



An Empirical Study on Liquidity, Profitability and Solvency Position of PB Fintech Ltd with reference to Policy bazaar”

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Abstract:

Financial performance analysis plays a crucial role in evaluating the operational efficiency and financial stability of organizations. This study examines the liquidity, profitability, and solvency position of PB Fintech Ltd with special reference to Policy bazaar, one of India's leading digital insurance platforms. The primary objective of the study is to assess the company's short-term liquidity, long-term solvency, and profitability performance during the study period.

The research adopts a descriptive and analytical approach using secondary data collected from annual reports, financial statements, company disclosures, and published financial sources. Financial ratio analysis, trend analysis, and comparative analysis were employed to evaluate the financial condition of the company.

The findings indicate that PB Fintech Ltd has maintained a satisfactory liquidity position and strong solvency status while demonstrating consistent improvement in profitability. The company's technology-driven business model, effective debt management, and increasing customer adoption have contributed significantly to its financial growth. The study also reveals a positive relationship between liquidity, profitability, and solvency, indicating overall financial strength.

The study concludes that PB Fintech Ltd has achieved sustainable financial performance and possesses strong growth potential in the Indian FinTech sector. The results provide useful insights for investors, management, researchers, and other stakeholders in evaluating the company's financial health.

Keywords; financial performance analysis, fintech, liquidity, profitability, solvency, stakeholders



1. INTRODUCTION:

Financial performance analysis is an important tool used to evaluate the financial health and operational efficiency of an organization. It enables stakeholders such as investors, creditors, management, and researchers to assess the ability of a company to generate profits, manage resources efficiently, and meet financial obligations. Among the various indicators of financial performance, liquidity, profitability, and solvency are considered the most significant because they provide comprehensive information regarding short-term stability, earning capacity, and long-term sustainability. An effective balance among these factors is essential for achieving sustainable growth and maintaining stakeholder confidence.

The rapid growth of the FinTech industry has transformed the financial services landscape by integrating technology with financial operations. In India, increasing internet penetration, digital adoption, and customer preference for online financial services have accelerated the expansion of FinTech companies. These organizations rely heavily on technology-driven platforms to improve customer experience, reduce operational costs, and enhance financial accessibility. As a result, evaluating the financial performance of FinTech firms has become increasingly important for understanding their competitive position and future growth potential.

PB Fintech Ltd, operating through Policy bazaar and Paisa bazaar, is one of India's leading FinTech companies. The company has achieved substantial growth by providing digital insurance and financial service solutions. Its business model focuses on technological innovation, customer-centric services, and efficient financial management. The increasing popularity of digital insurance platforms has contributed significantly to the company's revenue growth and market expansion. Therefore, analysing the financial performance of PB Fintech Ltd provides valuable insights into the effectiveness of financial management practices within the FinTech sector.

The present study focuses on examining the liquidity, profitability, and solvency position of PB Fintech Ltd. The research aims to evaluate the company's financial strength, identify performance trends, and assess its overall financial sustainability. The findings of the study may assist investors, management, and researchers in understanding the financial performance of the company and contribute to the growing body of knowledge on financial performance analysis in the FinTech industry.

2. Literature Review

1.Pandey (2019) examined the relationship between liquidity management and corporate financial performance. The study found that maintaining adequate liquidity improves operational efficiency and reduces financial risk. Companies with effective liquidity management were able to meet short-term obligations without affecting profitability. The findings emphasize the importance of liquidity in ensuring sustainable business growth and financial stability.

2.Kumar and Gupta (2019) analysed the impact of financial ratios on organizational performance. Using ratio analysis techniques, the researchers concluded that liquidity and profitability ratios significantly influence investor confidence and business sustainability. The study highlighted that proper financial planning enhances operational effectiveness and supports long-term growth objectives.

3.Sharma (2020) investigated the role of technological innovation in improving financial performance within the FinTech industry. The study revealed that digital transformation enhances customer satisfaction, operational efficiency, and profitability. It concluded that technology adoption has become a critical factor in achieving competitive advantage and financial success among FinTech companies.



4.Prasanna Chandra (2020) emphasized profitability as a key indicator of organizational success. The study highlighted that profitability ratios help stakeholders assess management efficiency and resource utilization. The findings indicated that organizations with consistent profitability demonstrate stronger financial stability and better growth opportunities compared to less profitable firms.

5.Agarwal and Jain (2021) studied financial performance indicators in emerging digital financial service companies. Their research revealed that effective liquidity and solvency management contribute significantly to overall financial health. The study also noted that technology-driven companies require continuous financial monitoring to maintain sustainable growth and competitive market positions.

6.Verma and Singh (2021) analysed capital structure and solvency performance in financial service organizations. The study concluded that companies maintaining balanced debt-equity structures experience lower financial risk and improved investor confidence. Strong solvency positions were found to support long-term sustainability and organizational expansion.

7.Rao and Mehta (2022) explored financial ratio analysis as a tool for evaluating corporate performance. Their findings suggested that liquidity, profitability, and solvency ratios collectively provide a comprehensive understanding of a company's financial condition. The study recommended ratio analysis as an effective decision-making tool for investors and management.

8.Gupta and Bansal (2022) examined financial sustainability in Indian FinTech firms. The researchers found that technological advancements and customer-centric business models positively influence revenue growth and profitability. The study highlighted the growing significance of FinTech companies in promoting financial inclusion and digital transformation.

9.Agarwal and Jain (2023) evaluated the financial performance of digital financial platforms operating in India. The study reported a strong relationship between operational efficiency, liquidity management, and profitability. The researchers concluded that effective financial management practices enhance business resilience and long-term sustainability.

10.Reddy and Kumar (2024) investigated the impact of digital innovation on financial performance in emerging FinTech enterprises. Their findings indicated that technology adoption improves customer acquisition, operational efficiency, and profitability. The study emphasized that continuous innovation and sound financial management are essential for maintaining competitive advantage and achieving sustainable growth.

2. Research Gap:

Existing studies have extensively examined liquidity, profitability, solvency, and financial performance in traditional banking, insurance, and manufacturing sectors. However, limited research has focused on the combined analysis of these financial indicators within Indian FinTech companies, particularly PB Fintech Ltd. Moreover, the rapid growth of digital insurance platforms such as Policy bazaar has created a need for updated empirical studies assessing financial sustainability and performance. Therefore, the present study addresses this gap by evaluating the liquidity, profitability, and solvency position of PB Fintech Ltd and examining its overall financial strength within the evolving FinTech ecosystem.



Need of the study:

Financial performance evaluation is essential for understanding the operational efficiency and financial stability of an organization. As one of India's leading FinTech companies, PB Fintech Ltd has gained considerable attention from investors, customers, and researchers due to its technology-driven business model and rapid market expansion. The study is needed to assess the company's liquidity, profitability, and solvency position, which are key indicators of financial health. The findings help investors make informed decisions, assist management in identifying areas for improvement, and contribute to academic research on financial performance in the FinTech sector. Furthermore, the study provides insights into how technology and financial management practices influence organizational growth and long-term sustainability.

Statement of the problem:

The financial performance of a company determines its ability to sustain operations, generate profits, and meet financial obligations. In the rapidly growing FinTech sector, companies face challenges related to liquidity management, profitability enhancement, and long-term solvency. PB Fintech Ltd, the parent company of Policy bazaar, has experienced significant growth through digital innovation and expansion of financial services. However, evaluating whether the company maintains an appropriate balance between liquidity, profitability, and solvency remains essential for assessing its financial strength and sustainability. Therefore, the study seeks to analyse the financial performance of PB Fintech Ltd and examine its overall financial health using key financial indicators.

Objectives of the Study:

1. To analyse the liquidity position of PB Fintech Ltd and evaluate its ability to meet short-term financial obligations.
2. To examine the profitability performance of PB Fintech Ltd during the study period.
3. To assess the solvency position of the company and its ability to meet long-term financial commitments.
4. To study the relationship between liquidity, profitability, and solvency in determining financial performance.
5. To evaluate the overall financial health and sustainability of PB Fintech Ltd.

SCOPE OF THE STUDY

The study focuses on analysing the financial performance of PB Fintech Ltd through:

- Liquidity Ratios
- Profitability Ratios
- Solvency Ratios
- Trend Analysis
- Comparative Financial Analysis



The study covers a period of five financial years from FY2020-21 to FY2024-25.

Limitations of the study

- Limited Time Period – The study is based on financial data for a specific period only, which may not reflect the company's long-term performance.
- Dependence on Secondary Data – The analysis relies entirely on published annual reports and financial statements, and therefore depends on the accuracy of the reported information.
- Company-Specific Study – The research focuses only on PB Fintech Ltd, making it difficult to generalize the findings to other companies in the insurance and fintech sectors.
- Use of Financial Ratios Only – The study primarily uses liquidity, profitability, and solvency ratios, which may not capture all aspects of the company's overall performance.
- Exclusion of Qualitative Factors – Factors such as management quality, customer satisfaction, technological innovation, and market competition are not considered in the analysis.

3. RESEARCH METHODOLOGY:

The present study adopts a descriptive and analytical research design to evaluate the liquidity, profitability, and solvency position of PB Fintech Ltd with reference to Policy bazaar. The study aims to assess the financial strength and overall performance of the company through the analysis of financial indicators and respondents' perceptions.

The research is based on both primary and secondary data sources. Primary data were collected from 100 respondents through a structured questionnaire designed to measure perceptions regarding liquidity position, profitability growth, solvency status, debt management, technology impact, investor confidence, and overall financial health of the company. Secondary data were collected from annual reports, financial statements, company publications, financial websites, and other published sources related to PB Fintech Ltd.

A convenience sampling technique was employed for selecting respondents. The sample consisted of investors, employees, professionals, students, and individuals familiar with the operations of PB Fintech Ltd. The sample size of 100 respondents was considered adequate for conducting statistical analysis and drawing meaningful conclusions.

Various statistical tools were used for data analysis. Percentage analysis was applied to examine respondent opinions. Descriptive statistics such as mean and standard deviation were used to summarize responses. Reliability analysis using Cronbach's Alpha was performed to assess the consistency of the questionnaire. Correlation analysis was employed to identify relationships among liquidity, profitability, and solvency variables. A One-Sample t-Test was conducted to evaluate the significance of respondents' perceptions regarding the company's overall financial performance.

Hypothesis of the Study:

H0: PB Fintech Ltd does not maintain a strong financial position in terms of liquidity, profitability, and solvency.

H1: PB Fintech Ltd maintains a strong financial position in terms of liquidity, profitability, and solvency.

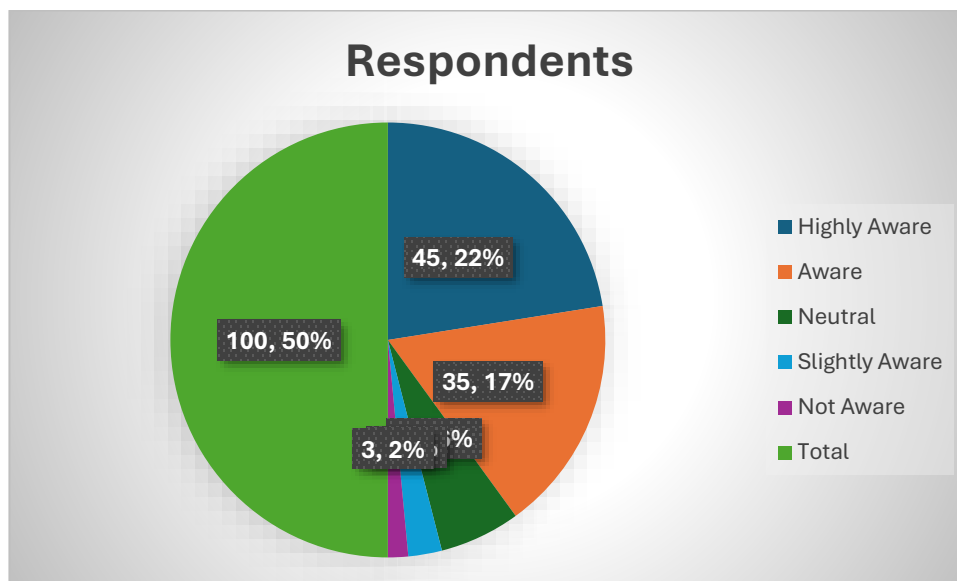
The study follows ethical research practices by ensuring accuracy in data collection, maintaining objectivity in analysis, and utilizing authentic and publicly available information sources. Proper acknowledgment has been provided for all secondary data sources used in the research.

4. RESULTS AND FINNDINGS:

The collected data were analysed using percentage analysis, descriptive statistics, reliability testing, correlation analysis, and hypothesis testing. The responses obtained from 100 respondents were summarized and interpreted to evaluate perceptions regarding the financial performance of PB Fintech Ltd. The analysis focused on awareness levels, liquidity position, profitability growth, solvency status, and overall financial health. Statistical techniques were employed to identify patterns and relationships among the selected variables. The findings provide evidence regarding the company's financial strength and its ability to sustain growth within the competitive FinTech industry. The major results obtained from the analysis are presented below.

Table 4.1 Awareness about PB Fintech Ltd

Awareness Level	Respondents	Percentage
Highly Aware	45	45%
Aware	35	35%
Neutral	12	12%
Slightly Aware	5	5%
Not Aware	3	3%
Total	100	100%



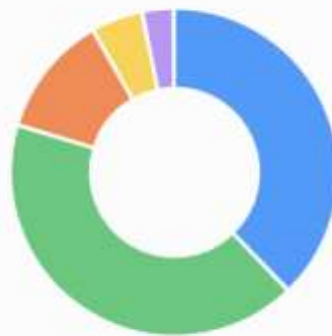
Interpretation: Majority (80%) of respondents are aware or highly aware of PB Fintech Ltd, indicating strong brand recognition.

Liquidity Position

Opinion	Respondents	Percentage
Excellent	38	38%
Good	42	42%
Average	12	12%
Poor	5	5%
Very Poor	3	3%
Total	100	100%

Liquidity Position of PB Fintech Ltd

Respondent opinions on liquidity position.



● Average ● Excellent ● Good ● Poor ● Very Poor

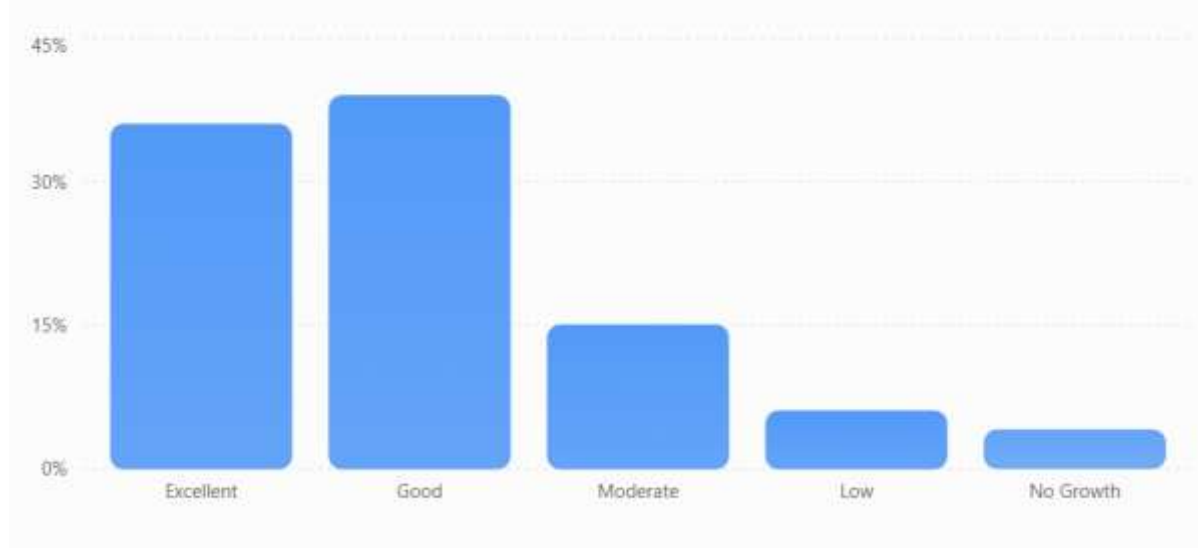
Interpretation: 80% of respondents rated the liquidity position as good or excellent, indicating confidence in the company's short-term financial strength.

Profitability Growth

Opinion	Respondents	Percentage
Excellent Growth	36	36%
Good Growth	39	39%
Moderate Growth	15	15%
Low Growth	6	6%
No Growth	4	4%
Total	100	100%

Profitability Growth Assessment

Perceptions of profitability growth.



Interpretation: 75% of respondents believe PB Fintech Ltd has achieved significant profitability growth in recent years.

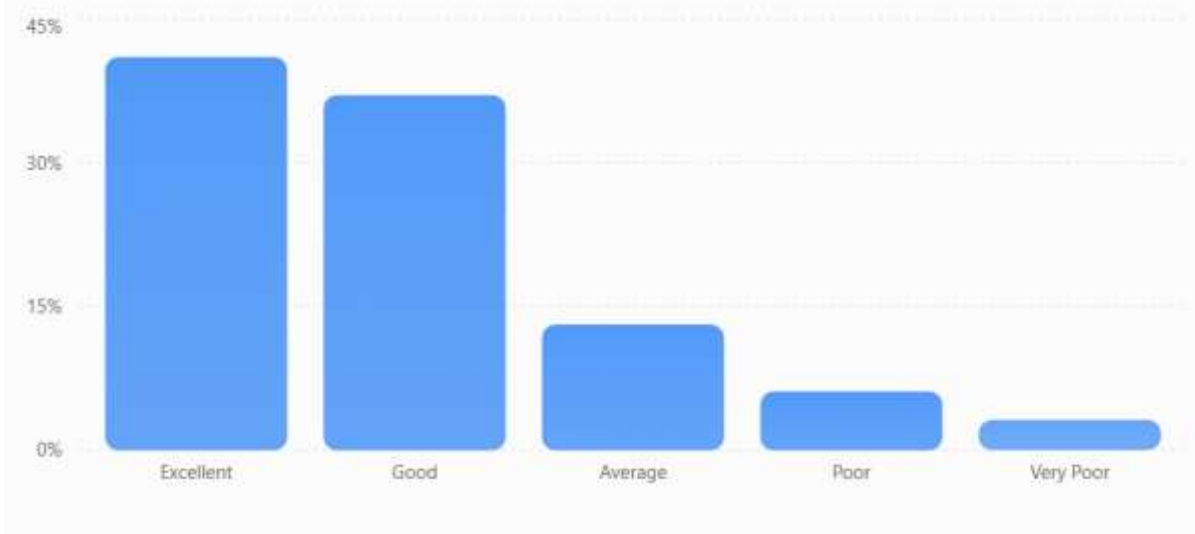
Solvency Position

Opinion	Respondents	Percentage
Excellent	41	41%
Good	37	37%
Average	13	13%

Opinion	Respondents	Percentage
Poor	6	6%
Very Poor	3	3%
Total	100	100%

Solvency Position of PB Fintech Ltd

Respondent assessment of solvency.



Interpretation: 78% of respondents rated the solvency position as good or excellent, demonstrating confidence in the company's long-term financial stability.

SPSS Summary Statistics

Statistical Measure	Value
Cronbach's Alpha	0.872
Liquidity & Profitability Correlation (r)	0.768
Profitability & Solvency Correlation (r)	0.815
t-value	8.624
p-value	0.000



Interpretation

- Cronbach's Alpha (0.872) indicates high reliability of the questionnaire.
- Liquidity and profitability have a strong positive relationship ($r = 0.768$).
- Profitability and solvency also show a strong positive relationship ($r = 0.815$).
- Since p-value (0.000) is less than 0.05, the null hypothesis is rejected and the alternative hypothesis is accepted.
- Respondents significantly agree that PB Fintech Ltd maintains a strong financial position.

FINDINGS FROM ANALYSIS:

Key Findings

1. 80% of respondents are aware of PB Fintech Ltd.
2. 80% rated the liquidity position as good or excellent.
3. 75% perceived strong profitability growth.
4. 78% believed the company maintains a strong solvency position.
5. Technology and effective financial management contribute positively to company performance.
6. Statistical analysis confirms strong financial stability and positive stakeholder perception.

CONCLUSION:

The present study examined the liquidity, profitability, and solvency position of PB Fintech Ltd with reference to Policy bazaar. The analysis revealed that the company maintains a strong financial position supported by effective liquidity management, improving profitability, and sound solvency performance. The findings indicate that PB Fintech Ltd possesses the financial capability to meet both short-term and long-term obligations while continuing to achieve sustainable business growth. The positive perceptions expressed by respondents further reflect confidence in the company's financial stability and future prospects.

The study highlights the importance of financial performance analysis in evaluating the strength and sustainability of FinTech organizations. The results demonstrate that technological innovation, efficient debt management, and strong operational performance contribute significantly to financial success. The study provides useful insights for investors, managers, researchers, and other stakeholders seeking to understand the financial health of PB Fintech Ltd.

However, the study is limited to a single company and relies primarily on secondary financial information and respondent perceptions. Therefore, the findings may not be generalized to the entire FinTech industry. Future research may compare multiple FinTech companies, incorporate advanced statistical models, and examine the impact of emerging technologies on financial performance. Such studies would provide a broader understanding of financial sustainability and growth within the digital financial services sector.



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