

**FINANCIAL PERFORMANCE OF SELECTED FINTECH
COMPANIES (WITH REFERENCE TO PB FINTECH LTD AND
INTELLECT DESIGN ARENA LTD)**

**Submitted in partial fulfillment of the requirement for the Degree of
Master of Commerce**

**Submitted by
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**Under the guidance of
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**DEPARTMENT OF COMMERCE
AVINASHILINGAM INSTITUTE FOR HOME SCIENCE AND
HIGHER EDUCATION FOR WOMEN,
SF-PROGRAMMES, CAMPUS – II
COIMBATORE – 641 108.**

MAY 2024

CERTIFICATE

CERTIFICATE

This is to certify that the thesis, entitled, “**FINANCIAL PERFORMANCE OF SELECTED FINTECH COMPANIES (WITH REFERENCE TO PB FINTECH LTD AND INTELLECT DESIGN ARENA LTD)**”, submitted to the Avinashilingam University, in Partial fulfillment of the requirements for the award of the Degree of Mater of Commerce is a record of original research work done by me during the period **December 2023 – May 2024** of her research in the Department of Commerce at Avinashilingam Institute for Home Science and Higher Education for Women, SF-Programs, Campus – II, Coimbatore – 641 108 under my supervision and guidance and the thesis has not formed the basis for the award of any Degree / Diploma / Associate ship / Fellowship or other similar title of any candidate of any University.

Signature of the Director

Signature of the Head of the Department

Viva-voce examination held on _____

Signature of the Supervisor

Signature of the External

Examiner

DECLARATION

DECLARATION

I am **S.SRIVARTHINI**, hereby declare that the project entitled, “**FINANCIAL PERFORMANCE OF SELECTED FINTECH COMPANIES (WITH REFERENCE TO PB FINTECH LTD AND INTELLECT DESIGN ARENA LTD)**”, submitted to the Department of Commerce, Avinashilingam Institute for Home Science and Higher Education for Women, SF-Programs, Campus – II, Coimbatore – 641 108 in partial fulfillment of the requirements for the award of the Degree of Master of Commerce is a record of original and independent research work done by me during December 2023 – May 2024 under the supervision and guidance of **(Mrs) R. RANGEELA , M.Com., M.Phil., Assistant Professor Department of Commerce** and it has not formed the basis for the award of any Degree / Diploma / Associate ship / Fellowship or other similar title to any candidate in any University.

Date:

Place: Coimbatore

Signature of the Candidate

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ACKNOWLEDGEMENT

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INTRODUCTION

CHAPTER-1

INTRODUCTION OF THE STUDY

1.1 INTRODUCTION

Fintech is a portmanteau for “financial technology.” It’s a catch-all term for technology used to augment, streamline, digitize or disrupt traditional financial services.

Finance + Technology = FinTech (a revolution in financial services)

Fintech refers to software, algorithms and applications for both desktop and mobile. In some cases, it includes hardware, too like internet-connected piggy banks. Fintech platforms enable run-of-the-mill tasks like depositing checks, moving money between accounts, paying bills or applying for financial aid. They also facilitate technically intricate concepts, including peer-to-peer lending and crypto exchanges.

Businesses rely upon fintech for payment processing, e-commerce transactions, accounting and, more recently, help with government-assistance efforts like the Payroll Protection Program (PPP). In the wake of the Covid-19 pandemic, more and more businesses are turning to fintech to accept contactless payments or adopt other tech-fueled advancements.

Financial technology (FinTech) is acknowledged as a highly significant advancement within the financial sector and is rapidly progressing, fueled by factors such as the sharing economy, favorable regulations, and advancements in information technology. FinTech holds the potential to revolutionize the financial industry by reducing expenses, enhancing the standard of financial services, and fostering a more inclusive and resilient financial environment.

At the same time, the utilization of internet and automated information processing has sparked innovation in the financial industry, resulting in cost savings, enhanced efficiency, speed, creativity, adaptability, and overall improvement in business processes.

In terms of innovation, a significant number of FinTech advancements have focused on incremental enhancements, such as optimizing existing business processes through the

utilization of mature technologies like mobile phone cameras for mobile payment solutions. Simultaneously, innovations have also affected various facets of FinTech, including the introduction of new services such as chat bots, artificial intelligence-based advisory services, and mobile bank accounts.

FinTech solutions are currently offered not only by traditional banks and insurance companies but also by non-banks and non-insurers as providers of financial services. Moreover, the evolution of FinTech has demonstrated a shift in focus from intra-organizational solutions to customer-centric approaches such as business-to-customer (B2C), customer-to-customer (C2C), and provider-oriented business-to-business (B2B) inter-organizational models.

EVOLUTION OF FINTECH:

In the age of smart phones, instant payments, and digital banking, it's easy to forget that the financial world was once a realm dominated by brick-and-mortar institutions and paper transactions. The fintech (financial technology) industry, which is now at the forefront of innovation, has undergone a remarkable evolution over the decades.

The Birth of Fintech (stage-1):

The origins of fintech can be traced back to the 1950s, when the earliest forms of electronic data processing emerged within traditional financial institutions. These early innovations laid the groundwork for what would eventually become fintech. The introduction of the credit card in the late 1950s marked a significant milestone. Diners Club issued the first credit card in 1950, followed by American Express and Bank of America. These cards streamlined payment processes and introduced the concept of consumer credit.

In the 1970s, the advent of the Automated Teller Machine (ATM) revolutionized banking. ATMs provided customers with access to cash and basic banking services outside of regular banking hours, reducing the need for in-person transactions. This innovation was a precursor to the greater fintech revolution that was to come.

The Digital Revolution (stage-2):

The true birth of fintech, as we understand it today, can be attributed to the rise of the internet and personal computing in the 1990s. The internet provided a platform for financial services to be delivered electronically, opening up new possibilities for innovation. Online banking and brokerage services emerged, allowing individuals to manage their finances from the comfort of their homes.

In 1998, PayPal was founded, marking a significant leap in online payments. PayPal offered a secure and convenient way for individuals and businesses to send and receive money electronically. This innovation paved the way for the growth of e-commerce and online marketplaces, further accelerating the digitization of financial transactions.

The Fintech Startup Boom (stage-3):

The early 2000s saw the emergence of a new wave of fintech startups. These startups focused on disrupting various aspects of the financial industry, from lending and payments to wealth management and insurance. One notable example is the launch of Square in 2009, which provided small businesses with the ability to accept card payments using a Smartphone or tablet.

The financial crisis of 2008 also played a significant role in shaping fintech. It exposed weaknesses in traditional financial institutions and led to increased scrutiny and regulatory changes. Fintech companies seized the opportunity to offer alternative solutions that were perceived as more transparent and customer-centric.

Mobile Banking and Payments (stage-4):

The proliferation of smart phones in the 2010s brought about a new era in fintech. Mobile banking apps and digital wallets became ubiquitous, allowing consumers to manage their finances and make payments on the go. The rise of mobile payments platforms like Apple Pay, Google Pay, and Samsung Pay transformed the way people interacted with money.

Peer-to-peer (P2P) lending platforms like Lending Club and Prosper gained traction, providing an alternative to traditional banks for borrowers and investors. These platforms

leveraged technology to match borrowers with investors, streamlining the lending process and offering competitive interest rates.

Blockchain and Cryptocurrency (stage-5):

One of the most disruptive innovations to emerge from fintech is block chain technology and crypto currencies. Bit coin, introduced in 2009, marked the beginning of the crypto currency revolution. Blockchain, the underlying technology, introduced a decentralized and immutable ledger that could be used for various financial applications beyond crypto currencies.

The Initial Coin Offering (ICO) boom in 2017 saw a wave of new block chain-based projects raising capital through token sales. While this trend brought innovation, it also raised regulatory concerns. Nevertheless, block chain continues to evolve, with applications in supply chain management, identity verification, and smart contracts.

Regulatory Challenges and Collaboration (stage-6):

As fintech continued to grow, regulators worldwide grappled with how to strike a balance between fostering innovation and protecting consumers. Regulatory frameworks evolved to address issues such as data privacy, cyber security, and financial stability. Fintech companies worked closely with regulators to navigate these challenges.

Collaboration between fintech startups and traditional financial institutions also became common. Banks realized the potential of fintech to enhance their services and improve efficiency. Partnerships and acquisitions between banks and fintech companies have become commonplace, facilitating innovation within the traditional banking sector.

EMERGING TRENDS IN FINTECH:

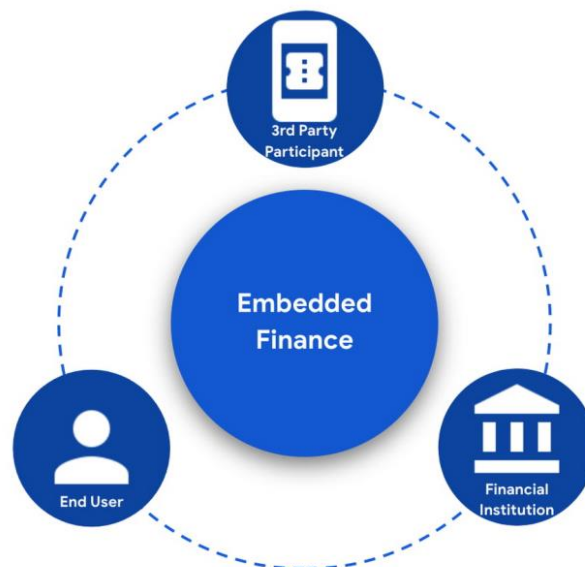
1. Embedded Finance:

Embedded finance is the integration of banking services into non-financial products and platforms. In other words, Embedded Finance involves fluidly incorporating financial services and products into non-financial platforms, like e-commerce websites, mobile apps, or other digital landscapes. Technological advancements, such as Application

Programming Interfaces (APIs) and cloud computing, have contributed to the rapid growth of embedded finance.

Various industries, including e-commerce, ride-sharing, healthcare, and social media platforms, are assimilating embedded finance to offer a more comprehensive customer experience.

For example, consumers can now buy insurance through their e-commerce platform or get a loan through their ride-hailing app.



2. Open Banking (or BaaS, Banking as a Service):

Open banking is among the hottest fintech trends in the industry. It enables secure data sharing and collaboration between financial institutions, technology companies, and customers. Users can allow their financial data to be accessed by authorized third-party service providers and leverage personalized solutions such as budgeting apps, investment platforms, and loan marketplaces.

Facebook and Instagram are leading this fintech trend with services like marketing and shopping, but many others are in line. Open banking has been widely recognized and well-integrated into financial ecosystems over the past few years and will continue to be among the top fintech trends in 2023 and after.

For example, robot-advisors use open banking to access customer data and provide personalized investment advice.



OPEN BANKING

3. Block Chain:

Blockchain is a distributed ledger technology underpinning the development of new financial products and services, such as cryptocurrencies and decentralized finance (DeFi).

Blockchain is also enhancing the efficiency and security of traditional financial processes. Banks are employing blockchain for streamlined cross-border payments, bolstering security and transparency. However, blockchain's complexity, nascent stage of development, and regulatory hurdles pose challenges.

For example, some banks are using blockchain to streamline cross-border payments.

4. Artificial Intelligence (AI) And Machine Learning (ML):

Artificial Intelligence (AI) refers to stimulating machines with human intelligence and enabling them to perform functions that need human reasoning. Machine Learning (ML) is a subset of AI that allows devices and systems to learn from data using algorithms and improve without explicit programming.

The fintech industry has leveraged AI and ML to automate tasks such as managing client data, detecting human errors, recommending management strategies, preventing fraud, and performing quality checks. Chatbots and self-learning apps can provide insights into customer behavior and help improve financial services. AI is also used for checking the quality in Business Process Outsourcing.

For example, facilitate customer support and financial inquiries.



5. Cyber security:

Cybersecurity is one of the biggest trends in fintech for financial companies, as cybercriminals increasingly target them. Fintech companies invest heavily in cybersecurity to protect their customers' data and financial assets.

Cybersecurity measures are vital for thwarting fraud and financial losses, but they require continuous adaptation and investment to outpace cybercriminals.

For example, some companies use artificial intelligence to detect and prevent fraud.



6. Buy Now, Pay Later (BNPL):

This emerging fintech trend allows users to make purchases and defer the payment over time. With BNPL, customers can split the total amount into smaller, interest-free installments, usually over a fixed period. It has gained popularity due to its simplicity, quick approval process, and the absence of interest charges if paid on time.

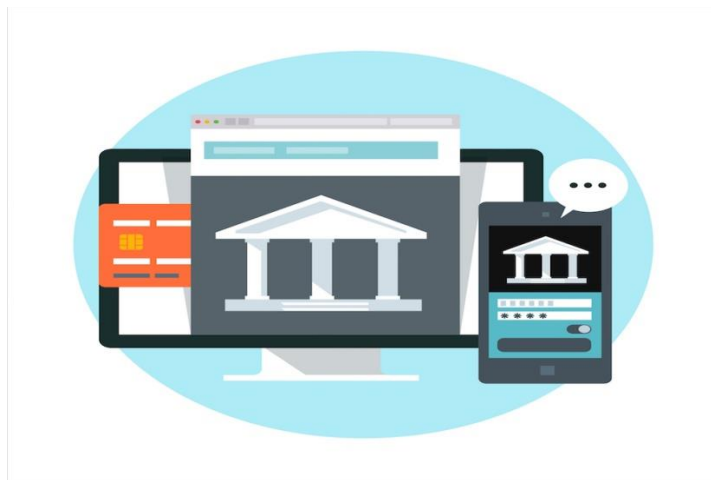
While BNPL enhances affordability and credit history for consumers, it can lead to debt if spending exceeds means. Failure to meet payment deadlines can negatively impact credit scores.



7. Digital-Only Banking / Neo-banking:

Digital-only banks, also known as neobanks, are online banks that offer various financial services, such as checking accounts, savings accounts, and loans.

These banks are famous for their convenience, user-friendly interfaces, and competitive fees. They offer accessibility 24/7, boast intuitive websites and mobile apps, and often charge lower prices. However, they may need more physical branches and a comprehensive suite of financial products compared to traditional banks.



BENEFITS OF FINTECH SERVICES FOR CONSUMERS:

i. Convenience and Accessibility:

Fintech services are all about convenience. No more physically visiting a bank branch or waiting on hold for customer service. With fintech apps, you can manage your finances anytime, anywhere, right from your Smartphone. Whether it's transferring money, paying bills, or checking your balance, it's all just a few taps away.

ii. User-Friendly Interfaces:

Traditional banks can often be intimidating with their complex jargon and bureaucratic processes. Fintech companies, on the other hand, prioritize user experience. Their interfaces are sleek, intuitive, and easy to navigate, even for those who aren't tech-savvy.

iii. Personalization and Customization:

One-size-fits-all doesn't work in today's world, and consumers expect their financial services to be tailored to their individual needs. Fintech companies leverage data and technology to offer personalized financial products and services. This could mean anything from recommending investment options based on your risk tolerance to creating spending budgets that fit your lifestyle.

iv. Lower Fees and Transparency:

Traditional banks are notorious for their hidden fees and charges. Fintech companies, however, often operate with lower overhead costs, which translate to lower fees for consumers. They also prioritize transparency, clearly outlining all fees and charges upfront.

v. Innovation and New Financial Products:

Fintech companies are constantly innovating and coming up with new ways to manage money. From robot-advisors that automate investing to blockchain-based platforms for secure transactions, fintech is pushing the boundaries of what's possible in the financial world. This gives consumers access to a wider range of financial products and services than ever before.

BENEFITS OF FINTECH FOR SMALL AND MEDIUM-SIZED COMPANIES:

1) Lower overall costs for small businesses:

FinTech innovations often offer more cost-effective alternatives to traditional financial services, making it easier and more affordable for small businesses to manage their finances.

For example, FinTech apps may offer lower transaction fees, lower interest rates on small business loans, or reduced costs for payment processing. Apart from that, financial technologies can also automate repetitive and manual tasks such as invoicing and payment processing can save companies resources such as time and money.

2) Improved Cash Flow Management:

Financial technology tools provide real-time insights into financial transactions, allowing firms to understand better and manage their capital. With a clear understanding of their financial situation, small businesses can confidently make informed decisions and plan for the future.

3) Enhanced Customer Experience:

Traditional banks often cannot provide modern and fast customer personalized experiences. Then the FinTech industry shows up and offers a seamless and personalized customer experience, making it easier for small businesses to build and maintain strong relationships with their clients.

With a focus on customer experience, firms can differentiate themselves from their competition, attract new customers, and also often increase their profitability. To provide such services, a lot of them started using artificial intelligence as customer support.

4) Automated Bookkeeping:

FinTech companies automate many manual and repetitive tasks associated with bookkeeping and accounting, freeing small business owners to focus on other areas of their business.

By reducing the time and effort required for bookkeeping, small business owners can make more informed decisions and grow their businesses.

5) Increased Security:

The finance world uses advanced security measures to protect sensitive financial information and reduce the risk of fraud. With financial technology, small businesses can feel confident that their financial information is secure and that their business is protected from cyber threats.

There is a lot of FinTech technology that enables firms to avoid security breaches or increase the quality of risk management in financial processes.

6) Increased Accessibility in the Financial Sector:

FinTech software is designed to be accessible from anywhere, making it easier for small business owners to manage their finances on the go. With financial technology, small business owners can access their financial information and make decisions from their desktop, laptop, or mobile device.

7) Better Data Management:

FinTech companies provide real-time insights and analytics, allowing small business owners to make data-driven decisions. With access to accurate and up-to-date financial information, small business owners can make informed decisions, track their progress, and identify areas for improvement.

FINTECH COMPANIES:

The term “FinTech Company” describes any business that uses technology to enhance, automate or modify financial services for consumers or businesses. A FinTech is both a tech and a finance company simultaneously.

FINTECH COMPANIES IN INDIA:

There are over 2000+ fintech companies in India. Moreover, 1800+ of these fintech companies are startups. Some of the companies are listed below;

- Policy bazaar
- Paytm
- Phonepe
- Paisa bazaar
- Intellect design arena
- Grow
- Acko
- KFintech
- Kinara capital

COMPANY PROFILE OF POLICY BAZAAR (PB Fintech Ltd):



Policy bazaar is an insurance aggregator and a fintech startup that help users to compare financial services from major insurance companies on the basis of price, quality, and key benefits. The company was founded in June 2008 by Yashish Dahiya, Alok Bansa and Avaneesh Nirjar. It provides a digital platform-website and an app-where users can compare insurance policies and other financial services from major insurance companies. Its insurance comparison portal and mobile application provides information across products such as medical, term life, travel or motor insurance, low prices ULIPs, and other investment products, enabling consumers to compare and analyze financial products. Based on user inputs, various options in the desired insurance product are showcased to him/her. To facilitate the user understanding of the products, there are special segments like “**knowledge.policybazaar**” and “**ask.policybazaar**”. Under these segments,

customer queries are answered and information about new insurance products and trends are shared with the users. The company is India's largest insurance aggregator, and has expanded its operations to the United Arab Emirates.

Website	:	www.policybazaar.com
Industry	:	Insurance
Company size	:	1,001-5,000 employees
Headquarters	:	Gurgaon, Haryana, India
Ownership	:	Public Company
Founded	:	June 2008(16 YEARS OLD)
Business type	:	B2C, B2B

MISSION AND VISION OF POLICY BAZAAR:

MISSION: Building a safety net for 250 million plus households in India.

VISSION: A Healthy and well- protected India.

VALUES AND PRINCIPLES OF POLICYBAZAAR:

The core value of policy bazaar is to ensure fairness to all our stakeholders.

HISTORY:

Policybazaar.com was founded in June 2008 by Yashish Dahiya, Alok Bansal, and Avaneesh Nirjar, starting out as an insurance comparison website. At that time, the Indian insurance industry still lacked transparency and policies were mostly sold through agents. Policy bazaar started by listing the details of multiple insurance policies for customers to choose from. It began as a price-comparison website, and an information portal for learning about insurance and insurance programs. The website subsequently expanded to become a marketplace for insurance policies. In 2015, Policy bazaar launched its app for Android and iOS users.

In February 2020, Sarbvir Singh was appointed CEO, effective December 2019, while Yashish Dahiya took over the role of group CEO.

In June 2021, Policy bazaar obtained an insurance broking license from IRDAI and announced that it would set up 100 offline outlets across India. The company also surrendered its web aggregator license.

PRODUCTS:

In 2021, Policybazaar moved from a policy price comparison website to an insurance selling operation. The company claims to process nearly 25% of India's life insurance and over 7% of the country's retail health cover.

Policybazaar.com has tie-ups with insurance companies that help it procure information such as prices, benefits, insurance cover, etc. directly from the insurers. Users can use the Policybazaar website or app to research, compare and buy insurance policies from over 40 insurance providers. Policybazaar has companies that offer car insurance, health insurance, life insurance, corporate insurance, and travel insurance as its business partners.

The Insurance Regulatory and Development Authority of India regulate the insurance web aggregation business of Policybazaar. The company is registered as an insurance web aggregator under the Insurance Web Aggregator Regulations, 2017.

AWARDS:

- ❖ IMAI Indian Digital Awards for best financial website 2015.
- ❖ Award for Best Mobile App Consumer Finance in 2015 by GSF Mobile Appies
- ❖ Exchange4media Golden Mikes Award 2015
- ❖ CMO Asia Awards 2015
- ❖ BAM Award 2015
- ❖ Excellence in Operations – Iconic IDC Insight Award 2015
- ❖ Emerging Star Award – BML Munjal Award 2017
- ❖ Insurance Innovation Award 2018 – The Digital Insurer Global Lifestart Award
- ❖ Best Insurance Tech – IMAI India Digital Awards 2018

- ❖ Best Marketing & PR Campaigns – India PR & Communications Awards 2018
- ❖ Best Content in Online PR Campaign – Drivers of Digital – Inkspell Awards 2018
- ❖ Best Consumer Awareness Campaign – Silver – Economic Times Brand Equity Kaleido Award 2019
- ❖ Best bank in Fintech – Financial Express Best Bank 2019
- ❖ Leading Fintech Innovator in India – KPMG-H2 Ventures Report.

COMPANY PROFILE OF INTELLECT DESIGN ARENA LTD:



Intellect Design Arena Ltd (formerly known as Fin Tech Grid Limited), a cloud-native, future-ready multi-product fintech platform for the world's leading financial & insurance clients, caters to the full spectrum of banking and insurance technology, with products across Global Consumer Banking, Central Banking, Global Transaction Banking (iGTB).

In other words, Intellect Design Arena Ltd. has the world's largest cloud-native, API-led micro services-based multi-product platform for Global leaders in Banking, Insurance, and Capital Markets. eMACH.ai, the most comprehensive open finance platform is at the forefront of the BankTech Wave 5, a significant phenomenon that enables banks and financial institutions to move from product and process to design and experience to compose their unique "My Signature Solution".

With over three decades of deep domain expertise, Intellect is the brand that progressive financial institutions rely on for digital transformation initiatives. It offers a full spectrum of banking and insurance technology products through its three lines of businesses – Intellect Global Consumer Banking (iGCB), Intellect Global Transaction Banking (iGTB), and IntellectAI.

Intellect pioneered Design Thinking to create cutting-edge products and solutions for banking and insurance, with design being the company's key differentiator in enabling digital transformation. FinTech 8012, the world's first design center for financial technology, reflects Intellect's commitment to continuous and impactful innovation, addressing the growing need for digital transformation. Intellect serves over 270 customers through offices in 57 countries and with a diverse workforce of solution architects, and domain and technology experts in major global financial hubs around the world.

Website	:	www.intellectdesign.com
Primary Industry	:	FinTech (Financial Services)
Other Industry	:	IT Services_and Software development
Company size	:	5,001-10,000 employees
Headquarters	:	Chennai, Tamil Nadu
Ownership	:	Public Company
Founded	:	April 2011(13YEARSOLD)
Business type	:	B2B

HISTORY OF INTELLECT DESIGN ARENA LTD:

Intellect Design Arena Limited (formerly known as Fin Tech Grid Limited) was incorporated under the provisions of the Companies Act 1956 in April 18th 2011 and has its registered office in Chennai. The Company has a comprehensive portfolio of products across Global Consumer Banking Central Banking Risk & Treasury Management Global Transaction Banking and Insurance and is engaged in the business of software development. The Company has 23 (13 direct and 10 step down) subsidiary companies and 3 Associate Companies for the financial year ended on March 31st 2018. On 18th March 2014 the Board of Polaris Consulting & Services Limited (then called Polaris Financial Technology Limited) approved a Scheme of

Demerger through which its product business would get divested into its Company. The Scheme after receiving regulatory clearances and shareholders' endorsement was approved by the Madras High Court vide its Order dated 15th September 2014 with an effective date of 1st April 2014. The Company took necessary steps to give effect to the Order including allotment of shares and formation of a Board of Directors followed by listing in the National Stock Exchange and the Bombay Stock Exchange on 18th December 2014. During the year 2016 M/s Intellect Payments Limited and M/s Intellect India Limited have been incorporated as direct subsidiaries of Intellect Design Arena Limited. In 2016-17 the Company commenced the Intellect iGTB - Oxford Leadership programme. It commenced design of Go-To-Market strategies for the products. On the IP front it commenced investments into Artificial Intelligence and Machine Learning spotting the trend early in the curve. The Company has 19 (9 direct and 10 step down) Subsidiary Companies and 2 associates and 1 joint venture Companies for the financial year ended on March 31st 2020. In May 2020 Company launched two products spotted in the for ex-trading and Asset Liability Management spaces - CBX FX and Contextual ALM. It launched iTurmeric; will Deliver Offerings through IBM's Financial Services-Ready Public Cloud. CBX-O an end-to-end loan origination platform was launched to empower the customers with improved data analysis and automation for delivery of smarter & faster decisions. It launched the Contextual Sentiment API on AWS platform. ARX a new integrated suite of security services was launched to redefine security with modern identity. It released new versions of low-coding technology - Canvas 19. It launched an Integration platform - Olive Fabric. The Intelligent Data Exchange (IDX) which combines data uptake validation and enrichment was market-tested. In continuation to Wealth 2.0 strategy it launched digital Wealth Cronus an Indian market specific platform. During 2023 the Company launched Intellect SEEC IntellectAI. It built a strong repository of IP commencing with Products for each of the Banking verticals and Insurance went on to upgrade some of those to Platforms launched iTurmeric -MACH composable platform for the design of Experience Operations and Integration with the Ecosystem. It also launched eMACH.ai - the MACH-compliant open architecture-based composable platform.

1.2 STATEMENT OF THE PROBLEM

The financial performance is an integral part of overall corporate management. There had been variation in profits of both the companies from period to period. The success or failure is determined by applying various tools such as Comparative balance sheet, Trend analysis, Ratio analysis, Mean and Z score analysis. The company's performance has been evaluated by analyzing its financial capability. A study on the performance of Policy bazaar fintech ltd and Intellect design arena ltd has been found to be apt in this context which will throw light on the causes of fluctuation in performance.

Hence the researcher has made an attempt to analyze the following problems:

- ❖ How the companies are managing its finance over the period of 5 years from 2019- 2023?
- ❖ How the firms have succeeded in its growth?

1.3 NEED OF THE STUDY:

The growth and development of company depends upon the financial performance of the company. Hence, it should be clearly analyzed and improved. Efforts must be taken to improve the financial performance. The assessment of the company helps to improve the performance of company. Hence a study on assessment on financial performance is very essential. Nowadays growth of Fintech sector is very essentially, required in the developing country. This leading sector contributes more to the economic development.

A research study is essential to improve the financial performance of major Fintech sector. Hence a research study on major fintech companies (PB Fintech ltd and Intellect Design Arena ltd) was undertaken in 2024 to study the financial health for the period of 5 years (2019-2023).

In the research, analysis is to find out the financial performance and financial position of the Fintech companies was carried out. If the Fintech companies will develop, automatically the use of technology will also develop. The advancement of technology significantly contributes for the development of the economy.

1.4 OBJECTIVE OF THE STUDY:

- To analyze the financial statements of both companies (Policy bazaar fintech Ltd and Intellect design arena Ltd).
- To study the financial performance of PB Fintech Limited and Intellect Design Arena Limited. (Liquidity, Efficiency, Profitability and Solvency).
- To assess the financial health of the companies.

1.5 SCOPE OF THE STUDY:

Financial performance of an organization is a very important factor for the long term survival profitability of any organization. The purpose of financial analysis is to diagnose the information contained in financial statement so as to judge the profitability and financial soundness of the firm.

The study offers a good scope, for all in the Industry, to understand the financial health of the two companies. The necessary strategies can be drawn to improve the financial performance of the companies.

1.6 LIMITATIONS OF THE STUDY

- The study covers a period of 5 years from 2019 to 2023. It does not consider Changes that have been taken place before and after the period.
- The findings are based on the collected secondary data only.
- The calculations have been made on the basis of the figures provided in the published financial statements. Hence, the study is subject to inherent limitations of accounting practices.

1.7 CHAPTER SCHEME

The project is classified into five chapters as follows

- **Chapter I:** This chapter discusses about Introduction, Company profile, Scope of the study, Objectives, and the limitations of the study.
- **Chapter II:** This chapter gives the reviews of similar research studies conducted earlier.
- **Chapter III:** This explains the methodology framed in the research study.
- **Chapter IV:** This chapter describes the Analysis and Interpretation
- **Chapter V:** This chapter presents the findings, and offers suggestions and conclusion.

REVIEW OF LITERATURE

CHAPTER - II

REVIEW OF LITERATURE

A review of literature is a test of a research work, which includes the current knowledge including substances, findings as well as theoretical and methodological contributes to a particular topic. It helps to determine the nature of the research. The review of literature related to the research study are thoroughly scrutinized and presented here.

S.Vanitha (2011)”A Study on Financial Performance of Indian Manufacturing Companies during Pre and Post Merger”. The study was about Indian industries have been increasingly exposed to both domestic and international competition and competitiveness. The objective of the study was to evaluate the financial performance of the manufacturing companies before and after mergers and acquisition. The study concluded emerging from the point of view the financial evaluation is that merging companies were taken over by the companies with reputed and good management.

Mital Menapara and Vijay Pithadia (2011) conducted “A study on financial performance of selected companies during pre-post merger and Acquisition”. This study aimed at the maximization of wealth of its shareholder and to achieve profitable growth of business in necessary for any company to limit competition, to gain economies of large scale and increase in income with proportionally less investment and to access foreign market. The analysis used in this study were earning per share, gross profit ratio, net profit ratio, return on gross capital employed, return on net capital employed, return on shareholders’ fund, return on long term funds. The study finally stated that the evaluation of the merged companies were takeover by companies with reputed and good management.

M.Vikram Singh (2012) conducted a study entitled “A Study on financial Performance analysis (with reference to Kesoram Cement)”. The objective of the study is to understand the financial position and also know the liquidity and profitability position. The data was collected from secondary sources. The statistical tools used in the study are ratio analysis, comparative balance sheet, and common size balance sheet and trend analysis. The findings of

the study show that the financial position of Kesoram Cement is not satisfactory and they should take efforts to attain a good position.

C. Singh A.B., Tondon P. (2012) conducted “**A Study Of Financial Performance: A Comparative Analysis Of SBI And ICICI Bank**” examined the financial performance of SBI and ICICI Bank, public sector and private sector respectively. The study found that SBI is performing well and financially sound than ICICI Bank but in the context of deposits and expenditure ICICI bank has better managing efficiency than SBI.

Dr. Bhaskar Bagchi, DR. Basanta Khamari (2012) conducted a study on “**Financial performance of Select FMCG Companies in India: A Comparative Study between Britannia Industries and Dabur India**”. In this study, they have used various accounting ratios and statistical tools like linear regression analysis and multiple correlation analysis. The results reveal that though Britannia Industries is passing through hard times of profitability, Dabur India is enjoying its enhanced performance and continuous growth in the sector.

Dr.M.Dhanabhakyam (2012) “**A Study on Financial Performance of Selected Public Sector Banks in India**”. In this study an attempt was made to see the financial performance of the selected public sector banks in different norms. They are grouped as follows, ratio analysis, correlation and regression. The objective of the study was to analyze the financial position of the bank and improving the performance of the bank. The study concluded selected public sector banks have performed well on the sources of growth rate and financial efficiency during the study period.

Maryam Mohammadi **and** Afagh Malek (2012) conducted a research study on “**An Empirical Study of Financial Performance Evaluation of a Malaysian Manufacturing Company**”. Accounting principles are useful tools in executing and improving a successful management practice and plan. In today’s competitive environment, evaluating the financial performance is crucial for companies in manufacturing sector. The analysis of financial performance reflects the financial position of the company, the level of competitiveness in the same sector, and a thorough knowledge about the cost and profit centers within the firm. This study investigates the financial performance of an investment company in Malaysia for a three-year period from 2009 to 2011, which is assessed using financial ratios. The findings pointed out that overall company performance reduced remarkably in the last year of the analysis. This study

principally emphasizes on how accounting information aids budgetary decision-makers to evaluate the company financial performance, determine its future obligations, and make better investment decisions.

Srinivas .K, Saroja .L (2013) had done a research on “**Comparative Financial Performance of HDFC Bank and ICICI Bank**”. For the purpose of analysis of comparative financial performance of the selected banks, the CAMELS model with t –test was applied. The result showed that there is no significant difference between the ICICI and HDFC bank’s financial performance. But the ICICI bank performance is slightly less, compared with HDFC.

S.Sabarinathan and V.Jenifer (2013) they present a research study entitled “**A Study On Financial Performance of Kaleeswarar Mills B Unit of National Textile Corporation Ltd**”. The study was based on secondary data from records, reports and profile of the Organization. The Ratio analysis is the process of identifying the financial soundness and cost effectiveness of the firm by establishing relationship between the items of balance sheet and profit and loss a/c. The present study has shown major concentration in ratio analysis, from the 5years balance sheet and profit and loss a/c. An objective of the study includes the profitability, cost of goods sold and the Companies overall financial performance. Short term-long term position of the company Suitable suggestions were given by the researcher for a better soundness and cost effectiveness of the company.

Dr.G. Malyadri.B, Sudheer kumar (2013) had done a research entitled “**Study on Financial Performance of Sugar Industry in India**”. The industry has the potential to cater to the large and growing domestic sugar consumption, and can emerge as a significant carbon credit earner and power producer. Further, the industry can improve its cost competitiveness through higher farm productivity and by managing the domestic production variation through international trade with a focus on countries in the Indian Ocean. Thus, transformed sector would be less cyclical with greater alignment between sugarcane and sugar prices, and will have stable diversified sources of revenue.

C.Indhumathi and P. Palanivelu (2013) had done a research on” **A Study on Financial Performance of Selected Textile Companies in India**”. In this paper an attempt is made to know the profitability and financial position of selected textile companies, For accomplishment of the objective, the data was collected from the annual reports from 2001-2010 from the selected textile companies in India. The collected data is analyzed and computed to fit for drawing inferences. This study utilizes various ratios analysis, correlation, trend and compounded growth rate. The results reveals that there is a close relationship exist between the financial performances of the selected textiles companies in India and the proportion of changes in return on total assets.

Sidra Alimirza (2013) “**A Study on Determinants of financial performance of a firm case of Pakistani stock market**”. The Study deals with economic indicators, ownership structure, capital structure, risk management financial performance of Pakistani. The objective of the study was to examine impact of corporate governance on firm performance by creating indices for board characteristics transparency, disclosure, share holder and ownership characteristics. The study concluded that economic factors, ownership structure and risk management have a major determination of the financial performance of firm in Pakistan, if return on equity is considered as performance.

Khatik.S.K, Varghese Titto (2013) conducted a study on “ **Financial analysis of steel authority of India limited (SAIL)**” It states that financial analysis is used to analyze whether an entity is stable, solvent, liquid or profitable enough to invest money in it. For analysis of the financial position of the SAIL, gross profit ratio, net profit and operating ratio, productivity, investment and solvency ratios were calculated.

SudarsanaReddy (2014) study on “**Financial performance of paper Industry in Andhra Pradesh**”. The primary objective of the study was to analyze the investment pattern and utilization of fixed assets, ascertaining the working capital condition, reviewing the profitability performance and suggesting measures to improve the profitability. He concluded that the introduction of additional funds along with restructuring of finances and modernization of technology were needed for better operating performance.

Zayyad Abdul-Baki (2014) study on “**Financial ratios as performance measure: a comparison of IFRS and Nigerian GAAP**”. This study is based on the principles that organizations consider to maximize profits or wealth, any decision taken by organizations, drivers or agents are expected to enhance shareholders wealth in the long-term. The objective of the study was to investigate whether significant difference exists among financial ratios prepared from IFRS financial statement and Nigeria GAAP financial statement of the case firm in order to ascertain whether financial ratios prepared from IFRS financial statement show higher performance than those prepared from Nigeria GAAP. He concluded the results add to the body of literatures that have examined the impact of IFRS on various financial ratios in different spheres.

Nicolae Baltas and Georgiana Daniela Minculete (PIKO) (2015) had a research study entitled “**Study on the financial performance of companies operating in the pharmaceutical industry in Romania**”. The study aims at determining the financial performance of companies in the pharmaceutical industry between 2009 and 2014 by means of the indicator of the financial return rate, using multiple linear regressions as research method. By analyzing the evolution of the share of companies in the pharmaceutical industry, based on the trend of the financial rate of return, it can be estimated that the number of entities that resort to supporting the financial activities from loans and liabilities is growing in the period under analysis. This is due mainly to the liquidity crisis faced by entities, as a result of the high recovery duration of debts. By applying the multiple linear regressions, the highlight shown is that, the financial return of pharmaceutical companies is positively influenced by their economic profitability, by the equity multiplier and by inflation. The financial return is negatively influenced by the net profit margin.

Jeevan Jayant Nagarkar (2015) studied “**Analysis of Financial Performance of Banks in India**”. In this study Business cycles are observed and they are not new to the Indian economy. In last ten years, India witnessed two major phases of business cycle. High growth tide lifted all boats and high revenue high profits were taken for granted. The last four years have been the phase of recession. Banking industry which was growing at a high growth of +30% now is struggling to achieve 19% growth. This paper is an attempt to analyze performance of five major public, private and foreign sector banks with principle component analysis on the financial parameters. The weights are assigned on the basis of importance of the parameters on financials.

Palanichamy K and Jaganathan A (2016) had conducted a research titled “**A Study on Financial Performance of Ashok Leyland limited, Chennai**”. Finance is regarded as the life blood of a business enterprise. In the Modern economy, finance is one of the basic foundations of all kinds of economic activities. Finance statements are prepared primarily for decision -making .They play a dominant role in setting the frame work and managerial conclusion and can be drawn from these statements. It is of immense use in decision- making through analysis and interpretation of financial statements. Every business under taking needs finance for its smooth working. It has to raise funds from the cheapest and less risky source to utilize this in most effective manner. So every company will be interested in knowing its financial performance. The article entitled “Financial performance analysis of Ashok Leyland company Ltd ” throw light on overall financial performance of the company.

Sanjay Hiran (2016) study on “**Financial performance Analysis of Indian Companies belongs to Automobile Industry with special reference to Liquidity and Leverage**”. Liquidity is the ability to convert any assets into cash rapidly. The basic feature of liquidity ratio is to measure a company’s capability to settle all current debt with all available current assets. The objective of study is to examine the relationship between liquidity profitability of the companies operates in Indian automobile sector formulate CNX500 Index the study. It was concluded that there is a less opportunity cost due to excessive liquidity.

Parvesh Kumar Goyal (2016) study on “**Ratio analysis as a technique of financial performance evaluation**”. The study was about Business and Decisions, Financial Statements, Ratio Analysis, Financial Performance. The objective of the study was Profitability is the ability of a business to make profit, while solvency is the ability of a business to pay debts as they come due. He concluded Financial indicators represented in ratio analysis plays a vital role in a business planning process and figuring out the strength, weakness and opportunities of a business enterprise.

RESEARCH METHODOLOGY

CHAPTER-III

RESEARCH METHODOLOGY

Introduction

Research methodology is a systematic way to solve the research problem. In research, various steps are generally adopted by a researcher in studying the research problem along with the logic behind them. In order to achieve the objective of the study and to analyze the factors considered, an appropriate methodology is developed. The collection of data and analysis strategy are planned accordingly.

3.1 Research Gap

After scrutinizing thoroughly the various reviews of literature on financial performance analysis of companies in financial technology in different periods, it is found that there were only very few researches are done regarding comparison of financial performance and financial health of financial technology (Fintech) companies. After finding out this research gap only, I decided to compare the financial performance and financial health of policy Bazaar fintech Ltd and Intellect Design Arena Ltd companies was carried out during 2024. The financial performance was analyzed for two popular fintech companies from 2019-2023. For achieving the best result, main research objectives was formulated.

3.2 Research Objectives

The research objectives are,

- To analyze the financial statements of both companies (Policy bazaar fintech Ltd and Intellect design arena Ltd).
- To study the financial performance of PB Fintech Ltd and Intellect Design Arena Lt
- d. (Liquidity, Efficiency, Profitability and Solvency).
- To assess the financial health of the companies (Z-score analysis).

3.3 Research design

The research design of this study is analytical in nature. This section is helpful to know the methodology adopted to achieve the objective of the analysis and it provides details of the collection of data, and data analysis procedures. This study is based on secondary data. Data

pertaining to liquidity, efficiency, profitability and proprietary position was collected from the Balance Sheets and Profit & Loss accounts of policy bazaar fintech ltd and Intellect design arena ltd (2019-2023).

3.4 Nature of data

The data required for the study has been collected from secondary sources and the relevant information were taken from annual reports, journals and website etc.

3.5 Period of the Study

The study was conducted for a period of 5 years from 2019 to 2023.

3.6 Size of sampling

The size of the sample of the research study is two popular financial technology companies. The research was conducted on financial performance of Policy bazaar fintech ltd and Intellect Design Arena ltd. Policy bazaar fintech ltd is one of the leading fintech companies and Intellect Design Arena ltd is also a popular fintech company.

3.7 Source of data

Data was collected from secondary sources.

3.8 Secondary data

The secondary data is that which had already been collected by some and already processed. The sources of secondary data are annual reports, websites, magazines, articles etc...

3.9 Tools used for Research

To have a meaningful analysis and interpretation of the data collected, the following tools were applied in this study.

- Comparative Balance sheet
- Trend analysis
- Ratio analysis
- Mean
- Z-score analysis.

1) Comparative Balance Sheet:

A Comparative balance sheet analysis is the study of the trend of the same times, group of items and computed items in two or more balance sheets of the same business enterprise on different dates. The changes in periodic balance sheet items reflect the conduct of a business. The changes can be observed by comparison of the balance sheet at the beginning and at end of a period and these changes can help in forming an opinion about the progress of an enterprise. The comparative balance sheet has two columns for the data of original balance sheets. A third column is used to show increases in figures. The fourth column may be added for giving percentages of increases or decrease.

2) Trend Analysis:

The financial statements may be analyzed by computing trends of series of information. This method determines the direction upward and downwards and involves the computation of the percentage relationship that each statement item bears to the same item in base year. The information for a number of years is taken up and one year, generally the first year, is taken as base year. The figure of the base year is taken as 100; trend ratios for other years are calculated on basis of base year.

3) Ratio analysis:

Ratio analysis is used as a tool of analyzing the financial information, contained in the balance sheet and profit and loss account, for more meaningful understanding of the financial position and performance of a firm. The relationship between two accounting figures, expressed mathematically, is known as financial ratio. A ratio helps to analyst and makes qualitative judgment about the firm's financial position and performance. The several ratios can be calculated from the accounting data contained in the financial statements. In view of the requirements of the various ratios, ratios are classified into the following four important categories.

- A. Liquidity ratio
- B. Efficiency ratio
- C. Profitability ratio
- D. Solvency ratio

A. Liquidity Ratio:

Liquidity ratio refers to the ability of a concern to meet its current obligations as and when these become due. The short-term obligations are met by realizing amounts from current, floating or circulating assets. The current assets should either be liquid or near liquidity. These should convertible into cash for paying obligations of short-term nature. The sufficiency or insufficiency of current assets should be assessed by comparing them with short-term (current) liabilities. If current assets can pay off current liabilities, then liquidity position will be satisfactory. On the other hand, if current liabilities may not be easily met out of current assets then liquidity position will be bad.

To measure the liquidity of a firm, the following ratios can be calculated;

- Current Ratio
- Quick or Acid Test or Liquid Ratio

i. Current ratio:

The current ratio is calculated by dividing current assets by current liabilities. Current ratio is a measure of the firm's short term solvency. It indicates the availability of current assets in rupees for every one rupee of current liability. A ratio is greater than one means that the firm has more current assets than current claims against the, current ratio of 2 to 1 or more is considered satisfactory. Current ratio represents a margin of safety for creditors.

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities.}$$

ii. Quick Ratio:

Quick ratio is also known as acid-test ratio or liquid ratio. It establishes a relationship between quick assets and the current liabilities. Cash is the most liquid asset. It is calculated by dividing quick assets by current liabilities. The acid-test ratio measures the firm's ability to convert its current assets quickly into cash in order to meet its current liabilities. A quick ratio of 1 to 1 is considered to represent a satisfactory liquidity condition. It is an important index of the firm's liquidity.

$$\text{Quick or Liquid or Acid-test ratio} = \text{Liquid Assets} / \text{Liquid Liabilities.}$$

B. Efficiency Ratio:

Efficiency ratio is also known as Activity or Turnover ratio. Activity ratio measures the efficiency of asset management. The efficiency in (asset utilization) the use of assets would be reflected by the speed with which they are converted into sales. Activity ratios indicate the relationship between sales and various assets of the firm.

The commonly used efficiency ratios by the firm are;

- Debtors turnover ratio
- Fixed assets turnover ratio.

i. Debtors turnover ratio:

Debtor's turnover ratio is also known as Trade Receivables Turnover Ratio or Accounts Receivables turnover ratio. This indicates the number of times average debtors have been converted into cash during a year. This is also referred to as the efficiency ratio that measures the company's ability to collect revenue. It also helps interpret the efficiency in using a company's assets in the most optimum way. A higher ratio indicates efficiency in asset management and vice versa.

$$\text{Debtors Turnover Ratio} = \text{Credit sales} / \text{Debtors.}$$

ii. Fixed Assets Turnover Ratio:

The fixed assets turnover ratio compares net sales to net fixed assets. It is used to evaluate the ability of management to generate sales from its investment in fixed assets. A high ratio indicates that a business is doing an effective job of generating sales with a relatively small amount of fixed assets. In addition, it may be outsourcing work to avoid investing in fixed assets, or selling off excess fixed assets capacity.

$$\text{Fixed Assets turnover ratio} = \text{Sales} / \text{Net Fixed assets}$$

C. Profitability ratio:

Profitability ratios are financial metrics used by analysts and investors to measure and evaluate the ability of a company to generate income (profit) relative to revenue, balance sheet assets, operating costs, and shareholder's equity during a specific period of time. They show how well a company utilizes its assets to produce profit and value to shareholders. A

high ratio or value is commonly sought-after by most companies, as this usually means the business is performing well by generating revenues, profits and cash flow. The ratios are most useful when they analyzed in comparison to similar companies or compared to previous periods.

Commonly used Profitability ratios are;

- Net profit ratio
- Return on equity
- Return on capital employed
- Return on assets
- Assets turnover ratio.

i. Net Profit Ratio:

Net profit ratio, also referred to as the Net profit margin ratio, is a profitability ratio that measures the company's profits to the total amount of money brought into business. It is the relationship between the net profit after taxes and net sales taking place in as business. Net profit ratio is regarded as a good measure of the firm's overall performance and it becomes more effective when it is used in conjunction with the evaluation of the working capital of the firm.

$$\text{Net Profit Ratio} = \text{Net profit} / \text{Net Sales} \times 100$$

ii. Return on equity:

Return on equity (ROE) is the measure of a company's annual return divided by the value of its total shareholder's equity. It is a two-part ratio in its derivation because it brings together the income statement and the balance sheet, where net income or profits is compared to the shareholder's equity. A sustainable and increasing ROE over time can mean a company is good at generating shareholder value because it knows how to reinvest its earnings wisely, so as to increase productivity and profits.

$$\text{Return on Equity (ROE)} = \text{Net income} / \text{Shareholder's equity}$$

iii. Return on Capital Employed:

Return on capital employed (ROCE), a profitability ratio, measures how efficiently a company is using its capital to generate profits. The return on capital employed metric is

considered one of the best profitability ratios and is commonly used by investors to determine whether a company is suitable to invest in or not.

$$\text{Return on Capital Employed (ROCE)} = \frac{\text{Earnings before interest and tax (EBIT)}}{\text{Capital employed}}$$

iv. Return on Assets:

Return on Assets (ROA) is a type of return on investment (ROI) metric that measures the profitability of a business in relation to its total assets. This ratio indicates how well a company is performing by comparing the profit (net income) its generating to the capital its invested assets. The higher the return, the more productive and efficient management is in utilizing economic resources.

$$\text{Return on Assets (ROA)} = \frac{\text{Net income}}{\text{Average assets}}$$

v. Assets Turnover Ratio:

The Asset turnover ratio, also known as the total asset turnover ratio, measures the efficiency with which a company uses its assets to produce sales. A higher ratio is generally favorable, as it indicates an efficient use of assets. A lower ratio indicates poor efficiency, which may be due to poor utilization of fixed assets, poor collection methods, or poor inventory management.

$$\text{Assets Turnover Ratio} = \frac{\text{Net sales}}{\text{Average total assets}}$$

D. Solvency ratio:

A solvency ratio is a performance metric that helps to examine a company's financial health. It also enables to determine whether the company can meet its financial obligations in the long term. The metrics very useful to lenders, potential investors, suppliers and any other entity that would like to do business with a particular company. It usually compares the entity's profitability with its obligations to determine whether it is financially sound. A high solvency ratio shows that a company can remain financially stable in the long term.

The commonly used Solvency ratio is,

- Proprietary ratio.

i. Proprietary ratio:

Proprietary ratio is one of the main solvency ratios. Proprietary ratio is the one that is used to express a relationship between the amount invested by proprietors in the business and the total assets owned by the business. In other words, the proprietary ratio measures the extent of assets funded by the proprietor's funds. A higher proprietary ratio is generally treated as an indicator of a sound financial position because it means that equity has been used to acquire a larger proportion of the total assets.

$$\text{Proprietary ratio} = \text{Proprietor's Fund} / \text{Total Assets}$$

4) Mean:

Arithmetic average is called as mean. It gives the single value to describe the whole data.

$$\bar{X} = \frac{\sum x}{N}$$

5) Z – Score Analysis:

New York University Stern Finance professor, Edward Altman, developed the Altman Z-Score formula in 1997. In 2012, he released an update version called the Altman Z – Score plus, that can be used to evaluate both public and private companies, both manufacturing and non-manufacturing companies and both U.S and non U.S Companies. Investors can use Altman Z-Score to help determine whether they should buy or sell a particular stock if they're concerned about the underlying company's financial strength. The Altman Z- Score can be used to evaluate corporate credit risk. The Altman Z-Score is based on five financial ratios that can be calculated from data found on a company's annual report.

The Altman Z-Score is calculated as follows:

$$\text{Z-Score} = 1.2x1 + 1.4x2 + 3.3x3 + 0.6x4 + 1.0x5$$

Where,

X1= Working capital / total assets

X2=Retained earnings/ total assets

X3=Earnings before interest and tax / total assets

$X4 = \text{Market value of equity} / \text{total liabilities}$

$X5 = \text{Sales} / \text{total assets}$

A score below 1.8 means the company is probably headed for bankruptcy, while companies with scores above 3.0 are not likely to go bankrupt and their financial health is good. The higher or lower the score, the higher or lower is the likelihood of bankruptcy.

ANALYSIS AND INTERPRETATION

CHAPTER-IV

ANALYSIS AND INTERPRETATION

Analysis is an examination of data and facts to uncover and understand the cause-effect relationship, thus providing basis for problem solving decision making.

Interpretation is the act of explaining, reframing or otherwise showing researcher' own understanding of something.

RESEARCH OBJECTIVES:

- To analyze the financial statements of PB Fintech Limited and Intellect Design Arena Limited.
- To study the financial performance of PB Fintech Limited and Intellect Design Arena Limited. (Liquidity, Efficiency, Profitability and Solvency).
- To estimate the financial health of the company (Z- score analysis)

.The financial data collected from PB Fintech Limited and Intellect Design Arena Limited is analyzed by applying relevant tools.

A. Comparative balance sheet

The balance sheet of PB Fintech Limited and Intellect Design Arena limited during the beginning and end of the study period was compared by preparing comparative balance sheet.

B. Trend Analysis

The financial statements of PB Fintech Limited and Intellect Design Arena limited was analyzed by applying trend analysis.

C. Ratio Analysis

Ratio analysis is used to evaluate various aspects of company's financial performance such as its Liquidity, Efficiency, Profitability and Proprietary.

D. Mean Value

While working with large data set, it can be useful to represent the entire data set with the single value that is mean value.

E. Z- Score analysis

The Z-score model is to estimate a company's financial health.

A. COMPARATIVE BALANCE SHEET

TABLE-1

Comparative balance sheet of PB Fintech Limited (2022-2023)

(Rs in Crores)

PARTICULAR				
EQUITIES & LIABILITIES:	2022	2023	AMOUNT	PERCENTAGE
Share capital	89	90	1	1.12
Reserves & surplus	6804	7272	468	6.87
Current liabilities	18	16	(2)	(11.11)
Other liabilities	11	7	(4)	(36.36)
TOTAL LIABILITIES	6924	7387	463	6.68
ASSETS:				
Fixed assets	11	8	(3)	(27.27)
Current assets	4677	2189	(2488)	(53.19)
Other assets	2235	5189	2954	132.17
TOTAL ASSETS	6924	7387	463	6.68

Source: Secondary data

INTERPRETATION:

The table-1 shows that comparative balance sheet of PB Fintech Limited (2022-2023) .It shows that the reserves and surplus had been increased by 6.87%.Then the Current liabilities and Other liabilities has fallen down by (11.11%) and (36.36%) simultaneously.

During this year the Fixed assets and Current assets has also fallen down by (27.27%) and (53.19%) simultaneously. But there is a increase in the other assets of the company by 132.17%.

The overall financial position of the PB Fintech Limited is not satisfactory.

TABLE-2**Comparative balance sheet of Intellect Design Arena Limited (2022-2023)****(Rs in Crores)**

PARTICULARS	2022	2023	AMOUNT	PERCENTAGE
EQUITIES & LIABILITIES:				
Share capital	67	67	---	---
Reserves & surplus	1653	1876	223	13.49
Current liabilities	762	800	38	4.98
Other liabilities	109	142	33	30.27
TOTAL LIABILITIES	2593	2887	294	11.33
ASSETS:				
Fixed assets	748	831	83	11.09
Current assets	1567	1401	(166)	(10.59)
Other assets	277	653	376	135.74
TOTAL ASSETS	2593	2887	294	11.33

Source: Secondary data

INTERPRETATION:

The table-2 shows the comparative balance sheet of Intellect Design Arena Limited (2022-2023). It shows that there is no share capital during the year. Then it shows there is an increased level of reserves and surplus by 13.49%. And also there is a increase in current liabilities and other liabilities by 4.98% and 30.27%.

During this year the fixed assets has been increased by 11.09% and the current assets has been decreased by (10.59%).The other assets of the company has been increased by 135.74%.

The overall financial position of Intellect Design Arena Limited is highly satisfactory.

B. TREND ANALYSIS

The financial statement of PB Fintech Limited and Intellect Design Arena limited was analyzed by applying a tool trend analysis. To estimate the trend, certain important financial aspects were considered:

- Sales
- Profit

TABLE-3

PB FINTECH LIMITED

TREND ANALYSIS FOR SALES (2019-2026)

YEAR	AMOUNT IN CRORES (Rs)	TREND PERCENTAGE
2019	49	100.00
2020	61	124.4
2021	123	251.02
2022	103	210.20
2023	134	273.46
PROJECTED SALES		
2024	136	277.55
2025	144	293.87
2026	144	293.87

Source: Secondary data

INTERPRETATION:

The net sales of PB Fintech ltd shows an increasing trend(positive) (100%-273.46) for the 5 years period, from 2019 to 2023.The sales have continuously increased in all the years up to 2023.The percentage on 2023 is 273.46% as compared to 100% in 2019. The increase in sales is satisfactory to the company.

The projected sales of the company shows for 3 years. It is rising steadily for the period 2024 to 2026. The projected sales percentage in the year 2024 is 277.55% and the increased projected value in 2026 is 293.87%. The overall performance of the concern is good.

EXHIBIT-1

PB FINTECH LIMITED – SALES TREND (2019-2023)

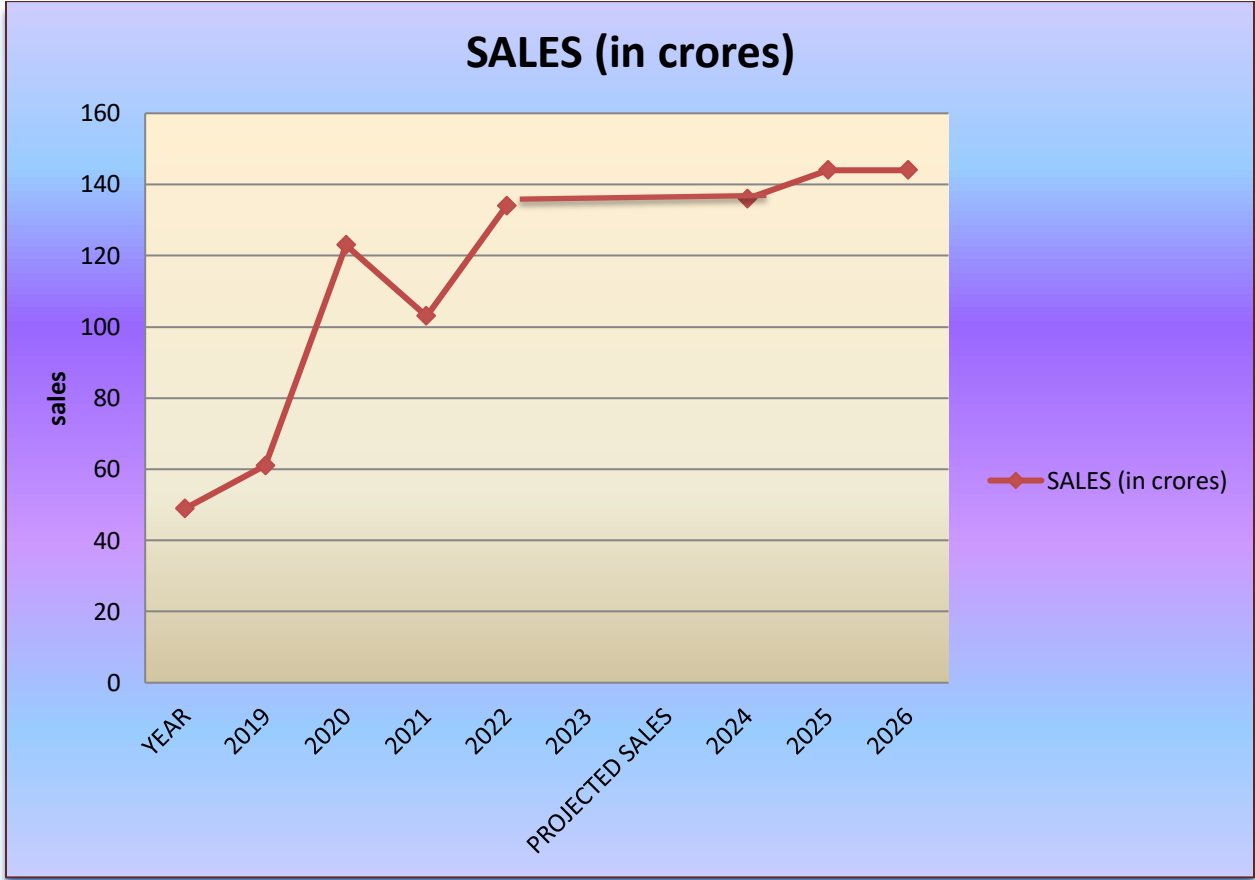


TABLE-4**TREND ANALYSIS FOR PROFIT BEFORE TAX (2019-2026)**

YEAR	AMOUNT IN CRORES (Rs)	TREND PERCENTAGE
2019	(-6)	100.00
2020	19	(316.66)
2021	27	(450)
2022	(300)	5000
2023	(74)	1233.33
PROJECTED SALES		
2024	(158)	2633.3
2025	(188)	3133.3
2026	(196)	3266.6

Source: Secondary data

INTERPRETATION:

The table-4 shows the profit before tax percentage for 5 years period (2019-2023). In the profit before tax percentage decreased during the year 2020 and 2021 by (316.66) and (450) simultaneously. Profit before tax has substantially increased from 2022 to 2023 by 5000 and 1233.33%.Trend analysis shows that the profit before tax is not satisfactory.

The projected profit before tax percentage of the company shows for 3 years. It is rising steadily for the period 2024 to 2026. The profit before tax percentage in the year 2024 is 2633.3% and the increased projected value in 2026 is 3266.6%. The overall performance of the concern is good.

EXHIBIT-2

PB FINTECH LIMITED – PROFIT BEFORE TAX TREND (2019-2023)

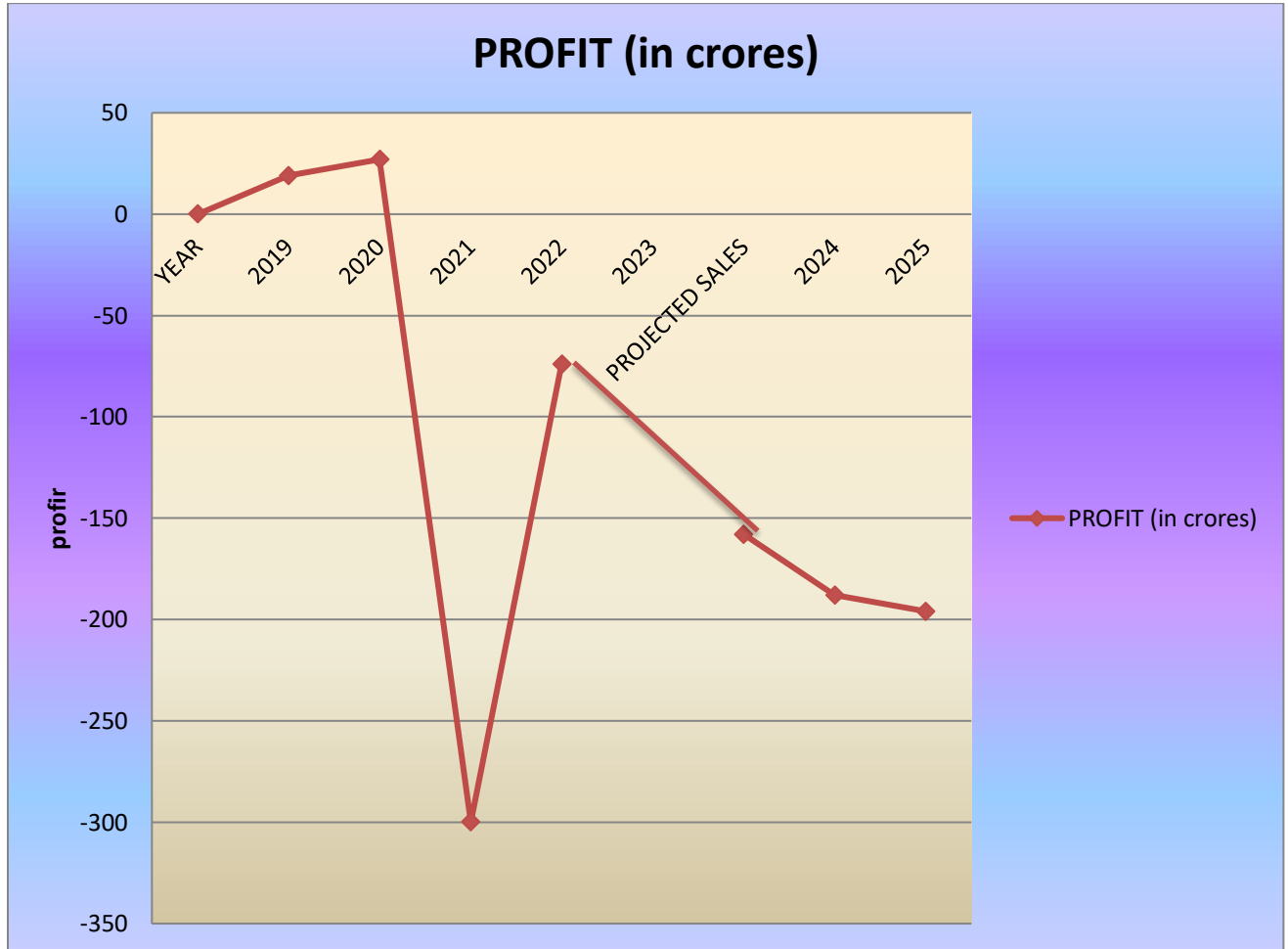


TABLE-5

INTELLECT DESIGN ARENA LIMITED

TREND ANALYSIS FOR SALES (2019-2026)

YEAR	AMOUNT IN CRORES (Rs)	TREND PERCENTAGE
2019	1455	100.00
2020	1346	92.50
2021	1497	102.88
2022	1893	130.10
2023	2231	153.33
PROJECTED SALES		
2024	2104	144.60
2025	2264	155.60
2026	2347	161.30

Source: Secondary data

INTERPRETATION:

The net sales of Intellect design arena ltd shows an increasing trend(positive) (100%-153.33%) for the 5 years period, from 2019 to 2023.The sales have continuously increased in all the years up to 2023.The percentage on 2023 is 153.33% as compared to 100% in 2019. The increase in sales is satisfactory to the company.

The projected sales of the company shows for 3 years. It is rising steadily for the period 2024 to 2026. The projected sales percentage in the year 2024 is 144.60% and the increased projected value in 2026 is 161.30%. The overall performance of the concern is good.

EXHIBIT-3

INTELLECT DESIGN ARENA LIMITED – SALES TREND (2019-2023)

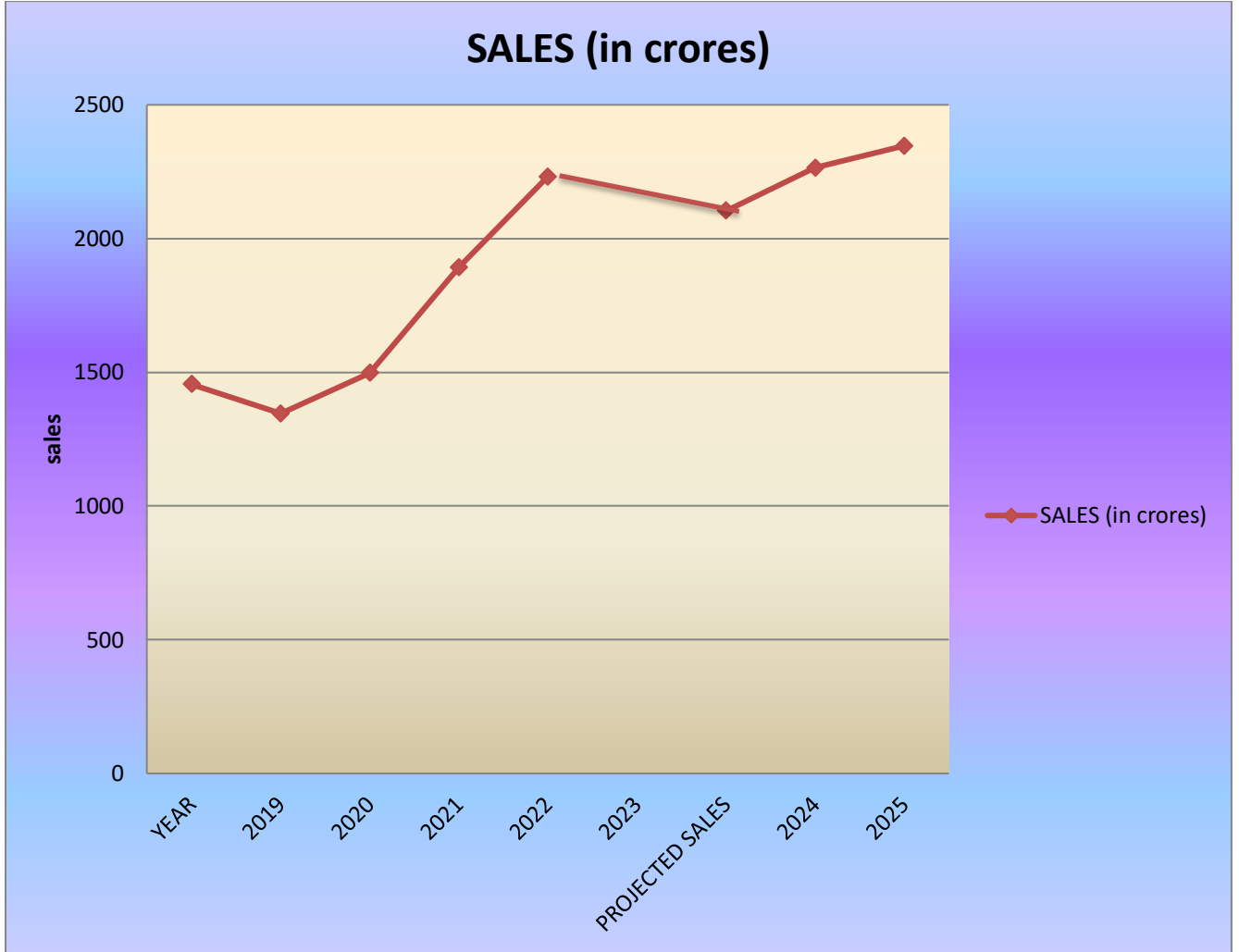


TABLE-6

TREND ANALYSIS FOR PROFIT BEFORE TAX (2019-2026)

YEAR	AMOUNT IN CRORES (Rs)	TREND PERCENTAGE
2019	143	100.00
2020	(20)	(13.98)
2021	223	155.94
2022	264	184.61
2023	202	141.25
PROJECTED SALES		
2024	243	169.93
2025	283	197.90
2026	263	183.91

Source: Secondary data

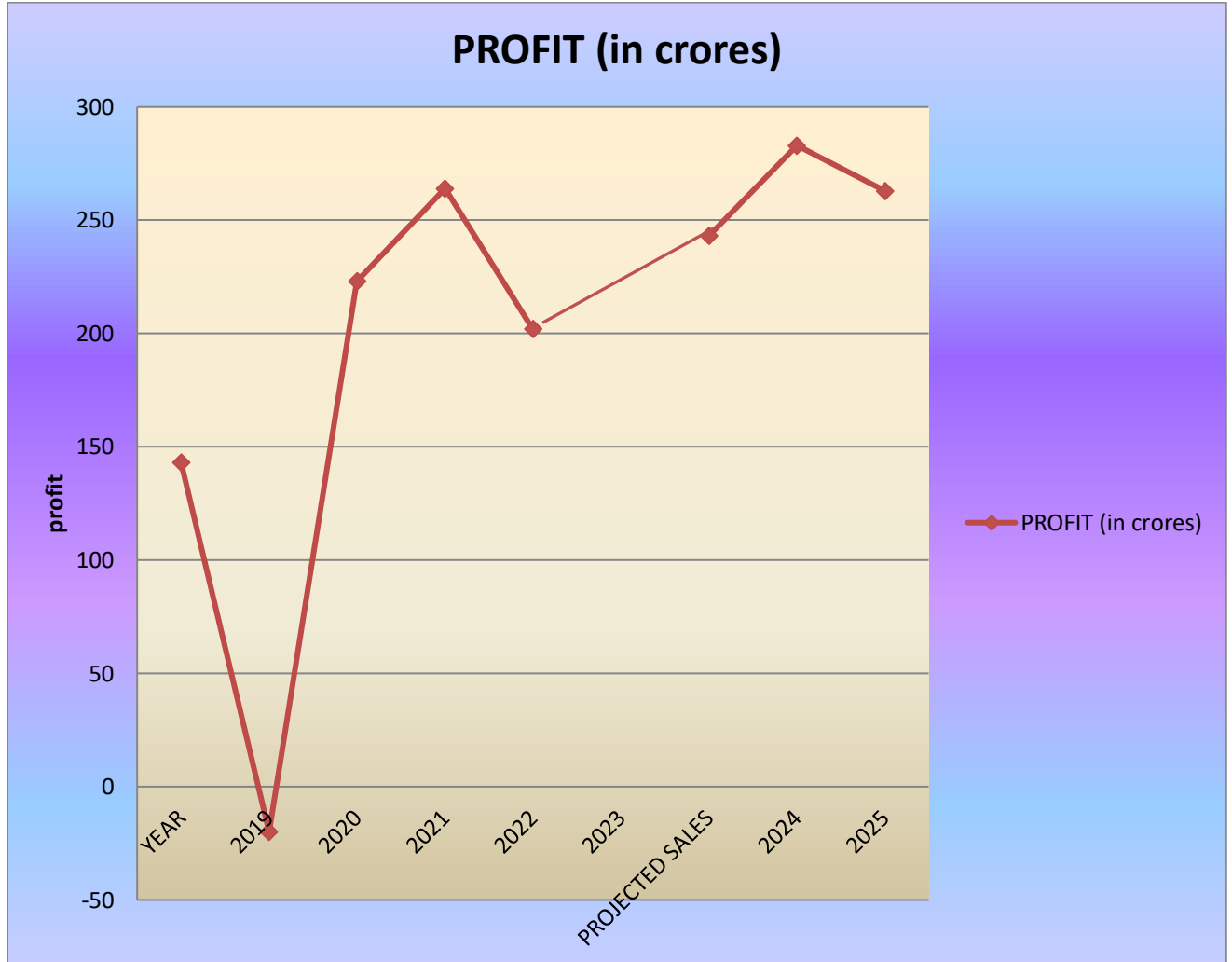
INTERPRETATION:

The table-6 shows the profit before tax percentage for 5 years period (2019-2023). In the profit before tax percentage increased during the period from 2019 to 2023 except the year 2020 by (13.98%). Profit before tax has decreased from 2022 to 2023 by 184.61% and 141.25%.Trend analysis shows that the profit before tax is satisfactory.

The projected profit before tax percentage of the company shows for 3 years. It is rising steadily for the period 2024 to 2026. The profit before tax percentage in the year 2024 is 169.93% and the increased projected value in 2026 is 183.91%. The overall performance of the concern is good.

EXHIBIT-4

INTELLECT DESIGN ARENA LIMITED – PROFIT BEFORE TAX TREND (2019-2023)



C. RATIO ANALYSIS

The Liquidity, Efficiency, Profitability and Solvency position of the company is analyzed by applying ratio analysis. The analysis and interpretation are represented here,

I. LIQUIDITY RATIOS

TABLE-7

**CURRENT RATIO OF PB FINTECH LTD & INTELLECT DESIGN
ARENA LTD**

YEAR	PB FINTECH LTD	INTELLECT DESIGN ARENA LTD
2019	44.88	1.96
2020	57.62	1.49
2021	41.95	1.87
2022	258.19	1.98
2023	133.00	1.48
AVERAGE	107.12	1.75

Source: Secondary data

INTERPRETATION:

PB FINTECH LIMITED:

The above table shows that the current ratio in the year 2019 was 44.88% and after increased to 57.62% it decreased to 41.95% in 2021. The current ratio was increasing during 2022 and 2023 by 258.19% and 133%. The normal current ratio is 2:1. The above table shows current ratio is more than 2 in the study period. This shows that the company is enjoying credit worthiness. The average current ratio of PB Fintech ltd is 107.12%.

INTELLECT DESIGN ARENA LIMITED:

The table reveals the current ratio of Intellect Design Arena ltd. In the year 2019 it was 1.96%, and by the next year it decreased to 1.49% .Gradually during the period 2021 and 2022 it increased from 1.87% to 1.98%. During the year 2023 the current ratio of Intellect Design Arena ltd decreased to 1.48%. Almost in all years the company maintained a ratio of one percent. The average current ratio of Intellect Design Arena ltd is 1.75%.

When the liquidity position of PB Fintech ltd and Intellect Design Arena ltd was compared the current ratios for the period 2019-2023, indicates that the liquidity of PB Fintech ltd is in a better position.

EXHIBIT-5

PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED – CURRENT RATIO (2019-2023)

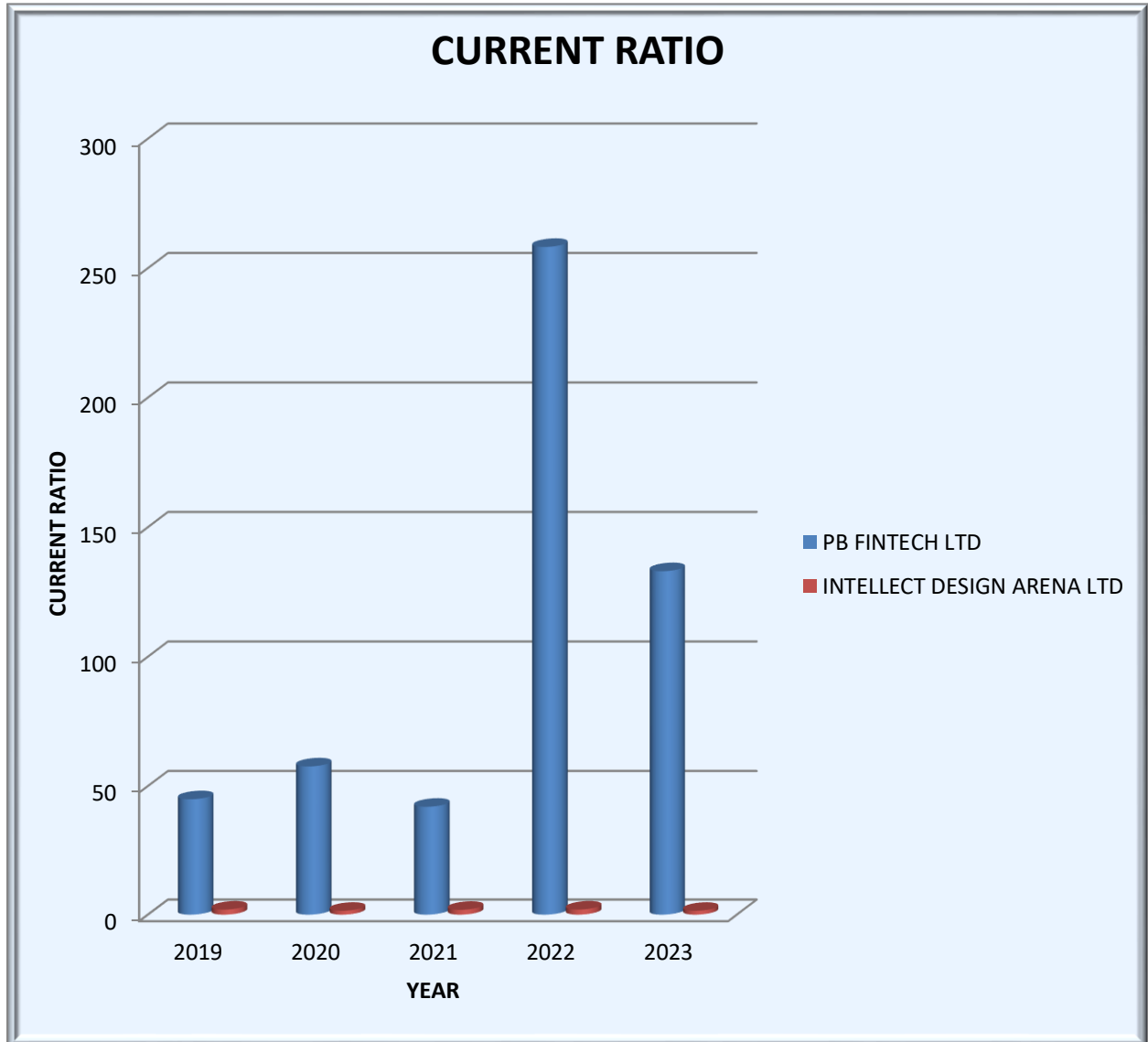


TABLE-8

LIQUID RATIO OF PB FINTECH LTD & INTELLECT DESIGN ARENA LTD

YEAR	PB FINTECH LTD	INTELLECT DESIGN ARENA LTD
2019	44.88	1.96
2020	57.62	1.49
2021	41.95	1.87
2022	258.19	1.98
2023	133.00	1.48
AVERAGE	107.12	1.75

Source: Secondary data

INTERPRETATION:

PB FINTECH LIMITED:

The above table shows that the liquid ratio in the year 2019 was 44.88% and after increased to 57.62% it decreased to 41.95% in 2021. The liquid ratio was increasing during 2022 and 2023 by 258.19% and 133%. The normal current ratio is 1:1. The above table shows liquid ratio is more than 1 in the study period. This shows that the company is enjoying credit worthiness. The average liquid ratio of PB Fintech ltd is 107.12%.

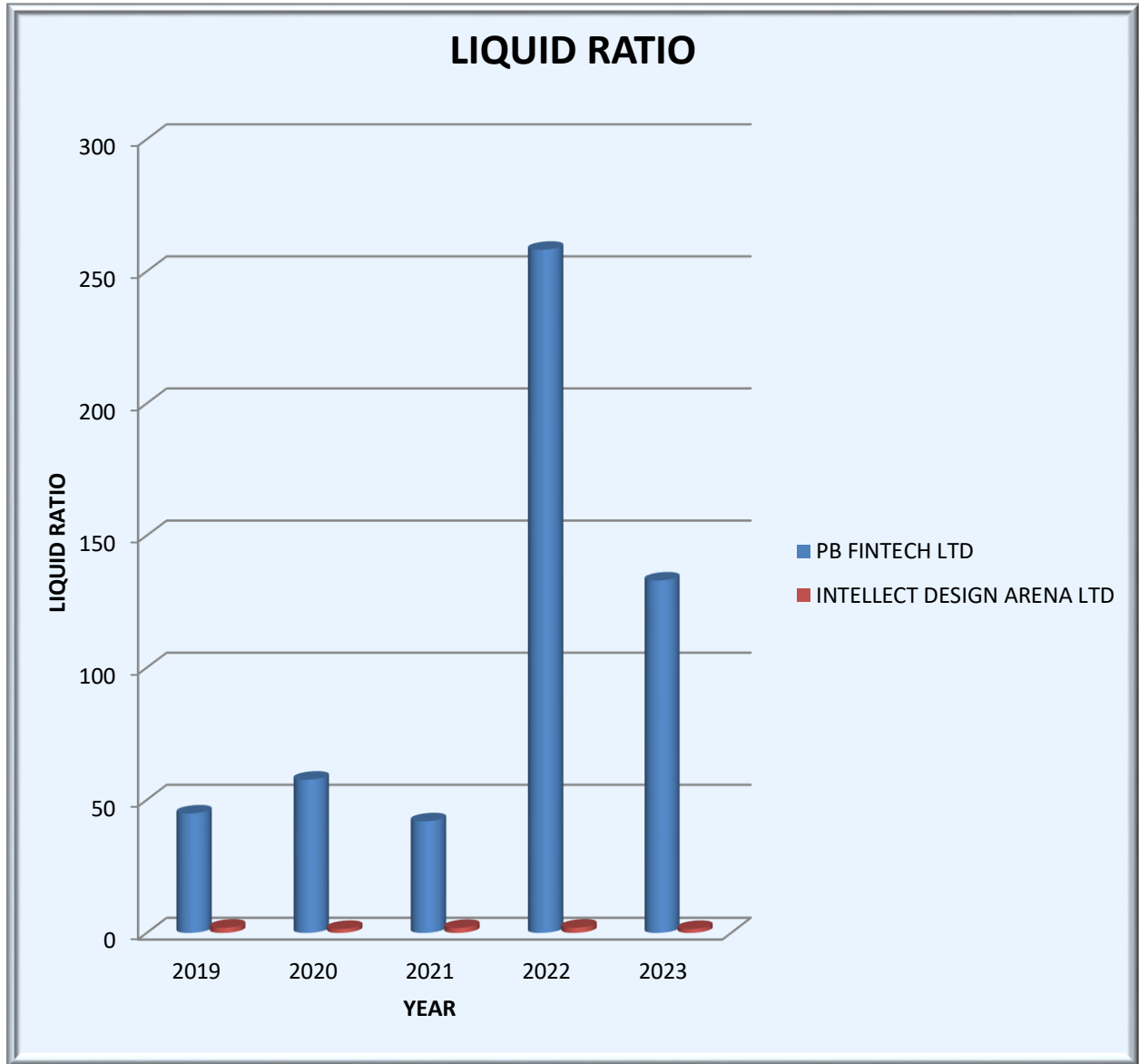
INTELLECT DESIGN ARENA LIMITED:

The table reveals the liquid ratio of Intellect Design Arena ltd. In the year 2019 it was 1.96%, and by the next year it decreased to 1.49% .Gradually during the period 2021 and 2022 it increased from 1.87% to 1.98%. During the year 2023 the liquid ratio of Intellect Design Arena ltd decreased to 1.48%. Almost in all years the company maintained a ratio of one percent. The average liquid ratio of Intellect Design Arena ltd is 1.75%.

When the liquidity position of PB Fintech ltd and Intellect Design Arena ltd was compared the liquid ratios for the period 2019-2023, indicates that the liquidity of PB Fintech ltd is in a better position.

EXHIBIT-6

PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED – LIQUID RATIO (2019-2023)



II. EFFICIENCY RATIO

TABLE-9
DEBTORS TURNOVER RATIO OF PB FINTECH LTD & INTELLECT
DESIGN ARENA LTD

YEAR	PB FINTECH LTD	INTELLECT DESIGN ARENA LTD
2019	12.25	6.70
2020	7.63	3.01
2021	10.25	4.07
2022	17.16	6.52
2023	150.56	5.41
AVERAGE	39.57	5.14

Source: Secondary data

INTERPRETATION:

PB FINTECH LIMITED:

The above table shows that the Debtors turnover ratio in the year 2019 was 12.25% and then it decreased to 7.63% in 2020. Gradually from 2021 it shows an upward trend. During the year 2023 reach its highest of 150.56%.The average debtors turnover of PB Fintech ltd is 39.57%.

INTELLECT DESIGN ARENA LIMITED:

The above table shows that the Debtors turnover ratio in the year 2019 was 6.70%.The ratio was declined during the year 2020 by 3.01%. From the period of 2021- 2022 moves upward to 4.07%-6.52%.Finally during the year 2023 it again declined to 5.41%. The average debtor's turnover of Intellect design arena ltd is 5.14%.

When compared, the overall debtor's turnover of PB Fintech ltd and Intellect design arena ltd, for the period 2019-2023, indicates that the debtor's turnover of PB Fintech ltd is in better position.

EXHIBIT-7

PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED – DEBTORS TURNOVER RATIO (2019-2023)

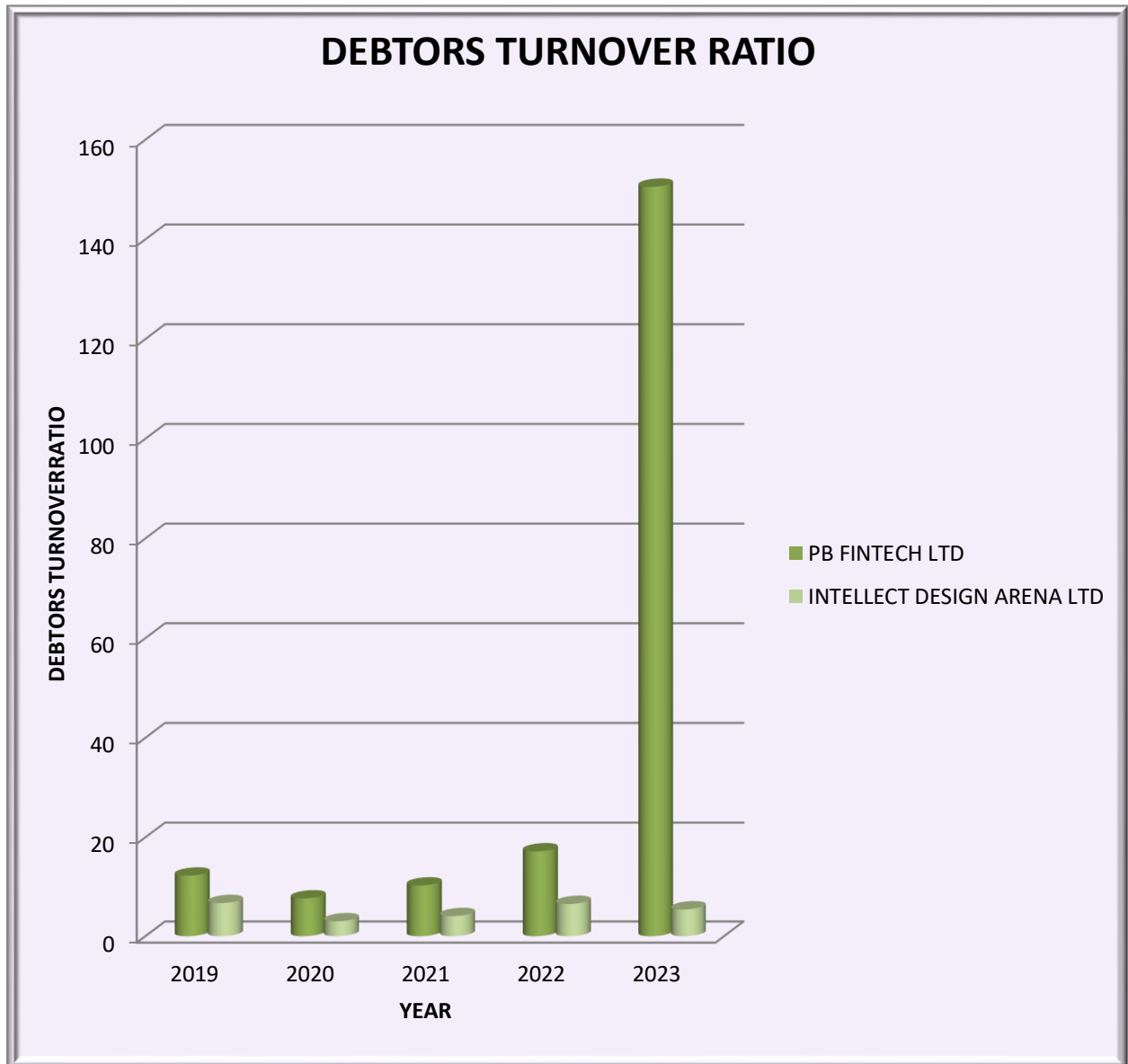


TABLE-10

**FIXED ASSETS TURNOVER RATIO OF PB FINTECH LTD &
INTELLECT DESIGN ARENA LTD**

YEAR	PB FINTECH LTD	INTELLECT DESIGN ARENA LTD
2019	49	2.77
2020	20.3	2.07
2021	8.2	2.09
2022	9.36	2.53
2023	16.75	2.68
AVERAGE	20.72	2.42

Source: Secondary data

INTERPRETATION:

PB FINTECH LIMITED:

The above table shows that the fixed assets turnover ratio in the year 2019 was 49% and then it increased to 20.3% in 2020. During the year 2021 it decreased to 8.2%. Gradually from 2022-2023 it shows an upward trend. During the year 2023 reach its highest of 16.75%. The average debtors turnover of PB Fintech Ltd is 20.72%.

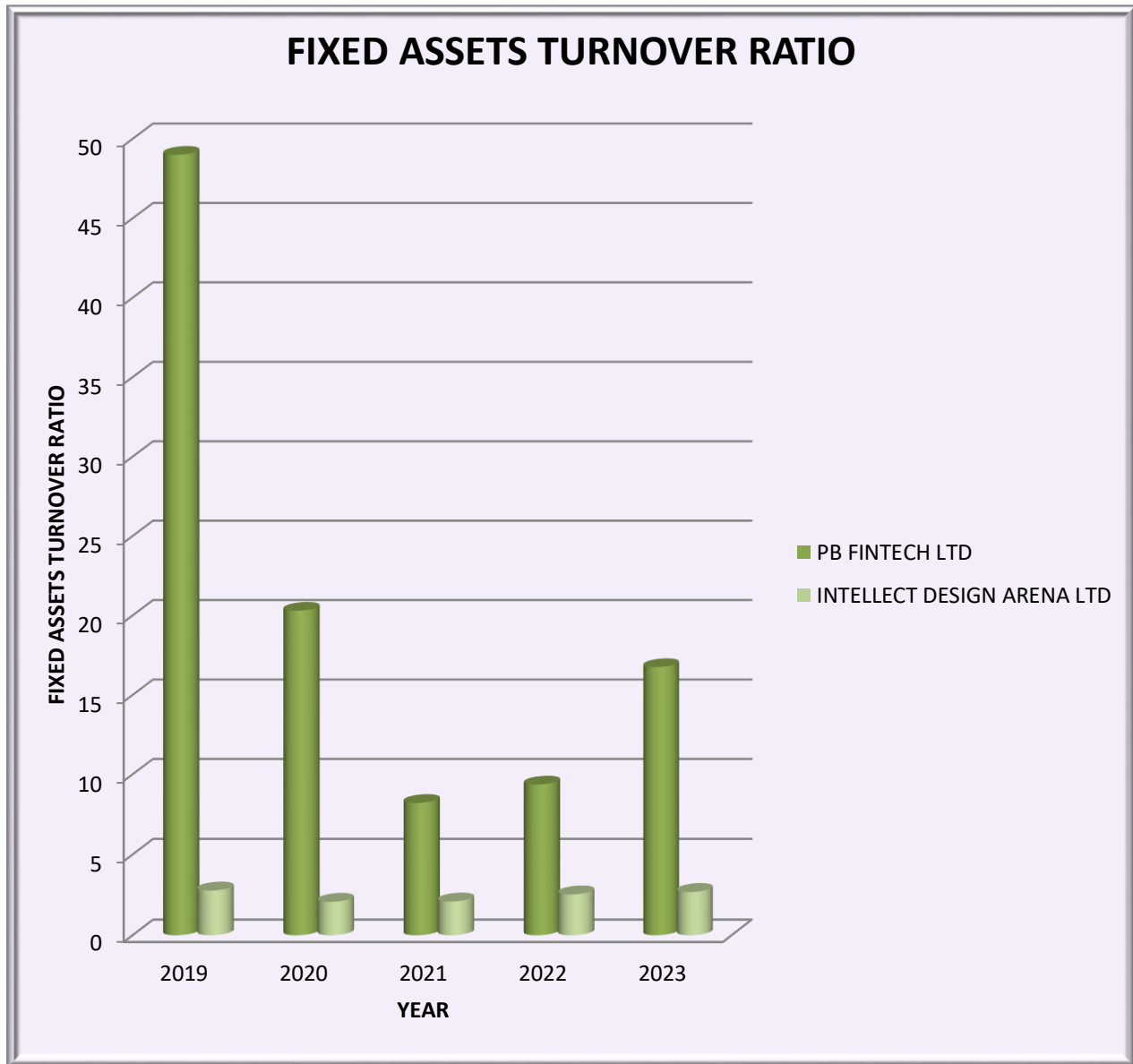
INTELLECT DESIGN ARENA LIMITED:

The above table shows that the fixed assets turnover ratio in the year 2019 was 2.77%. The ratio was declined during the year 2020-2021 by 2.07%-2.09%. From the period of 2022-2023 moves upward to 2.53%-2.68%. The average fixed assets turnover of Intellect design arena ltd is 2.42%.

When compared, the fixed assets turnover of PB Fintech ltd and Intellect design arena ltd, for the period 2019-2023, indicates that the fixed assets turnover of PB Fintech ltd is in better position.

EXHIBIT-8

PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED – FIXED ASSETS RATIO (2019-2023)



III. PROFITABILITY RATIO

TABLE-11
NET PROFIT RATIO OF PB FINTECH LTD & INTELLECT DESIGN
ARENA LTD

YEAR	PB FINTECH LTD	INTELLECT DESIGN ARENA LTD
2019	(31.65)	14.63
2020	15.94	(4.21)
2021	15.40	20.65
2022	(290.43)	15.95
2023	(55.28)	9.11
AVERAGE	(69.20)	11.22

Source: Secondary data

INTERPRETATION:

PB FINTECH LIMITED:

The above table shows that the Net profit ratio in the year 2019 was (31.65%). It was increased during the period 2020 and 2021 by 15.94% and 15.40% simultaneously. There was a heavy decline to (290.43%) % in the year 2022. And also during the 2023 there was a decreased level of profit by (55.28%) . The average Net profit of PB Fintech ltd is (69.20%).

INTELLECT DESIGN ARENA LIMITED:

The above table shows that the net profit ratio in the year 2019 was 14.63%. The ratio was declined during the year by (4.21%). It was increased during the year 2021 by 20.65%. and there was a sudden decline during the year 2022 by 15.95%. The lowest ratio was 9.11% in 2023. The average Net profit of Intellect Design Arena ltd is 11.22%.

When the profitability position of PB Fintech ltd and Intellect Design Arena ltd, was compared, the net profit ratios for the period 2019-2023, indicates that the profitability position of Intellect Design Arena ltd is in better position.

EXHIBIT-9

PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED –NET PROFIT RATIO (2019-2023)

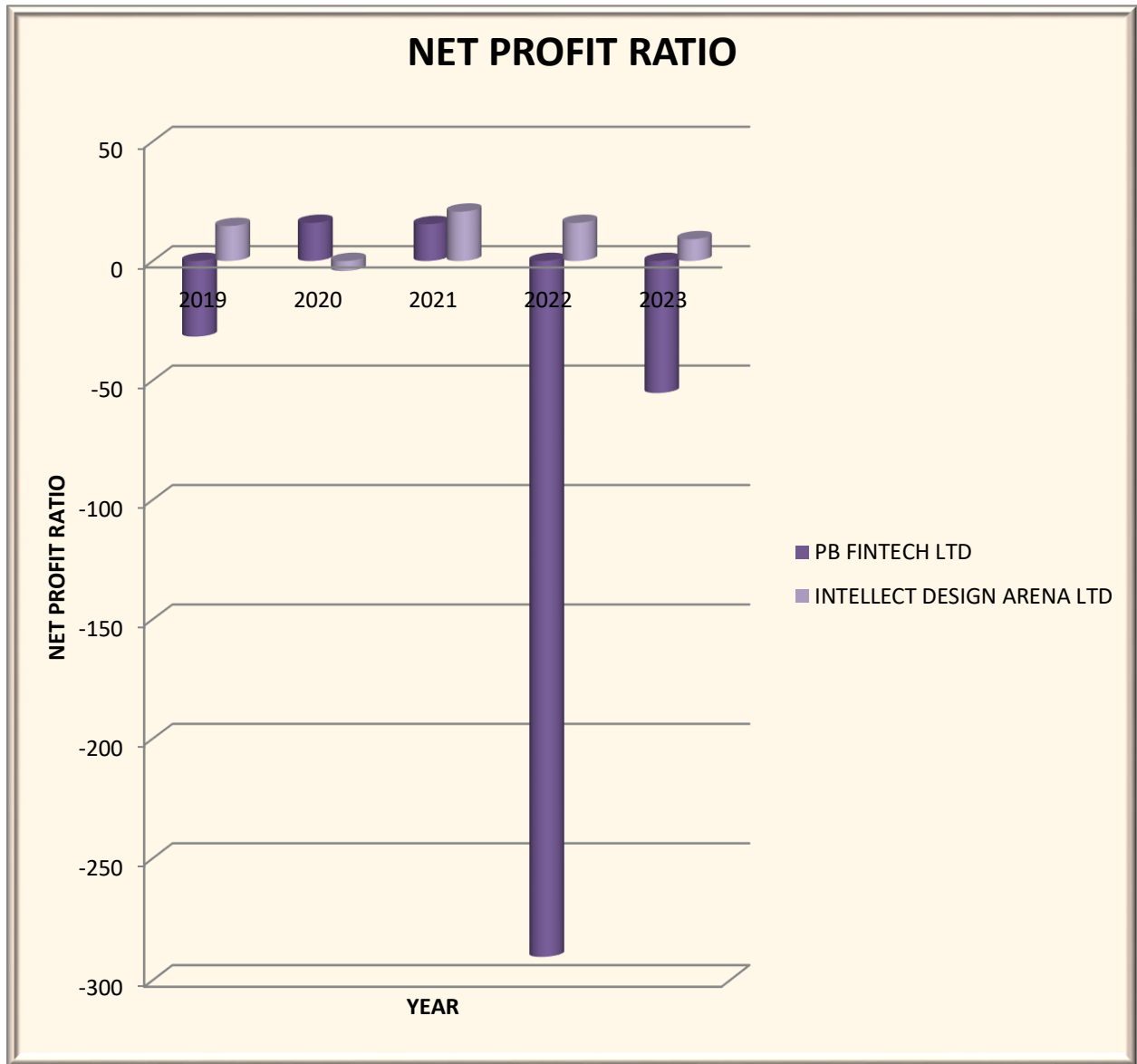


TABLE -12

**RETURN ON EQUITY RATIO OF PB FINTECH LTD & INTELLECT
DESIGN ARENA LTD**

YEAR	PB FINTECH LTD	INTELLECT DESIGN ARENA LTD
2019	(1.65)	14.73
2020	0.47	(3.50)
2021	0.64	17.47
2022	(4.34)	13.88
2023	(1.00)	8.67
AVERAGE	(1.17)	10.25

Source: Secondary data

INTERPRETATION:

PB FINTECH LIMITED:

The above table shows that the return on equity ratio of PB Fintech ltd in the year 2019 was (1.65%). It was increased during the period 2020 and 2021 by 0.47% and 0.64% simultaneously. There was a continuous decline during the year 2022-2023 to (4.34%) and (1.00%). The average return on equity of PB Fintech ltd is (1.17%).

INTELLECT DESIGN ARENA LIMITED:

The above table shows that the return on equity in the year 2019 was 14.73%. The ratio was declined during the year 2020 by (3.50%). It was increased during the year 2021 by 17.47% and there was a sudden decline during the year 2022 by 13.88%.The lowest ratio was 8.67% in 2023. The average return on equity of Intellect Design Arena ltd is 10.25%.

When the return on equity of PB Fintech ltd and Intellect Design Arena ltd, was compared for the period 2019-2023, indicates that the return on equity of Intellect Design Arena ltd is better than PB Fintech ltd.

EXHIBIT-10

PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED – RETURN ON EQUITY (2019-2023)

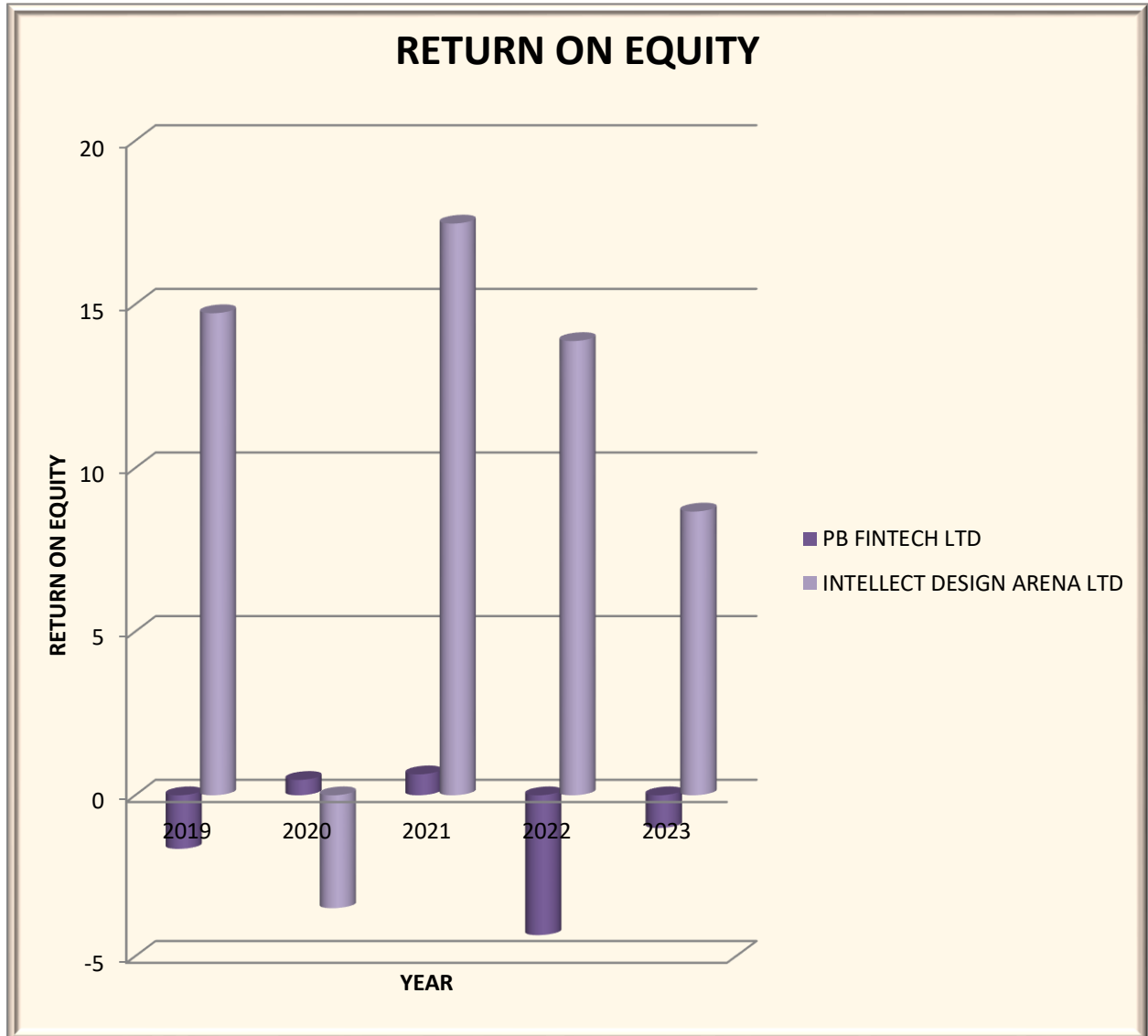


TABLE-13

**RETURN ON CAPITAL EMPLOYED RATIO OF PB FINTECH LTD &
INTELLECT DESIGN ARENA LTD**

YEAR	PB FINTECH LTD	INTELLECT DESIGN ARENA LTD
2019	(0.66)	15.47
2020	2.42	(0.94)
2021	1.05	19.17
2022	(4.33)	18.32
2023	(0.99)	13.13
AVERAGE	(0.50)	13.03

Source: Secondary data

INTERPRETATION:

PB FINTECH LIMITED:

The above table shows that the return on capital employed ratio of PB Fintech ltd in the year 2019 was (0.66%). It was increased during the period 2020 and 2021 by 2.42% and 1.05% simultaneously. There was a continuous decline during the year 2022-2023 to (4.33%) and (0.99%). The average return on equity of PB Fintech ltd is (0.50%).

INTELLECT DESIGN ARENA LIMITED:

The above table shows that the return on capital employed in the year 2019 was 15.47%. The ratio was declined during the year 2020 by (0.94%). It was increased during the year 2021 by 19.17% and there was a continuous decline during the year 2022 and 2023 by 18.32%-13.13%. The average return on capital employed of Intellect Design Arena ltd is 13.03%.

When the return on capital employed of PB Fintech ltd and Intellect Design Arena ltd, was compared for the period 2019-2023, indicates that the return on capital employed of Intellect Design Arena ltd is better than PB Fintech ltd.

EXHIBIT-11

PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED – RETURN ON CAPITAL EMPLOYED (2019-2023)

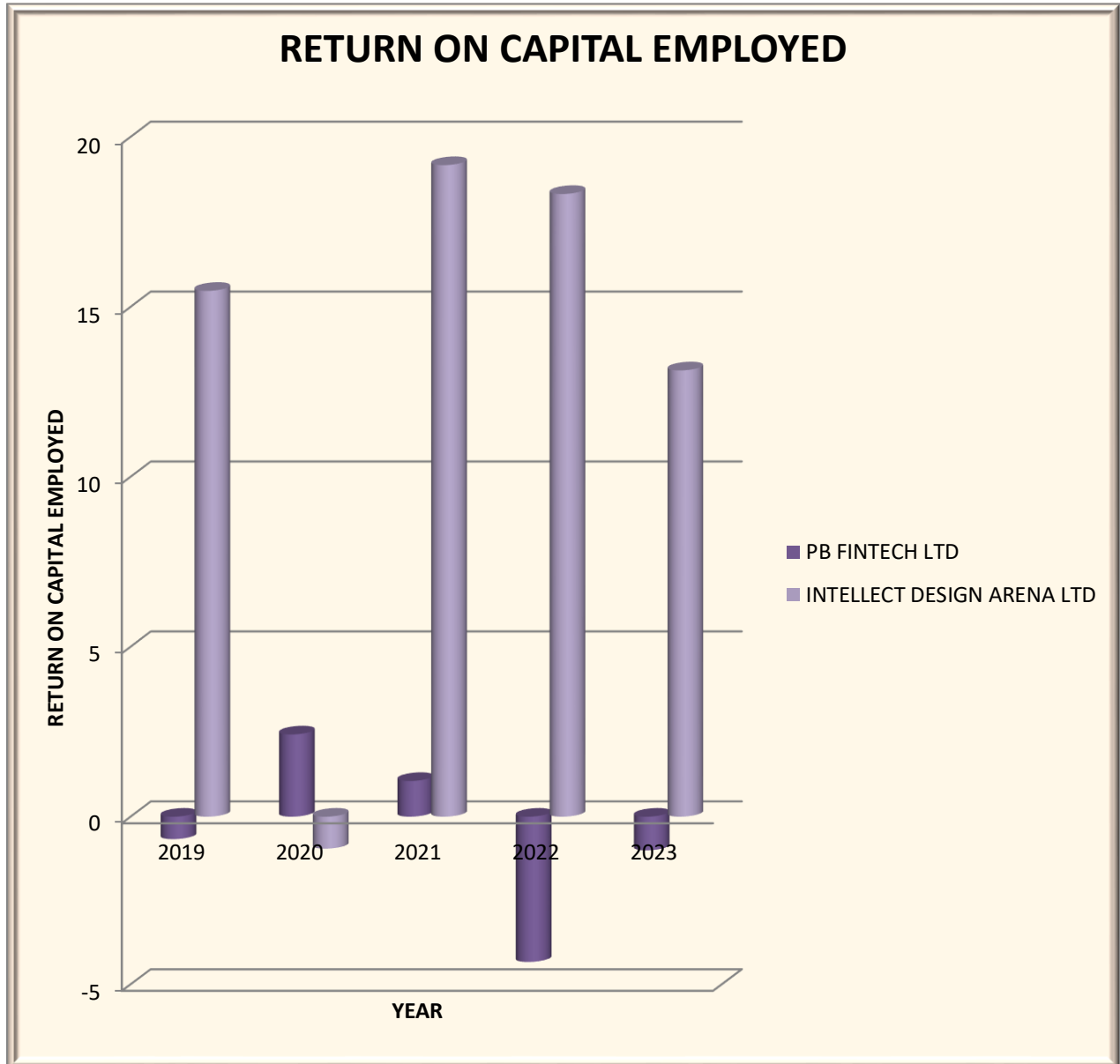


TABLE-14

**RETURN ON ASSETS RATIO OF PB FINTECH LTD & INTELLECT
DESIGN ARENA LTD**

YEAR	PB FINTECH LTD	INTELLECT DESIGN ARENA LTD
2019	(1.63)	9.99
2020	0.47	(2.05)
2021	0.63	11.93
2022	(4.32)	9.35
2023	(1.00)	5.67
AVERAGE	(1.17)	6.97

Source: Secondary data

INTERPRETATION:

PB FINTECH LIMITED:

The above table shows that the return on assets ratio of PB Fintech ltd in the year 2019 was (1.63%). It was increased during the period 2020 and 2021 by 0.47% and 0.63% simultaneously. There was a continuous decline during the year 2022-2023 to (4.32%) and (1.00%). The average return on equity of PB Fintech ltd is (1.17%).

INTELLECT DESIGN ARENA LIMITED:

The above table shows that the return on assets ratio in the year 2019 was 9.99%. The ratio was declined during the year 2020 by (2.05%). It was increased during the year 2021 by 11.93% and there was a continuous decline during the year 2022 and 2023 by 9.35%-5.67%. The average return on assets of Intellect Design Arena ltd is 6.97%.

When the return on assets of PB Fintech ltd and Intellect Design Arena ltd, was compared for the period 2019-2023, indicates that the return on assets ratio of Intellect Design Arena ltd is better than PB Fintech ltd.

EXHIBIT-12

PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED – RETURN ON ASSETS (2019-2023)

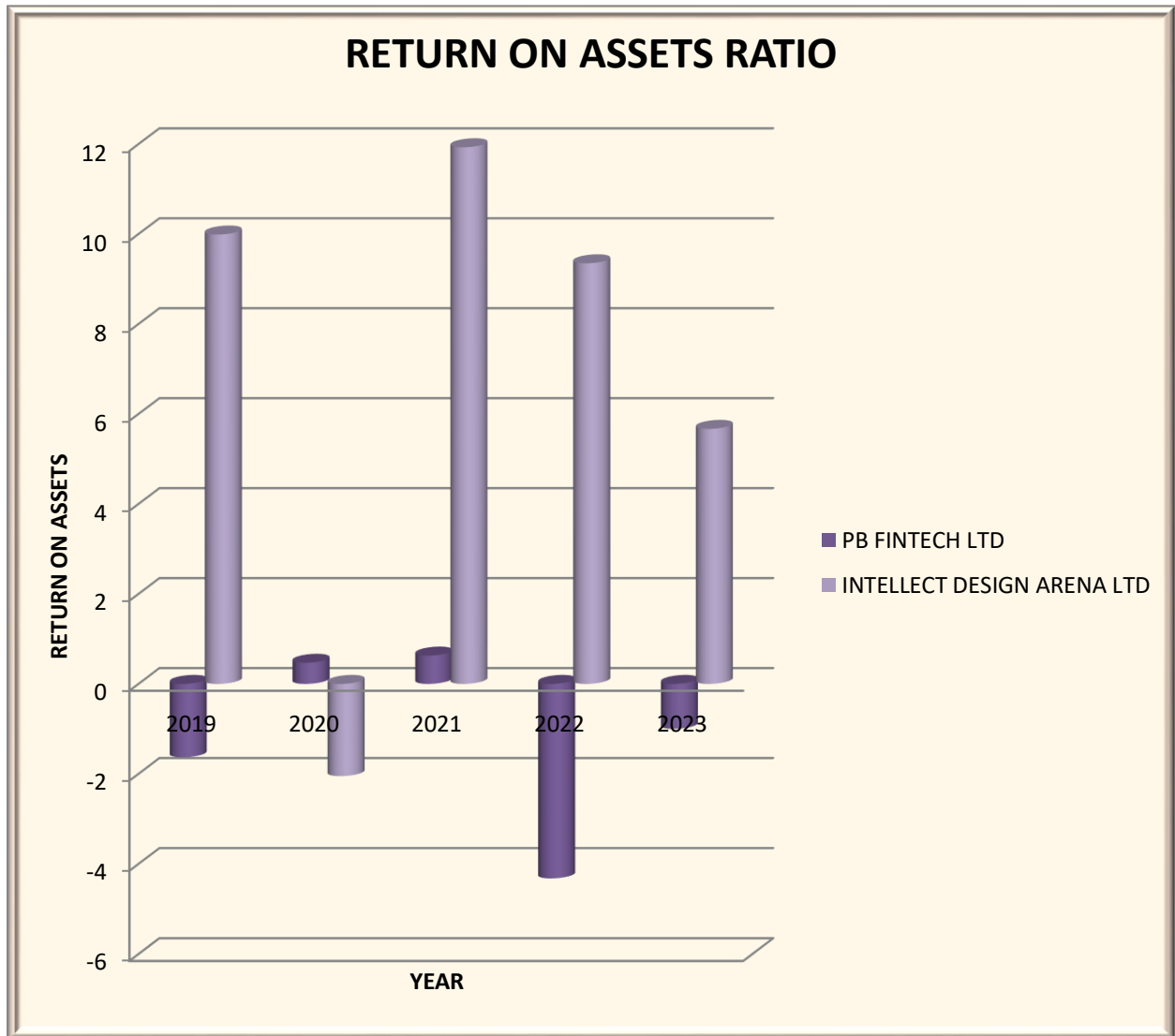


TABLE-15

**ASSETS TURNOVER RATIO OF PB FINTECH LTD & INTELLECT
DESIGN ARENA LTD**

YEAR	PB FINTECH LTD	INTELLECT DESIGN ARENA LTD
2019	5.16	68.28
2020	2.96	48.68
2021	4.11	57.75
2022	0.02	0.65
2023	0.02	0.65
AVERAGE	2.45	35.20

Source: Secondary data

INTERPRETATION:

PB FINTECH LIMITED:

The above table shows that the Assets turnover ratio in the year 2019 was 5.16% and then it decreased to 2.96% in 2020. During the year 2021 again the ratio increased to 4.11%. Gradually from 2022 it shows a downward trend 0.02%. The average assets turnover ratio of PB Fintech ltd is 2.45%.

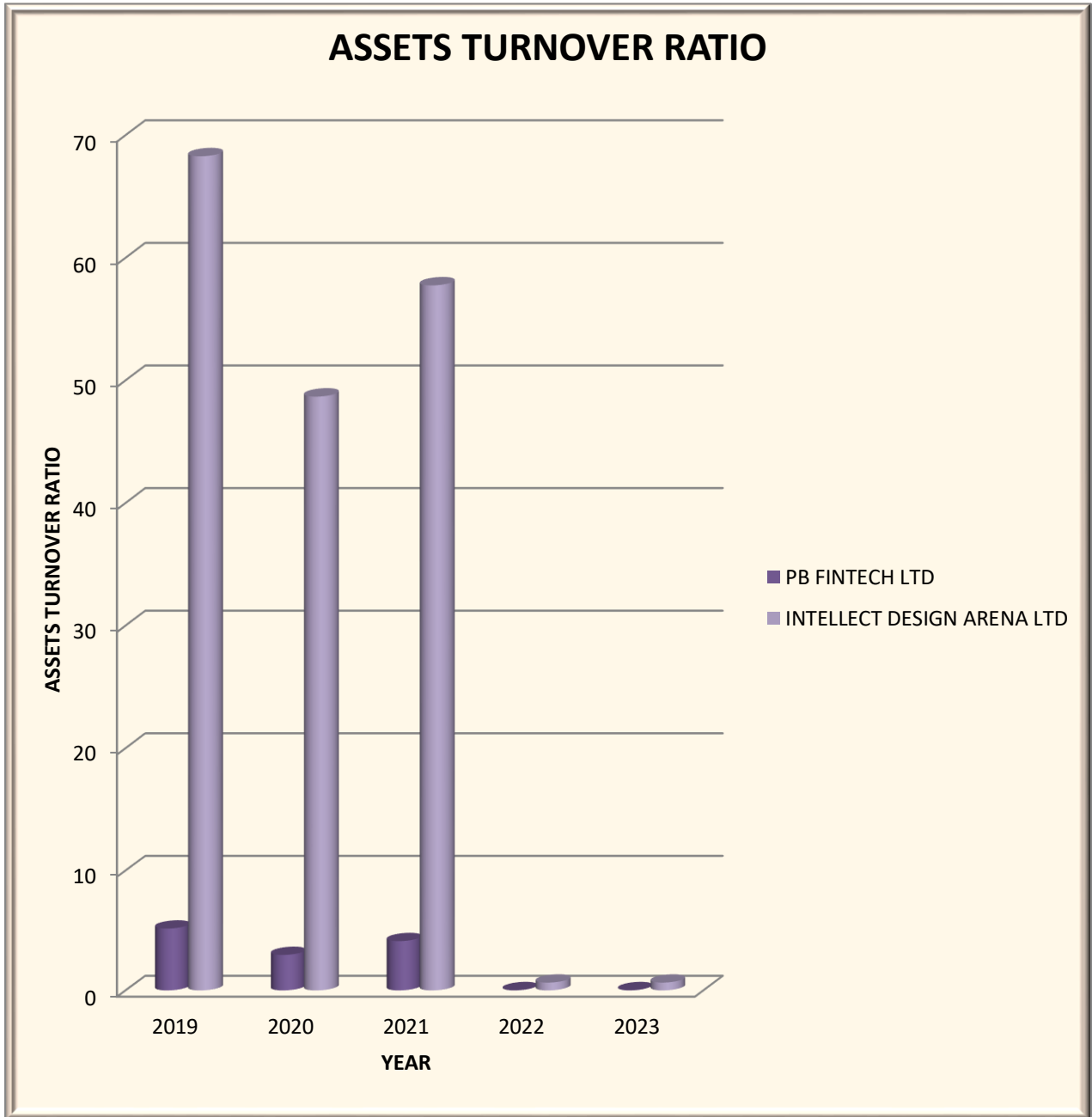
INTELLECT DESIGN ARENA LIMITED:

The above table shows that the Assets turnover ratio in the year 2019 was 68.28%. The ratio was declined during the year 2020 by 48.68%. From the period of 2021- 2023 moves downward to 57.75%. Finally during the year 2023 it reached the lowest ratio 0.65%. The average assets turnover of Intellect design arena ltd is 35.20%.

When compared, the overall assets turnover ratio of PB Fintech ltd and Intellect design arena ltd, for the period 2019-2023, indicates that the assets turnover of Intellect design arena ltd is better than PB Fintech ltd.

EXHIBIT-13

**PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED –
ASSETS TURNOVER RATIO (2019-2023)**



IV. SOLVENCY RATIO

TABLE-16
PROPRITORY RATIO OF PB FINTECH LTD & INTELLECT DESIGN
ARENA LTD

YEAR	PB FINTECH LTD	INTELLECT DESIGN ARENA LTD
2019	0.98	0.67
2020	0.98	0.58
2021	0.98	0.68
2022	0.99	0.67
2023	0.99	0.65
AVERAGE	0.98	0.65

Source: Secondary data

INTERPRETATION:

PB FINTECH LIMITED:

The proprietary ratio was same from the period of 2019 to 2021(0.98%). There is a increase in the period 2022 and 2023(0.99%). The average proprietary ratio of PB Fintech ltd is 0.98%.

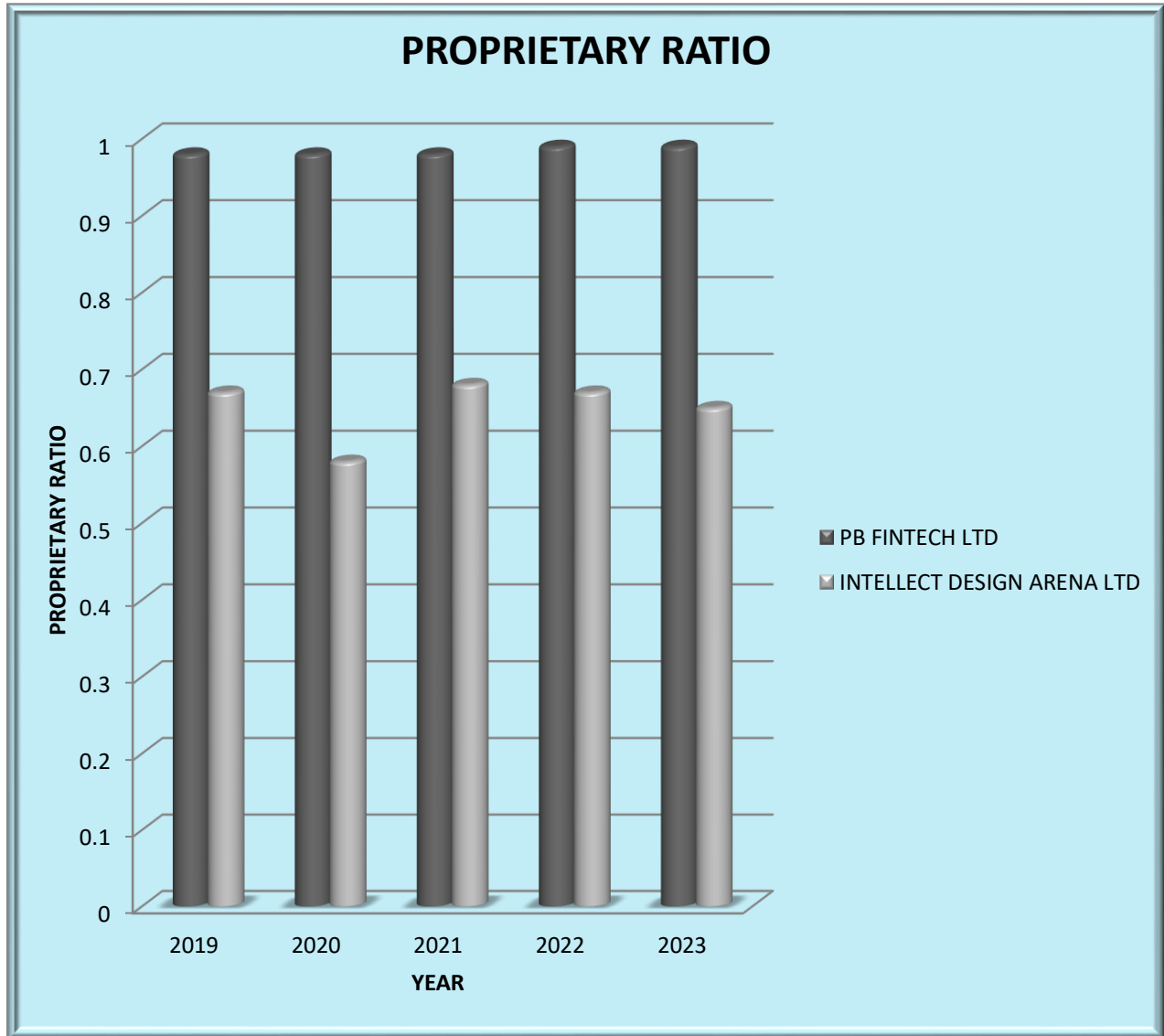
INTELLECT DESIGN ARENA LIMITED:

The proprietary ratio during the year 2019 was 0.67%.The ratio had decreased during the year 2020 by 0.58%. There is a sudden increase in the year 2021 by 0.68%. But in the year 2022 and 2023, the proprietary ratio is in the decreasing trend with ratios of 0.67%-0.65%. The average proprietary ratio of Intellect Design Arena ltd is 0.65%.

When compared, the solvency positions of PB Fintech ltd and Intellect Design Arena ltd the, proprietary ratios for the period of 2019-2023, indicates that the solvency of PB Fintech ltd is in better position than the Intellect Design Arena ltd.

EXHIBIT-14

PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED – PROPRIETARY RATIO (2019-2023)



D. MEAN VALUE

TABLE-17

**PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED –
MEAN VALUE**

CATEGORY	VARIABLES	MEAN value of PB fintech	MEAN value of Intellect design arena
LIQUIDITY RATIO	Current ratio	107.12	1.75
	Liquid ratio	107.12	1.75
EFFICIENCY RATIO	Debtors turnover ratio	39.57	5.14
	Fixed assets turnover ratio	20.72	2.42
PROFITABILITY RATIO	Net profit ratio	(69.20)	11.22
	Return on equity	(1.17)	10.25
	Return on capital employed	(0.50)	13.03
	Return on assets	(1.17)	6.97
	Asset turnover ratio	2.45	35.20
SOLVENCY RATIO	Proprietary ratio	0.98	0.65

INTERPRETATION:

PB FINTECH LIMITED:

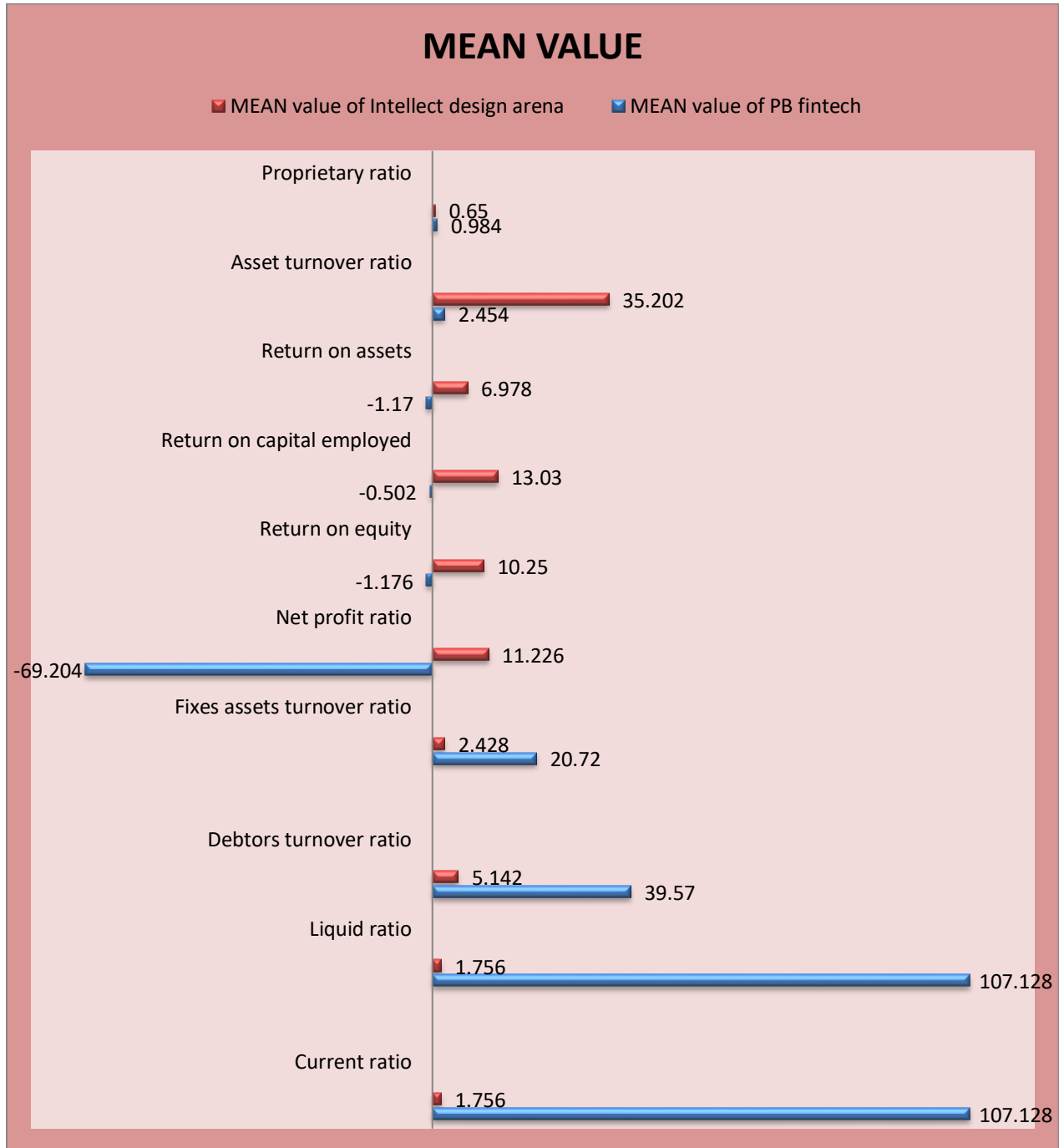
From the above table, it is understood that the average of liquidity ratios 107.12% and 107.12% which is more than normal current ratio of 2:1. It shows that the company enjoys credit worthiness during this study period. The average efficiency ratio (Debtors turnover ratio, fixed assets turnover ratio) of PB Fintech ltd shows an increasing trend 39.57% and 20.72% from 2019-2023. It indicates that the efficiency ratio of PB fintech ltd is good. The average profitability ratio (Net profit ratio, Return on equity, Return on capital employed, Return on assets, Asset turnover ratio) of PB Fintech ltd shows a decreasing trend (69.20%), (1.17%), (0.50%), (1.17%), 2.45%.The average solvency ratio shows 0.98. The PB Fintech ltd was effectively managing the current assets. It will effectively utilize the assets and it collects the debts from debtors smartly and working capital is also effectively used. The overall mean current assets calculated by the PB Fintech ltd results in good average. Profitability is not satisfactory. Efficiency and solvency of PB fintech ltd is better.

INTELLECT DESIGN ARENA LIMITED:

From the above table, it is understood that the average of liquidity ratios 1.75% and 1.75% which is less than normal current ratio of 2:1. It shows that the company not enjoys credit worthiness during this study period. The average efficiency ratio (Debtors turnover ratio, fixed assets turnover ratio) of Intellect design arena ltd shows an increasing trend 5.14% and 2.42% from 2019-2023. It indicates that the efficiency ratio of Intellect design arena ltd is good. The average profitability ratio (Net profit ratio, Return on equity, Return on capital employed, Return on assets, Asset turnover ratio) of PB Fintech ltd shows a increasing trend 11.22%, 10.25%, 13.03%, 6.97%, 35.20%.The average solvency ratio shows 0.65. The Intellect design arena ltd was effectively managing the current assets. It will effectively utilize the assets and it collects the debts from debtors smartly and working capital is also effectively used. The overall mean current assets calculated by the Intellect design arena ltd results in good average. Profitability is pretty satisfactory. Efficiency and solvency of Intellect design arena ltd is better.

EXHIBIT-15

PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED – MEAN VALUE (2019-2023)



E. THE ESTIMATION OF FINANCIAL HEALTH OF BOTH FINTECH COMPANIES (Z-SCORE ANALYSIS)

TABLE-18

PB Fintech ltd and Intellect Design Arena ltd- comparison of financial health (Z-Score Analysis)

YEAR	PB FINTECH LTD	INTELLECT DESIGN ARENA LTD	BETTER POSITION
2019	1.05	1.91	Intellect Design Arena ltd
2020	1.28	1.02	PB Fintech ltd
2021	1.36	1.91	Intellect Design Arena ltd
2022	1.20	1.90	Intellect Design Arena ltd
2023	0.90	1.57	Intellect Design Arena ltd

Source: Secondary data

INTERPRETATION:

PB FINTECH LIMITED:

In this analysis, the PB Fintech ltd score is below 1.99. In 2019, it had reached the score 1.05. The investor must think before investing in this company. There is a fluctuation of financial health during the period (2020 to 2022). During the year 2023 it was decreased by 0.90. It indicates that the Z-Score is lower than the standard rate of 1.99. Overall financial health of PB Fintech is not satisfactory. Hence, the financial health is in the “distress zone”

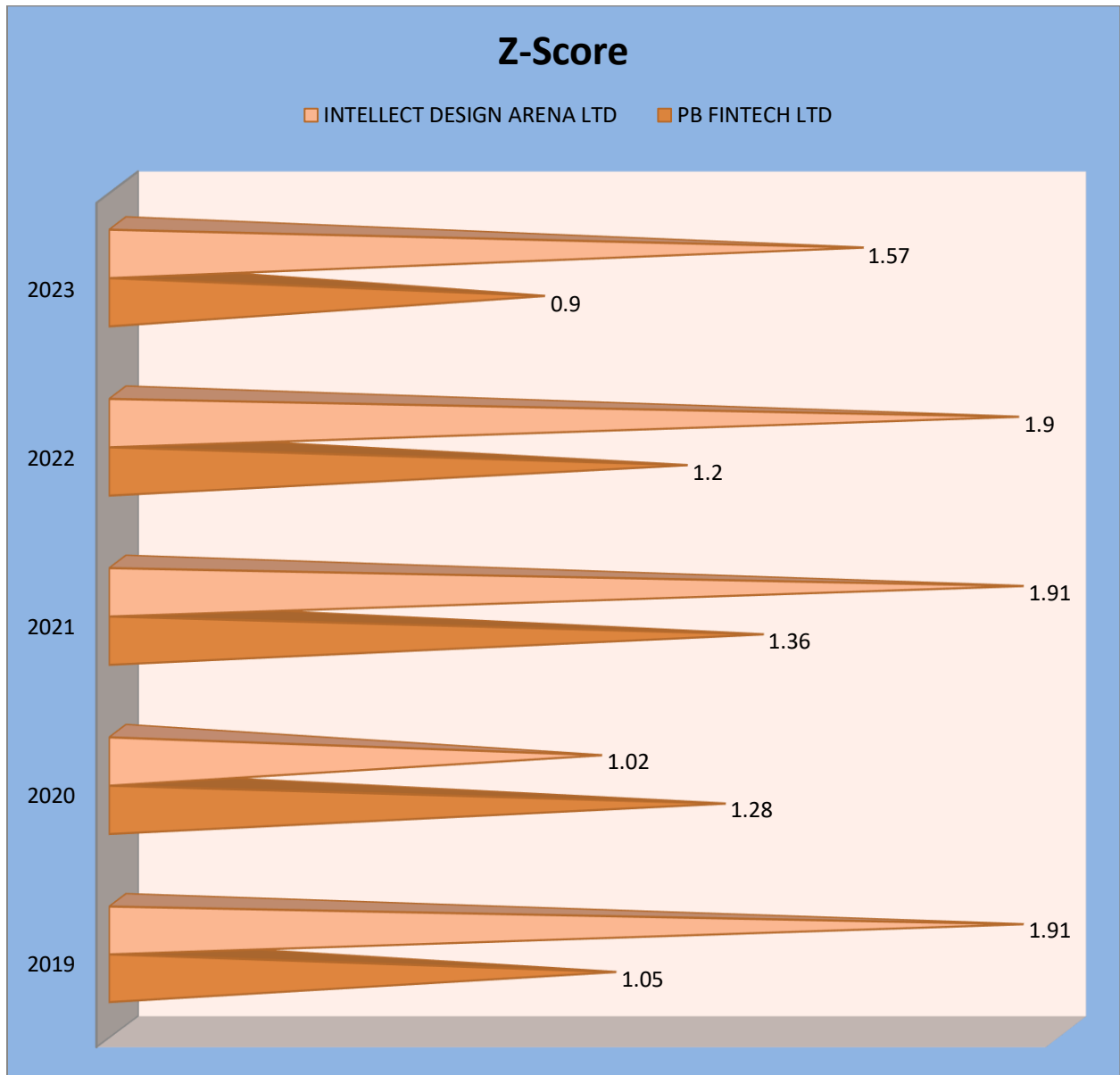
INTELLECT DESIGN ARENA LIMITED:

In this analysis, the Intellect Design Arena ltd score is below 1.99. In 2019, it had reached the score 1.91. The score has decreased during the year 2020 by 1.02. There is a fluctuation of financial health during the period (2021 and 2022). During the year 2023 it was decreased by 1.57. It indicates that the Z-Score is lower than the standard rate of 1.99. From the year 2019-2023 it is pretty sure that the company is in the “distress zone”. Hence Intellect Design Arena ltd does not enjoy good financial health during 2019-2023.

In this analysis, both the company’s Z-Score is below the standard rate 1.99. Investors should think twice before investing in these companies. But while comparing both companies Intellect Design Arena ltd maintained average score and was in better position than PB Fintech ltd. On the other hand, PB Fintech ltd’s score was keep on fluctuating and reached its score to 0.90 during 2023. Hence, it is pretty sure that the financial health of PB Fintech ltd and Intellect Design Arena ltd was in moderate position.

EXHIBIT-16

PB FINTECH LIMITED & INTELLECT DESIGN ARENA LIMITED –Z- SCORE ANALYSIS (2019-2023)



FINDINGS, SUGGESTIONS AND
CONCLUSIONS

CHAPTER-V

FINDINGS AND CONCLUSION

Findings mean principal outcomes of a research project. This usually refers to the totality of outcomes rather than the conclusion or recommendations drawn from them. This chapter provides the summary of findings based on the analysis of the data collected. “**FINANCIAL PERFORMANCE OF SELECTED FINTECH COMPANIES (WITH REFERENCE TO PB FINTECH LTD AND INTELLECT DESIGN ARENA LTD)**” research study was carried out using the secondary data collected.

5.1 The findings of the analysis are presented in the following headings:

- A. Analysis of the financial statements of PB Fintech ltd and Intellect Design Arena ltd.
 - Comparative balance sheet
 - Trend analysis.

- B. The financial performance of PB Fintech ltd and Intellect Design Arena ltd.
 - Ratio analysis (Liquidity, Efficiency, Profitability and Solvency).

- C. Estimation of the financial health of the company.
 - Z-Score analysis.

A. Analysis of the financial statements of PB Fintech ltd and Intellect Design Arena ltd:

For analyzing financial statements, a comparison of the balance sheets (2022-2023) and trend analysis were carried out.

The comparison of balance sheet (2022-2023) of PB Fintech ltd and Intellect Design Arena ltd indicates the following;

The Comparative balance sheet of PB Fintech limited (2022-2023):

The comparative balance sheet of PB Fintech Limited (2022-2023) shows that the reserves and surplus had been increased by 6.87%. Then the Current liabilities and Other liabilities has fallen down by (11.11%) and (36.36%) simultaneously. During this year the Fixed assets and Current assets has also fallen down by (27.27%) and (53.19%) simultaneously. But there is a increase in the other assets of the company by 132.17%. The overall financial position of the PB Fintech Limited is not satisfactory.

The Comparative balance sheet of Intellect Design Arena limited (2022-2023):

The comparative balance sheet of Intellect Design Arena Limited (2022-2023) shows that there is no share capital during the year. Then it shows there is an increased level of reserves and surplus by 13.49%. And also there is a increase in current liabilities and other liabilities by 4.98% and 30.27%. During this year the fixed assets has been increased by 11.09% and the current assets has been decreased by (10.59%). The other assets of the company has been increased by 135.74%. The overall financial position of Intellect Design Arena Limited is highly satisfactory.

Trend analysis of PB Fintech limited:

i. Sales:

The net sales of PB Fintech ltd shows an increasing trend(positive) (100%-273.46) for the 5 years period, from 2019 to 2023. The sales have continuously increased in all the

years up to 2023. The percentage on 2023 is 273.46% as compared to 100% in 2019. The increase in sales is satisfactory to the company.

The projected sales of the company shows for 3 years. It is rising steadily for the period 2024 to 2026. The projected sales percentage in the year 2024 is 277.55% and the increased projected value in 2026 is 293.87%. The overall performance of the concern is good.

ii. Profit before tax:

The profit before tax percentage is calculated for 5 years period (2019-2023). In the profit before tax percentage decreased during the year 2020 and 2021 by (316.66) and (450) simultaneously. Profit before tax has substantially increased from 2022 to 2023 by 5000 and 1233.33%. Trend analysis shows that the profit before tax is not satisfactory.

The projected profit before tax percentage of the company shows for 3 years. It is rising steadily for the period 2024 to 2026. The profit before tax percentage in the year 2024 is 2633.3% and the increased projected value in 2026 is 3266.6%. The overall performance of the concern is good.

Trend analysis of Intellect Design Arena limited:

i. Sales:

The net sales of Intellect design arena ltd shows an increasing trend(positive) (100% - 153.33%) for the 5 years period, from 2019 to 2023. The sales have continuously increased in all the years up to 2023. The percentage on 2023 is 153.33% as compared to 100% in 2019. The increase in sales is satisfactory to the company.

The projected sales of the company shows for 3 years. It is rising steadily for the period 2024 to 2026. The projected sales percentage in the year 2024 is 144.60% and the increased projected value in 2026 is 161.30%. The overall performance of the concern is good.

ii. Profit before tax:

The profit before tax percentage is calculated for 5 years period (2019-2023). In the profit before tax percentage increased during the period from 2019 to 2023 except the year 2020 by (13.98%). Profit before tax has decreased from 2022 to 2023 by 184.61% and 141.25%. Trend analysis shows that the profit before tax is satisfactory.

The projected profit before tax percentage of the company shows for 3 years. It is rising steadily for the period 2024 to 2026. The profit before tax percentage in the year 2024 is 169.93% and the increased projected value in 2026 is 183.91%. The overall performance of the concern is good.

B. The financial performance of PB Fintech ltd and Intellect Design Arena ltd:

The Ratio analysis for the Liquidity, Efficiency, Profitability and Solvency position of PB Fintech ltd and Intellect Design Arena ltd from 2019-2023 indicates the following:

PB FINTECH LIMITED:

From the study, it is understood that the average of liquidity ratios 107.12% and 107.12% which is more than normal current ratio of 2:1. It shows that the company enjoys credit worthiness during this study period. The average efficiency ratio (Debtors turnover ratio, fixed assets turnover ratio) of PB Fintech ltd shows an increasing trend 39.57% and 20.72% from 2019-2023. It indicates that the efficiency ratio of PB fintech ltd is good. The average profitability ratio (Net profit ratio, Return on equity, Return on capital employed, Return on assets, Asset turnover ratio) of PB Fintech ltd shows a decreasing trend (69.20%), (1.17%), (0.50%), (1.17%), 2.45%. The average solvency ratio shows 0.98. The PB Fintech ltd was effectively managing the current assets. It will effectively utilize the assets and it collects the debts from debtors smartly and working capital is also effectively used. The overall mean current assets calculated by the PB Fintech ltd results in good average. Profitability is not satisfactory. Efficiency and solvency of PB fintech ltd is better.

INTELLECT DESIGN ARENA LIMITED:

From the above table, it is understood that the average of liquidity ratios 1.75% and 1.75% which is less than normal current ratio of 2:1. It shows that the company not enjoys credit worthiness during this study period. The average efficiency ratio (Debtors turnover ratio, fixed assets turnover ratio) of Intellect design arena ltd shows an increasing trend 5.14% and 2.42% from 2019-2023. It indicates that the efficiency ratio of Intellect design arena ltd is good. The average profitability ratio (Net profit ratio, Return on equity, Return on capital employed, Return on assets, Asset turnover ratio) of PB Fintech ltd shows a increasing trend 11.22%, 10.25%, 13.03%, 6.97%, 35.20%.The average solvency ratio shows 0.65. The Intellect design arena ltd was effectively managing the current assets. It will effectively utilize the assets and it collects the debts from debtors smartly and working capital is also effectively used. The overall mean current assets calculated by the Intellect design arena ltd results in good average. Profitability is pretty satisfactory. Efficiency and solvency of Intellect design arena ltd is better.

C. Estimation of the financial health of PB Fintech limited and Intellect Design Arena limited by applying Z-Score analysis:

In this analysis, both the company (PB Fintech ltd and Intellect design arena ltd)Z-Score is below the standard rate 1.99. Investors should think twice before investing in these companies. But while comparing both companies Intellect Design Arena ltd maintained average score and was in better position than PB Fintech ltd. On the other hand, PB Fintech ltd's score was keeping on fluctuating and reached its score to 0.90 during 2023. Hence, it is pretty sure that the financial health of PB Fintech ltd and Intellect Design Arena ltd was in moderate position.

5.2 SUGGESTIONS:

On the basis of the research findings, the following suggestions are offered to improve the Efficiency, Earnings and financial performance of PB Fintech Ltd and Intellect Design Arena Ltd.

PB Fintech Ltd:

- Current liabilities and other liabilities for the period have to be improved.
- The fixed assets and current assets of the company have to be improved.
- The company is not much depending on the outsider's funds. It can borrow funds from outsiders and use the financial leverage to enhance profit.
- Debtors must be managed efficiently by reconsidering company's credit and collection policies.
- Profits of the company have to be improved by increasing the sales of the company.
- The overall profitability of the company has to be improved for the better position of the company in future.

If all these suggestions are carried out properly the PB Fintech Ltd's financial performance will be better.

Intellect Design Arena Ltd:

- The company's liquidity position have to be improved .The average current ratio is 1.75 which is less than ideal 2:1 .Current asset and current liabilities must be effectively managed to improve current ratio.
- The company is not much depending on the outsider's funds. It can borrow funds from outsiders and use the financial leverage to enhance profit.
- Debtors must be managed efficiently by reconsidering company's credit and collection policies.

If all these suggestions are carried out properly the Intellect Design Arena Ltd's financial performance will be better.

5.3 CONCLUSION:

Financial performance is an important yardstick to measure a company's operational and financial efficiency. Efforts should be constantly made to improve the financial position. Efficient management on finance is very important for the success of an enterprise. In current scenario greater importance is given to financial performance. This aspect must form part of the company's strategic and operational thinking. PB Fintech ltd and Intellect Design Arena ltd are the two popular fintech companies in India. Hence, research study was undertaken on "Financial Performance of Selected Fintech Companies with Reference to PB Fintech ltd and Intellect Design Arena ltd".

While, analyzing the overall financial performance of these two fintech companies, PB Fintech ltd and Intellect Design Arena ltd, it was found that the financial performance of Intellect Design Arena ltd is in better position when compared to PB Fintech ltd.

This research study would help PB Fintech ltd and Intellect Design Arena ltd to increase their financial performance. Efficient financial performance will help the economy to grow. These companies will contribute to the economic development of our nation.

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