

INDUSTRY REVIEW PROJECT REPORT

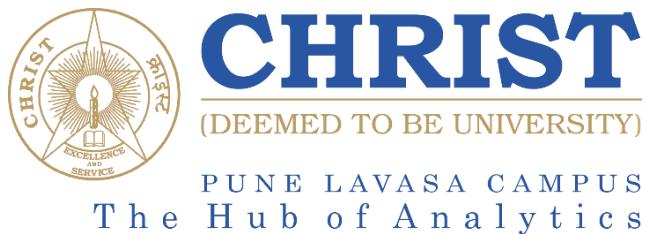
Finance and Investment Industry

*Submitted in partial fulfilment of the requirements for the award of the
Degree of Bachelor of Business Administration (Business Analytics)
Of Christ (Deemed to be University).*

By

Ahmad Shahab (21111362)

Under the guidance of
Asst. Prof. AKHIL KULKARNI



School of Business and Management
CHRIST (Deemed to be University) Pune Lavasa Campus
2021-22



CHRIST
(DEEMED TO BE UNIVERSITY)
PUNE LAVASA CAMPUS
The Hub of Analytics

CERTIFICATE

This is to certify that the project report, titled “*Study on the Performance of Finance and Investment Industry*”, submitted to Christ (Deemed to be University), in partial fulfilment of the requirements for the award of the Degree of Bachelor of Business Administration (Business Analytics), is a record of original research work done by Ahmad Shahab (21111362) during the period 2022 – 2023 of their study in the School of Business and Management at Christ (Deemed to be University), Pune, Lavasa Campus, under my supervision and guidance and the project report has not formed the basis for the award of any Degree/ Diploma/ Associateship/ Fellowship or other similar titles of recognition to any candidate of any University.

Date: 24/08/2022

Place: Pune, Lavasa

Asst. Prof. AKHIL KULKARNI

DECLARATION

I, Ahmad Shahab (21111362) at this moment, declare that the project report titled “*Study on the Performance of Finance and Investment Industry*”, submitted to Christ (Deemed to be University), in partial fulfilment of the requirements for the award of the Degree of Bachelor of Business Administration (Business Analytics) is a record of original and independent research work done by me during 2022 – 2023 under the supervision and guidance of Asst. Prof. AKHIL KULKARNI, School of Business and Management at Christ (Deemed to be University), Pune, Lavasa, has not formed the basis for awarding any Degree/ Diploma/ Associateship/ Fellowship or another similar recognition title candidate of any University.

Date: 24/08/2022

Place: Pune, Lavasa

Ahmad Shahab (21111362)

ACKNOWLEDGEMENT

I want to express my profound gratitude to all those instrumental in preparing this project report. I wish to place my deep appreciation for my project supervisor, Asst. Prof. AKHIL KULKARNI, for his advice and help.

I would like to thank our Vice-Chancellor, Dr Fr. Abraham V.M, Director, Pune, Lavasa campus Dr Fr. Jossy P George, Academic Coordinator Pune, Lavasa campus Dr Fr. Arun Antony, Head, School of Business and Management, Pune, Lavasa campus, Dr Parameswaran S, Program Coordinator – Bachelor of Business Administration – Business Analytics, Pune Lavasa Campus, Dr S Parameswaran for their support.

Lastly, I would like to thank my friends for their constant support and help.

Date: 24/08/2022

Place: Pune, Lavasa

Ahmad Shahab (21111362)

TABLE OF CONTENTS

S. No.	Title	Page No.
1.	Industry profile	
1.1	Evolution/history	7-8
1.2	Major players and their market share	9
1.3	Industry growth and their market shares	10
1.4	Government regulation and policies	11
1.5	Porter's five forces of framework	12-13
2.1	History/founder' profile	14-15
2.2	Product profile	16
2.4	Organization structure	17
2.5	Present market share	18-19
2.6	Future strategies	20
2.7	Financial information	20-21
2.8	Achievements	22
2.9	SWOT analysis	22-23
2.10	PESTLE	24-26
2.11	McKinsey 7s Framework	27-29
3	Comparative analysis	30-41
4	Conclusion	42-43
5	Reference link	44

LIST OF TABLES

Sl. No.	Title	Page No.
1	Product profile	16
2	Muthoot mission & vision	16

LIST OF FIGURES

Sl. No.	Title	Page No.
1	Industry growth	10
2	Porter five	11
3	Muthoot logo	14
4	Founder	15
5	Organizational structure	17
6	Financial summary	18
7	Muthoot finance at BSE	19
8	Shareholding pattern	19
9	Income statement	20
10	Cash Flow Statement of muthoot	21
11	SWOT Analysis	22
12	PESTLE Analysis	24
13	McKinsey 7s Framework	27

CHAPTER 1- INDUSTRY PROFILE

1.1 EVOLUTION AND HISTORY OF FINANCE AND INVESTMENT

INDUSTRY

The word "financial industry" is used to refer to a wide range of services provided by the sector, including anything from payments and digital banking technology to insurance and money management.

A broad category of more specialized operations, such as banking, investing, and insurance, is referred to as **fin**services. Through investing services, people can gain access to financial markets like stocks and bonds. Whether they are human or self-directed internet services, brokers assist the buying and selling of assets in exchange for a commission

So, after my research I got to know about the history of financial sector of India I have divided this in three stages Reforms to the financial system were started in 1991 with the intention of boosting economic growth.

Stage 1

Before independence the Indian financial system was highly unorganized the number of securities which were dealt in market were very less there was no separate issuing agency the number of intermediaries was also very less moreover access to foreign funds was also very limited. So, all and all before independence the Indian financial system was in a poor stage.

Stage 2

After independence that is from 1948 to 1990 this is the stage which witnessed many changes which resulted into the Indian financial system. and these includes first of all there was change in ownership from private to public sector after independence the Government of India underwent the plan development and according to the objective the Government of India established many significant under takings in the public sector so there was the change in the ownership of from the private sector to the public sector.

Then there was nationalization of RBI that is reserve Bank of India nationalization means taking over the control of any entity by the government so RBI was nationalized in 1948 and all of its share capital was purchased by central government.

Then there was nationalization of LIC that is the Life insurance corporation it was done in 1956 nearly 245 Life insurance company were nationalized according to the at the life insurance act 1956.

Then there was nationalization of commercial banks in the major right in 1969 nearly 14 banks were nationalized and in 1980 another 6 commercial banks were nationalized. Nationalization of general insurance corporation it was done in 1972 nearly 107 major general insurance companies were merged into four public sector insurance businesses and these include New India Assurance Company, United India Assurance Company, National Insurance Company and Oriental Insurance

Company with their headquarters in four major cities New Delhi, Mumbai, Kolkata, and Chennai. Then there was setting up of State Bank of India it was set up in 1955 with taking over of the business of imperial Bank. State Bank of India was the established with its various associates.

Setting up of financial institutes these financial institute were set up to supplement the goal of banking sector to channelize the funds in the economy and include the setting up of developmental financial institutions investment institution and other institutions developmental financial institution were set up for the growth and development of various sector like agriculture industries etc. first of all in this category was set up ifci in 1948 that is the industrial financial corporation of India then in the serial came the ICICI and idbi then there was the investment institution include the institution like mutual funds and insurance as examples then there were others these include the establishment of many apex institutes like NABARD was established in 1982 for the growth and development of rural areas and agricultural sector.

Then there was the changing role of commercial banks during this time period the commercial banks expanded from there tradition role of only accepting the deposits and lending the money to the various merchant banking operations also which includes issue management, lease financing etc. This was the 2nd stage which saw many changes in the Indian financial sector.

Stage 3

Finally there is the 3rd stage that is the stage from 1991 till date in 1991 the government of India introduce the policy of liberalization, privatization, and globalization in the wake of that the Indian financial system witnessed many changes these include the first one is entry of private sector again in India they host the establishment of public sector undertakings but many of them were very much sick that's why the private sector came into the picture to overcome the inefficiency of the public sector undertakings. 2nd one is the emergence of NBFCs that is non-banking financial corporations these are the corporation which perform fund based and fee-based activities like lease financing, high purchase system like installment system.

Next is changing role of DFIs that is developmental financial institutions. DFIs also underwent and changed in their traditional goal they also started fund-based activities and they also started issuing bonds to the general public. Growth of the mutual funds seeing the larger size of middle-income group in India there was mushroom growth of mutual funds in India there is almost different mutual funds of every sector in India.

Then there was an establishment of SEBI that is the securities exchange bond of India it was established in 1992 with the objective of growth and development of the security market with the objective of investors' interest protect. Securities market saw the establishment of various rules and regulations for the protection of interest of investors to bring transparency in the securities market.

So, these are the various stages which has resulted into the present day Indian financial system

1.2 MAJOR PLAYERS AND THEIR MARKET SHARES

Bajaj finance limited- Market cap of 3.56 lakh crore

It was founded in 2007, Bajaj Finance Limited is a lending arm of Bajaj Finserv Limited. It's headquartered is in Pune. The company deals in loans, general insurance, consumer finance, small and medium-sized enterprises, commercial loan, and wealth management.

Tata capital financial service Ltd – Market cap of 4.56 lakh crore

Tata Capital financial service Limited is a financial and investment service provider in India. Tata Capital financial service limited offers consumer loans, wealth management, commercial loan, among others. The company is a subsidiary of Tata capital limited and was established in 2007. The company is registered with the RBI as non-deposit accepting non-banking financial company (NBFC)

Aditya Birla finance Ltd – Market cap of 22.53 T crore

ABFL is a part of the Aditya Birla Financial Services. It was incorporated in 1991 and offers precise and customized solutions from corporate finance to commercial mortgage, and from capital markets to structured finance. It offer end to end lending

Muthoot finance Ltd – Market cap of 41T crore

It is India first gold loan NBFC institution. Muthoot Finance Ltd provides loans only against gold ornaments and offers foreign exchange services, money transfers, wealth management services, travel, and tourism services. It comes under the Muthoot group. Headquarter in Kochi, Kerala.

L & T finance Ltd - Market cap of 17 T crore

L & T Finance Limited was established in 1994 and is headquartered in Mumbai. It offers funding services to different sectors such as agriculture, trade, industry.

Among all the major players in the finance and investment Bajaj finance limited and Tata capital service limited are the biggest contributor and players in this sector with a market cap of more than 7.08 lakh crore

1.3 INDUSTRY GROWTH AND THEIR MARKET SHARE

Currently, India's financial sector is growing at a rate of about 8.5 percent per annum. An increase in the growth rate indicates that the economy is expanding. Monetary and financial policy can maintain a stable growth rate.

The macroeconomic and monetary policy reforms that have taken place in recent years have had a profound impact on the Indian economy. A major step towards further opening up the financial sector was the removal of rules restricting the expansion of India's financial sector. The rate of inflation must continue to decrease in order to maintain such a development in the long term.



Fig-1

1.4 GOVERNMENT REGULATIONS AND POLICIES

Regulations and policies are very important for any organization or Industry to run without any sort of malpractice. The government uses few finance and investment policies in the financial and investment sector to standardize and regulate certain forms of behaviour among investors. The government accomplishes this by keeping an eye on things and enforcing penalties when laws are broken. These laws made by government would ensure better management, less corruption or collapsing of the company. SEBI on behalf of government regulate these activities.

The impact of these laws may have different effects on companies belonging to the financial and investment industry, depending on their nature and conduct. but the exact effects vary depending on the type of legislation, as changing business processes to adequately comply with the new requirements takes effort and time.

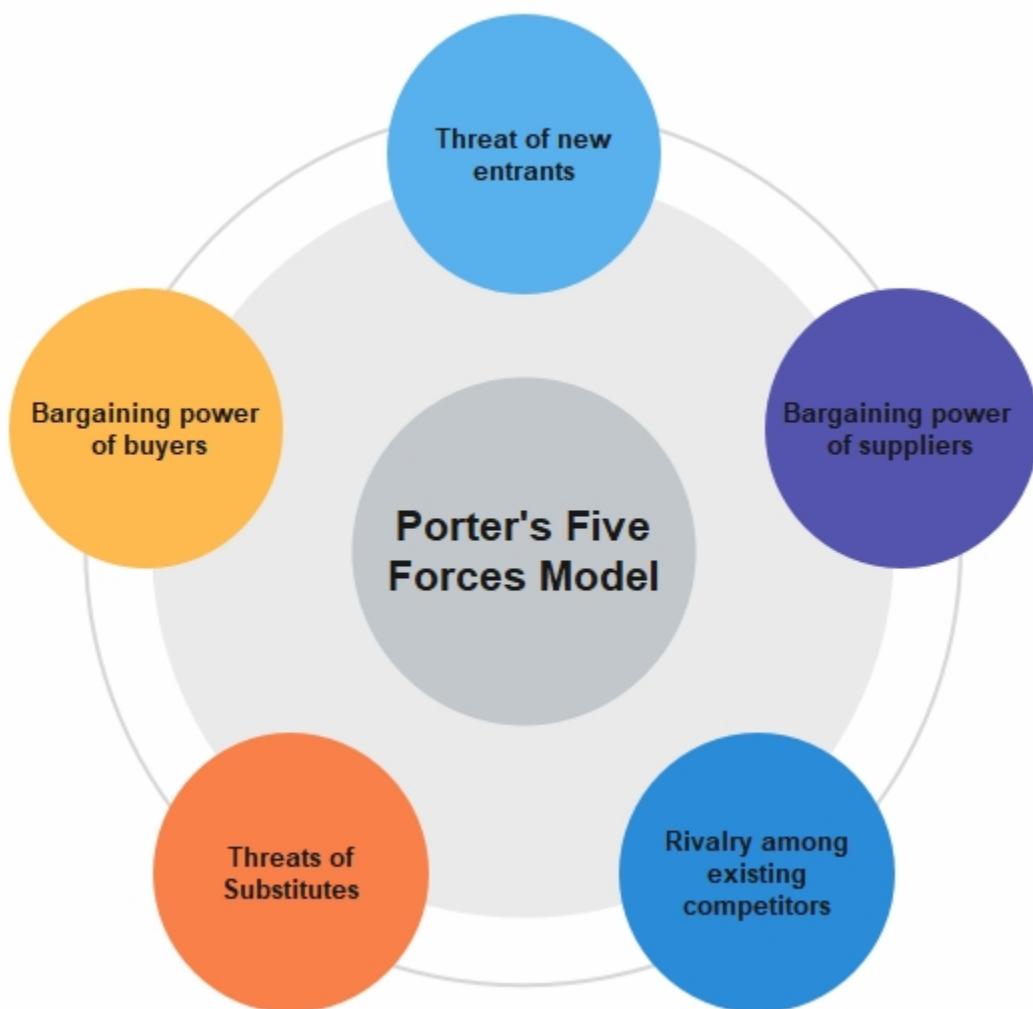


Fig 2

1.5 PORTER'S FIVE FORCES FRAMEWORK

In this framework, we try to examine the degree of competition within a sector and the creation of company strategies through this Framework. This framework derives five forces that control the level of industry competition and, consequently, its appeal.

➤ **Bargaining Power of Buyers:**

In the finance & investment industry customers' or purchasers' bargaining power is relatively high. Because several substitutes are available in the market buyer is easily getting bond and share at the same interest rate. Product\share are not differentiated easily until and unless they are given at different interest rare.

➤ **Bargaining Power of Suppliers:**

To determine whether Muthoot finance faces high or low bargaining power from suppliers in the finance and investment industry, consider the following analysis----

The number of suppliers relative to buyers: There is a significant amount of suppliers relative to buyers
Therefore, supplier power is low.

Switching costs: Since there are a significant amount of suppliers in the finance and investment industry, switching costs are low for buyers. Supplier power is low.

Forward Integration: There is low forward integration in the finance and investment industry.

Overall, Muthoot finance faces low bargaining power of suppliers. Therefore, supplier power is not an issue for muthoot finance in the finance and investment industry

➤ **The Threat of New Entrants:**

If there is a strong threat of new entrants in the finance and investment industry then muthoot finance limited will be willing to earn lower profits to reduce the threats from new entrant.

➤ **The Threat of Substitutes**

In any Industry, people prefer goods and services that are cheap and cost-effective. This is also true for the finance and investment sector, where investor would rather purchase bond\share that are less expensive and give maximum return.

➤ The Intensity of Rivalry among Competitors:

As competition is high it becomes very difficult for Muthoot finance Ltd to earn sustainable profits. As there are many competitor like HDFC asset holding, Bajaj investment so muthoot finance try to lower the finance so that they can gain large are of market

CHAPTER II – COMPANY PROFILE



Fig.3

2.1. ABOUT THE COMPANY

The largest gold loan NBFC in the nation is an Indian financial company called Muthoot Finance Ltd. The business also sells gold coins and provides wealth management, travel, and tourism services in addition to financing gold transactions. The company has more than 4,400 branches across the nation and has its headquarters in Kochi, Kerala. Muthoot finance has operations outside of India in the US, the UK, and the United Arab Emirates.

The Muthoot Group is the parent firm of the business. Both the NSE and the Bombay Stock Exchange (BSE) list its stocks. The amount of revenue (after expenses) was above 23,000 crore (US\$4.2 billion) as of March 2012. Small enterprises, vendors, farmers, merchants, SME business owners, and other market segments comprise Muthoot Finance's target market.

2.2. HISTORY OF THE COMPANY

Another wholly-owned subsidiary of Muthoot Finance, Muthoot Home fin (India) Limited, specializes in financing for affordable housing. Belstar Investment and Finance Private Limited (BIFPL), a division of Muthoot Finance, provides microloans. Muthoot Finance is the owner of 66.61 percent of BIFPL's equity share capital. Asia Asset Finance PLC (AAF) Colombo, an overseas subsidiary of Muthoot Finance, engages in retail finance, hire purchase, and business loans. The Muthoot Finance Pvt Ltd, a private corporation under the name Muthoot Finance Ltd, was incorporated on March 14, 1997. M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot, and George Alexander Muthoot are the company's promoters. Since M George Muthoot (the promoters' father) formed a gold loan business in 1939 on the foundation of a trade company started by his father Ninan Mathai Muthoot in 1887, the company's operating history has developed over a period of 70 years.

The business received a license from the RBI in 2001 to operate as an NBFC. Muthoot Enterprises Private Ltd merged with the corporation on March 22, 2005, in accordance with the merger plan for the year 2005. The company's name was changed from the Muthoot Enterprises Private Ltd to Muthoot Finance Pvt Ltd on May 16, 2007.

The firm opened 278 new branches in several states throughout the 2008–2009 fiscal year. Regional offices were further built in Vishakhapatnam On November 18, 2008; the business became a public limited company and adopted the name Muthoot Finance Ltd. As a result of changing their name, they were granted a new RBI license to operate as an NBFC without taking in public deposits. The corporation opened 620 new branches in 2009–2010.

With effect from January 1, 2010, the company's radio division was divided up in accordance with the de-merger plan and handed to Muthoot Broadcasting Pvt Ltd. 316 new branches were opened by the muthoot group between April 2010 and August 2010. The company's branch network reached 1600 branches in 2010, its retail loan portfolio reached Rs. 7400 crore, its retail debenture portfolio reached Rs. 2700 crore, its net owned funds reached Rs. 500 crore, and its bank credit limits reached Rs. 1700 crore.

The company's retail loan portfolio exceeded Rs 15800 crore, its retail debenture portfolio over Rs 3900 crore, its net owned funds above Rs 1300 crore, its gross yearly income exceeded Rs 2300 crore, and its branch network exceeded 2700 branches in 2011.

FOUNDER



fig-4

(M.G. GEORGE MUHOOT)

2.3. PRODUCT PROFILE

The company's main business is providing personal and business loans primarily to individuals who do not have access to formal credit. The loans are typically secured by gold jewelry. Muthoot also offers some microfinance loans and housing loans to customer segments and areas that are underserved by banks. Interest income accounts for nearly all the company's revenue. Muthoot has operations in Sri Lanka and India, with India providing almost all the company's revenue.

Invest in various companies and assets which generate dividends and profits. The diversity of income of Muthoot finance Ltd Company is showed below for the year 2021 along with the sales value and percentage.

Source	Amount	Percentage
interest	139.41Cr	65.15%
Rental Income	10.10 Cr	5.19%
Income From Sales of Share & Securities	65.73 Cr	17.88%
Divided	40.23 Cr	10.94%
Other services	3.00 Cr	0.81%

MISSION

To build leading customer centric business enabled by technology, maintaining the highest standards of corporate governance & uncompromising values

VISION

Be the most trusted, globally diversified institution enriching lives of the masses while contributing back to the society

70 crore + Satisfied customer	5,330 + branches	40,000 + Employees across	800 years of Family business legacy
-------------------------------	------------------	---------------------------	-------------------------------------

2.4. ORGANIZATIONAL STRUCTURE

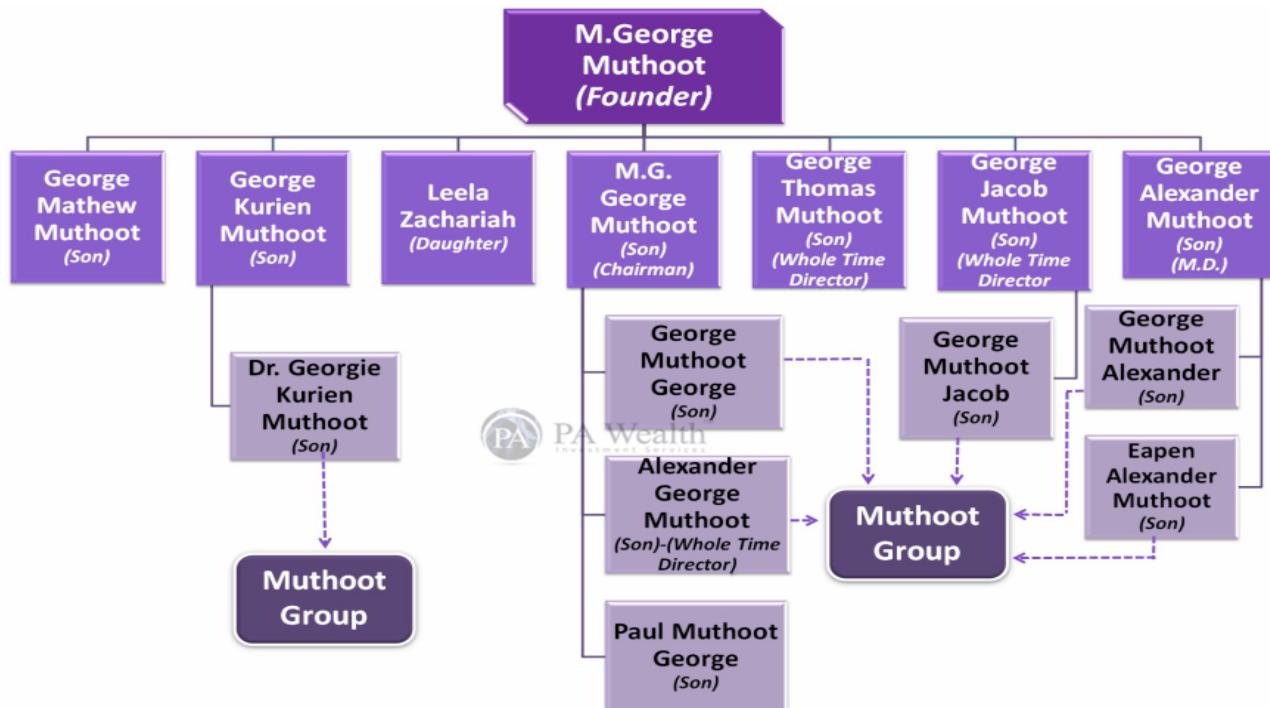


Fig.5 (Source: Google)

The above image shows the individuals leading the company. The organizational structure of Muthoot finance Limited is not very different from the other organizations.

The structure includes the following:

- Mr. M.George Muthoot as a Chairman & whole time director of muthoot finance limited
- Mr. George Alexander Muthoot as Managing Director
- Mr. George Jacob Muthoot as Whole Time Director
- Mr. Oommen K mammen as a Chief financial officer

2.5. PRESENT MARKET SHARE

Muthoot finance limited is one of the leading Finance and investment companies in the country. Muthoot finance limited have played key role in the development and growth of the country. The company has achieved an exceptional foundation and trust in the market due to the past history and achievements along with the debt free status.

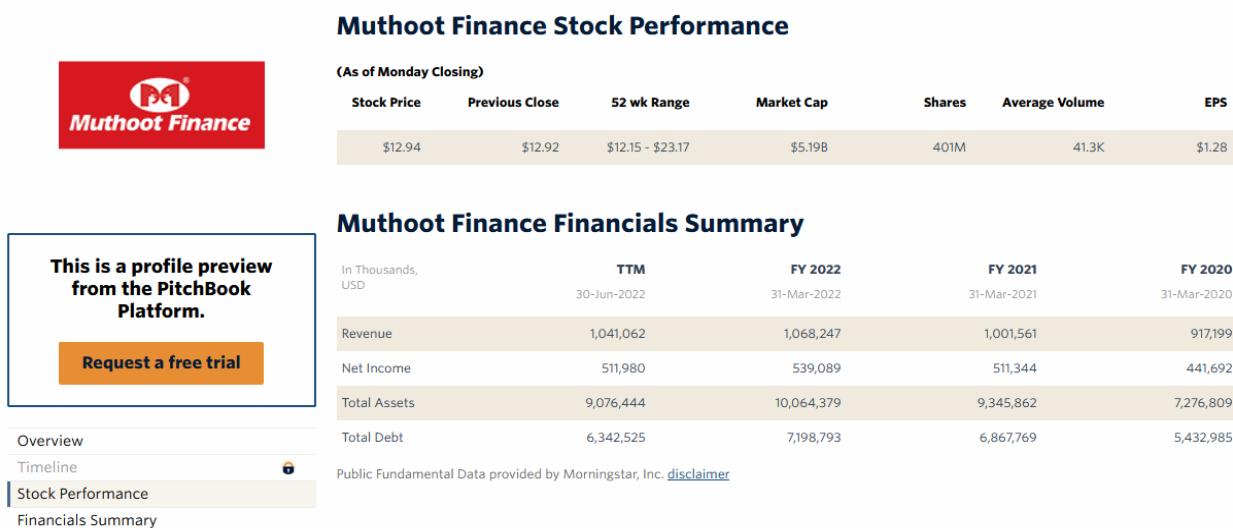


Fig.6(Source: Screener)

The present share price of Muthoot finance Ltd in BSE is 1,032.80 on 6 Sep ,2022

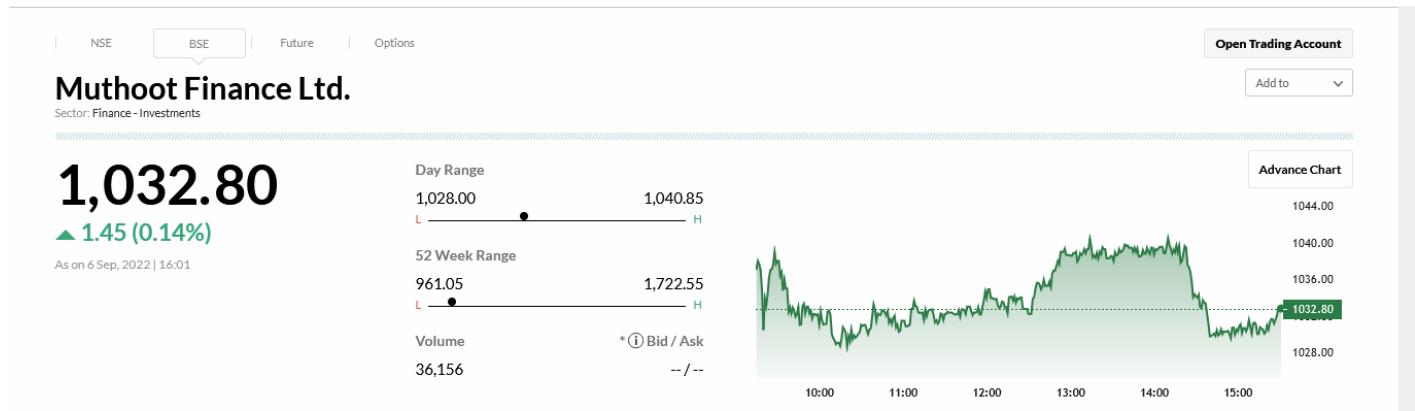


Fig.7 (Source: money control)

Shareholding pattern of Muthoot finance limited for the previous years

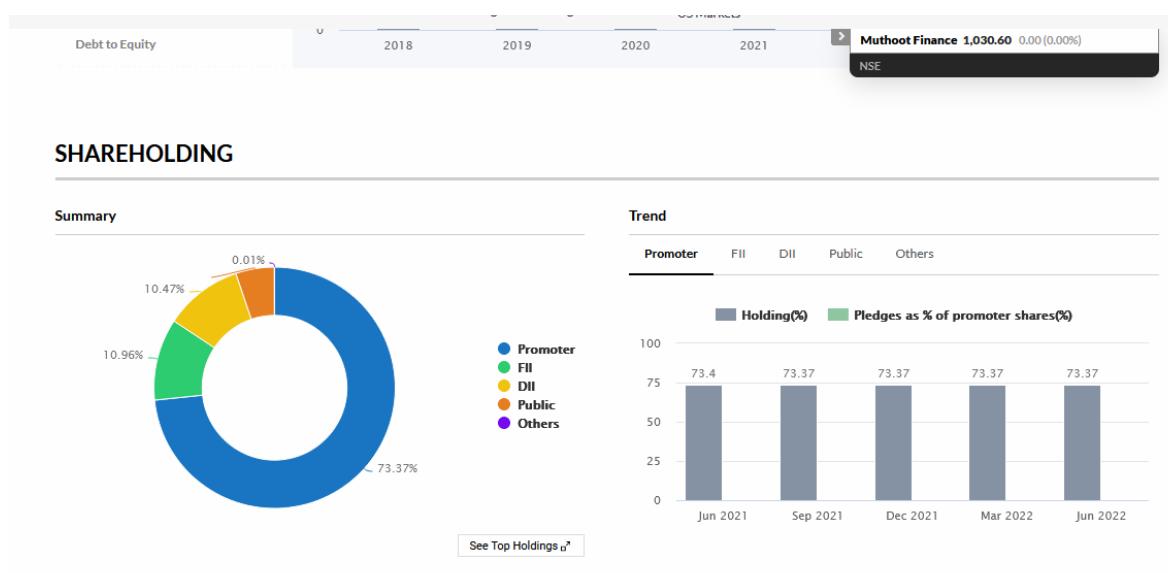


Fig.8 (Source: Screener)

2.6. FUTURE STRATEGIES

Muthoot Finance Ltd announced it plans to expand their offering of Gold Loan@Home from 100+ locations to across 5,400+pan-India branches. From being present in 100+ locations last year, Gold Loan@Home services are now being offered in all locations in South India and most of the major cities in North India. The plans are to further scale this service across all Muthoot Finance 5,400+ branches, it said in a press statement.

The service called Muthoot Finance Gold Loan@Home or Loan at Home was launched in 2020 during the pandemic to enable their customers who were looking to avail hassle-free gold loan of Rs 1 lakh and above from the comfort and privacy of their homes. Muthoot Finance had launched this fit-for-purpose innovation that would help the women borrowers, working class, self-employed and HNI customers to meet their financing requirements without stepping out of their homes.

2.7. FINANCIAL INFORMATION

Income statement of Muthoot finance limited



Fig.9 (Source: Screener)

Cash flow of muthoot finance limited

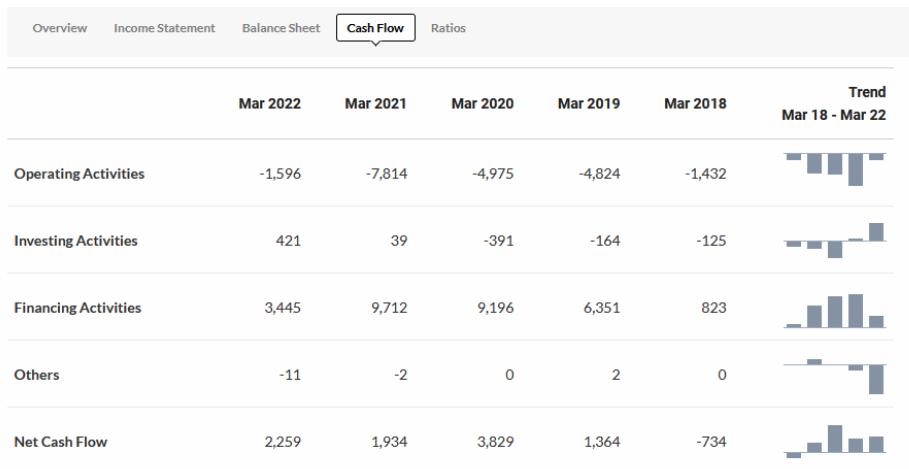


Fig.10 (Source: Screener)

Financial information overview of muthoot finance limited



Fig.11 (Source: Screener)

2.8. ACHIEVEMENTS

Muthoot finance and won numerous awards and recognitions in the past and some of them are mentioned below ----

Muthoot Finance Wins Skoch Financial Inclusion Award 2013

On the occasion of Financial Inclusion Day, Muthoot Finance, the flagship company of The Muthoot Group won the coveted Skoch Financial Inclusion Award 2013. The award was conferred by Dr C Rangarajan, Hon'ble Chairman, Economic Advisory Council to the Prime

Muthoot Finance Bags Twin CSR Awards By IPE

Muthoot Finance was honoured with twin Corporate Social Responsibility Awards (CSR) – “Return to Consumer” and “Community Development” at a glittering ceremony held at Singapore

Golden Peacock Award

Muthoot Finance Ltd. was awarded The Golden Peacock Award for Corporate Social Governance on 30th August, 2012 in Dubai. Shri MG George Muthoot, Chairman of The Muthoot Group, accepted the award on behalf of the company

2.9. SWOT ANALYSIS

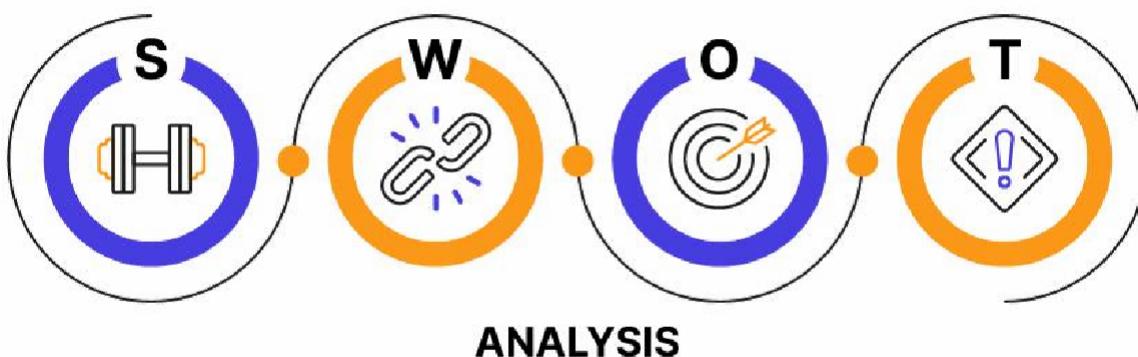


Fig.11 (Source: Google)

a) STRENGTHS

- It didn't appear to be significantly affected by the pandemic, demonstrating a high level of trust in the business.
- An increased profit margin with increased Net profit can be seen quarter over quarter.
- Muthoot finance Ltd doesn't have any debts and thus the risk of Going bankrupt or failing is comparatively very low.
- From the previous 2 years the book value per share is seen increasing
- The net cash flow and Cash from operating activities are seen increasing
- Annual net profits are seen improving over the last 2 years along with a growth in quarterly net profit with increasing profit margin on year on year.
- The company hasn't pledged any of its promoter shares which is a good sign.
- Mutual funds have increased their holdings in the past months.

b) WEAKNESSES

- The efficiency of using capital to generate profits is less which is RoCE (return on capital employed) is declining in the past 2 years.
- Also, inefficiency in the use of assets and shareholder funds can be seen to generate more profits and both ROA and ROE are declining in the past 2 years.
- A decline in the revenue for the previous 2 quarters is also observed.
- Company's financial standing is precarious, as seen by its poor Piotroski score
- Return on equity declining due to insufficient use of shareholder funds

c) OPPORTUNITIES

- Due to the potential effects of a lockdown, gold demand will probably increase.
- Its net profit is increasing rapidly, and in the past three months, the stock market has increased by 10%.
- Given that it already has a positive reputation in the industry, the company is able to enter new markets because of the increased market stability brought about by the low inflation rate,
- Muthoot Finance's customers can now get credit at cheaper interest rate

d) THREATS

- The banks and non-banking financial entities are becoming more competitive. However, while the company's subsidiary businesses don't appear to be doing well, its gold business is anticipated to perform well.
- Even though Muthoot Finance now leads the industry in terms of product innovation for consumer financial services, It is up against tough competition from both domestic and foreign rivals.
- Muthoot finance limited as of now doesn't posses any visible major threats.

2.10. PESTLE ANALYSIS



Fig.12 (Source: Google)

a) POLITICAL FACTORS

- Political stability in markets – Muthoot Finance operates in numerous countries so it has to make policies each country based on the Consumer Financial Services industry specific requirements.
- Armed Conflict - The disruption of the business environment brought on by military policies, terrorist threats, and other political instability does not pose an immediate threat to India. Muthoot Finance has experience managing operations under challenging conditions.
- Local governments are important in India - Unlike most other nations, India places a high priority on local governments when it comes to rules and policymaking. Rather than creating policy for the entire country of India, Muthoot Finance must closely monitor the states and territories where it is present.
- Changing policies with a new government - Based on present trends, it appears that India's government. Muthoot Finance needs to be ready for this possibility because it will cause the financial sector's governance goals to change.

b) ECONOMIC FACTORS

- Negative pressure on consumer sentiment and, as a result, on consumer spending – Despite a steady level of consumer disposable income, the growing social divide will have a negative impact on consumer attitudes and, as a result, on consumer spending habits.
- The performance of Muthoot Finance in India may suffer as a result of government interference in the financial system, notably in the Consumer Financial Services sector.
- With India's trade policy becoming more liberal, Muthoot Finance might be able to increase its investments into sectors that are currently off-limits to the business.
- Existence of core infrastructure in India - To facilitate and enhance the business climate, the Indian government has expanded investment in the development of core infrastructure over time. Muthoot Finance can make use of the current infrastructure to promote growth in the Indian financial sector

c) SOCIAL FACTORS

- Attitude toward health and safety - As liberalization progresses, attitudes regarding safety are becoming laxer. Due to the enormous cost of failing in India, Muthoot Finance must avoid adopting these attitudes.
- Demography - Muthoot Finance has demographics on its advantage when it comes to financial products. India is a developing, young nation.
- Muthoot Finance might take advantage of this tendency to appeal to various demographic groups.
- Education - India, particularly in the Muthoot Finance sector, has a high level of education. It can be used by Muthoot Finance to increase its footprint in India.
- Migration - In India, there is a general negative attitude toward migration.
- This may affect Muthoot Finance's capacity to hire managers and executives from other nations to run its activities in the nation

d) TECHNOLOGY

- As mobile technology has advanced and spread, client expectations in the financial sector have changed. In order to be competitive, Muthoot Finance must not only fulfill and control these expectations but also innovate
- The promise of 5G — Muthoot Finance must closely monitor the growth and improvement of user experience with rising speed and access. The consumer financial services sector's user experience for customers could be fundamentally changed by this.
- Technology transfer and licensing challenges for Muthoot Finance - Companies frequently hesitate to transmit or license technologies out of concern that they would turn their collaborators into rivals because there is not a strong culture of technology transfer in the financial sector.
- Technology Maturity - The technology in the consumer financial services industry has not yet matured and the majority of firms are searching for new developments that will allow them to increase their market share in India.

e) ENVIRONMENTAL FACTOR

- Regular scrutiny by environmental agencies is also adding to the cost of operations of the Muthoot Finance.
- Environmental norms are also altering the priorities of product innovation. In many cases products are designed based on environmental standards and expectations rather than catering to traditional value propositions.
- Waste management especially for units close to the urban cities has taken increasing importance for players such as Muthoot Finance. India government has come up with strict norms for waste management in the urban areas.

f) LEGAL FACTOR

- Data protection legislation - Over the past ten years, data protection has become an essential component of both privacy concerns and intellectual property rights. Muthoot Finance needs to think about whether India has a reliable system in place to guard against data breaches
- Business Laws - The legal framework for conducting business in India. Are these standards in line with those of global organizations like the World Trade Organization, the European Union, etc?
- Health and safety regulations in India, what Muthoot Finance must do to comply with them, and how much it will cost to do so.

2.11. MCKINSEY 7S FRAMEWORK

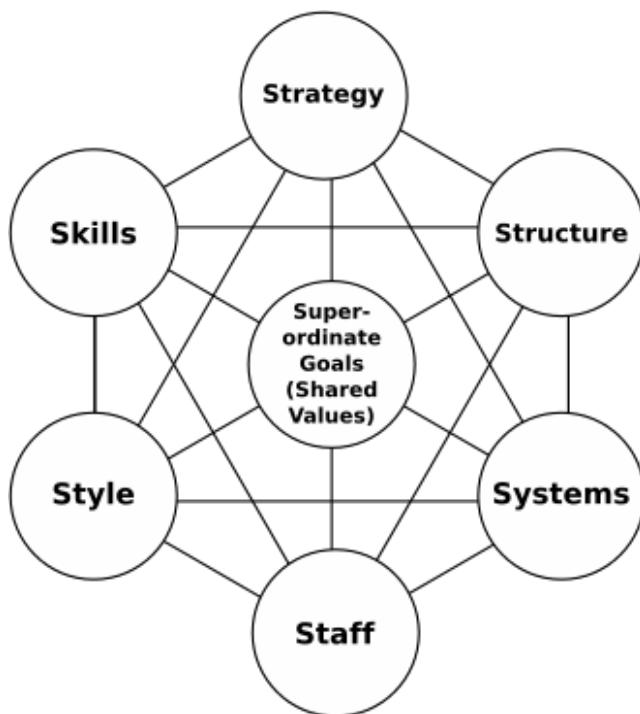


Fig.13 (Source: Google)

The 7 S frameworks is a tactical tool for better understanding and analyzing the complexity of an organization. It was first developed by Tom Peters and Robert Waterman in their best-selling book "In pursuit of greatness." The Mckinsey 7S model offers a multidimensional framework to examine an organization's current condition and areas where improvements can be made to help it accomplish its goals

I. STRATEGY

Muthoot Finance must strike a compromise between preserving its primary competitive edge and achieving short-term cost savings. Customers believe that Muthoot Finance's goods and services offer "worth for money" plus a little bit more. Muthoot Finance should refrain from making cost-cutting decisions that could lead to the delivery of subpar goods and services in its eagerness to increase market share through price competition.

II. STRUCTURE

The epidemic has called into question the company's current organizational setup and supply chain management. Diversifying suppliers geographically is something Muthoot Finance should prioritize if it wants to become a more resilient organization and get ready for disruptions of a similar size in the future. This will ensure that disruptions due to climatic, geopolitical, and other factors won't threaten the company's long-term survival. Reduce your reliance on China - As the US and China's trade spat heats up, you should lessen your reliance on supply chains that originate in China. This will assist the organization in reducing risks, avoiding legal issues, etc.

III. SYSTEM

Improve internal procedures, including risk management, customer relationship management (CRM), web app optimization, and data visualization across the firm. These are the topics Muthoot Finance has to concentrate on. Muthoot Finance must set up a reliable system for "work from home" workers so that there may be more engagement between the staff members both online and in person. It will strengthen data security and cyber security in addition to productivity.

IV. STAFF

The following are some actions Muthoot Finance can take to enhance its human resources:

Recruitment and remote onboarding - A lot of people are working from remote areas as a result of the epidemic. Muthoot Finance should develop a method for remote onboarding that includes a library of brief videos, small group interaction, and technical demonstrations to make the workplace more inclusive for new workers.

People can approach those at different levels of the system in open talks. Building an open and transparent culture will benefit from it as well as allow senior management to communicate directly with those below them. The company should make a space for interaction and an environment where employees can work efficiently and collectively as employees who work from home can lack the opportunity to catch up with others in the team.

Having an open space for the lower-level employees to connect with superior or higher-level management team as it will help the higher-level management to interact live with the lower-level employees and understand their problems and also provide a transparent work environment

V. SKILLS

For those who work remotely, Muthoot Finance can create a systematic training and development programme. Since more and more workers are leaving their current positions because they are not challenging them enough, Muthoot Finance can hire new talent.

VI. STYLE

In a remote setting vs a physical place, fundamentally different leadership philosophies are needed. In a real-world setting, a manager can drop by a conversation, offer input, and review the work. Employees must work in much more of an isolated atmosphere in remote areas. Leaders should promote a collaborative and inclusive style of leadership to enhance workflow. Smaller teams should be formed by leaders as components of bigger teams.

VII. SHARED VALUES

The company can focus more on the sustainability and the company currently is focused on social empowerment and helping society being profited from the companies' profits and also have focused in taking sustainable initiatives. The company also adds values to the employees.

CHAPTER III- COMPARATIVE ANALYSIS

PARAMETERS	COMPANY 1	COMPANY 2	COMPANY 3
Name of the enterprise	HDFC Asset Management Company Limited	Muthoot Finance Limited	Bajaj Holdings and Investment Limited
Year of Establishment	1994	1939, Kerala	1926
Company Headquarters	HDFC House, H T Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020	Headquarter Ernakulam, Kochi, Kerala India	Mumbai Pune Road Akurdi Akurdi, Maharashtra, 411035 India
No. of Present Employees	1,52,511	25,554 present employees	253 present employees
Mergers and Acquisitions, Joint Ventures & Strategic Alliances/Tie-Ups.	The proposed merger of HDFC Bank and HDFC Ltd and the recently announced acquisition of Citibank India's consumer business by Axis Bank could encourage banks to turn to mergers and acquisitions (M&A), Fitch Ratings said in a report. He added that banks could target	Muthoot Finance Limited has announced a partnership with fintech NIRA as part of its strategy to strengthen its digital footprint. Through this partnership, paying customers can avail a personal loan of up to 1 lakh from Muthoot by downloading the NIRA app from the Google	BHIL holds strategic stakes of 33.43% in Bajaj Auto Ltd. (BAL) 39.29% in Bajaj FinServ Ltd. (BFS) and 51% in Maharashtra Scooters Ltd. (MSL) Bajaj holdings and investment ltd bought major stakes in MSL and the company have

	large non-banking	Play Store.	
--	-------------------	-------------	--

	financial institutions (NBFI) due to their higher margin products, large number of priority sector customers and loans and potential cross-selling opportunities.		become a subsidiary of BHIL now
A brief profile of the CEO	Sashidhar Jagdishan is a science graduate majoring in Physics. He also holds a master's degree in monetary economics, banking and finance from the University of Sheffield in the UK. He also worked as a chartered accountant. In 1996, Sashidhar Jagdishan merged with private lender HDFC.	Shaji Varghese is the Chief Executive Officer of Muthoot Fincorp Ltd which is the flagship company of Muthoot Pappachan Group. The company has a business history of 134 years. Shaji Varghese holds a BA in Law and an MA in Management Science with specialization in Finance and Marketing from the University of Pune and graduated from the Strategic Management Development Program at Harvard University. Shaji Varghese has over 25 years of experience in the banking and finance sector and	Sanjiv Bajaj is the current CEO of Bajaj Holdings and investment Ltd. He's born into the Bajaj family and is the great grandson of the founder Jamnalal Bajaj and younger son of Bajaj group chairman. He has pursued mechanical engineer from university of pune and a master's degree in manufacturing systems engineering from the university of Warwick followed by a management degree from Harvard business school. He Bagan his career in 1994 by being a part Bajaj Auto. In the beginning

		<p>served as President - Housing Finance at Cholamandalam Investment and Finance Company Ltd.</p>	<p>of this journey with Bajaj He have been part in various roles including heading finance, legal and international business functions. He is also on the board of his group operating companies as the chairman of Bajaj finance ltd.</p> <p>Maharashtra scooters Ltd. Bajaj FinServ Asset Management Limited.</p>
Total Share Capital	The authorized share capital of the Bank is Rs. 650 crores.	<p>Shares = 401195856</p> <p>Face value = 10</p> <p>401.22 CR</p>	8402 Cr
Market Share in each product line [during last three years]		<p>Muthoot finance Ltd doesn't have any products or functions other than making investment decisions</p>	<p>Bajaj Holdings and Investment Ltd doesn't have any products or functions other than making investment decisions and managing the companies under BHIL</p>
Present Shareholding pattern	The Shareholding Pattern of HDFC Bank	<ul style="list-style-type: none"> • No Of Shares 100% 	<ul style="list-style-type: none"> • Promoters: 51.09% • FII: 12.06%

	Ltd is by Promoters of the company followed by FII's, DII's and Shareholding by general public etc.	<ul style="list-style-type: none"> • Promoters 73.37% • Foreign Institutions 10.96% • N Banks Mutual Funds 9.23% • Central Govt 0% • Others 1.17% • General Public 4.02% • Financial Institutions 1.24% 	<ul style="list-style-type: none"> • Public financial institutions: 0.22% • Mutual funds: 3.58% • Nationalized and other banks: 0.02% • NRIs and OCBs: 0.79% • Others: 32.24%
Total Sales Turn Over including Export value.	HDFC Bank annual revenue for 2021 was \$20.904B, HDFC Bank annual revenue for 2020 was \$18.706B, a 7.64% increase from 2019.	11098.39 Cr	1833.16 Cr
Major Competitors in primary business/es	ICICI Bank Kotak Mahindra Axis Bank IDBI Bank	<ul style="list-style-type: none"> • Shriram Trans • IRFC • M&M Financial • Sundaram Finance Ltd • Poonawalla Finance Ltd • L&T Finance 	<ul style="list-style-type: none"> • Balmer Lawrie Investments Ltd • Bengal & Assam Company Ltd • BF Investment Ltd. • Binani Industries Ltd.

		<ul style="list-style-type: none"> • Credit Access Gr • Shriram City • Bharat Fin • Motilal Oswal • Manappuram Finance ltd 	<ul style="list-style-type: none"> • Bombay Burmah Trading Corporation Ltd.
The annual Growth rate lasts five years.	+584.90 (66.18%)	2018 - 6,161.83 Cr growth 2019 - 6,878.21 Cr growth 2020 - 8,714.64Cr growth 2021 - 10,557.21Cr growth 2022 - 11,082.32 cr growth	9.5% growth rate
No Subsidiaries (Plants/Branches)	6,378 branches across 3,203 cities.	More than 4,500 branches Seven subsidiaries are: <ul style="list-style-type: none"> • Muthoot Money • Muthoot insurance broker • Asia asset finance PLC 	<ul style="list-style-type: none"> • Bajaj Auto Ltd - Associate • Bajaj FinServ Ltd - Associate • Bajaj Auto Holdings Ltd. – Subsidiary • Maharashtra Scooters Ltd - Subsidiary

		<ul style="list-style-type: none"> • Belstar microfinance limited • Muthoot asset management • Muthoot trustee 	
Diversification and other businesses	HDFC's key associate and subsidiary companies include HDFC Bank Limited, HDFC Standard Life Insurance Company Limited, HDFC ERGO General Insurance Company Limited, HDFC Asset Management Company Limited, GRUH Finance, HDFC Venture Capital Limited, HDFC RED. etc	Muthoot finance limited have expanded their reach in many fields such as Vehicles and asset finance, Healthcare, power generation, microfinance, Overseas operation, plantation & estates, Leisure & hospitality	Bajaj holdings and investment ltd have expanded their reach towards Automobile industry and offers other products and services such as financial services, insurance, electronics, education services, cement, food products etc.
Nature of Business & main business& other businesses	The bank has two subsidiaries namely HDFC Securities Ltd and HDB Financial Services Ltd. The bank has three main business segments, namely wholesale banking and treasury.	Muthoot finance limited have expanded their reach in many areas such as vehicle and asset finance, healthcare, power generation, microfinance, overseas operations, plantations and estates, leisure and hospitality	Bajaj Holdings and Investment Ltd is registered as a non-banking financial Company (NBFC). The company primarily acts as the investment company focuses on bring new opportunities business.

			The associates and subsidiary companies individually focus on specific industry and focus to provide better products and services in the respective industry they belong.
Product profile (Range of Products)		Muthoot finance limited primarily Focuses on investments, gold loan housing finance, personal loan, insurance, gold coin, money transfer, etc.	Bajaj Holdings and Investment Ltd primarily Focuses on investments, dividends interest.
No. of Patents/ Trade Marks/ Copy Rights		Muthoot Finance is a Device Trademark filed on 23 September 2010 in Kerala through Chennai IP Office. The Trademark was registered to M.G. George Muthoot Trading As: Muthoot Finance Partnership Firm Details: George Thomas Muthoot, George Alexander Muthoot, George Jacob Muthoot	Bajaj Holdings and Investment Ltd has registered BAJAJ brand as a trademark in blue and the rights to use the same are given to Bajaj Auto and Bajaj FinServ.
Market capitalization	Market capitalization - 8.17 trillion INR	42,770 CR	57,925 Cr

Number of awards & Recognitions	HDFC bank has won around 5 awards in 2022	<p>In the year 2012 Muthoot company won the Asian Sustainability Leadership Award for Best Rural Outreach.</p> <p>At Asian leadership awards held in Dubai they won BFSI Award for the "Most Admired Loyalty Program" in 2012</p> <p>Golden Peacock Award for CSR being conferred upon Muthoot Finance Ltd.</p> <p>In 2013, the company received the Golden Peacock Award "HR Excellence for 2013", which recognizes the continued commitment of businesses to behave ethically and contribute to economic development while improving the quality of life of employees.</p>	The companies under BHIL have won numerous awards and recognitions. Some of them are: Chakan plant of the company received super platinum award, Bike maker of the year award by Overdrive Awards, Bike manufacturer of the year 2007 award by NDTV Profit Bike India.
Latest Launch of Products	HDFC Bank plans to launch its products and services including a	Muthoot recently expanded its doorstep	BHIL's associate Bajaj Auto launches 2 Pulsar 250 which is

	<p>new payment platform under Digital 2.0 in the next few quarters. The bank is working with a new-age start-up to leave the existing core banking platform and co-create new core banking modules.</p> <p>HDFC Bank MD and CEO Sashidhar Jagdishan said in the FY22 Annual Report that the bank is creating new solutions through Digital Factory.</p>	<p>gold loan service across South India.</p> <p>Muthoot Finance, a gold finance company, has received approval from the Reserve Bank of India to open 150 new branches across the country.</p>	<p>the biggest Pulsars in the series along with electric scooters under the name Chetak.</p>
CSR [Corporate Social Responsibility] Initiatives/Philanthropy	<p>CSR - The Bank's CSR mission is to contribute to the social and economic development of the community</p>	<p>To bring about change where it is most needed—among India's most fortunate—and to show how our ideals are true through an integrated social programme that aims to include everyone.</p> <p>The Muthoot M. George Foundation works to support the less fortunate members of society by helping with medical care, wedding</p>	<p>Bajaj Holdings and Investment wants the society to profit from profit itself for this they've taken various initiatives to give back to the ecosystem.</p> <p>Social empowerment is another aspect which BHIL took into accounts and follows and for this they have partnered with various partners to make and</p>

		<p>expenses, and other things like environmental living and medical research.</p> <p>The Foundation's efforts are broken down into four categories:</p> <p>Environmental development, public interest projects, socioeconomic development of the underprivileged and impoverished, and relief and recovery efforts following natural catastrophes are all important.</p>	<p>provide quality services.</p> <p>They also focus on taking sustainable initiatives in the areas of health, water, education, environment conservation, infrastructure, community development etc.</p>
Total Size of Balance Sheets of 3 years [Total Assets & Total Liabilities]	<p>Total liabilities - 2022 - 1984127.63 INR</p> <p>2021 - 1674268.39</p> <p>INR 2020 - 1463116.83 INR</p> <p>2021 - 1298232.90</p> <p>INR</p> <p>2022 - 1606915.63 INR</p>	<p>TOTAL ASSET & TOTAL LIABILITIES</p> <p>2018 - 28979.06 CR</p> <p>2019 - 36625.87 CR</p> <p>2020 - 48701.86 CR</p> <p>2021 - 61185.17 CR</p> <p>2022 - 55515.56 CR</p>	<ul style="list-style-type: none"> • Mar 2020 - 32,729 Cr • Mar 2021 - 45,490 Cr • Mar 2022- 53,588 Cr
Corporate Governance Issues at the Company	<p>Shareholders' Information and Helpdesk Codes and Policies Listing</p>	<p>Relevant information not found</p>	<p>BHIL follows its practices and meet its highest ethical standard. Improve the</p>

	Promoters Rights (HDFC LTD.) Profiles of Directors Composition of the Board Composition of Committees of Directors Familiarization of Independent Directors General Body Meeting Financial Calendar Debenture Trustees Stock Exchange Disclosures Corporate Governance Regulations Postal Ballot Fair Practice Code for Lending DSA Code of Conduct Co-lending Policy Composite Scheme of Amalgamation		information provided, ethical behaviour and stakeholders satisfaction. Also, the Managing Director & CEO and the CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of the SEBI Listing Regulations.
Global Ranking/Country Ranking [Such as Fortune List/Forbes List]	World's tenth largest bank by market capitalisation in 2021	Muthoot finance limited fortune ranking is 128	Bajaj holdings and investment Ltd ranks 315 according to the fortune ranking.
Litigations	Hdfc faced a lawsuit in the US in which the case concerns that HDFC Bank car loan customers	Relevant info not found	Relevant info not found

CHAPTER IV – CONCLUSION

A deep understanding of one of the largest finance and investment company was gained through the project. With assistance from other team mate Shiva Prasad das (21111345) and Jiya (21111318) I have prepared a report comparing Muthoot finance Ltd with Bajaj holding & investment Ltd and HDFC AMC. A1 through background check was conducted regarding the founding members of the company along with the history of the company and the origin, their current position in the market, their financial standing, their organizational structure and other aspects of the businesses. The purpose of the Analysis was to gain more awareness about the operations and how a company functions in real world. This industrial review project made me gain more knowledge about the factors which one need to consider while analysing and determining the companies rank and performance.

The importance of investment and wealth management and how it's vital for the growth of the company along with the economy was studied through this industrial review project. Study on industrial evolution and history made me gain knowledge about how the finance and investment industry have grown in India with time followed by the market research about the top players in finance and investment industry let me know more about how major big companies in the industry are different from Muthoot finance limited. A detailed analysis made using Porter's five forces model made me get a closer look at the Finance and investment industry in terms of the threat a new entrant would have to face along with how the buyer and supplier functions in the industry and about the threat the substitute service has to offer. The study made using Porter's five forces model also let me gain knowledge to analyse any given industry and to understand the possible threats and challenges a company can have in an industry.

I have also learned how a company works by Going through the company's annual reports and financial statements. The SWOT analysis made me aware about the Strengths of the given company compared to its peers along with its weaknesses which should be solved and the threats and opportunities Muthoot finance Ltd have. The PESTLE Analysis made know more about how different factors such as political factor, economic factor, social factor, technology, environmental , legal

factors, etc affect the company and how the company keep up with the factors. The Analysis done based on the McKinsey 7s Framework made me understand more about the strategy which Muthoot finance limited can follow along with the structural change which Muthoot can bring in. The 7s Framework have also helped me to cover and gain more knowledge about the system, staffing, leadership skills and style, values to be shared and practiced etc. The end results of the project made me gain deeper understanding of the finance and investment industry and the given companies. Moreover, it provided me with a great opportunity to conduct research and understand how company functions.

REFERENCES

<https://www.muthootfinance.com/>

<https://economictimes.indiatimes.com/muthoot-finance-ltd/stocks/companyid-33218.cms>

<https://www.muthootfinance.com/>

<https://www.moneycontrol.com/financials/muthootfinance/balance-sheetVI/MF10>

<https://www.capitalmarket.com/Company-Information/Financials/Balance-sheet/Muthoot-Finance-Ltd/24769>

<https://www.muthootfinance.com/financial-reports>

<https://groww.in/stocks/muthoot-finance-ltd/company-financial>

https://en.wikipedia.org/wiki/Muthoot_Finance

ANNEXURE

INTERIM PROGRESS REPORT – I

Report from: 04 – 07 – 2022 to 09 – 07 – 2022

Details of the work done to date

The following analysis is done based Porter's Five Forces Framework and general analysis.

The companies present in the industry finance and investment offers various service and products including lending money, managing assets, lending consumer electronics, furniture, digital products etc. home loan, loan against properties, developer finance, lease rental discounting, credit cards, savings and investment products, portfolios management and separately managed accounts services to high-net-worth individuals, trusts corporates etc. The finance and investment industry are a mature market that shows zero signs of decline.

Factors contributing for the favorable growth: due to people, firms, HNI's etc. investing to generate a passive income or grow their wealth and beat inflation, borrow money to meet the money requirements in terms of needs and wants, take loans on EMI to buy products and service from online stores it's been observed a steady growth in the finance and investment industry in the past.

The Finance and investment industry is in its mature phase and the major companies in this industry are stable and generate stable cash flow.

The industry is not highly concentrated as the market share which the top 4 companies in the industry constitute is less than 80%

The top players offer differentiated products and services which leaves them with a place of their own along with their own customers. also occupying all the possible products, a company can offer under finance and investment industry makes it difficult for a new player to enter as they have to compete against any of the existing top player who offers the same product for the growth.

The driving factor in this competition is result perception and who can offer the best deal to the customer.

The threat of new competitor is relatively low as a new competitor is less likely to intimidate well established companies in this industry. And also, due smaller companies cannot keep up with the investments which the top players in this industry can afford. Top players such as Muthoot, HDFC AMC etc. have invested huge amount in physical stores, marketing, technology etc. and there for a new company with an aim would be forced to spend a lot of money to compete in the market and in addition the new company would also need to invest in physical office so customer can come. competing at local level for new comers to this industry is also difficult as the roots and branches of top players in the industry is well established and present in even the rural areas of the country along with online world at better offers for the customers. it's also difficult for new companies to enter due to partnership which the top players have with many prominent existing players which won't be possible for new comers. Thus, the barriers are significant if we consider the overall market.

Substitute products:

Easiness created by the stockbrokers to invest in stock market directly have made an option available for the investors to choose between the two. Artificial intelligence and algo trading or any other better ways to manage and invest money independently by the investor can be considered as substitutes for the investments field but at present there isn't any significant pressure coming towards this and still those are at a developing stage.

Suppliers:

The number of suppliers is relatively high in finance and investment industry and hence we can interpret that this large number of suppliers is not creating too much pressure for companies to operate in the industry. in addition, being part of this growing country, the amount of capital getting into finance and investment industry is huge and percentage is growing steadily.

Bargaining power of customers:

Customers cannot negotiate prices as majority of companies who provides the best deals and offers on services and products are top players and no one won't be able to over power what they can offer by providing a better deal. Hence customer have to take what they need for the price what the top players in the industry have set by following government rules and regulations

Challenges faced

The major challenge which I faced while analyzing the industry was lack of resource about the finance and investment industry. even what is finance and investment industry search result took me either to finance or investment industry alone and finding facts about the history, origin, market shares of top players were difficult and had to go through various annual reports to collect details about the top players of this industry to analyze the industry.

Any other issues or concern

As of now there is no concern

Supervisor's Comments:

AHMAD SHAHAB

Student's Signature
Signature

Supervisor's

INTERIM PROGRESS REPORT – II

Report from: 11 – 07 – 2022 to 16 – 07 – 2022

Details of the work done to date

History

Another wholly-owned subsidiary of Muthoot Finance, Muthoot Homefin (India) Limited, specialises in financing for affordable housing. Belstar Investment and Finance Private Limited (BIFPL), a division of Muthoot Finance, provides microloans. Muthoot Finance is the owner of 66.61 percent of BIFPL's equity share capital. Asia Asset Finance PLC (AAF) Colombo, an overseas subsidiary of Muthoot Finance, engages in retail finance, hire purchase, and business loans. The Muthoot Finance Pvt Ltd, a private corporation under the name Muthoot Finance Ltd, was incorporated on March 14, 1997. M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot, and George Alexander Muthoot are the company's promoters. Since M George Muthoot (the promoters' father) formed a gold loan business in 1939 on the foundation of a trade company started by his father Ninan Mathai Muthoot in 1887, the company's operating history has developed over a period of 70 years.

The business received a licence from the RBI in 2001 to operate as an NBFC. Muthoot Enterprises Private Ltd merged with the corporation on March 22, 2005, in accordance with the merger plan for the year 2005. The company's name was changed from the Muthoot Enterprises Private Ltd to Muthoot Finance Pvt Ltd on May 16, 2007

Product profile

The company's main business is providing personal and business loans primarily to individuals who do not have access to formal credit. The loans are typically secured by gold jewelry. Muthoot also offers some microfinance loans and housing loans to customer segments and areas that are underserved by banks. Interest income accounts for nearly all the company's revenue. Muthoot has operations in Sri Lanka and India, with India providing almost all the company's revenue.

Organizational Structure

- M.George Muthoot as a Chairman & whole time director of muthoot finance limited
- Mr. George Alexander Muthoot as Managing Director
- Mr. George Jacob Muthoot as Whole Time Director
- MR.Oommen K mammen as a Chief financial officer
- Mr A.Rajesh as Co. secretary & Compl officer

Present market share

Muthoot finance limited is one of the leading Finance and investment companies in the country. Muthoot finance limited have played keyrole in the development and growth of the country . The company have achieved an exceptional foundation and trust in the market due to the past history and achievements along with the debt free status.

Muthoot Finance Stock Performance



(As of Monday Closing)						
Stock Price	Previous Close	52 wk Range	Market Cap	Shares	Average Volume	EPS
\$12.94	\$12.92	\$12.15 - \$23.17	\$5.19B	401M	41.3K	\$1.28

Muthoot Finance Financials Summary

In Thousands, USD	TTM	FY 2022	FY 2021	FY 2020
	30-Jun-2022	31-Mar-2022	31-Mar-2021	31-Mar-2020
Revenue	1,041,062	1,068,247	1,001,561	917,199
Net Income	511,980	539,089	511,344	441,692
Total Assets	9,076,444	10,064,379	9,345,862	7,276,809
Total Debt	6,342,525	7,198,793	6,867,769	5,432,985

Public Fundamental Data provided by Morningstar, Inc. [Disclaimer](#)

Muthoot Finance Valuation & Funding

Deal Type	Date	Amount	Valuation/EBITDA	Post-Val	Status	D
						Cookie Consent

The present share price of Muthoot finance Ltd in BSE is 1,032.80 on 6 Sep ,2022

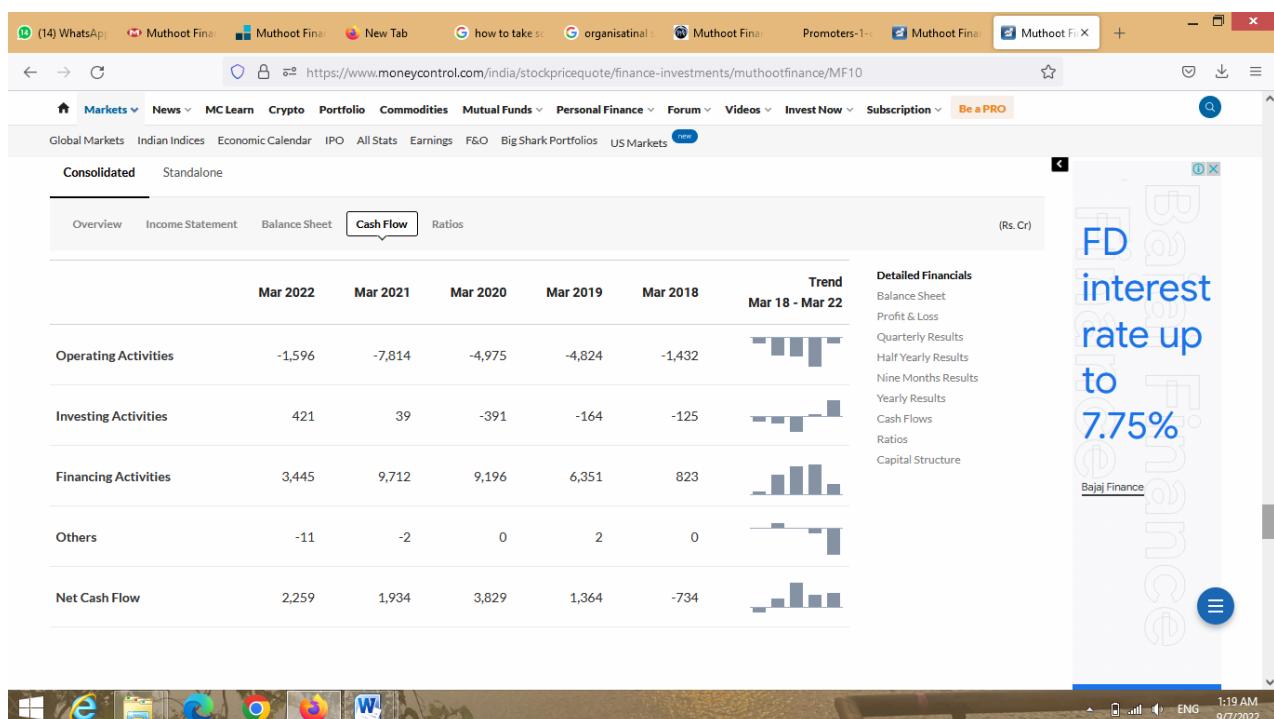


Future strategies

Muthoot Finance Ltd announced it plans to expand their offering of Gold Loan@Home from 100+ locations to across 5,400+ pan-India branches. From being present in 100+ locations last year, Gold Loan@Home services are now being offered in all locations in South India and most of the major cities in North India. The plans are to further scale this service across all Muthoot Finance 5,400+ branches, it said in a press statement.

Financial information

Cash flow



Financial statement

FINANCIALS



Achievements

Muthoot Finance Wins Skoch Financial Inclusion Award 2013

On the occasion of Financial Inclusion Day, Muthoot Finance, the flagship company of The Muthoot Group won the coveted Skoch Financial Inclusion Award 2013. The award was conferred by Dr C Rangarajan, Hon'ble Chairman, Economic Advisory Council to the Prime

Muthoot Finance Bags Twin CSR Awards By IPE

Muthoot Finance was honoured with twin Corporate Social Responsibility Awards (CSR) – “Return to Consumer” and “Community Development” at a glittering ceremony held at Singapore

Golden Peacock Award

Muthoot Finance Ltd. was awarded The Golden Peacock Award for Corporate Social Governance on 30th August, 2012 in Dubai. Shri MG George Muthoot, Chairman of The Muthoot Group, accepted the award on behalf of the company

Challenges faced

No Challenges faced

Any other issues or concern

As of now there is no concern

Supervisor's Comments:

Ahmad Shahab

Student's Signature
Signature

Supervisor's

INTERIM PROGRESS REPORT – III

Report from: 18 – 07 – 2022 to 23 – 07 – 2022

Details of the work done to date

SWOT Analysis

Strengths

- It didn't appear to be significantly affected by the pandemic, demonstrating a high level of trust in the business.
- An increased profit margin with increased Net profit can be seen quarter over quarter.
- Muthoot finance Ltd doesn't have any debts and thus the risk of Going bankrupt or failing is comparatively very low.
- From the previous 2 years the book value per share is seen increasing
- The net cash flow and Cash from operating activities are seen increasing
- Annual net profits are seen improving over the last 2 years along with a growth in quarterly net profit with increasing profit margin on year on year.
- The company haven't pledged any of its promoter shares which is a good sign.

Weaknesses

- The efficiency of using capital to generate profits is less which is RoCE is declining in the past 2 years.
- Also, an inefficiency in the use of assets and shareholder funds can be seen to generate more profits and both ROA and ROE are declining in the past 2 years.
- A decline in the revenue for the previous 2 quarters is also observed.
- Company's financial standing is precarious, as seen by its poor Piotroski score
- Return on equity declining due to insufficient use of shareholder funds

- The efficiency of using capital to generate profits is less which is RoCE is declining in the past 2 years.
- Also, an inefficiency in the use of assets and shareholder funds can be seen to generate more profits and both ROA and ROE are declining in the past 2 years.
- A decline in the revenue for the previous 2 quarters is also observed.

Opportunities

- Due to the potential effects of a lockdown, gold demand will probably increase.
- Its net profit is increasing rapidly, and in the past three months, the stock market has increased by 10%.
- Given that it already has a positive reputation in the industry, the company is able to enter new markets because of the increased market stability brought about by the low inflation rate,
- Muthoot Finance's customers can now get credit at cheaper interest rate

Threats

- The banks and non-banking financial entities are becoming more competitive. However, while the company's subsidiary businesses don't appear to be doing well, its gold business is anticipated to perform well.
- Even though Muthoot Finance now leads the industry in terms of product innovation for consumer financial services, it is up against tough competition from both domestic and foreign rivals.
- Muthoot finance limited as of now don't possess any visible major threats.

PESTLE Analysis

Political factors

- Political stability in markets – Muthoot Finance operates in numerous countries so it has to make policies each country based on the Consumer Financial Services industry specific

requirements.

- Armed Conflict - The disruption of the business environment brought on by military policies, terrorist threats, and other political instability does not pose an immediate threat to India. Muthoot Finance has experience managing operations under challenging conditions

Economic Factors:

- Negative pressure on consumer sentiment and, as a result, on consumer spending – Despite a steady level of consumer disposable income, the growing social divide will have a negative impact on consumer attitudes and, as a result, on consumer spending habits.
- The performance of Muthoot Finance in India may suffer as a result of government interference in the financial system, notably in the Consumer Financial Services sector.

SOCIAL FACTORS

- Attitude toward health and safety - As liberalisation progresses, attitudes regarding safety are becoming laxer. Due to the enormous cost of failing in India, Muthoot Finance must avoid adopting these attitudes.
- Demography - Muthoot Finance has demographics on its advantage when it comes to financial products. India is a developing, young nation. Muthoot Finance might take advantage of this tendency to appeal to various demographic groups

TECHNOLOGY

- As mobile technology has advanced and spread, client expectations in the financial sector have changed. In order to be competitive, Muthoot Finance must not only fulfil and control these expectations but also innovate
- The promise of 5G — Muthoot Finance must closely monitor the growth and improvement of user experience with rising speed and access. The consumer financial services sector's user experience for customers could be fundamentally changed by this.

ENVIRONMENTAL FACTOR

- Regular scrutiny by environmental agencies is also adding to the cost of operations of the Muthoot Finance.
- Environmental norms are also altering the priorities of product innovation. In many cases products are designed based on environmental standards and expectations rather than catering to traditional value propositions.
- Waste management especially for units close to the urban cities has taken increasing importance for players such as Muthoot Finance. India government has come up with strict

norms for waste management in the urban areas.

LEGAL FACTOR

- Data protection legislation - Over the past ten years, data protection has become an essential component of both privacy concerns and intellectual property rights. Muthoot Finance needs to think about whether India has a reliable system in place to guard against data breaches
- Business Laws - The legal framework for conducting business in India. Are these standards in line with those of global organizations like the World Trade Organization, the European Union, etc.

MCKINSEY 7S FRAMEWORK

The 7 S frameworks is a tactical tool for better understanding and analyzing the complexity of an organization. It was first developed by Tom Peters and Robert Waterman in their best-selling book "In pursuit of greatness." The McKinsey 7S model offers a multidimensional framework to examine an organization's current condition and areas where improvements can be made to help it accomplish its goals

STRATEGY

Muthoot Finance must strike a compromise between preserving its primary competitive edge and achieving short-term cost savings. Customers believe that Muthoot Finance's goods and services offer "worth for money" plus a little bit more. Muthoot Finance should refrain from making cost-cutting decisions that could lead to the delivery of subpar goods and services in its eagerness to increase market share through price competition.

STRUCTURE

The epidemic has called into question the company's current organizational setup and supply chain management. Diversifying suppliers geographically is something Muthoot Finance should prioritize if it wants to become a more resilient organization and get ready for disruptions of a similar size in the future. This will ensure that disruptions due to climatic, geopolitical, and other factors won't threaten the company's long-term survival. Reduce your reliance on China - As the US and China's trade spat heats up, you should lessen your reliance on supply chains that originate in China. This will assist the organization in reducing risks, avoiding legal issues, etc.

SYSTEM

Improve internal procedures, including risk management, customer relationship management (CRM), web app optimization, and data visualization across the firm. These are the topics Muthoot Finance has to concentrate on.

Muthoot Finance must set up a reliable system for "work from home" workers so that there may be more engagement between the staff members both online and in person. It will strengthen data security and cyber security in addition to productivity

STAFF

The following are some actions Muthoot Finance can take to enhance its human resources:

Recruitment and remote onboarding - A lot of people are working from remote areas as a result of the epidemic. Muthoot Finance should develop a method for remote onboarding that includes a library of brief videos, small group interaction, and technical demonstrations to make the workplace more inclusive for new workers.

People can approach those at different levels of the system in open talks. Building an open and transparent culture will benefit from it as well as allow senior management to communicate directly with those below them. The company should make a space for interaction and an environment where employees can work efficiently and collectively as employees who works from home can lack the opportunity to catch up with others in the team.

Having an open space for the lower-level employees to connect with superior or higher-level management team as it will help the higher-level management to interact live with the lower-level employees and understand their problems and also provide a transparent work environment

SKILLS

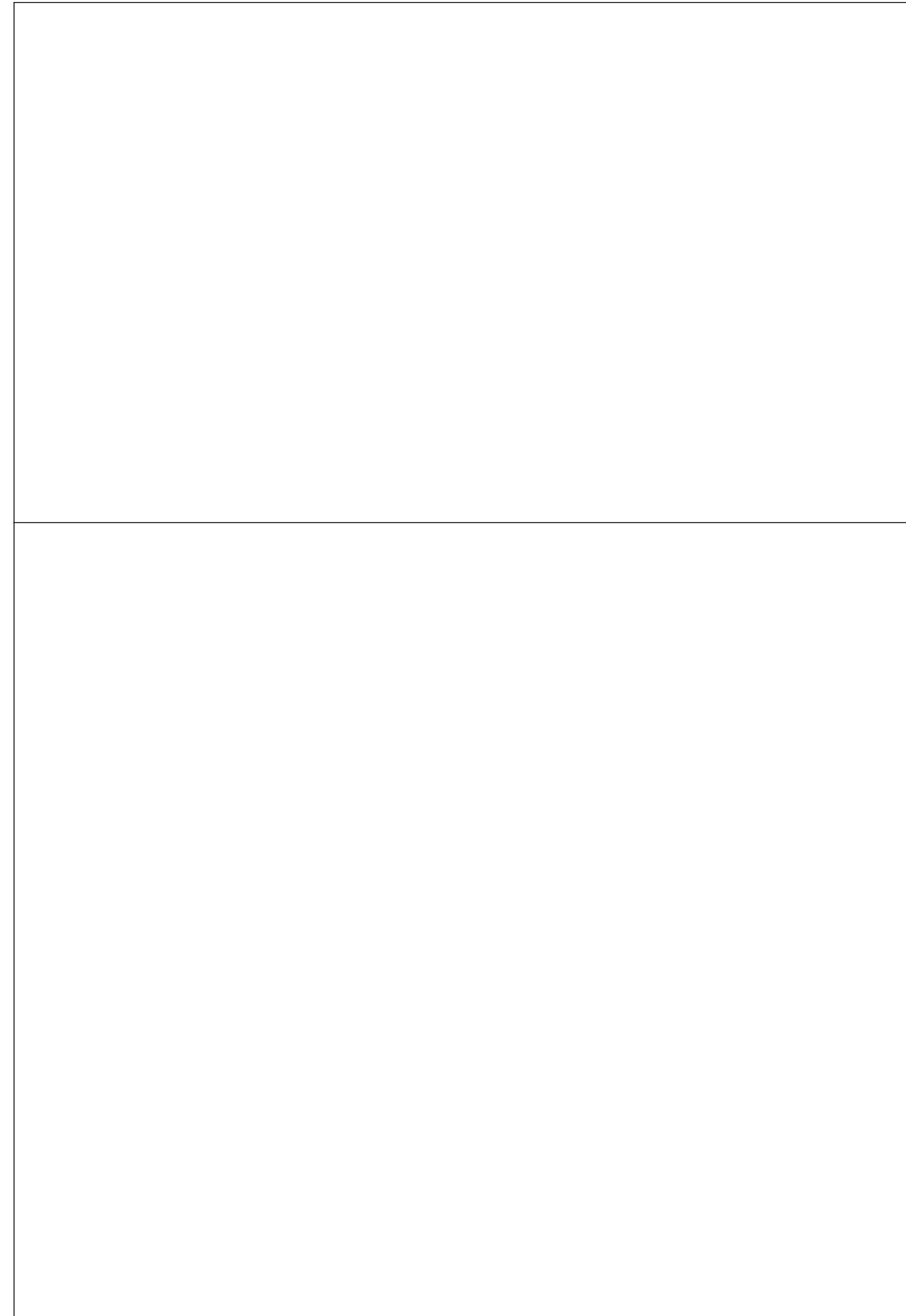
For those who work remotely, Muthoot Finance can create a systematic training and development programme. Since more and more workers are leaving their current positions because they are not challenging them enough, muthoot finance can hire new talent.

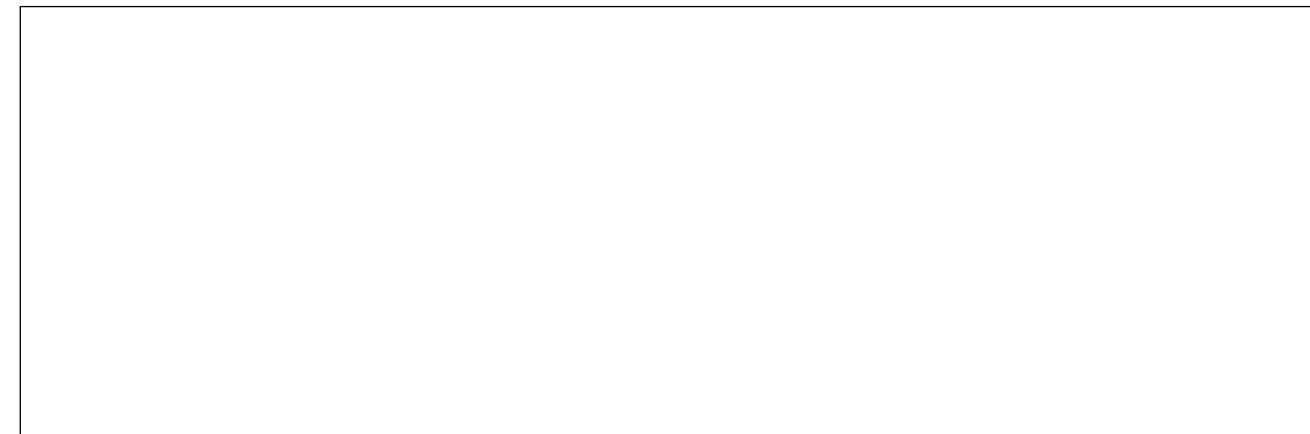
STYLE

In a remote setting vs. a physical place, fundamentally different leadership philosophies are needed. In a real-world setting, a manager can drop by a conversation, offer input, and review the work. Employees must work in much more of an isolated atmosphere in remote areas. Leaders should promote a collaborative and inclusive style of leadership to enhance workflow. Smaller teams should be formed by leaders as components of bigger teams.

SHARED VALUES

The company can focus more on the sustainability and the company currently is focused on social empowerment and helping society being profited from the companies' profits and also have focused in taking sustainable initiatives. The company also adds values to the employees.





DAILY LOG BOOK WEEK – 1

Date	Hours Spent	Detailed Description of Activity
04 – 07 – 2022	3 Hour's	As the first day into the industrial review project, I started off with understanding the industry which was assigned to me. the industry I analyzed and tried to learn more about is finance and investments. due to lack of secondary resource for easier and data backed findings I had to refer to how major players in the given industry functions and contribute towards the formation of industry.

	3 Hour's	Today I started I researched on major players of finance sector And key player dominating the finance sectors and their market shares and also is it good to buy that particular companies shares.
05 – 07 – 2022	2 Hour's	Previous days findings and researches have helped me to gather an understanding about the industry which was allotted to me in order to get a further depth industry analysis, I worked on porters five forces framework. and done competitive rivalry today. This made me learn about the competition which the companies have in-between and how it affects the customers.
06 – 07 – 2022	3 Hour's	
07 – 07 – 2022	3 Hour's	Having researching on competitive rivalry yesterday I analyzed about supplier power and buyer Power today and this led me to a conclusion of the given industry finance and investment can't be controlled by buyers and due to the presence of big players

		supply can't also be controlled. And each big player focuses on different services and products.
08 – 07 – 2022	2 Hour's	Today I worked on Threat of substitution which talks about the substitutes which can substitute the finance and investment industry and here I learned more about the threat algorithmic and AI trading/investment have to offer towards the investment/asset management/portfolio management part of this industry and how they can substitute the companies in this industry.
09 – 07 – 2022	5 Hour's	As the final day of submission of the interim report I worked on the documentation and final research topic of the industry which was threats of new entry. here I had to look into major players individually to get a clear idea about what each of them are dominated in and how difficult will it be for a new comer to compete against them as no secondary data showing direct result was available. the final formatting and cropping of unwanted collected information took more time than I expected.

Supervisor's Comments:

Ahmad Shahab

Students' Signature

Supervisor's

DAILY LOG BOOK WEEK – 2

Date	Hours Spent	Detailed Description of Activity
11 – 07 – 2022	4 Hour's	As the first day of the company analysis, I started off with understanding the assigned company to me. The company which was assigned to me is Muthoot finance Ltd. I started off the first day about finding History and what muthoot finance limited work on. This made me aware about the working of the company and what they do which is making Investment and management of capital.

12 – 07 – 2022	3 Hour's	Today I started off with finding about the Founders of the company. The Founders profile analysis also helped to learn what made the Founder capable to start up with the current Muthoot finance ltd and how he did it and what all unique characteristics and personality and knowledge he had which helped towards the contribution of Muthoot formation.
13 – 07 – 2022	3 Hour's	Today I started the day with analyzing the product profile which the company had to offer which included interest, rental income, income from sales of shares and securities, dividends and other services and also learned about how these products varies in total contribution towards the product mix percentage. Later I learned about the organizational structure which came about to be same as most of the organization. Also, this made me learn more about the Individuals who take care of the top management and positions and their background.

14 – 07 – 2022	3 Hour's	Today I started with analyzing the present market share of Muthoot finance Ltd
15 – 07 – 2022	4 Hour's	Today I started with finding the strategies which the company Muthoot finance ltd used for future growth and it came down to maintaining a good ROA, focusing on growth of operating income and to stay debt free
16 – 07 – 2022	3 Hour's	Today I started with analyzing the major achievements Muthoot finance ltd had in the past and it came out to be outstanding when it's compared to the peers.

Supervisor's Comments:

Ahmad Shahab

Students' Signature

Supervisor's

DAILY LOG BOOK WEEK – 3

Date	Hours Spent	Detailed Description of Activity
18 – 07 – 2022	5 Hour's	Today I started of analyzing the strength, Weaknesses and the opportunity Muthoot finance Ltd company have and found out the company is doing in terms of generating a healthy Net profit with increased profit margin. Also observed an increase in the promoter shares which represents the trust the promoters have in muthoot .

19 – 07 – 2022	3 Hour's	<p>Today I started with analyzing and researching about the threats Muthoot finance Ltd has and found out as of now the company doesn't face any major threats. After that I started with finding the Political and economic factors which affects and which can have a possible effect on Muthoot where I get to know about the government system, taxation policies, Regulatory practices, the resource allocation by government, economic cycle, inflation, Exchange rates, skill of workforce in Indian market etc</p>
20 – 07 – 2022	4 Hour's	<p>Today I started with analyzing social factors where I learned about how attitude towards safety and health affects the company, how evolving Gender roles can be made use along with factors such as migration, having access to essential services etc. will be affecting the growth of the company positively and negativity. After it I started with analyzing the technological aspects and the effect on it on the company where I learned more about how teach enables safety and increasing protection of data, copy rights, intellectual properties, patents etc. how teach helps in lowering production cost and restructure supply chain etc.</p>

	4 Hour's	Today I started with analyzing the second last element of PESTLE ANALYSIS which is Environmental factors followed by the last which is law. The Environmental factors made me aware about how extreme weather can add up cost of operations, how Environmental norms are changing and how it's affecting the companies, how renewable technology is helping and having an impact on the industry, how waste management laws and policies will be having an effect on the current company working. And the law factor showed me a look through the business laws and Environmental laws in the country.
21 – 07 – 2022		
	5 Hour's	Today I learned about the first 3s of the McKinsey 7s Framework which was Strategy, structure and system. The Strategy part made me aware about the strategies which the company focus to build a higher market share followed by the structure showed how the organizations structure is and how it should be. The system Analysis helped in understanding what all should be focused.
22 – 07 – 2022		
	4 Hour's	Today I learned about the last 4s of the McKinsey 7s framework which is staff, skill, style and shared values where I got to understand about them and how it's in the company. The shared value of Muthoot finance ltd made me aware about what kind of values they follow and they are more than a corporate company.
23 – 07 – 2022		

Supervisor's Comments:

Ahmad Shahab

Students' Signature
Signature

Supervisor's

DAILY LOG BOOK WEEK – 4

Date	Hours Spent	Detailed Description of Activity
25 – 07 – 2022	3 Hour's	Today I started with finding the year of establishment and the headquarters of the company where I got to know how long the company have marked their existence and where their headquarters is located. Followed by it I analysed about the present number of employees and their staffing and employment

26 – 07 – 2022	3 Hour's	Today I started with analysing the mergers and acquisition along with the joint venture and tie ups muthoot finance limited was part of and got to know the companies which muthoot finance limited holds stakes and Power. Also the Analysis made me know about the number of merges and acquisition which the selected companies did
27 – 07 – 2022	3 Hour's	Today I started with finding the background of the CEO of the given company and got to know about their family and educational background. This also made me aware about the roles and positions which the CEO which they have handled before getting into the CEO position of the respective companies. Later analyzed the total share capital of the company
28 – 07 – 2022	3 Hour's	Today I started of analysing the current share holding pattern of the company and how this have been changed in the present in comparison to the past and it was found muthoot finance Ltd promoters holding have increased in the recent years. After that I looked into the sales turn over including export value which gave me an idea about the average sales in the past and present sales turn over
29 – 07 – 2022	4 Hour's	Today I started off with analyzing about the major competitors of the company in their respective industry and in the product and service category they belong. This also made me aware about the competitors and how given company is standing against them. Later I found about the annual growth rate of the company in the past 5 years and got to know about the average growth rate in each year of the last 5 years and the growth rate in each year of the past 5 year.

		I researched on product profile, market capitalization, no. of awards, CSR, total size of the balance sheet of 3 years, Corporate Governance Issues at the company, Global Ranking/Country Ranking [Such as Fortune List/Forbes List], Litigations
30 – 07 – 2022	3 Hour's	
31 – 07 – 2022	5 Hour's	Prepared the final report after filleting useless information.
		Supervisor's Comments:

Ahmad Shahab

Students' Signature

Signature

Supervisor's