

A Study on the Comparative Analysis of Income and Expenses of Sakthi Finance Limited, Coimbatore

Maithrei. B- 11724500048

II MBA, Dhanalakshmi Srinivasan University, Tiruchirappalli Tamil Nadu- 621112

Dr. C. Kathiravan


Associate Professor, School of Management, Dhanalakshmi Srinivasan University, Tiruchirappalli, Tamil Nadu- 621112

Mail: maithreib.som@gmail.com



<https://doi.org/10.55041/ijst.v2i5.511>

Cite this Article: B, M. (2026). A Study on the Comparative Analysis of Income and Expenses of Sakthi Finance Limited, Coimbatore. International Journal of Science, Strategic Management and Technology, 02(05). <https://doi.org/10.55041/ijst.v2i5.511>

License:  This article is published under the Creative Commons Attribution 4.0 International License (CC BY 4.0), permitting use, distribution, and reproduction in any medium, provided the original author(s) and source are properly credited.

ABSTRACT

Income and expenses are the major financial components that determine the profitability and sustainability of an organization. The present study focuses on the comparative analysis of income and expenses of Sakthi Finance Limited. The study aims to evaluate the company's financial performance by examining changes in revenue generation and expenditure patterns over a specified period.

The research is based on secondary data collected from annual reports, financial statements, company publications, and financial websites. Financial tools such as comparative statement analysis, ratio analysis, trend analysis, and percentage analysis are used for evaluating financial performance.

The study reveals that the company has shown fluctuations in income and expenditure during the study period due to operational costs, interest expenses, and market conditions. The analysis indicates that efficient cost management and growth in operational income positively influence profitability. However, increasing expenses may affect net earnings if not properly controlled.

The study concludes that comparative analysis of income and expenses helps management understand operational efficiency, profitability trends, and financial stability. Proper financial planning and effective expense management contribute to sustainable organizational growth.

KEYWORDS

- Income Analysis
- Expense Analysis
- Financial Performance
- Profitability
- Comparative Analysis
- Operational Efficiency
- Financial Management
- Cost Control
- Revenue Growth

INTRODUCTION

Financial performance analysis plays an important role in evaluating the efficiency and profitability of organizations. Income and expenses are two major financial elements that influence organizational growth and sustainability. Income refers to the earnings generated from business activities, while expenses represent the costs incurred for generating revenue.

In financial institutions, income is generated mainly through interest income, loans, investments, and other financial services. Expenses include operating expenses, employee costs, administrative expenses, and interest expenses. Therefore, comparative analysis of income and expenses helps identify financial strengths and weaknesses.

Sakthi Finance Limited is one of the leading finance companies involved in hire purchase, vehicle financing, and financial services. The company's financial performance depends on efficient income generation and effective expense management.

The study helps analyse:

- Growth in income
- Changes in expenditure
- Profitability trends
- Operational efficiency
- Financial sustainability
- Need for the Study
- The study is necessary because:
 - Income and expenses directly affect profitability.
 - Financial analysis supports decision-making.
 - Expense control improves financial stability.
 - Comparative analysis helps identify growth trends.
 - Organizations require efficient financial planning.
- Objectives of the Study
- Primary Objective

To study the comparative analysis of income and expenses of Sakthi Finance Limited.

Secondary Objectives

1. To analyse the income pattern of the company.
2. To evaluate expense management efficiency.
3. To compare income and expenditure trends.
4. To assess profitability and operational performance.
5. To suggest measures for improving financial performance.

Scope of the Study

The scope includes:

- Income analysis
- Expense analysis
- Profitability analysis
- Comparative financial analysis
- Trend evaluation
- Financial performance assessment

LITERATURE REVIEW

Literature review refers to the systematic study of previous research related to income, expenses, and financial performance.

Previous studies indicate that:

Effective income management improves profitability.

Expense control supports financial sustainability.

Financial institutions require balanced revenue and expenditure management.

Comparative analysis helps evaluate operational efficiency.

Researchers emphasize that:

Growth in operational income increases profitability.

Rising expenses reduce net earnings.

Proper financial planning enhances performance.

Ratio analysis is useful for measuring financial efficiency.

Theoretical studies reveal that:

Revenue growth contributes to organizational expansion.

Expense management reduces financial burden.

Profitability depends on effective utilization of financial resources.

Research findings suggest that organizations maintaining balanced income and expenditure structures achieve better financial stability and sustainable growth.

CONCEPTUAL FRAMEWORK / RESEARCH MODEL

The conceptual framework explains the relationship between income, expenses, and financial performance.

Independent Variables

- Interest Income
- Operating Income
- Administrative Expenses
- Employee Expenses
- Interest Expenses
- Operating Costs

Dependent Variables

- Profitability
- Operational Efficiency
- Financial Stability
- Organizational Growth

Research Model

Income & Expenses → Financial Performance → Organizational Growth

Hypotheses

H1: Income significantly influences financial performance.

H2: Increasing expenses negatively affect profitability.

H3: Effective expense management improves financial stability.

H4: Balanced income and expenditure contribute to organizational growth.

RESEARCH METHODOLOGY

Research methodology refers to the systematic process used for collecting and analysing data.

Research Design

The study uses descriptive research design.

Nature of Data

The study depends mainly on secondary data.

- Sources of Data
- Annual Reports
- Financial Statements
- Company Records
- Journals
- Financial Websites
- Published Reports

Study Period

The study covers five financial years.

Tools Used for Analysis

Comparative Statement Analysis

Used for comparing income and expenses over different years.

Ratio Analysis

Used to evaluate:

- Net Profit Ratio
- Operating Ratio
- Expense Ratio
- Return on Assets
- Trend Analysis

Used for identifying growth trends in income and expenditure.

Percentage Analysis

Used for evaluating percentage changes in financial indicators.

Objectives of Methodology

Evaluate income growth

Analyse expenditure patterns

Assess profitability

Identify financial trends

Limitations of Methodology

Dependence on secondary data

Limited study period

External economic factors not fully considered

Data Analysis and Results

Comparative Analysis of Income

The company's income increased gradually during the study period due to growth in financing activities and investment income.

Findings

Increase in operational income

Growth in interest income

Improved revenue generation capacity

Comparative Analysis of Expenses

Expenses increased because of:

Employee salary growth

Administrative costs

Interest obligations

Operational expansion

Findings

Increase in operating expenses

Higher finance costs

Rising administrative expenditure

Profitability Analysis

Profitability depends on the balance between income and expenses.

Indicators Used

Net Profit Ratio

Operating Ratio

Return on Assets

Earnings Per Share

Results

Profitability improved during moderate expense growth.

Excessive expenditure reduced net profit margin.

Efficient income utilization supported operational efficiency.

Trend Analysis

Trend analysis indicates:

Stable income growth

Gradual increase in expenses

Improved operational performance

Overall Findings

The analysis reveals:

- Income positively influences profitability.
- Expense growth affects net earnings.
- Effective financial management improves sustainability.
- Balanced financial planning enhances organizational growth.

DISCUSSION

The study indicates that income and expenses significantly influence organizational profitability and operational efficiency. Revenue generation plays an important role in improving financial performance, while uncontrolled expenses reduce profitability.

The findings reveal that:

Increasing income supports business expansion.

Proper expense control improves operational efficiency.

Financial planning enhances profitability.

Efficient resource utilization improves sustainability.

The study also shows that rising operational costs and finance expenses create pressure on net earnings. Therefore, organizations must maintain effective cost control mechanisms.

CONCLUSION

The present study analysed the comparative analysis of income and expenses of Sakthi Finance Limited.

The study concludes that:

Income growth positively contributes to profitability.

Expense management is essential for financial stability.

Comparative analysis helps evaluate operational performance.

Effective financial planning improves sustainability.

Balanced management of income and expenses supports long-term organizational growth and financial performance.

IMPLICATIONS

Managerial Implications

Management can improve financial planning and cost control.

Financial Implications

Effective expense management improves profitability.

Strategic Implications

Balanced revenue and expenditure support sustainable growth.

LIMITATIONS

1. The study depends mainly on secondary data.
2. Analysis is limited to selected financial years.
3. External economic conditions are not fully considered.
4. Findings may vary depending on market conditions.
5. Limited financial indicators are included.

FUTURE RESEARCH DIRECTIONS

- Future research may focus on:
- Comparative analysis across finance companies
- Long-term profitability analysis
- Advanced financial forecasting techniques
- Impact of economic factors on income and expenses
- Industry-specific financial performance studies

REFERENCES

1. Bharathi, S., & Manikandan, S. (2026). *A study on effects of green logistics performance in warehouse management towards Surin Automotive Private Limited with special reference to Hosur. International Journal of Business and Administration Research Review*, 13(1), 1–5
2. Pandey, I.M. (2015). *Financial Management*. Vikas Publishing House.
3. Khan, M.Y., & Jain, P.K. (2017). *Financial Management: Text and Problems*. McGraw Hill.
4. Brigham, E.F., & Houston, J.F. (2021). *Fundamentals of Financial Management*. Cengage Learning.
5. Gitman, L.J., & Zutter, C.J. (2015). *Principles of Managerial Finance*. Pearson.
6. Higgins, R.C. (2015). *Analysis for Financial Management*. McGraw Hill.
7. Bharathi, S., & Balamurugan, P. (2026). *A study on employee grievances handling mechanisms at Accel Frontline Service Limited Chennai. International Journal of Management and Social Science Research Reviews*, 13(1).
8. Fraser, L.M., & Ormiston, A. (2016). *Understanding Financial Statements*. Pearson.
9. Ross, S.A., Westerfield, R.W., & Jordan, B.D. (2019). *Fundamentals of Corporate Finance*. McGraw Hill.
10. Arnold, G. (2013). *Corporate Financial Management*. Pearson Education.
11. Walsh, C. (2006). *Key Management Ratios*. Pearson Education.
12. Foster, G. (1986). *Financial Statement Analysis*. Prentice Hall.
13. Vignesh, H., G., & Bharathi, S. (2026). *A study on enhancement of efficiency in warehouse management toward SVJ Logistics India Private Limited at Salem. International Journal of Business and Administration Research Review*, 13(1).