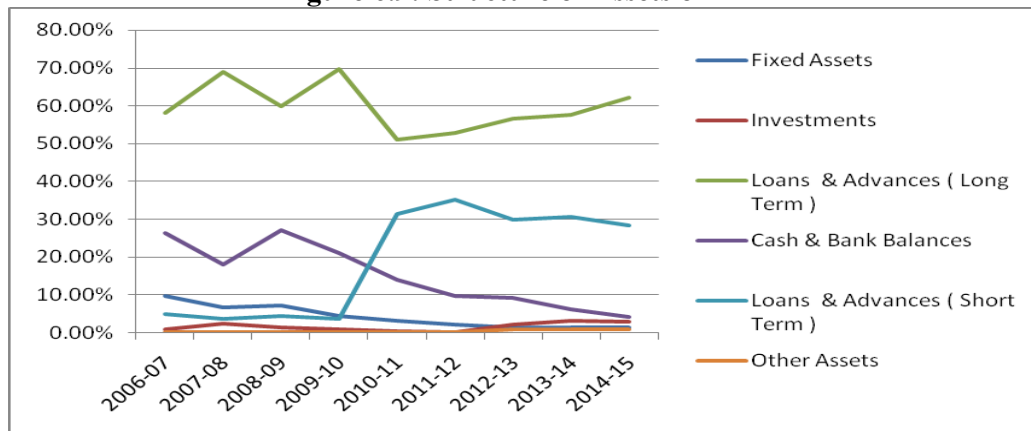


Table 6.9 & Figure 6.9 show that the component ‘long term loans and advances’ is the major component of the assets. It varied between 51.04% and 69.80%. It remained almost constant during the study period with small variations around the trend. The proportion of ‘short term loan and advances’ varied between 3.72% and 4.84% during the period 206-07 to 2009-10 and from the year 2010-11, it had shown a significant increasing trend, with variations between 28.46% and 35.22%. The proportion of ‘fixed assets’ shows a decreasing trend and it varied between 1.45% and 9.82%. It implies that no new significant investment was made by the company in the fixed assets during the period. The proportion of ‘investments’ reflects almost a fluctuating trend during the study period and it varied between 0.19% and 3.05%. During the

period from 2012-13 to 2014-15, the proportion of ‘investments’ increased. The proportion of cash and bank balances shows a decreasing trend and it varied between 4.21% and 27.21%. It implies that the liquidity position of the company suffered from a downward trend. This may be due to increase (from the year 2010-11 to 2014-15) in the ‘short term loans and advances’. The proportion of the component ‘other assets’ remained almost constant during the study period and it varied between 0.01% and 0.91%.

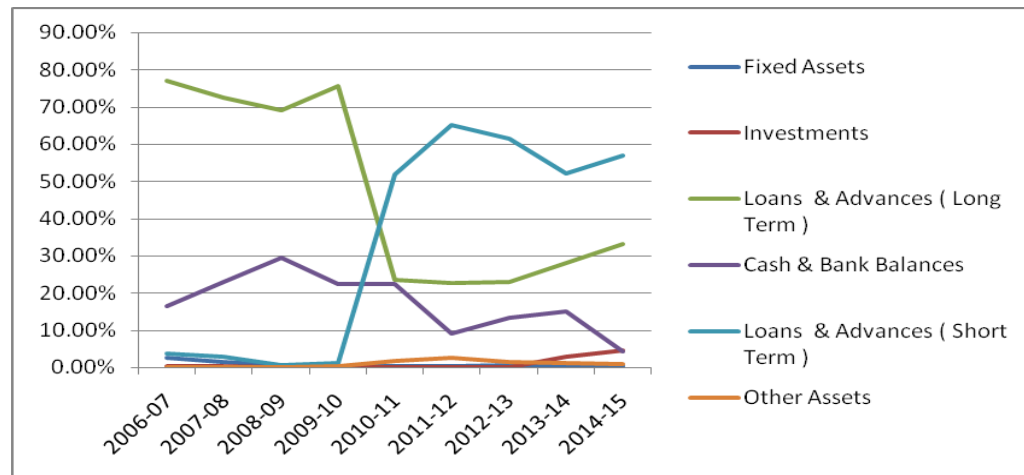
3. Now in the following paragraphs we describe the structure of assets of Shriram City Union Finance Limited (SCUFL).

Table 6.10: Structure of Assets of SCUFL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	2.51%	0.30%	77.01%	16.43%	3.66%	0.10%	100.00%
2007-08	1.35%	0.16%	72.55%	23.12%	2.73%	0.09%	100.00%
2008-09	0.68%	0.11%	68.99%	29.55%	0.53%	0.13%	100.00%
2009-10	0.33%	0.02%	75.72%	22.44%	1.08%	0.41%	100.00%
2010-11	0.32%	0.03%	23.60%	22.56%	51.75%	1.73%	100.00%
2011-12	0.42%	0.02%	22.70%	9.17%	65.05%	2.63%	100.00%
2012-13	0.55%	0.15%	22.88%	13.40%	61.46%	1.56%	100.00%
2013-14	0.62%	2.86%	28.14%	15.00%	52.15%	1.23%	100.00%
2014-15	0.45%	4.48%	33.06%	4.30%	56.82%	0.89%	100.00%

Source: Computed from Annual Reports of the Selected Companies.

Figure 6.10: Structure of Assets of SCUFL



From Table 6.10 & Figure 6.10, it is seen that 'long term loans and short term loans' taken together comprised the major part of the assets. From the year 2006-07 to 2009-10, 'long term loans' mainly comprised the asset structure and it varied between 68.99% and 77.01%. During that period, the proportion of the component 'short term loans' was very low and it varied between 0.53% and 3.66%. From the year 2010-11 to 2014-15 there was a decreasing trend in the long term loans and it varied between 22.70% and 33.06%. During that time the proportion of the component 'short term loans' significantly increased and it varied between 51.75% and 65.05%. The proportion of component 'fixed assets' shows a decreasing trend and it varied between 0.33% and 2.51%. It implies that the company had not made more investments in fixed assets. The proportion of 'investments' remained almost constant during the years 2006-07 to 2013-13 and from the year 2013-14 to 2014-15, proportion of 'investments' increased significantly. The proportion of 'cash and bank balances' were on the higher side during the period 2006-07 to 2010-11 and from the year 2011-12 to 2014-15, it showed a decreasing trend and in the year 2014-15 specially, it had a sharp decline. It implies that liquidity position was fluctuating. The proportion of component 'other assets' was almost constant during the study period and it varied between 0.09% and 2.63%.

4. The asset structure analysis of Sakthi Finance Limited (SFL) is shown in Table 6.11 and Figure 6.11.

Table 6.11: Structure of Assets of SFL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	3.58%	5.83%	77.73%	4.56%	7.83%	0.46%	100.00%
2007-08	5.47%	4.15%	77.57%	4.52%	8.29%	0.00%	100.00%
2008-09	5.87%	2.83%	81.01%	3.79%	6.50%	0.00%	100.00%
2009-10	6.49%	2.19%	81.22%	4.85%	5.25%	0.00%	100.00%
2010-11	10.40%	1.73%	78.48%	4.11%	5.10%	0.17%	100.00%
2011-12	8.83%	1.53%	82.99%	2.23%	4.34%	0.08%	100.00%
2012-13	7.71%	1.34%	83.15%	3.16%	4.61%	0.03%	100.00%
2013-14	6.67%	1.57%	83.44%	3.36%	4.66%	0.31%	100.00%
2014-15	5.04%	2.07%	76.23%	12.25%	4.26%	0.15%	100.00%

Source: Computed from Annual Reports of the Selected Companies.

Figure 6.11: Structure of Assets of SFL

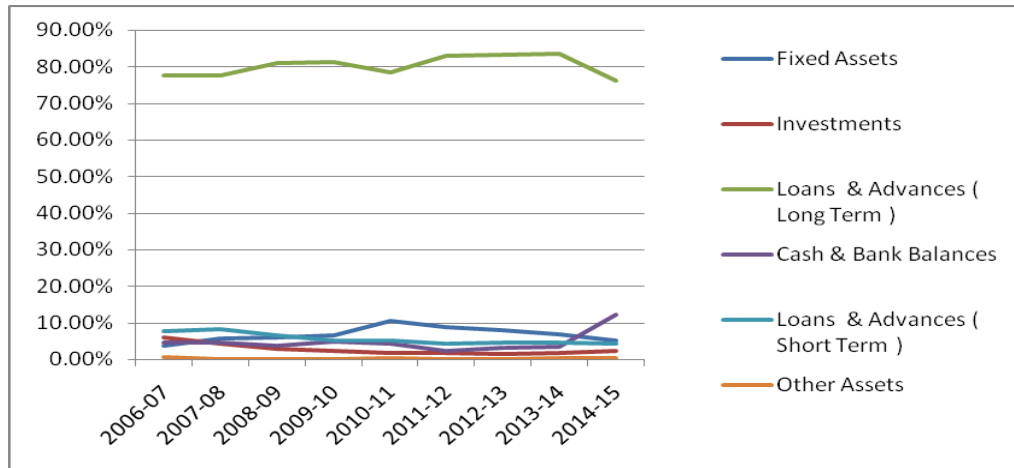


Table 6.11 & Figure 6.11 show that ‘long terms loan’ mainly comprised the asset structure and it varied between 77.57% and 83.44%. It implies that company had mainly financed in the form of ‘loan term loans’. The component ‘short term loans’ was almost constant during the study period and it varied between 4.26% and 8.29%. It signifies that the company was much interested in long term investment financing as compared to short term financing. The component ‘fixed assets’ also shows almost a constant trend. It varied between 3.58% and 10.40%. The component ‘cash and bank balance’ shows variability of lower magnitude during the study period barring the sudden rise in it in the year 2014-15 i.e. in the end year of the study period. It

varied between 2.23% and 12.25%. The component ‘investments’ shows almost a decreasing trend and it varied between 1.34% and 5.83%. It implies that company did not invest much in securities during the period under study. The component ‘other assets’ was almost constant and very negligible, as in the cases of other companies under study. This varied between 0.03% and 0.46%.

5. The asset structure and the relative position of each of the components of assets in the total assets position of DECCAN Finance Limited (DFL) are presented below.

Table 6.12: Structure of Assets of DFL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	1.48%	4.80%	0.07%	1.52%	92.12%	0.00%	100.00%
2007-08	1.38%	4.54%	0.06%	1.57%	92.45%	0.00%	100.00%
2008-09	1.36%	4.74%	0.06%	1.77%	92.07%	0.00%	100.00%
2009-10	1.36%	4.65%	0.06%	1.82%	92.11%	0.00%	100.00%
2010-11	1.40%	4.76%	0.05%	1.93%	91.85%	0.00%	100.00%
2011-12	1.93%	4.29%	0.05%	2.91%	90.78%	0.04%	100.00%
2012-13	1.36%	5.94%	0.04%	1.12%	91.43%	0.10%	100.00%
2013-14	1.32%	6.27%	0.04%	0.46%	91.80%	0.10%	100.00%
2014-15	1.13%	7.41%	0.04%	0.71%	90.55%	0.16%	100.00%

Source: Computed from Annual Reports of the Selected Companies.

Figure 6.12: Structure of Assets of DFL

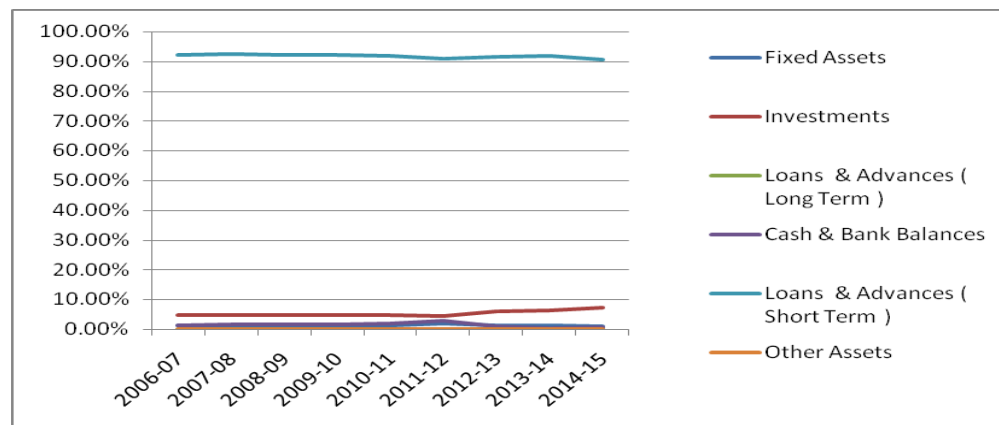


Table 6.12 & Figure 6.12 show that major portion of the assets was captured by long term financing and its proportion was almost constant during the study period. It varied between 90.55% and 92.45%. It implies that the company is mainly interested

in long term investment financing rather than in short term financing. The proportion of ‘short term loans’ was relatively very low. It varied between 0.04% and 0.07%. It implies that the company is not at all interested in short term financing during the study period. The proportion of the component ‘fixed assets’ was almost constant during the study period and it varied between 1.13% and 1.93%. It implies that the company had not made significant investments in ‘fixed assets’. The proportions of ‘investments’, ‘cash & bank balances’, and ‘other assets’ were almost constant during the study period and it varied between 4.29% and 7.41%, 0.46% and 2.91%, and 0.04% and 0.16% respectively. It implies that the liquidity position of the company was almost steady during the study period and the company had not made significant contribution in external investments during the study period.

6. The asset structure and the relative position of each of the components of total assets in the total assets position of IKF Finance Limited (IFL) are analysed below. The structure of assets of the company is presented in Table 6.13 and Figure 6.13.

Table 6.13 : Structure of Assets of IFL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	10.07%	6.78%	71.95%	3.04%	8.16%	0.00%	100.00%
2007-08	9.46%	6.61%	72.65%	3.03%	8.26%	0.00%	100.00%
2008-09	9.16%	6.33%	73.39%	3.02%	8.10%	0.00%	100.00%
2009-10	8.80%	7.72%	71.29%	3.11%	9.08%	0.00%	100.00%
2010-11	3.01%	0.00%	54.58%	7.95%	34.47%	0.00%	100.00%
2011-12	0.93%	0.00%	54.20%	8.38%	36.01%	0.48%	100.00%
2012-13	1.07%	0.00%	53.79%	5.26%	39.12%	0.76%	100.00%
2013-14	0.82%	0.00%	40.76%	8.57%	49.34%	0.50%	100.00%
2014-15	0.53%	0.00%	43.75%	16.28%	38.66%	0.78%	100.00%

Source: Computed from Annual Reports of the Selected Companies

Figure 6.13: Structure of Assets of IFL

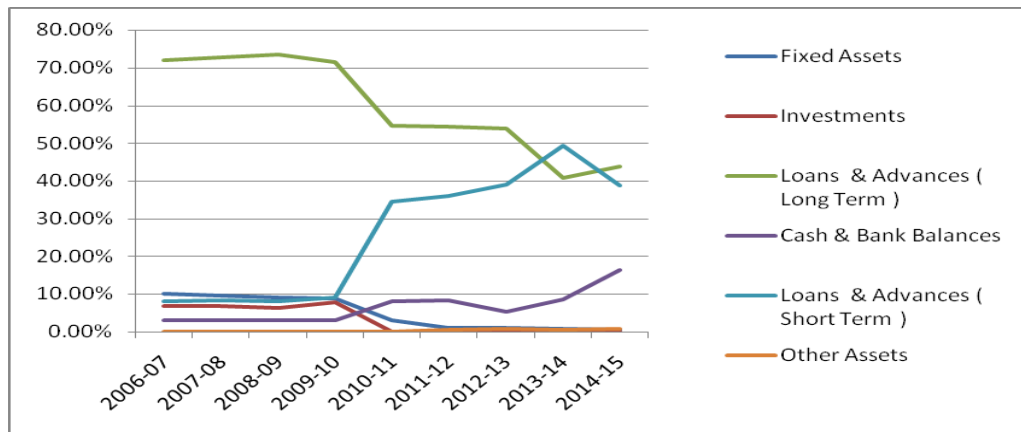


Table 6.13 & Figure 6.13 indicate that the asset structure is mainly composed of ‘long term & short term loans and advances’. From the year 2006-07 to 2009-10, the proportion of ‘long term loans’ was higher and during that time, the proportion of ‘short term loans’ was lower, but from the year 2010-11 to 2014-15, the proportion of ‘long term loans’ had been decreasing and proportion of short term loans increased at a higher rate and showed a situation where the company almost maintained a balancing situation between long term and short term loans. The proportion of the component ‘fixed assets’ shows a decreasing trend and it varied between 0.53% and 10.07%. It implies that the company had not made new investments in fixed assets. The component ‘investments’ showed its presence only during the period from 2006-07 to 2009-10 and from the year 2010-11 to 2014-15, the company had not made any contribution to the external investments. It implies that company had made redemption of investment in the year 2010-11. The proportion of the component ‘cash & bank balances’ showed an increasing trend and it varied between 3.03% and 16.28%. It signifies that the liquidity position of the company has improved. The proportions of ‘cash and bank balances’ were quite higher in the years 2013-14 and 2014-15. In most of the years from 2006-07 to 2010-11, the existence of ‘other assets’

is not visible and from the year 2011-12 to 2014-15, it varied between 0.48% and 0.78%.

7. We make a critical analysis of the structure of assets of Galada Finance Limited (GFL), which is presented in the following Table 6.14 and Figure 6.14.

Table 6.14: Structure of Assets of GFL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	10.10%	16.25%	46.89%	0.46%	26.31%	0.00%	100.00%
2007-08	10.26%	17.46%	48.93%	0.46%	22.88%	0.00%	100.00%
2008-09	11.18%	18.14%	52.80%	0.48%	17.39%	0.00%	100.00%
2009-10	11.49%	20.47%	56.01%	0.62%	11.41%	0.00%	100.00%
2010-11	9.31%	16.51%	0.23%	0.55%	73.39%	0.00%	100.00%
2011-12	9.05%	12.45%	0.21%	1.21%	77.08%	0.00%	100.00%
2012-13	11.42%	11.76%	0.37%	1.19%	75.25%	0.00%	100.00%
2013-14	7.73%	15.41%	0.43%	0.76%	75.66%	0.00%	100.00%
2014-15	3.56%	17.01%	0.46%	0.74%	78.22%	0.00%	100.00%

Source: Computed from Annual Reports of the Selected Companies

Figure 6.14: Structure of Assets of GFL

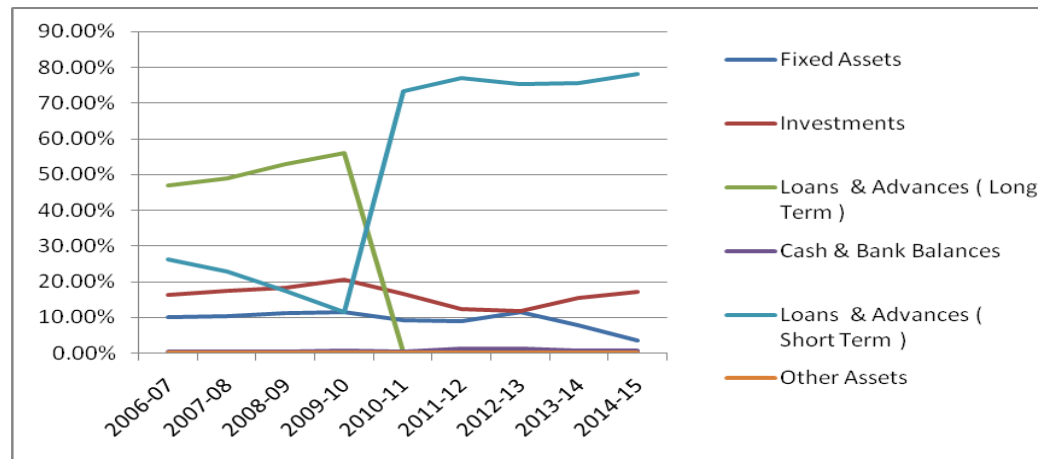


Table 6.14 & Figure 6.14 show that the asset structure mainly comprised ‘long term loans and short term loans’. From the year 2006-07 to 2009-10, the proportion of ‘long term loans’ was higher and during that time, the proportion of ‘short term loans’ was moderate; but from the year 2010-11 to 2014-15, the situation got completely reversed i.e., the proportion of ‘long term loans’ was much lower than that of ‘short

term loans’. It indicates that the company had given more emphasis on short term financing than on long term financing and during that period, the proportion of ‘long term loans’ had significantly reduced and varied only between 0.21% and 0.46%. The proportion of ‘fixed assets’ was almost uniform during the study period except in the year 2014-15. It shows that company had not made any significant investments in ‘fixed assets’. The proportion of the component ‘investments’ also show a steady situation during the study period and it varied between 15.41% and 20.47%. It indicates that the company had interest in making contribution in external investment. The component of ‘cash and bank balances’ was not on the higher side and it varied between 0.46% and 1.21%. It indicates that the liquidity position of the company during this period was not at all satisfactory.

8. Now we analyse the assets structure of Mahindra & Mahindra Financial Services Ltd (MMFSL), which is presented in Table 6.15 and Figure 6.15.

Table 6.15: Structure of Assets of MMFSL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	0.45%	0.42%	0.00%	4.52%	93.39%	1.22%	100.00%
2007-08	0.47%	0.14%	0.00%	3.07%	94.52%	1.80%	100.00%
2008-09	0.51%	1.30%	0.00%	3.74%	92.02%	2.43%	100.00%
2009-10	0.53%	2.21%	0.00%	2.66%	92.31%	2.30%	100.00%
2010-11	0.59%	4.51%	47.38%	2.33%	43.60%	1.59%	100.00%
2011-12	0.53%	2.25%	49.63%	1.40%	45.10%	1.09%	100.00%
2012-13	0.42%	1.69%	52.33%	1.36%	42.59%	1.61%	100.00%
2013-14	0.38%	2.12%	52.06%	1.67%	42.29%	1.48%	100.00%
2014-15	0.31%	1.69%	51.48%	1.28%	43.43%	1.82%	100.00%

Source: Computed from Annual Reports of the Selected Companies

Figure 6.15: Structure of Assets of MMFSL

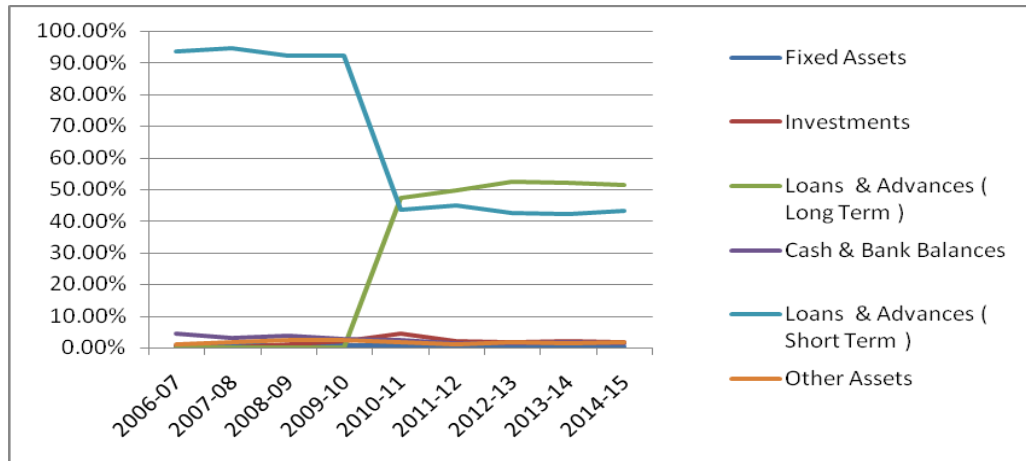


Table 6.15 & Figure 6.15 show that the major portion of the asset structure of the company is comprised of ‘long term and short term loans’. Interestingly, from the year 2006-07 to 2009-10, the company had no long term financing and all financing was made through short term instruments and it varied between 92.02% and 94.52%. From the year 2010-11 to 2014-15, however, the company made a balancing approach between long term and short term financing and varied between (47.38% and 52.33%) and (42.29% and 45.20%) respectively. It implies that the company gave uniform emphasis on long term short and term financing. The proportion of ‘fixed assets’ was almost constant during the study period and it varied between 0.31% and 0.59%. It implies that the company had not made significant investment in ‘fixed assets’. The proportion of ‘investments’ shows almost a fluctuating situation with the proportions varying between 0.14% and 4.51%. It implies that the company had not given more emphasis on external investments. The proportion of the component ‘cash and bank balances’ shows a decreasing trend and it varied between 1.28% and 4.52%. It implies that the liquidity position of the company has not improved during the study period. The proportion of the component ‘other assets’ shows almost a constant situation during the study period and it varied between 1.09% and 2.43%.

9. Below is presented the asset structure and the relative shares of each component of the assets of L & T Finance Limited (LTFL) (See Table 6.16 and Figure 6.16).

Table 6.16: Structure of Assets of LTFL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	11.98%	1.48%	0.00%	0.96%	85.33%	0.25%	100.00%
2007-08	7.80%	0.71%	84.12%	0.57%	6.31%	0.48%	100.00%
2008-09	4.37%	0.13%	87.44%	1.26%	6.04%	0.77%	100.00%
2009-10	5.04%	2.16%	85.31%	1.41%	5.41%	0.66%	100.00%
2010-11	4.02%	2.77%	46.46%	1.09%	43.31%	2.34%	100.00%
2011-12	3.63%	2.21%	50.53%	0.68%	40.03%	2.91%	100.00%
2012-13	1.92%	0.51%	52.10%	0.71%	42.53%	2.23%	100.00%
2013-14	1.98%	0.64%	55.52%	1.34%	37.35%	3.16%	100.00%
2014-15	1.77%	0.79%	51.68%	0.82%	40.31%	4.63%	100.00%

Source: Computed from Annual Reports of the Selected Companies

Figure 6.16: Structure of Assets of LTFL

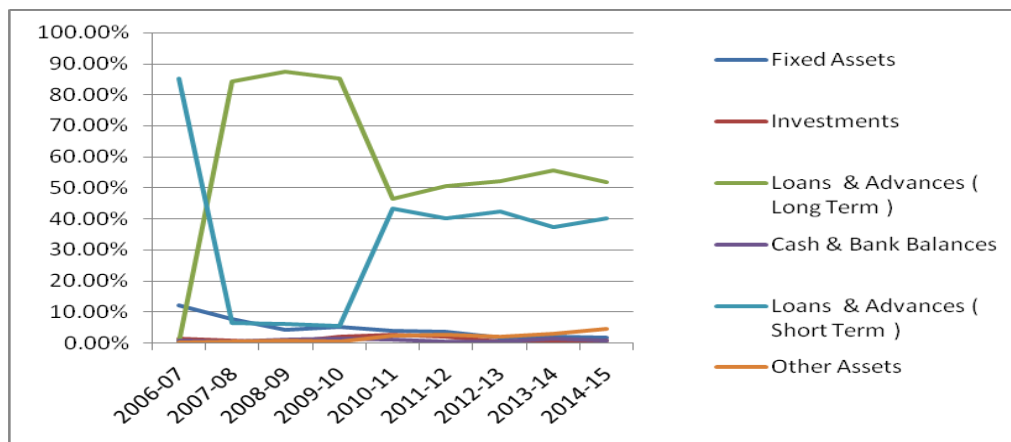


Table 6.16 & Figure 6.16 indicate that the asset structure mainly comprised of the ‘long term & short term loans and advances’. In the year 2006-07, the entire financing was made through short term instruments and from the year 2007-08 to 2009-10, the proportion of ‘long term loans’ was higher and during that time, the proportion of ‘short term loans’ was lower. But from the year 2010-11 to 2014-15, the proportion of ‘long term loans’ is decreased and proportion of ‘short term loans’ increased at a higher rate and show a situation where the company maintained almost a balancing situation between long term and short term loans. The proportion of the component

‘fixed assets’ shows a decreasing trend and it varied between 1.77% and 11.98%. It implies that the company had not made new investment in fixed assets. The component ‘investments’ showed almost a constant rate during the study period and varied between 0.13% and 2.77%. It implies that the company had not made significant contribution to investments. The proportion of the component ‘cash & bank balances’ also shows a constant rate and it varied between 0.57% and 1.41%. It signifies that the liquidity position of the company all through remained below the desirable level. From the year 2006-07 to 2009-10, the existence of the proportion of ‘other assets’ was very nominal and from 2010-11 to 2014-15, it showed an increasing trend, which varied between 2.34% and 4.63%.

10. Next to follow the analysis of the asset structure of Shriram Transport Finance Company Limited (STFCL) presented in Table 6.17 and Figure 6.17.

Table 6.17: Structure of Assets of STFCL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	0.75%	7.26%	83.42%	7.07%	1.37%	0.13%	100.00%
2007-08	0.78%	7.58%	82.51%	7.52%	1.44%	0.17%	100.00%
2008-09	0.54%	2.62%	71.64%	23.15%	1.79%	0.26%	100.00%
2009-10	0.17%	6.88%	66.66%	16.82%	8.87%	0.60%	100.00%
2010-11	0.12%	11.53%	45.06%	11.29%	31.05%	0.95%	100.00%
2011-12	0.11%	11.05%	43.97%	14.84%	28.92%	1.12%	100.00%
2012-13	0.13%	7.96%	44.35%	14.10%	32.28%	1.18%	100.00%
2013-14	0.20%	5.54%	44.89%	14.39%	34.11%	0.86%	100.00%
2014-15	0.25%	4.89%	52.26%	7.66%	34.28%	0.67%	100.00%

Source: Computed from Annual Reports of the Selected Companies

Figure 6.17: Structure of Assets of STFCL

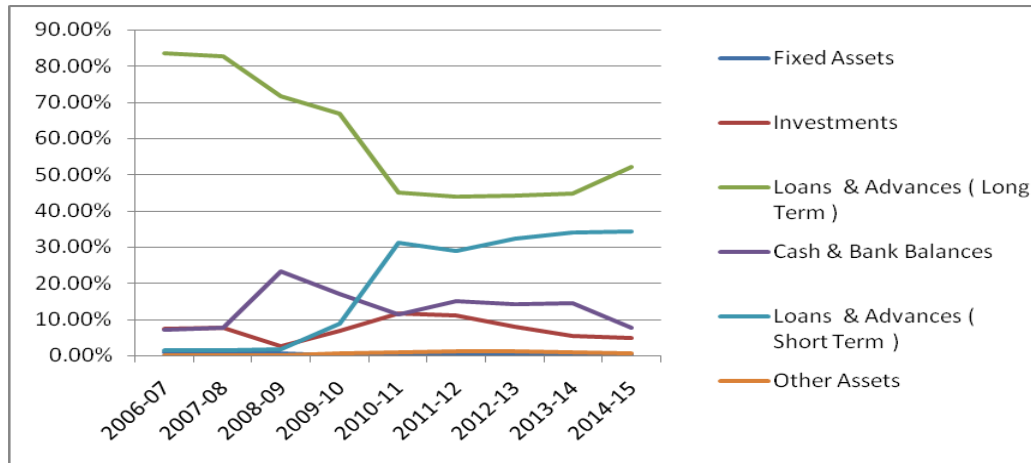


Table 6.17 & Figure 6.17 indicate that the asset structure of the company is, as found in cases of most of the earlier company analyses, mainly composed of ‘long term and short term loans and advances’. From the year 2006-07 to 2009-10, the proportion of ‘long term loans’ was higher and during that time, the proportion of ‘short term loan’ was very much lower and from the year 2010-11 to 2014-15, the proportion of ‘long term loans’ decreased slightly, shifting the emphasis on ‘short term loans’ that increased at a higher rate. Thus in the later part of the study period, it is found that the company had almost maintained a balance between long term and short term loans. The proportion of ‘fixed assets’ shows almost a constant rate during the study period and it varied between 0.11% and 0.75%. It implies that the company had not made any new investments in ‘fixed assets’. The component ‘investments’ was also almost constant during the study period, the proportion being varied between 2.62% and 11.53%. It implies that the company had not made significant contribution towards the external investment. The proportions of ‘cash & bank balances’ show initially an increasing trend and then a decreasing trend. It varied between 7.07% and 23.15%. It signifies that the liquidity position of the company is moderate. The proportion of the component ‘other assets’ was almost constant during the study period and it varied between 0.13% and 1.18%.

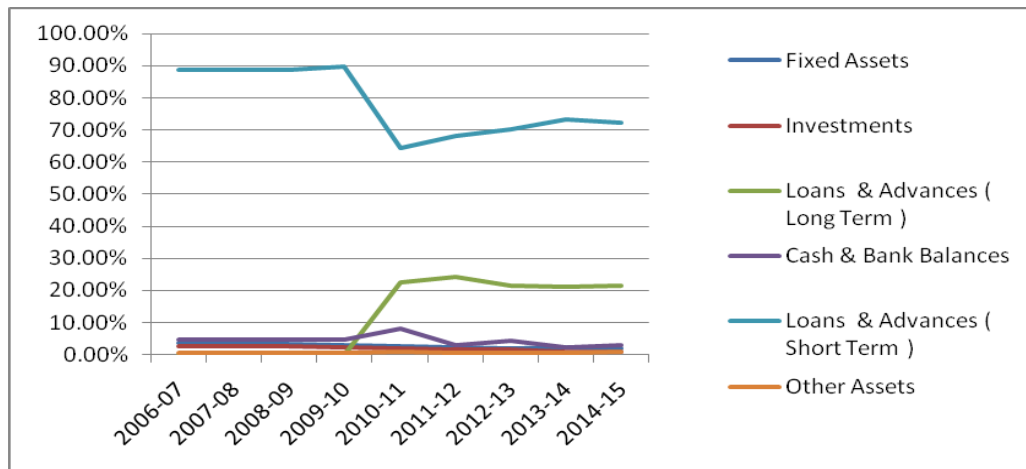
11. Now we present the asset structure and the relative position of each of the components of assets in the total asset position of Ceejay Finace Limited (CFL). The Table 6.18 and Figure 6.18 give the percentage share of each of the asset components of the CFL.

Table 6.18: Structure of Assets of CFL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	3.48%	2.52%	0.00%	4.70%	88.68%	0.62%	100.00%
2007-08	3.42%	2.52%	0.00%	4.77%	88.63%	0.66%	100.00%
2008-09	3.20%	2.49%	0.00%	4.82%	88.77%	0.71%	100.00%
2009-10	2.84%	2.20%	0.00%	4.64%	89.63%	0.69%	100.00%
2010-11	2.37%	1.70%	22.55%	8.01%	64.37%	1.00%	100.00%
2011-12	2.29%	1.51%	24.18%	3.06%	68.25%	0.71%	100.00%
2012-13	2.03%	1.42%	21.50%	4.37%	70.01%	0.66%	100.00%
2013-14	2.06%	0.85%	20.95%	2.32%	73.25%	0.59%	100.00%
2014-15	1.87%	0.76%	21.44%	2.85%	72.14%	0.93%	100.00%

Source: Computed from Annual Reports of the Selected Companies

Figure 6.18: Structure of Assets of CFL



From Table 6.18 & Figure 6.18 it is seen that majority of the asset structure is captured by 'short term loans'. From the year 2006-07 to 2009-10, the company had no long term financing and all financing was made through short term instruments and it varied between 88.63% and 89.63%. From the year 2010-11 to 2014-15, the company made investments in long term loans and advances and resultantly, short

term financing got decreased. But, still it (short term investments) continued to capture the major portion of the assets. Long term and short term loans varied between 20.95% and 24.18% and between 64.37% and 73.25% respectively. The proportion of the component 'fixed assets' decreased during the study period and it varied between 1.87% and 3.48%. It implies that the company had not made significant investment in fixed assets. The proportions of the component 'investments' also show a decreasing trend situation and it varied between 0.76% and 2.52%. It implies that the company had regularly redeemed its investments and no new contribution had been made. The year-wise proportions of the component 'cash and bank balances' show a fluctuating trend and it varied between 2.32% and 8.01%. It implies that the liquidity position of the company is moderate. The proportions of the component 'other assets' show almost a constant situation during the study period and it varied between 0.62% and 1.00%.

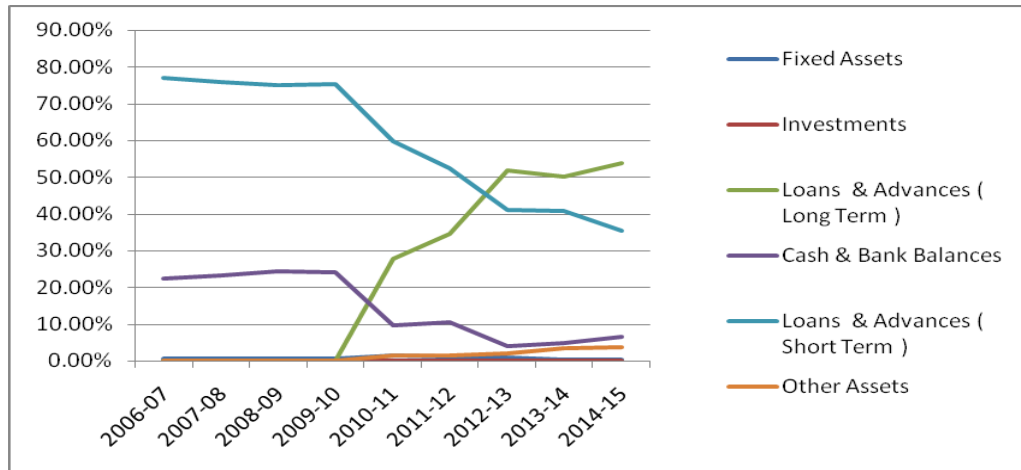
12. Next we take up the analysis of the structure of assets of Intec Capital Limited (ICL) in the following paragraphs. The analysis of the assets structure is presented in the Table 6.19 and Figure 6.19.

Table 6.19: Structure of Assets of ICL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	0.66%	0.01%	0.00%	22.38%	76.95%	0.00%	100.00%
2007-08	0.66%	0.01%	0.00%	23.41%	75.93%	0.00%	100.00%
2008-09	0.62%	0.01%	0.00%	24.45%	74.92%	0.00%	100.00%
2009-10	0.55%	0.01%	0.00%	24.07%	75.38%	0.00%	100.00%
2010-11	1.43%	0.03%	27.70%	9.79%	59.74%	1.32%	100.00%
2011-12	1.14%	0.08%	34.53%	10.46%	52.29%	1.49%	100.00%
2012-13	0.80%	0.05%	51.86%	4.00%	41.26%	2.02%	100.00%
2013-14	0.34%	0.05%	50.22%	4.97%	40.90%	3.52%	100.00%
2014-15	0.41%	0.04%	53.76%	6.57%	35.48%	3.73%	100.00%

Source: Computed from Annual Reports of the Selected Companies

Figure 6.19: Structure of Assets of ICL



From Table 6.19 & Figure 6.19 we see that the major portion of the asset structure captured by ‘short term loans’. From the year 2006-07 to 2009-10, the company had no long term financing and all financing was made through short term instruments and it varied between 75.38% and 76.95%. From the year 2010-11 to 2014-15, the long term financing increased slightly and visibly that resulted in a decrease in short term financing. The company adopted a balancing approach between long term and short term investment financing. The proportion of the component ‘fixed assets’ remained almost constant during the study period and it varied between a narrow range of 0.41% and 1.43%. It implies that the company had not made significant investments in fixed assets. The proportion of ‘investments’ was not so high and it varied between 0.01% and 0.08%. It implies that the company had not made contribution in external investments. The proportions of the component ‘cash and bank balances’ almost show a decreasing trend and it varied between 4.00% and 24.45%. It implies that the liquidity position of the company has not improved. The proportion of ‘other assets’ exists only from the year 2010-11 and shows a mild increasing trend situation and it varied between 1.32% and 3.73%.

13. Now we describe the asset structure of Cholamandalam Investment & Finance Company Limited (CIFCL). In Table 6.20 and Figure 6.20 we present the percentage share and graphical representation of each component of the total assets of CIFCL.

Table 6.20: Structure of Assets of CIFCL

Year	Fixed Assets	Investments	Loans & Advances (Long Term)	Cash & Bank Balances	Loans & Advances (Short Term)	Other Assets	Total Assets
2006-07	1.03%	1.35%	87.23%	7.51%	0.80%	2.09%	100.00%
2007-08	1.02%	1.97%	85.56%	8.63%	1.02%	1.80%	100.00%
2008-09	0.62%	4.65%	66.01%	22.74%	1.60%	4.38%	100.00%
2009-10	0.28%	2.49%	79.77%	10.81%	2.49%	4.16%	100.00%
2010-11	0.38%	0.10%	57.05%	2.02%	33.32%	7.12%	100.00%
2011-12	0.42%	0.08%	62.23%	2.14%	30.30%	4.84%	100.00%
2012-13	0.40%	0.94%	63.27%	2.21%	28.74%	4.44%	100.00%
2013-14	0.34%	0.18%	61.03%	3.77%	29.67%	5.00%	100.00%
2014-15	0.29%	0.10%	65.10%	1.48%	28.29%	4.74%	100.00%

Source: Computed from Annual Reports of the Selected Companies

Figure 6.20: Structure of Assets of CIFCL

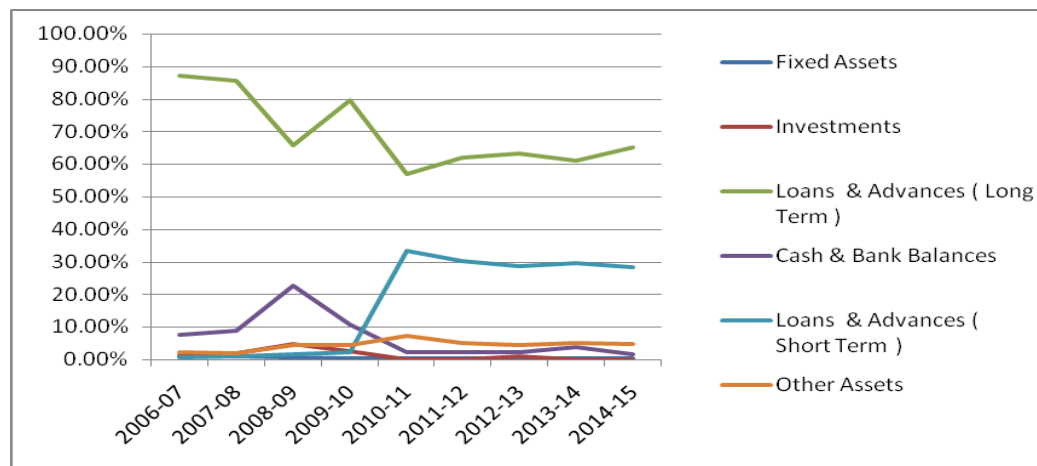


Table 6.20 and Figure 6.20 show that the asset structure mainly comprised of the ‘long term and short term loans and advances’. From the year 2006-07 to 2009-10, the proportion of long term loan was much higher and during those years the proportion of short term loans was very smaller. From the year 2010-11 to 2014-15, the proportion of long term loan had been decreased and the proportion of ‘short term loans’ increased at a higher rate but still the proportion of ‘long term loans’ comprised a larger share in the asset structure position. The proportions of the component ‘fixed

assets' show a decreasing trend and it varied between 0.29% and 1.03%. It implies that the company had not made much new investments in fixed assets. The component 'investments' shows a fluctuating situation and the company had not made significant contribution towards the external investment. The proportions of the component 'cash & bank balances' show a decreasing trend and the proportions of the same was quite higher during the two years i.e., 2008-09 and 2009-10. It implies that the liquidity position has been quite good during that period. The proportion of the component 'other assets' was almost constant during the study period and it varied between 1.80% and 7.12%.

So far we have analysed the structural pattern of total assets and their components. The data show that all the companies experienced fluctuations of small, medium and high amplitudes during the period of study. During certain periods, some of these components showed increasing, declining, or more or less stable trends. This analysis was mostly based on descriptive statistical measure.

In the following section, trend growth rates have been estimated using statistical trend analysis.

6.2 TREND GROWTH ANALYSIS

Trend analysis is the process to find out the current trends in order to predict future ones and it is useful for comparative analysis over the time period.

In our study, trend growth analysis in respect of selected performance indicators has been carried out in order to understand how the NBFCs have performed over the selected time period. Moreover, the analysis will indicate the areas where NBFCs are performing in the desired manner and also where underperforming. Finally, it will also provide a logical base for decision making.

To estimate the trend growth rate of selected performance indicator, semi-log regression model has been applied in the study. The semi-log regression model has been selected since it gives the growth rate directly at a particular point of time.

The Trend line equation is given by:

$$\text{Log } Y = a + bt + Ut$$

where Y represents dependent variable, 'a' represents constant, 'b' represents growth rate, 't' represents time, and 'Ut' represents random disturbance term. In our study, Y indicates performance indicators in terms of Fixed Assets, Investments, Long Term Loans (Assets), Short Term Loans (Assets), Cash & Bank Balances, and Other Assets. In the following section, we present the trend growth rate of each performance indicator (assets) of the selected investment companies in the aggregate and also for each individual company.

6.2.1 TREND GROWTH RATES OF ASSETS OF SELECTED PERFORMANCE INDICATORS OF INVESTMENT COMPANIES (AGGREGATIVE AND COMPANY WISE)

1. Table 6.21 below deals with Trend Growth Rates of Fixed Assets of Investment companies.

Table 6.21: Trend Growth Rates of ‘Fixed Assets’ as Performance Indicator (Assets) of Investment Companies

Companies	R ²	Constant (a)	Growth Rate (%)	F Value	Comments
Aggregate (All Sample Companies taken together)	0.671	5.517 (46.370)	17.4 ^{***} (3.779)	14.283	Positive and Significant
BACL	0.271	3.105 (19.716)	9.8 ⁱ (1.614)	2.605	Positive and Insignificant
SCL	0.157	3.905 (46.103)	-3.7 ⁱ (-1.143)	1.305	Negative and Insignificant
LTIDPL	0.592	3.430 (24.445)	17.3 ^{**} (3.188)	10.166	Positive and Significant
REL	0.889	5.107 (225.216)	6.6 ^{***} (7.487)	56.050	Positive and Significant
ILFSL	0.526	5.004 (24.056)	22.5 ^{**} (2.790)	7.781	Positive and Significant

Source: Computed

Notes:

- i. The trend co-efficient (represented by ‘b’) has been multiplied by 100 to express the growth rate in percentage form.
- ii. *** marked value indicates significant at 1% level (Two tailed)
- iii. ** marked value indicates significant at 5% level (Two tailed)
- iv. *i* marked value indicates insignificant
- v. Figures in bracket indicate ‘t’ value
- vi. d.f. = (n-k-1) > (9-1-1) = 7

Interpretation of the regression results (Table 6.21): From the above table, it is clear that the four out of five sample investment companies have experienced positive growth rates, three of which are statistically significant. It is also to be noted that one company has a negative growth rate which is, however, statistically insignificant. Higher volume of fixed assets implies the security over external liabilities but in case of NBFCs, the impact of performance is not so dependent on volume of fixed assets

because income generation depends mostly on lending and investment of funds. The aggregate growth rate of ‘fixed assets’ for all the sample investment companies taken together is positive and statistically significant at 1% probability level.

2. Table 6.22 deals with Trend Growth Rates of ‘Investments’ of Investment companies.

Table 6.22: Trend Growth Rates of ‘Investments’ as Performance Indicator (Assets) of Investment Companies

Companies	R ²	Constant (a)	Growth Rate (%)	F Value	Comments
Aggregate (All Sample Companies taken together)	0.927	6.026 (404.321)	5.4*** (9.416)	88.658	Positive and Significant
BACL	0.565	4.459 (80.206)	6.5** (3.013)	9.080	Positive and Significant
SCL	0.258	5.241 (55.180)	5.7 ⁱ (1.558)	2.428	Positive and Insignificant
LTIDPL	0.859	5.225 (156.365)	8.4*** (6.518)	42.482	Positive and Significant
REL	0.923	4.939 (100.038)	17.5*** (9.160)	83.911	Positive and Significant
ILFSL	0.824	5.727 (682.477)	1.9*** (5.726)	32.784	Positive and Significant

Source: Computed

Notes:

- i. The trend co-efficient (represented by ‘b’) has been multiplied by 100 to express the growth rate in percentage form.
- ii. *** marked value indicates significant at 1% level (Two tailed)
- iii. ** marked value indicates significant at 5% level (Two tailed)
- iv. *i* marked value indicates insignificant
- v. Figures in bracket indicate ‘t’ value
- vi. d.f. = (n-k-1) > (9-1-1) =7

Interpretation of the regression results (Table 6.22): From the above analysis, it is found that four companies have registered positive growth rates which are statistically significant; there is only one company, SCL, which experienced positive growth rate but it was statistically insignificant. Volume of investments and their growth over the years are important for the NBFCs to sustain in the long run. The aggregate growth

rate of ‘investments’ for all the sample investment companies taken together is positive and statistically significant at 1% level of significance.

3. Trend Growth Rate analysis of ‘Long Term Loans and Advances’ of Investment companies has been presented in Table 6.23.

Table 6.23: Trend Growth Rates of ‘Long Term Loan and Advances’ as Performance Indicator (Assets) of Investment Companies

Companies	R ²	Constant (a)	Growth Rate (%)	F Value	Comments
Aggregate (All Sample Companies taken together)	0.950	5.957 (117.486)	22.6*** (11.527)	132.867	Positive and Significant
BACL	0.791	1.437 (5.139)	55.8*** (5.151)	26.538	Positive and Significant
SCL	0.936	5.529 (70.795)	30.6*** (10.124)	102.505	Positive and Significant
LTIDPL	0.952	4.611 (167.968)	12.6*** (11.837)	140.116	Positive and Significant
REL	0.756	2.609 (4.789)	98.3*** (4.656)	21.682	Positive and Significant
ILFSL	0.708	5.466 (59.816)	14.6*** (4.115)	16.933	Positive and Significant

Source: Computed

Notes:

- i. The trend co-efficient (represented by ‘b’) has been multiplied by 100 to express the growth rate in percentage form.
- ii. *** marked value indicates significant at 1% level (Two tailed)
- iii. ** marked value indicates significant at 5% level (Two tailed)
- iv. *i* marked value indicates insignificant
- v. Figures in bracket indicate ‘t’ value
- vi. d.f. = (n-k-1) > (9-1-1) = 7

Interpretation of the regression results (Table 6.23): From the above table, it is evident that all the companies have positive growth rate in the ‘long term loans and advances’ made to the borrowers and these growth rates are statistically significant. The higher growth rate in ‘long term loans and advances’ implies higher generation of interest income and lower level of idle funds available for loans to the borrowers of NBFCs. The aggregate growth rate in ‘long term loans and advances’ for all the

sample investment companies taken together is positive and statistically significant at 1% probability level.

4. Table 6.24 below deals with Trend Growth Rates of ‘Cash and Bank Balances’ of Investment companies.

Table 6.24: Trend Growth Rates of ‘Cash and Bank Balances’ as Performance Indicator (Assets) of Investment Companies

Companies	R ²	Constant (a)	Growth Rate (%)	F Value	Comments
Aggregate (All Sample Companies taken together)	0.855	5.838 (152.718)	9.5 ^{***} (6.423)	41.256	Positive and Significant
BACL	0.288	1.971 (22.599)	-5.7 ⁱ (-1.682)	2.828	Negative and Insignificant
SCL	0.562	5.589 (87.942)	7.4 ^{**} (2.997)	8.893	Positive and Significant
LTIDPL	0.266	3.149 (9.524)	20.4 ⁱ (1.592)	2.534	Positive and Insignificant
REL	0.260	5.232 (101.085)	3.1 ⁱ (1.570)	2.465	Positive and Insignificant
ILFSL	0.927	4.350 (44.149)	35.9 ^{***} (9.416)	88.664	Positive and Significant

Source: Computed

Notes:

- i. The trend co-efficient (represented by ‘b’) has been multiplied by 100 to express the growth rate in percentage form.
- ii. *** marked value indicates significant at 1% level (Two tailed)
- iii. ** marked value indicates significant at 5% level (Two tailed)
- iv. *i* marked value indicates insignificant
- v. Figures in bracket indicate ‘t’ value
- vi. d.f. = (n-k-1) > (9-1-1) =7

Interpretation of the regression results (Table 6.24): From the above analysis, it is found that only two companies are having positive growth rates which are statistically significant. But in case of other two companies (LTIDPL and REL) though growth rates are positive, none of them is statistically significant. One company, however, recorded negative growth rate which is statistically insignificant. The volume of ‘cash

and bank balances’ and their growth implies better liquidity position, capability of providing short term loans by the NBFCs; all these imply the long term sustainability for the NBFCs. The aggregate growth rate of ‘cash and bank balances’ for all the sample investment companies taken together is positive and statistically significant at 1% level of significance.

5. Table 6.25 deals with Trend Growth Rates of ‘Short Term Loans and Advances’ of Investment companies.

Table 6.25: Trend Growth Rates of ‘Short Term Loans and Advances’ as Performance Indicator (Assets) of Investment Companies

Companies	R ²	Constant (a)	Growth Rate (%)	F Value	Comments
Aggregate (All Sample Companies taken together)	0.517	6.362 (282.735)	2.4** (2.739)	7.502	Positive and Significant
BACL	0.002	3.141 (25.315)	0.6 ⁱ (0.127)	0.016	Positive and Insignificant
SCL	0.069	6.220 (302.761)	0.6 ⁱ (0.722)	0.521	Positive and Insignificant
LTIDPL	0.504	3.479 (13.058)	27.5** (2.668)	7.117	Positive and Significant
REL	0.506	5.682 (93.974)	6.3** (2.676)	7.159	Positive and Significant
ILFSL	0.421	4.731 (36.204)	11.4 ⁱ (2.254)	5.082	Positive and Insignificant

Source: Computed

Notes:

- i. The trend co-efficient (represented by ‘b’) has been multiplied by 100 to express the growth rate in percentage form.
- ii. *** marked value indicates significant at 1% level (Two tailed)
- iii. ** marked value indicates significant at 5% level (Two tailed)
- iv. *i* marked value indicates insignificant
- v. Figures in bracket indicate ‘t’ value
- vi. d.f. = (n-k-1) > (9-1-1) =7

Interpretation of the regression results (Table 6.25): From the above, it is clear that all the five companies have positive growth rates and for only two companies these

rates are statistically significant. For other three companies, the rates are statistically insignificant. The positive growth rate in ‘short term loans and advances’ implies effective management of short term money market instruments to invest liquid funds in the market in order to generate higher interest income in the short term. The aggregate growth rate of ‘short term loans and advances’ for all the sample investment companies taken together is positive and statistically significant at 5% probability level.

6. Table 6.26 below deals with Trend Growth Rates of ‘Other Assets’ of Investment companies.

Table 6.26: Trend Growth Rates of ‘Other Assets’ as Performance Indicator (Assets) of Investment Companies

Companies	R ²	Constant (a)	Growth Rate (%)	F Value	Comments
Aggregate (All Sample Companies taken together)	0.934	4.813 (59.191)	31.3*** (9.937)	98.736	Positive and Significant
BACL	-	-	-	-	
SCL	0.846	4.120 (47.573)	20.8*** (6.193)	38.357	Positive and Significant
LTIDPL	0.789	1.436 (5.487)	51.8*** (5.113)	26.148	Positive and Significant
REL	0.752	4.311 (23.771)	32.4*** (4.610)	21.255	Positive and Significant
ILFSL	0.814	4.130 (27.227)	32.5*** (5.539)	30.684	Positive and Significant

Source: Computed

Notes:

- i. The trend co-efficient (represented by ‘b’) has been multiplied by 100 to express the growth rate in percentage form.
- ii. *** marked value indicates significant at 1% level (Two tailed)
- iii. ** marked value indicates significant at 5% level (Two tailed)
- iv. *i* marked value indicates insignificant
- v. Figures in bracket indicate ‘t’ value
- vi. d.f. = (n-k-1) > (9-1-1) = 7

Interpretation of the regression results (Table 6.26):

From the above analysis, it is clear that there are positive growth rates in the ‘other assets’ category and these are statistically significant at 1% level of significance. The aggregate growth rate of ‘other assets’ for all the sample investment companies taken together is also positive and statistically significant at 1% level of significance.

6.2.2 TREND GROWTH RATES OF ASSETS OF SELECTED PERFORMANCE INDICATORS OF ASSET FINANCE COMPANIES (AGGREGATIVE AND COMPANY WISE)

After having analysed the trend growths for performance indicators of selected investment companies, we present below the similar trend growth analysis of each performance indicator (assets) of selected asset finance companies in aggregative and company wise forms.

1. First we consider the trend growth analysis of ‘Fixed Assets’ presented in Table 6.27.

Table 6.27: Trend Growth Rates of ‘Fixed Assets’ as Performance Indicator (Assets) of Asset Finance Companies

Companies	R ²	Constant (a)	Growth Rate (%)	F Value	Comments
Aggregate (All Sample Companies taken together)	0.646	5.302 (117.113)	6.3*** (3.570)	12.748	Positive and Significant
SEFL	0.658	4.983 (60.710)	11.7*** (3.671)	13.479	Positive and Significant
MFL	0.141	4.313 (323.391)	-0.6 ⁱ (-1.072)	1.150	Negative and Insignificant
SCUFL	0.300	3.713 (53.468)	4.7 ⁱ (1.734)	3.006	Positive and Insignificant
SFL	0.735	3.583 (63.541)	9.6*** (4.410)	19.450	Positive and Significant
DFL	0.478	1.428 (59.478)	2.4** (2.530)	6.400	Positive and Significant
IFL	0.527	2.525 (69.118)	-3.9** (-2.791)	7.792	Negative and Significant
GFL	0.040	1.906 (31.381)	-1.3 ⁱ (-0.539)	0.290	Negative and Insignificant
MMFSL	0.930	3.822 (154.123)	9.2*** (9.627)	92.670	Positive and Significant
LTFL	0.047	4.548 (126.367)	-0.8 ⁱ (-0.585)	0.342	Negative and Insignificant
STFCL	0.029	3.909 (42.546)	-1.6 ⁱ (-0.459)	0.211	Negative and Insignificant
CFL	0.139	1.966 (651.736)	-0.1 ⁱ (-1.064)	1.132	Negative and Insignificant
ICL	0.622	2.219 (23.262)	12.5** (3.397)	11.537	Positive and Significant
CIFCL	0.253	3.691 (63.034)	3.5 ⁱ (1.540)	2.370	Positive and Insignificant

Source: Computed

Notes:

- i. The trend co-efficient (represented by ‘b’) has been multiplied by 100 to express the growth rate in percentage form.
- ii. *** marked value indicates significant at 1% level (Two tailed)
- iii. ** marked value indicates significant at 5% level (Two tailed)
- iv. ⁱ marked value indicates insignificant
- v. Figures in bracket indicate ‘t’ value
- vi. d.f. = (n-k-1) > (9-1-1) =7

Interpretation of the regression results (Table 6.27):

From the above results, it is observed that five companies have positive growth rates of fixed assets, which are statistically significant and another five companies have negative growth rates which are, however, statistically not significant. Two companies are found to have positive growth rates which are statistically insignificant. There is yet another company which is having negative growth rate and that is statistically significant. Higher volume of fixed assets implies the security against external liabilities but in case of NBFCs, the impact of performance is found to be not dependent on volume of fixed assets; because income generations are mostly dependent on lending and investment of funds. The aggregate growth of 'fixed assets' for all the sample assets finance companies taken together is positive and statistically significant at 1% probability level.

2. Trend Growth analysis of 'Investments' of selected Asset Finance Companies is presented in Table 6.28.

Table 6.28: Trend Growth Rates of ‘Investments’ as Performance Indicator (Assets) of Asset Finance Companies

Companies	R ²	Constant (a)	Growth Rate (%)	F Value	Comments
Aggregate (All Sample Companies taken together)	0.817	5.601 (122.849)	9.9*** (5.587)	31.211	Positive and Significant
SEFL	0.850	4.989 (77.544)	15.7*** (6.287)	39.525	Positive and Significant
MFL	0.050	3.477 (7.736)	10.6 ⁱ (0.607)	0.368	Positive and Insignificant
SCUFL	0.510	3.148 (12.539)	26.3** (2.701)	7.295	Positive and Significant
SFL	0.094	3.137 (90.537)	1.1 ⁱ (0.853)	0.727	Positive and Insignificant
DFL	0.909	1.996 (123.379)	5.2*** (8.343)	69.602	Positive and Significant
IFL	0.734	1.122 (4.589)	-41.6*** (-4.399)	9.352	Negative and Significant
GFL	0.319	2.159 (109.717)	1.4 ⁱ (1.810)	3.277	Positive and Significant
MMFSL	0.753	4.274 (35.620)	21.5*** (4.624)	21.383	Positive and Significant
LTFL	0.234	3.920 (24.353)	9.1 ⁱ (1.463)	2.140	Positive and Insignificant
STFCL	0.518	5.329 (81.343)	7.0** (2.743)	7.522	Positive and Significant
CFL	0.660	1.772 (75.749)	-3.3*** (-3.685)	13.578	Negative and Significant
ICL	0.833	0.664 (4.994)	30.4*** (5.906)	34.882	Positive and Significant
CIFCL	0.142	3.753 (20.576)	-7.6 ⁱ (-1.074)	1.154	Negative and Insignificant

Source: Computed

Notes:

- i. The trend co-efficient (represented by ‘b’) has been multiplied by 100 to express the growth rate in percentage form.
- ii. *** marked value indicates significant at 1% level (Two tailed)
- iii. ** marked value indicates significant at 5% level (Two tailed)
- iv. ⁱ marked value indicates insignificant
- v. Figures in bracket indicate ‘t’ value
- vi. d.f. = (n-k-1) > (9-1-1) =7

Interpretation of the regression results (Table 6.28): From the above table, it is clear that seven companies have positive growth rates of 'investments' which are statistically significant. One company has negative growth rate which is statistically insignificant. Three companies have positive growth rates which are statistically insignificant and yet two other companies have negative growth rate which are statistically significant. Volume of investments and their effective positive growth rates over the years are important for the NBFCs to sustain in the long run. Here, the situation for all the companies are not so encouraging although the aggregate growth rate of 'investments' for all the sample asset finance companies taken together is positive and statistically significant at 1% probability level.

3. Similar to the above, trend growths of 'Long Term Loans and Advances' are analysed below in Table 6.29.

Table 6.29: Trend Growth Rates of ‘Long Term Loan and Advances’ as Performance Indicator (Assets) of Asset Finance Companies

Companies	R ²	Constant (a)	Growth Rate (%)	F Value	Comments
Aggregate (All Sample Companies taken together)	0.976	6.688 (529.562)	8.2*** (16.697)	278.794	Positive and Significant
SEFL	0.874	5.490 (69.380)	21.4*** (6.975)	48.657	Positive and Significant
MFL	0.950	5.566 (235.750)	10.6*** (11.575)	133.971	Positive and Significant
SCUFL	0.486	5.528 (122.834)	4.5** (2.574)	6.626	Positive and Significant
SFL	0.959	4.681 (298.923)	7.8*** (12.779)	163.310	Positive and Significant
DFL	0.300	-0.001 (-0.489)	-0.1 ⁱ (-1.732)	3.000	Negative and Insignificant
IFL	0.943	3.845 (142.891)	11.2*** (10.789)	116.404	Positive and Significant
GFL	0.684	1.443 (6.712)	-32.4*** (-3.888)	15.117	Negative and Significant
MMFSL	0.779	3.389 (6.286)	3.7*** (4.967)	24.672	Positive and Significant
LTFL	0.348	5.164 (9.254)	41.8 ⁱ (1.934)	3.740	Positive and Insignificant
STFCL	0.589	6.262 (242.670)	3.2** (3.165)	10.020	Positive and Significant
CFL	0.758	1.657 (6.009)	50.0*** (4.679)	21.890	Positive and Significant
ICL	0.807	2.417 (6.705)	75.6*** (5.412)	29.286	Positive and Significant
CIFCL	0.923	5.855 (256.972)	8.1*** (9.138)	83.499	Positive and Significant

Source: Computed

Notes:

- i. The trend co-efficient (represented by ‘b’) has been multiplied by 100 to express the growth rate in percentage form.
- ii. *** marked value indicates significant at 1% level (Two tailed)
- iii. ** marked value indicates significant at 5% level (Two tailed)
- iv. ⁱ marked value indicates insignificant
- v. Figures in bracket indicate ‘t’ value
- vi. d.f. = (n-k-1) > (9-1-1) =7

Interpretation of the regression results (Table 6.29):

From the above Table, it is evident that ten companies have positive growth rates which are statistically significant; one more company is there with positive growth rate but that is not statistically significant. Two companies have negative growth rates, one of which is statistically significant while for the other, the growth rate is statistically insignificant. The higher growth rate for 'long term loans and advances' implies higher generation of interest income in the long run. The aggregate growth rate of 'long term loan and advances' for all the sample asset finance companies taken together is positive and statistically significant at 1% level of significance.

4. Below (in Table 6.30) is given the trend growth analysis for 'Cash and bank Balances' of the sample asset finance companies.

Table 6.30: Trend Growth Rates of ‘Cash and Bank Balances’ as Performance Indicator (Assets) of Asset Finance Companies

Companies	R ²	Constant (a)	Growth Rate (%)	F Value	Comments
Aggregate (All Sample Companies taken together)	0.512	5.875 (111.295)	5.5** (2.710)	7.343	Positive and Significant
SEFL	0.622	4.547 (80.093)	7.5** (3.392)	11.505	Positive and Significant
MFL	0.112	4.901 (134.200)	1.3 ⁱ (0.940)	0.883	Positive and Insignificant
SCUFL	0.252	5.098 (62.484)	4.8 ⁱ (1.535)	2.356	Positive and Insignificant
SFL	0.618	3.406 (49.396)	9.0** (3.365)	11.325	Positive and Significant
DFL	0.079	1.415 (19.514)	-2.2 ⁱ (-0.777)	0.604	Negative and Insignificant
IFL	0.912	2.816 (40.118)	23.2*** (8.543)	72.980	Positive and Significant
GFL	0.553	0.784 (13.127)	6.8** (2.940)	8.645	Positive and Significant
MMFSL	0.673	4.509 (158.552)	4.2*** (3.798)	14.423	Positive and Significant
LTFL	0.737	3.931 (73.562)	9.2*** (4.426)	19.593	Positive and Significant
STFCL	0.569	5.585 (85.802)	7.7** (3.042)	9.253	Positive and Significant
CFL	0.001	2.176 (44.778)	0.1 ⁱ (0.069)	0.005	Positive and Insignificant
ICL	0.705	3.461 (127.788)	4.3*** (4.094)	16.763	Positive and Significant
CIFCL	0.013	4.676 (46.897)	-1.2 ⁱ (-0.302)	0.091	Negative and Insignificant

Source: Computed

Notes:

- i. The trend co-efficient (represented by ‘b’) has been multiplied by 100 to express the growth rate in percentage form.
- ii. *** marked value indicates significant at 1% level (Two tailed)
- iii. ** marked value indicates significant at 5% level (Two tailed)
- iv. *i* marked value indicates insignificant
- v. Figures in bracket indicate ‘t’ value
- vi. d.f. = (n-k-1) > (9-1-1) = 7

Interpretation of the regression results (Table 6.30): From the above results, it is evident that eight companies have positive growth rates which are statistically significant, while three companies have statistically insignificant positive growth rates. Two companies experience negative growth rates which are, however, statistically insignificant. This means that there has been no change (in the statistical sense) in the growth rate of 'cash and bank balances'. The volume of 'cash and bank balances' and their growth rate implies better liquidity position, capability of supplying short term loans by the NBFCs. It also affects the long term sustainability of the NBFCs. The aggregate growth rate of 'cash and bank balances' for all the sample asset finance companies taken together is positive and statistically significant at 5% probability level.

5. Trend Growth analysis of 'Short Term Loans and Advances' of the sample asset finance companies is presented in Table 6.31 below.

Table 6.31: Trend Growth Rates of ‘Short Term Loans and Advances’ as Performance Indicator (Assets) of Asset Finance Companies

Companies	R ²	Constant (a)	Growth Rate (%)	F Value	Comments
Aggregate (All Sample Companies taken together)	0.900	6.457 (164.617)	12.0*** (7.929)	62.867	Positive and Significant
SEFL	0.684	5.714 (160.958)	5.4*** (3.897)	15.184	Positive and Significant
MFL	0.863	4.894 (49.845)	25.2*** (6.635)	44.024	Positive and Significant
SCUFL	0.753	4.975 (25.012)	35.6*** (4.625)	21.395	Positive and Significant
SFL	0.920	3.516 (310.470)	3.9*** (9.003)	81.045	Positive and Significant
DFL	0.962	3.244 (572.358)	2.9*** (13.279)	176.323	Positive and Significant
IFL	0.913	3.376 (42.789)	26.3*** (8.592)	73.823	Positive and Significant
GFL	0.583	2.565 (26.447)	11.8** (3.131)	9.801	Positive and Significant
MMFSL	0.815	5.947 (232.612)	5.5*** (5.545)	30.746	Positive and Significant
LTFL	0.492	5.324 (35.557)	15.1** (2.603)	6.773	Positive and Significant
STFCL	0.892	5.507 (57.838)	28.1*** (7.609)	57.899	Positive and Significant
CFL	0.789	3.449 (364.915)	2.0*** (5.567)	30.992	Positive and Significant
ICL	0.880	4.147 (118.248)	9.7*** (7.157)	51.224	Positive and Significant
CIFCL	0.886	4.895 (41.638)	33.5*** (7.361)	54.192	Positive and Significant

Source: Computed

Notes:

- i. The trend co-efficient (represented by ‘b’) has been multiplied by 100 to express the growth rate in percentage form.
- ii. *** marked value indicates significant at 1% level (Two tailed)
- iii. ** marked value indicates significant at 5% level (Two tailed)
- iv. *i* marked value indicates insignificant
- v. Figures in bracket indicate ‘t’ value
- vi. d.f. = (n-k-1) > (9-1-1) =7

Interpretation of the regression results (Table 6.31): From the above table, it is evident that all the companies have registered positive growth rates which are statistically significant. The growth rate in ‘short term loans and advances’ implies

effective management of short term money market instruments to invest liquid funds in the market in order to generate higher interest income in the short term. The aggregate growth rate of ‘short term loans and advances’ of all the sample asset finance companies taken together is positive and statistically significant at 1% level of significance.

6. Now we take up the trend growth analysis of ‘Other Assets’ category of the sample asset finance companies.

Table 6.32: Trend Growth Rates of ‘Other Assets’ as Performance Indicator (Assets) of Asset Finance Companies

Companies	R²	Constant (a)	Growth Rate (%)	F Value	Comments
Aggregate (All Sample Companies taken together)	0.923	5.078 (108.634)	16.5*** (9.138)	83.503	Positive and Significant
SEFL	0.690	3.893 (26.233)	22.7*** (3.946)	15.571	Positive and Significant
MFL	0.321	2.300 (5.419)	29.9 ⁱ (1.819)	3.309	Positive and Insignificant
SCUFL	0.801	3.642 (26.238)	28.6*** (5.313)	28.224	Positive and Significant
SFL	0.299	1.335 (4.289)	20.8 ⁱ (1.728)	2.986	Positive and Insignificant
DFL	0.810	-0.916 (-4.981)	38.9*** (5.461)	29.827	Positive and Significant
IFL	0.798	1.006 (5.222)	39.3*** (5.263)	27.698	Positive and Significant
GFL	-	-	-	-	
MMFSL	0.933	4.380 (156.730)	10.7*** (9.868)	97.372	Positive and Significant
LTFL	0.921	4.083 (58.663)	24.3*** (9.028)	81.496	Positive and Significant
STFCL	0.848	4.213 (57.349)	17.8*** (6.256)	39.133	Positive and Significant
CFL	0.683	1.417 (48.408)	4.4*** (3.887)	15.111	Positive and Significant
ICL	0.847	1.705 (7.448)	55.1*** (6.215)	38.621	Positive and Significant
CIFCL	0.906	4.616 (100.480)	14.6*** (8.213)	67.448	Positive and Significant

Source: Computed

Notes:

- i. The trend co-efficient (represented by 'b') has been multiplied by 100 to express the growth rate in percentage form.
- ii. *** marked value indicates significant at 1% level (Two tailed)
- iii. ** marked value indicates significant at 5% level (Two tailed)
- iv. *i* marked value indicates insignificant
- v. Figures in bracket indicate 't' value
- vi. d.f. = (n-k-1) > (9-1-1) = 7

Interpretation of the regression results (Table 6.32):

From the above analysis, it is clear that 'other assets' of all the companies excepting two (MFL and SFL) have positive growth rates which are statistically significant at 1% probability level.

The aggregate growth rate of 'other assets' for all the sample assets finance companies taken together is found to be positive and statistically significant at 1% probability level.

Now we present below the summary results (Table: 6.33) of growth rates for all the components (Fixed Assets, Investments, Long Term Loans, Cash & Bank Balances, Short Term Loans, and Other Assets) of assets as performance indicators, as discussed above (From table 6.21 to 6.32), for selected investment companies and asset finance companies at aggregative level and company wise level.

Table 6.33
Summary Results of Growth Rate of Assets under semi log regression model

Assets : Components	Investment Companies		Asset Finance Companies	
	Aggregative	Company-wise	Aggregative	Company-wise
Fixed Assets	Positive and Significant at 1% Probability Level	Positive and Significant in 3 Companies, Positive but Insignificant in 1 Company, Negative and Insignificant in 1 Company	Positive and Significant at 1% Probability Level	Positive and Significant in 5 Companies, Negative and Significant in 1 Company, Positive but Insignificant in 2 Companies, Negative and Insignificant in 5 Companies
Investments	Positive and Significant at 1% Probability Level	Positive and Significant in 4 Companies, Negative and Insignificant in 1 Company	Positive and Significant at 1% Probability Level	Positive and Significant in 6 Companies, Negative and Significant in 2 Companies, Positive but Insignificant in 4 Companies, Negative and Insignificant in 1 Company
Long Term Loan	Positive and Significant at 1% Probability Level	Positive and Significant in 5 Companies	Positive and Significant at 1% Probability Level	Positive and Significant in 10 Companies, Negative but Significant in 1 Company, Positive but Insignificant in 1 Company, Negative and Insignificant in 1 Company
Cash & Bank Balances	Positive and Significant at 1% Probability Level	Positive and Significant in 2 Companies, Positive but Insignificant in 2 Companies, Negative and Insignificant in 1 Company	Positive and Significant at 5% Probability Level	Positive and Significant in 8 Companies, Positive and Insignificant in 3 Companies, Negative and Insignificant in 2 Companies
Short Term Loan	Positive and Significant at 5% Probability Level	Positive and Significant in 2 Companies, Positive and Insignificant in 3 Companies	Positive and Significant at 1% Probability Level	Positive and Significant in 13 Companies
Other Assets	Positive and Significant at 1% Probability Level	Positive and Significant in 4 Companies, Constant in 1 Company	Positive and Significant at 1% Probability Level	Positive and Significant in 10 Companies, Positive but Insignificant in 2 Companies, Constant in 1 Company

From Table 6.33, it is observed that all the components of assets of selected investment companies and asset finance companies at aggregative level have registered significant positive growth rate during the study period. In other words, the significant investment and financing have taken place in the selected investment companies and asset finance companies during the study period.

At company-wise level of analyses also, significant growths in the components of assets are observed in majority of the cases of selected investment companies and asset finance companies under study. The results at company wise level corroborate the results at aggregative level.

6.3 References:

1. Annual Reports of the Selected Investment Companies (from 2006-07 to 2014-15).
2. Annual Reports of the Selected Assets Finance Companies (from 2006-07 to 2014-15).