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## A COMPARATIVE STUDY OF FINANCIAL STATEMENT ANALYSIS OF GENERAL INSURANCE COMPANIES IN INDIA

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### ABSTRACT

For Material existence human being has three basic needs, bread (Food), Cloth and shelter (Residence) and one additional is Life Insurance. But in the materialistic world only bread will not do enough without better cloth, just simple to cover/protect body will not do without range at selection. Residence will not do enough without luxurious facilities. Insurance will not do enough without number of life Products. All these can be gained by not only by huge earning but availability of all these must be three which ultimately through the industrial and technological development and advancement. Many at the well-established Indian industrial houses have achieved development and are the path at significant advancement of global level Reliance, Birla, Tata, Singhania, Bajaj, L.I.C, G. IC are few names amongst them have notably contributed to economic development. Present study from the financial point at view is steered to as profitability. Analysis at selected General Insurance Companies of India. The financial analysis can also be known at project evaluation. Obviously, its scope is very vast. The objective at this study may also become year vast. But in the present study for view point at profitability only. the profitability form different angle has been the subject matters. Conclusion, being presented here have been drawn primarily at the basis of profitability analyses only based on annual accounts at General Insurance Companies of India. In given chapters we have made in attempt to examine Ratio, common size statement and trend analyze of General Insurance Companies of India in this regard.

### INTRODUCTION

Insurance is a concept of the people, with the aid of the human beings and for the people an insurer consequently can't be ad versed to a famous sentiment. Insurance and social wellbeing for social economy is therefore in for all time flourish of one result in the flourish of the alternative and vice versa. Insurance is largely a co-operative Endeavour. It is a noble portfolio wherein in warranty is offered against contingencies and / or for tuitions. The subject subjects of guarantee can also relate to existence or non-lifestyles remember in either case, it mitigates the worry triggered to individuals and through them to society. This enables in keeping the financial system sound. Insurance business has emerged as one of the prominent areas of economic services in the course of latest instances. Insurance performs incredible function through insuring the insurable public and belongings positioned at special places. Nowadays in India, insurance region is maximum growing business area. Through the manner of LPG, Indian financial system has been unfolded for overseas players in addition to non-public players. In the light of the economic reform technique. Insurance method has been unfolded on account that 1999 for private sector and foreign gamers. To regulate insurance area in India IRDA has been set up. The General insurance enterprise selected for the existing examine due to range of vital elements. The General coverage industry has been playing crucial function within the improvement of the economic system of India. General insurance industry is backbone of each economic system. General coverage industry is one of the largest industries in all around the international. Last a long time General insurance industry achieves take a look at boom by using attractive normal drift investment and make sturdy enterprise. Generally, Industries raises their funds through diverse assets like equity proportion, capital desire percentage capital, debentures, bonds, deposits and so forth. It is the most vital and vital trouble for every industry to determine the financial necessities. Which are the source of budget? How to raise finances at minimal costs? An investor is inquisitive about information concerning the precise financial role of the commercial enterprise, its earning capacity, the present role with reference to profitability and future opportunities. He has most effective the published bills of the corporation earlier than him which would enable him to take any selection with recognize to making an investment his cash. The posted bills contain Revenue Account, P & L Accounts, Balance sheet. The earning capability and beyond outcomes could be ascertained from the P & L Accounts and the concept about monetary positions can be had from the balance sheets. However actual end can't be drawn from the mass figures covered in the monetary statements. So, the economic analysis of General coverage companies must be important.

**KEYWORDS**

Financial statement analysis, ratio analysis, insurance companies

**Goal and Purpose**

Objective is a base for any paintings. The targets decide the future and final results of the research. No one work is commenced with none objectives The essential and Main targets of the examiner will be as underneath

- To make comparative have a look at of Financial Statement analysis of selected General coverage groups.
- Investors will realize the Financial Statement Analysis of decided on General Insurance businesses.
- To observe Revenue announcement Ratios, Balance sheet Ratios and Composite Ratios of selected General coverage corporations.
- To have a look at Liquidity Ratios, Leverage Ratios and Activity or Efficiency Ratios of decided on General insurance agencies
- To examine the monetary Statement evaluation with the assist of economic statements of selected General coverage agencies.

**HYPOTHESIS OF THE STUDY**

The Main hypothesis of the study will be as under: -

- H0: There would be no significant difference between Ratio Analysis of selected General Insurance Companies in India
- H1: There would be a significant difference between Ratio Analysis of selected General Insurance Companies in India.

**SAMPLE DESIGN**

IN THIS RESEARCH STUDY, RESEARCHER HAS SELECTED 03 GENERAL INSURANCE SERVICES PROVIDER COMPANY IN INDIA BY USING STRATIFY SAMPLING METHOD, FOLLOWINGS ARE:

- BAJAJ ALLIANZ GENERAL INSURANCE COMPANY
- CHOLAMANDALAM MS GENERAL INSURANCE COMPANY
- HDFC ERGO GENERAL INSURANCE COMPANY

**RESEARCH METHODOLOGY**

It is empirical study, so researcher has followed scientific approach to design the research methodology for investigation. for this study researcher has used secondary data as source of information for thus research e.g. the Annual Reports, Websites and other Publications. The following tool & techniques have been classified in the study

- **Commerce & Accounting Techniques**
- **Statistical Techniques.**

**DATA COLLECTION:**

The data collection is very important task for the researcher for the research study. This research study is mainly based on secondary data. The secondary data shall be collected from the records, documents, related subject matter and related websites. Besides, the researcher shall collect and analyze published data as per the requirement. As such the universe of this research study is restricted with the reference to selected General insurance Services Provider Companies, which are working in India. So, researcher has selected **03 General insurance Services Provider Companies**. The data regarding selected General insurance Services Provider Companies have been obtained and collected from the annual report of the consult Companies and related websites.

**PERIOD OF THE STUDY**

This research study covered the data of last 10 years of the functioning of the selected General Insurance companies. A longer period could have been still better but due to time and resource constraints, the last Ten years not very short period has been taken for analyzing the data of research program. The study period is 10 years, starting from year 2011-12 to 2020-2021.

**DATA ANALYSES**

Operating Expenses Ratio of Bajaj Allianz General Insurance company for the Period from 2011-12 to 2020-21

**TABLE NO.1**

Particulars	Commission + Operating expenses	Net Premium	Operating Expenses Ratio	Difference Of Operating Expenses Ratio Between Years
2011-12	1037254	3709158	27.96	
2012-13	1534145	5863709	26.16	-1.80
2013-14	2667601	8385343	31.81	5.65
2014-15	5007187	14154427	35.38	3.56
2015-16	6226073	18,912,709	32.92	-2.46
2016-17	5802822	18,842,019	30.80	-2.12
2017-18	6864772	21,496,516	31.93	1.14
2018-19	7469438	24,746,833	30.18	-1.75
2019-20	8678493	29,243,323	29.68	-0.51
2020-21	9894910.67	34,619,752	0.29	-29.39
N = 10			$\sum X_i$ = 277.11	

Combined Ratio of Chola mandalam MS General Insurance Company for the Period from 2011-12 to 2020-21

**TABLE NO.2**

Particulars	Operating expenses + claims incurred	Net Premium	Combined Ratio	Difference Of Combined Ratio Between Years
2011-12	786756	710437	110.74	
2012-13	472098	883957	53.41	-57.34
2013-14	496188	1272787	38.98	-14.42
2014-15	1329971	2488575	53.44	14.46
2015-16	2477727	3853647	64.30	10.85
2016-17	3228899	4622893	69.85	5.55
2017-18	4839975	6273668	77.15	7.30
2018-19	6718573	8691301	77.30	0.15
2019-20	9174107	11674342	78.58	1.28
2020-21	14988940	14152539	105.91	27.33
N = 10			$\sum X_i$ = 729.66	

## Return on capital Employed Ratio of HDFC ERGO General Insurance Company for the Period from 2011-12 to 2020-21

TABLE NO.3

Particulars	Net Profit before taxes	Share capital + Reserve + Borrowings	Return on Capital Employed	Difference Of Return on Capital Employed Between Years
2011-12	-79862	1198631	-6.66	
2012-13	48009	1248969	3.84	10.51
2013-14	25018	1269430	1.97	-1.87
2014-15	-167708	1520170	-11.03	-13.00
2015-16	-252144	2011973	-12.53	-1.50
2016-17	-944606	4157011	-22.72	-10.19
2017-18	-364275	5906086	-6.17	16.56
2018-19	382471	7753129	4.93	11.10
2019-20	1819192	8059182	22.57	17.64
2020-21	2213388	8636674	25.63	3.05
N = 10			$\sum Xi = -0.17$	

## CONCLUSION

We have seen that Operating Expenses Ratio, Combined Ratio, Return on Capital Employed, Return on Proprietor's Funds of Bajaj Allianz General Insurance company, Cholamandalam Ms General Insurance Company, Hdfc Ergo General Insurance Company.

- 1.The Highest Average Operating Expenses Ratio of Hdfc Ergo General Insurance Company Shown 38.73%. and the lowest Average Operating Expenses Ratio of Bajaj Allianz General Insurance company shown 27.71%.
- 2.Combined Ratio of Cholamandalam General Insurance company show 72.97 %
- 3.The Highest Average Return on Capital Employed of Bajaj Allianz General Insurance Company shown 26.22%.

## SUGGESTION

1. Bajaj Allianz General Insurance Company, Cholamandalam Ms General Insurance company, Hdfc Ergo General Insurance company should take necessary steps to minimize operating expenses.
2. As we have seen that after establishment of most of the Company it's Share capital shown steady till study period so we can say that General Insurance company gives more benefits to their old Shareholders.
3. All selected company should more increase their operating Leverage and Financial Leverage.

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