

ROLE OF INDIA POST PAYMENTS BANK TO DRIVE FINANCIAL INCLUSION IN INDIA

Submitted in partial fulfillment of the requirements for the award of Degree in

MASTER OF BUSINESS ADMINISTRATION

by

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DEPARTMENT OF BUSINESS ADMINISTRATION

SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119**

MAY 2023



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SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **KRISHNAGOPALAN S 41410175** who carried out the project entitled "**ROLE OF INDIA POST PAYMENTS BANK TO DRIVE FINANCIAL INCLUSION IN INDIA**" under my supervision from January 2023 to April 2023.

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DECLARATION

I **KRISHNAGOPALAN S (41410175)** hereby declare that the Project Report entitled **“ROLE OF INDIA POST PAYMENTS BANK TO DRIVE FINANCIAL INCLUSION IN INDIA”** done by me under the guidance of **Dr. JAINAB ZAREENA** is submitted in partial fulfilment of the requirements for the award of Master of Business Administration degree.

DATE: 06/05/2023

PLACE: Chennai



KRISHNAGOPALAN S

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KRISHNAGOPALAN S

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ABSTRACT

In Indian population Majority of rural areas. Payments Bank is new categories of Bank in India on 2017. In September 2013, committee on comprehensive financial services for small Business and Low Income Households, headed by Nachiket Mor, was formed by RBI. On November 2015 RBI Released guidelines for Licensing of Payments bank. India post payments bank as Main purpose is to drive financial inclusion in rural areas. Digitalization the mode of Banking services with core Banking activities like UPI, IMPS, NEFT, RTGS, AEPS. The parameters for India Post Payments Banks financial inclusions are Business Correspondents, Third party insurance services, Basic bank deposit, Door step services, Aadhaar mobile no updates, child enrolment Aadhaar. The objective of the project to find out the efficiency of the India Post Payments Bank using the Liquidity ratios, Profitability Ratios to provide suitable suggest improve the financial performance of the India Post Payments Bank.

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LIST OF ABBREVIATION (IF REQUIRED)

S.NO	ABRREVATION	EXPANSION
1.	RBI	Reserve Bank of India
2.	UPI	Unified Payments Interface
3.	IMPS	Immediate Payments Services
4.	NEFT	National Electronic Fund Transfer
5.	RTGS	Real Time Gross Settlement
6.	AEPS	Aadhaar Enabled Payment System

CHAPTER-1

INTRODUCTION

1.1 INTRODUCTION

India Post Payments Bank (IPPB) was established in 2018 as a public sector company under the Department of Posts, Ministry of Communications with the objective of providing affordable banking and financial services to the unbanked population of India. The IPPB is aimed at bringing financial inclusion by leveraging the extensive postal network of India, which has a presence in every nook and corner of the country.

1.2 OBJECTIVES

- To identify the function and role of India Post Payments Bank. To find the Trend Analysis of India Post Payments Bank.
- To identify the difference between POSB (Post Office Savings Bank), Post Life Insurance (PLI) and India Post Payments Bank.
- To study the role of Indian post payment banks in financial inclusion.
- To Identify how the Head office (HO), Sub-office (SO), Branch office (BO) are utilized. To identify the financial Position of India Post Payments Bank.

1.3 NEED OF STUDY

- To Explore the Function of Digitalization in Post office Services.
- To understand the role of Payments Bank.
- To enhance basic knowledge regarding Instant fund Transfer.
- To find the trend percentage relationship, in which each item of different years bear to the same item in the base year.

1.4 SCOPE OF STUDY

- It enhance knowledge regarding the **UPI** functions, **Vitural Debit Cards**.
- It helps people to understand **Aadhaar Enabled Payment System** (AEPS).

- To understand the banking services provided by postal postmen and *Grameen Dak Sewaks* (GDS) at doorstep banking services.
- To evaluate the management efficiency and earning quality of India post payments bank.

1.5 INDUSTRY PROFILE

Payments banks are new model of banks, conceptualized by the Reserve Bank of India (RBI), which cannot issue credit. These banks can accept a restricted deposit, which is currently limited to ₹200,000 per customer and may be increased further. These banks cannot issue loans and credit cards. Both current account and savings accounts can be operated by such banks. Payments banks can issue ATM cards or debit cards and provide online or mobile banking. The minimum capital requirement is Rs.100 crore. For the first five years, the stake of the promoter should remain at least 40%. Foreign share holding will be allowed in these banks as per the rules for FDI in private banks in India. The voting rights will be regulated by the Banking Regulation Act, 1949. The voting right of any shareholder is capped at 10%, which can be raised to 26% by the Reserve Bank of India. Any acquisition of more than 5% will require approval of the RBI. The majority of the bank's board of directors should consist of independent directors, appointed according to RBI guidelines. The bank should be fully networked from the beginning. The bank can accept utility bills. It cannot form subsidiaries to undertake non-banking activities. Initially, the deposits will be capped at ₹100,000 per customer, but it may be raised by the RBI based on the performance of the bank. Payment Banks are not permitted to lend to any person including their directors. 25% of its branches must be in the unbanked rural area. The bank must use the term "payments bank" in its name to differentiate it from other types of bank. The banks will be licensed as payments banks under Section 22 of the Banking Regulation Act, 1949, and will be registered as public limited company under the Companies Act, 2013.

1.6 COMPANY PROFILE

India Post Payments Bank, abbreviated as IPPB, is a division of India Post which is under the ownership of the Department of Post, a department under Ministry of Communications of the Government of India. Opened in 2018, as of January 2022,

the bank has more than 5 crore customers. IPPB aims to utilize all of India's 155,015 post offices as access points and 3 lakh postal postmen and *Grameen Dak Sewaks* (GDS) to provide doorstep banking services. The fundamental mandate of IPPB is to remove barriers for the unbanked & underbanked and reach the last mile leveraging a network comprising of 1.55 lakh Post Offices and around 3 lakh postal employees. IPPB's reach and its operating model is built on the key pillars of India Stack - enabling Paperless, Cashless & Presence-less banking in a simple & secure manner at the customers' doorstep, through a CBS-integrated smartphone and biometric device. Leveraging frugal innovation and with a high focus on ease of banking for the masses, IPPB delivers simple & affordable banking solutions through intuitive interfaces available in 13 languages. IPPB is committed to provide a fillip to a less cash economy and contribute to the vision of Digital India. India will prosper when every citizen will have equal opportunity to become financially secure and empowered. Our motto stands true - Every customer is important; every transaction is significant, and every deposit is valuable.

CHAPTER-2

REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE

HARSHADKUMAR Ret.al (NOV-22) The Govt. of India aims to achieve financial inclusion by bringing banking services to the homes of millions of Indians. By providing a full range of facilities and attractive programs, banks can meet the diverse needs of customers.

DIPANKAR MONDAL (DEC-22) This research is purely based on conceptual study of the available data, secondary in nature, of India Post Payment Bank. This study is mainly judging the available data with the financial inclusion indicators to understand its impact of IPPB on financial inclusion. Hence it is important to say that suitable statistical tools can be applied to analyze the inputs gathered from structured questionnaire to find empirical conclusions.

HIRENKUMAR RAMESHBHAI AND RAJESH M (JUL-22) India Mail plays a vital role in providing financial assistance to the network provided there and especially to the rural areas. It has adopted various reform measures for innovation and technological advancement in the country.

HARSHAD AND KANISHK (MAR-22) Payment banks focus on digital innovation and a country like India is also geared towards a cashless and digital economy, which is achievable and flexible in terms of the latest technological and economic conditions.

N. SENTHILKUMAR AND L. BALASUBRAMANIAN (DEC-21) Awareness level of employees is needed to be improved. The Namakkal Postal Division has doing well to its postal customers. With its 86.17% post offices in rural area, it can successfully provide all the bank services to the rural people.

N. PRAKASH AND SUGANYA (DEC-21) Millions of Indians do not have access to banking facilities. They cannot make use of government benefits, loans and insurance and even interest on savings. IPPB will reach the unbanked and the under-banked sectors in all cross sections of society and geographies areas to achieve financial inclusion successfully.

MANOJ MINJ et.al (OCT-21) Payments banks provide the benefit of both mobile/E-wallets and banking services. Only 32% of respondents are highly aware about payment banks, 21% and 19% of respondents are having moderate and low level of awareness respectively. 28% of respondents are completely unaware about payment banks.

MANOJ MINJ et.al (AUG-21) The financial facility was brought to the door by the IPPB and DARPAN. There is also a significant contribution from postal agencies at a national level. India Post will hopefully be a better point of contact for all citizen-centred services like Aadhar and will thus support sustainable development goals such as lowering poverty, gender equality and reducing inequality.

P.JESINTHA et.al (JUN-21) In the modern era people forget the post office in their busy schedule but the RBI innovative idea to launch the payment bank through post office is a next step for the growth of our economy. IPPB faces a few challenges to reach initially but it reached the pinnacle success by crossing 2.36 crore customers. The article clearly shows the benefits and the growth of IPPB.

GAURAV AND MANOJ MINJ(MAR-21) India Post Payments Bank has the leverage of largest postal network in the world. IPPB has increased the size of rural banking infrastructure by seven times. As IPPB is not allowed to advance loans which is the primary income source of banks, IPPB need to more focus on new ways of income generation.

RATHEESH AND K. NAIR(JAN-21) Innovative products with fewer risk, speed and efficient grievance redressal together with imparting professionalism in customer services definitely can find good market for India post payments bank in Kerala given the buoyant financial inclusion and cash less economic conditions of India.

THUSHARA T.K (DEC-20) There are millions of Indians don't have access to banking facilities. They cannot avail of government benefits, loans, insurance and even interest on savings. M-Banking, IPPB, PMJDY will reach the unbanked and the under banked across the all cross section of society and geographic.

AFSANA SULTANA (NOV-20) India post has been playing a very important role in financial inclusion with its given network and reach especially in the rural areas. It

has adopted various reform measures for innovation and technological up gradation in the country.

M. NEELAKANDAN(SEP-20) It is very clear that post office, in addition to be an agent of financial inclusion of government, also contributes a lot for the economic development of individual at micro level and national level at a macro perspective and helps our country to achieve towards accomplishing the UN Sustainable Development Goals and targets much before 2030.

S. SHANMUGAPRIYA AND S. SARAVANAN (MAR-20) The study identify that investors were overall satisfied with the post office financial saving schemes like post office saving deposit, Post office Recurring Deposit and Post office Monthly Income Scheme.

V. VENKATACHALAM (FEB-19) Postal department has widened their area of operation into banking services with the help of core banking and payment bank. Indian people have a great faith and trust on postal nancial services. The India post payment will concentrate the various nancial services provide the accountholders and then awareness level of employees is need to be improved.

REENA. F AND T. JOSEPH (FEB-19) The big challenge is how well this payment bank function effectively and efficiently in the long run. Future sustainability and stability of the payments in the present and future market conditions is the one which government has to concentrate on.

ANAHITA SINGH SONALIKA BHADOURIA (JAN-19) Payment banks can certainly be seen as the future, despite facing difficulties in establishment and operations as the government as well believes that it is possible that these payment banks will be able to cover up their losses within two years, while introducing other services slowly, which may also help support the unique model of these banks.

VAIBHAV AND R.C. GUPTA (DEC-18) It will open up a lot of chances for Department of Post. Regardless, the test from prominent private players would encourage IPPB to unendingly patch up its commitments. IPPB can never again depend just on its profound established knowledge of expansive dissemination arrange, anyway needs to update its advantages and abilities to remain forceful in the business focus.

S.TAMILARASI AND D. BHUVANESWARI (OCT-18) The Payment bank is innovative activity of Department of Post. Most extreme number of individuals have Phone number through that they can utilize the saving money office. This new idea will inspire the clients in future yet it likewise have a few bad marks. On the off chance that Airtel industry center the bad marks then this idea might be a major test to conventional managing an account industry.

SANDESH D'SOUZA (OCT-18) The process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost in a fair and transparent manner by mainstream institutional players. However, the competition between traditional and payment banks will lead to widening and improvement in quality of banking services are reduced costs and which may finally leads results in financial inclusion.

ASHISH BAGHLA (AUG-18) The move towards cashless economy is definitely a good one but it will take much time to have I completely cashless economy. The efforts are going well by the government as well as the private sector companies having there e-wallets apps such as PayTM, PhonePe etc. The biggest challenge in front of government is the lack of knowledge and awareness among people and fear of loss of money by use of digital payment methods risk of hacking. The government needs to tackle these challenges to have cashless economy and to give a boost to digital payments to provide sustainable economic development to the country in the long run.

PARVATHI JAYAPRAKASH AND R RADHAKRISHNA (MAY-18) The study can benefit three groups- policy makers, institutions and researchers. The study analyses the development project at its initiation phase. Most development project research is done evaluating the efficiency or effectiveness of the project. This study highlights the pros and cons of the project thereby assisting the policy makers to take necessary actions before complete roll out of the project. The study view the project from the supplier perspective of banking services.

M. BHARGAVI (MAR-18) The India Post Payments Bank established by the Department of Posts has an enormous potential to be one of the most convenient & accessible banking network in a developing country like India. With the age – old

traditional postal delivery system when combined with a digital platform such as internet banking, mobile banking, prepaid instruments, debit cards, availability ATMs, point of sale devices, the India Post Payments bank is set to be the face a new transformation of post offices and be a major drive for financial inclusion initiative by the Government of India.

V. RAMESH NAIK et.al (FEB-18) The payment banks plays a significance role in implementing government's direct benefit, transfer schemes, where subsidies on health care, education and gas are paid directly to beneficiaries account. However, the competition between traditional and payment banks will lead to widening and improvement in quality of banking services are reduced costs and which may finally lead results in financial inclusion.

BHANSALI SHREY et.al (FEB-18) These are the untapped customers who are not a part of the banking system yet. Also, even if they are a part of the banking system, these are not active due various reasons such as unavailability of a nearby branch, inconvenience due to low literacy rates etc.

SRP. VIJAYA et.al (AUG-17) The Sivagangai Postal Division has doing well to its postal customers. With its 86.17% post offices in rural area, it can successfully provide all the bank services to the rural people.

K. MEENA KUMARI (MAY-17) As post man is to be interface between the bank and the customer, he should be adequately trained to provide banking services. Products should be tailored to the requirements of customers and high level of awareness should be created about them. Once it succeeds in being an effective channel for providing savings, payments and remittance facilities, its activities can be extended to encompass extension of credit as well.

G. SABITHA SRINIVAS (JAN-17) Millions of Indians don't have access to banking facilities. They cannot avail of government benefits, loans and insurance, and even interest on savings. M- Banking, PMJDY and IPPB will reach the unbanked and the under-banked across all cross sections of society and geographies.

CHABI GUPTA (DEC-16) It is true that since payments banks won't be able to disburse loans, their net interest income will be limited. So, it seems that without traditional banking economics, the road for payment banking players is not lucrative.

It's a long due experiment that logically follows after a agriculturally dominated traditional economy like India embraces digital payments widely. Indian post has already applied to the RBI for a banking license; if the license is given it will be a great achievement for Indian post which will enable post offices to perform full banking activities. Indian post can give a new dimension to the process of financial inclusion and can reach an extra mileage in the field of financial inclusion. Indian post can start the journey where Indian banking system stops.

CHAPTER-3

RESEARCH METHODOLOGY

3.1 METHODOLOGY

Research methodology is the specific procedures or techniques used to identify, select, process, and analyze information about a topic. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability. The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

3.2 RESEARCH DESIGN

3.2.1 DESCRIPTIVE RESEARCH

Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. In social science and business research, it is quite often, the term Ex post facto research is used for descriptive research studies.

The main characteristic of this method is that the researcher has no control over the variables; she/he can only report what has happened or what is happening. The methods of research utilized in descriptive research and survey methods of all kinds, including comparative and correlation methods.

3.2.2 ANALYTICAL RESEARCH

Analytical research is a specific type of research that involves critical thinking skills and the evaluation of facts and information relative to the research being conducted. A variety of people including students, doctors and psychologists use analytical research during studies to find the most relevant information.

3.3 SOURCES OF DATA

3.3.1 SECONDARY DATA

Secondary data refers to the information or facts already collected such data are collected with the objective of understanding the past status of any variable.

Common sources of secondary data for social science include censuses, information collected by government departments, organizational records and data that was originally collected for other research purposes. Primary data, by contrast, are collected by the investigator conducting the research.

Data was collected from Annual Report and websites of the India post. Supporting literature from relevant sources, journals, research reports, websites etc. also forms the sources of secondary data.

3.4 TOOL FOR ANALYSIS

RATIO ANALYSIS

A financial ratio or accounting ratio is a relative magnitude of two selected numerical values taken from an enterprise's financial statements.

Often used in accounting, there are many standard ratios used to try to evaluate the overall financial condition of a corporation or other organization.

Financial ratios may be used by managers within a firm, by current and potential shareholders (owners) of a firm, and by a firm's creditors. Financial analysts use financial ratios to compare the strengths and weaknesses in various companies.

If shares in a company are traded in a financial market, the market price of the shares is used in certain financial ratios.

LIQUIDITY RATIO

Liquidity ratios measure a company's ability to pay off its short-term debts as they become due, using the company's current or quick assets.

Liquidity ratios include the

- Current Ratio
- Quick Ratio
- Absolute Liquidity Ratio

CURRENT RATIO

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year.

It tells investors and analysts how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables.

$$\text{Current ratio} = \text{Current asset} / \text{Current liability}$$

QUICK RATIO

In finance, the quick ratio, also known as the acid-test ratio is a type of liquidity ratio, which measures the ability of a company to use its near cash or quick assets to extinguish or retire its current liabilities immediately.

It is defined as the ratio between quickly available or liquid assets and current liabilities. Quick assets are current assets that can presumably be quickly converted to cash at close to their book values.

$$\text{Quick ratio} = \text{Quick asset} / \text{Quick liability}$$

ABSOLUTE LIQUIDITY RATIO

This ratio measures the total liquidity available to the company. This ratio only considers marketable securities and cash available to the company.

This ratio only tests short-term liquidity in terms of cash, marketable securities, and current investment.

$$\text{Absolute liquidity ratio} = \text{Absolute liquidity asset} / \text{Quick liability}$$

GROSS PROFIT RATIO

Gross Profit Margin Ratio, sometimes also referred to as gross margin, is a type of profitability ratio. It helps to measure how much profit a company makes from the sale of goods and services after deducting the direct costs.

In simple words, it is a simple metric to measure the company's profitability. Also, it helps to evaluate how efficiently the company is using its labour and raw materials during the production process.

$$\text{Gross profit ratio} = (\text{Gross profit/Net sales}) * 100$$

NET PROFIT RATIO

The net profitability ratio, also referred to as the net profit margin, is a way to measure a business' financial performance or profitability with expenses, including interests and taxes.

You can use the net profitability ratio to determine the financial value of a company, as it outlines the relationship between the net profit after taxes and net sales in a business. It helps businesses determine whether their current business practices are generating revenue.

$$\text{Net profit ratio} = (\text{Net profit/Net sales}) * 100$$

OPERATING RATIO

Operating cost ratio or operating expense ratio, the operating ratio compares operating expenses to net sales.

It's a common metric companies use to determine how efficient their management is at keeping operating costs low while also earning revenue or making sales.

Companies in industries that require a large percentage of revenue to sustain operations usually use this calculation.

$$\text{Operating ratio} = (\text{Operating expenses/Net sales}) * 100$$

RETURN ON INVESTMENT RATIO

Return on investment is a simple ratio that divides the net profit (or loss) from an investment by its cost.

Because it is expressed as a percentage, you can compare the effectiveness or profitability of different investment choices.

$$\text{Return on Investment} = (\text{Profit before interest and tax} / \text{Capital employed}) * 100$$

RETURN ON ASSETS

Return on assets (ROA) is a ratio that tells you how much profit a company earns from its resources and assets.

This information is valuable to a company's owners and management team and investors because it is an indication of how well the company uses its resources and assets to generate a profit.

$$\text{Return on Assets} = (\text{Net profit after tax} / \text{Total assets}) * 100$$

FIXED ASSET TURN OVER RATIO

Fixed asset turnover is the ratio of net sales divided by average fixed assets. This ratio is one of the efficiency ratios that analysts use to determine the overall effective utilization of the resources by a company.

It measures the productivity of the company's fixed assets to generate revenue. In other words, it indicates how efficiently the management has been able to put to use its fixed investments to earn more and more revenue.

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

TREND ANALYSIS

Evaluates an organization's financial information over a period of time. Periods may be measured in months, quarters, or years, depending on the circumstances. The goal is to calculate and analyze the amount change and percent change from one period to the next.

Trend analysis of financial statements helps information users to discern percentage changes over time in the selected data.

It is a technique of studying the operational results and financial position over a series of years. Using the previous years' data of a business enterprise, trend analysis can be done to observe the percentage changes over time in the selected data.

The trend percentage is the percentage relationship, in which each item of different years bear to the same item in the base year. Trend analysis is important because, with its long run view, it may point to basic changes in the nature of the business.

By looking at a trend in a particular ratio, one may find whether the ratio is falling, rising or remaining relatively constant. From this observation, a problem is detected or the sign of good or poor management is detected.

$$\text{Trend percentage} = (\text{Current year} \div \text{Base year}) * 100$$

CHAPTER-4

DATA ANALYSIS AND INTERPRETATION

4.1 RATIO ANALYSIS

4.1.1 LIQUIDITY RATIO

4.1.1.1 CURRENT RATIO

Year	Capital & Liabilities		Assets				Current Ratio
	Deposits	Other liabilities and provisions	Cash and Balances with Reserve Bank of India	Balances with Banks & Money at call & short notice	Loans & Advances	Other Assets	
2017	₹ 23,70,079.00	₹ 11,58,49,145.00	₹ 2,47,757.00	₹ 1,47,92,53,208.00	₹ -	₹ 4,51,47,840.00	12.89679253
2018	₹ 1,20,42,943.00	₹ 10,64,66,830.00	₹ 33,40,292.00	₹ 89,78,76,208.00	₹ -	₹ 71,19,54,408.00	13.61213398
2019	₹ 94,75,91,666.00	₹ 2,17,94,15,987.00	₹ 10,90,28,399.00	₹ 1,46,77,74,224.00	₹ -	₹ 1,23,17,05,297.00	0.898145522
2020	₹ 8,55,03,12,137.00	₹ 2,16,22,38,607.00	₹ 32,69,56,650.00	₹ 4,54,62,91,831.00	₹ -	₹ 2,63,24,09,712.00	0.700641553
2021	₹ 22,99,68,51,061.00	₹ 3,00,44,36,771.00	₹ 85,41,28,200.00	₹ 6,29,45,43,972.00	₹ -	₹ 2,80,03,92,834.00	0.382637394
2022	₹ 36,91,72,18,000.00	₹ 3,36,32,40,000.00	₹ 2,67,28,07,000.00	₹ 9,73,06,53,000.00	₹ 1,56,20,000.00	₹ 2,79,44,26,000.00	0.377689499

TABLE: 4.1.1.1 CURRENT RATIO

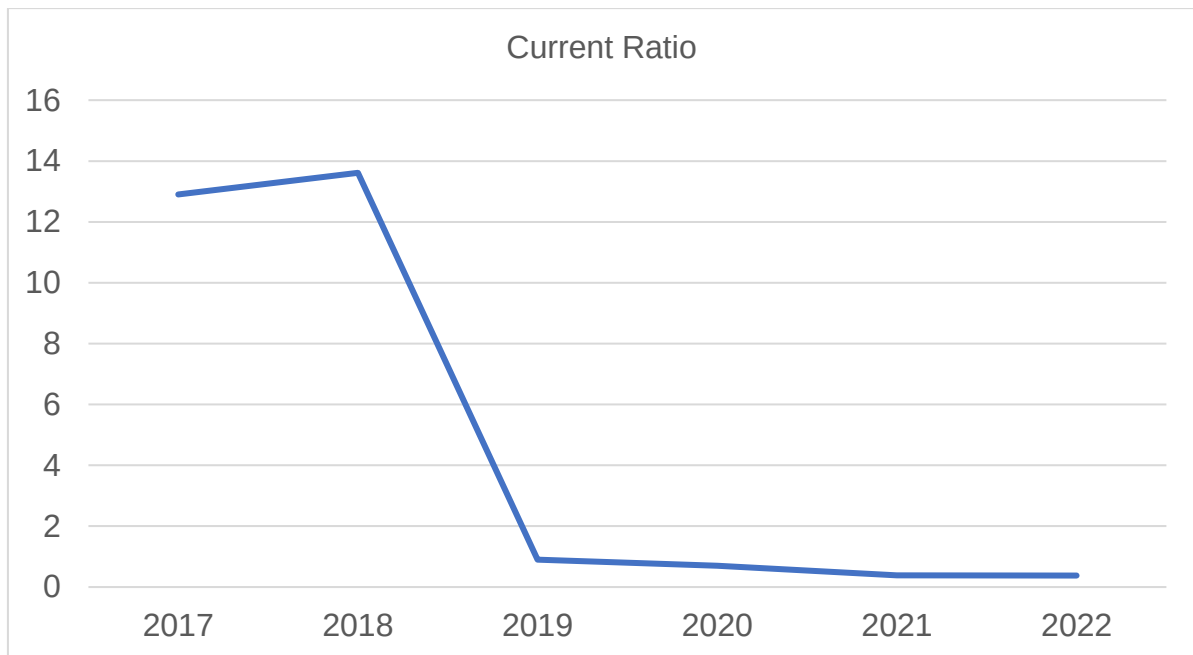


CHART: 4.1.1.1 CURRENT RATIO

INFERENCE

It shows that current ratio(12.89) is higher in (2017) and its suddenly decrease in corresponding years. The current year (2022) found that the current ratio is (0.377) which is less than one. It indicate that the company struggle to meet its short term obligations.

4.1.1.2 QUICK RATIO

Y ea r	Capital & Liabilities		Assets			Quick Ratio
	Deposits	Other liabilities and provisions	Cash and Balances with Reserve Bank of India	Balances with Banks & Money at call & short notice	Other Assets	
20 17	₹ 23,70,079. 00	₹ 11,58,49,145.0 0	₹ 2,47,757.0 0	₹ 1,47,92,53 ,208.00	₹ 4,51,47,84 0.00	12.89 6793
20 18	₹ 1,20,42,94 3.00	₹ 10,64,66,830.0 0	₹ 33,40,292. 00	₹ 89,78,76,2 08.00	₹ 71,19,54,4 08.00	13.61 2134
20 19	₹ 94,75,91,6 66.00	₹ 2,17,94,15,987. 00	₹ 10,90,28,3 99.00	₹ 1,46,77,74 ,224.00	₹ 1,23,17,05 ,297.00	0.898 1455
20 20	₹ 8,55,03,12, 137.00	₹ 2,16,22,38,607. 00	₹ 32,69,56,6 50.00	₹ 4,54,62,91 ,831.00	₹ 2,63,24,09 ,712.00	0.700 6416
20 21	₹ 22,99,68,5 1,061.00	₹ 3,00,44,36,771. 00	₹ 85,41,28,2 00.00	₹ 6,29,45,43 ,972.00	₹ 2,80,03,92 ,834.00	0.382 6374
20 22	₹ 36,91,72,1 8,000.00	₹ 3,36,32,40,000. 00	₹ 2,67,28,07 ,000.00	₹ 9,73,06,53 ,000.00	₹ 2,79,44,26 ,000.00	0.377 3017

TABLE: 4.1.1.2 QUICK RATIO

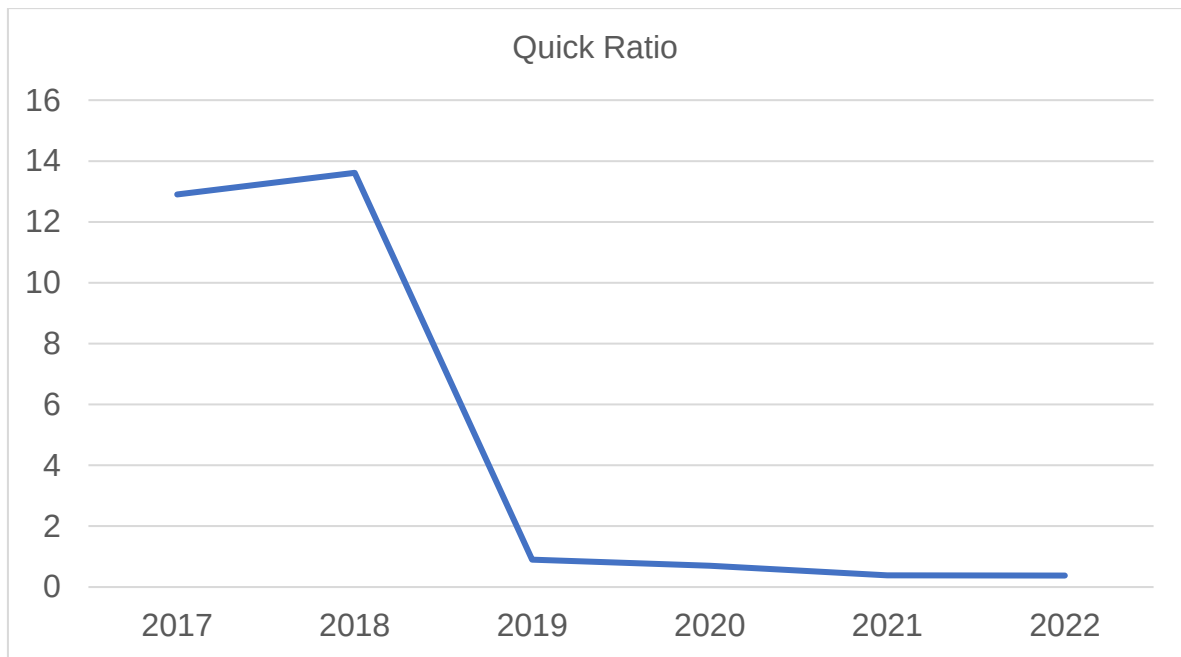


CHART: 4.1.1.2 QUICK RATIO

INFERENCE

It shows that Quick ratio(12.89) is higher in (2017) and its suddenly decrease in corresponding years. The current year (2022) found that the Quick ratio is (0.377) which is less than one. It indicate that the company struggle to meet its short term obligations.It means it doesn't have enough quick assets to meet all its short-term obligations. If it suffers an interruption, it may find it difficult to raise the cash to pay.

4.1.1.3 ABSOLUTE LIQUIDITY RATIO

Ye ar	Capital & Liabilities		Assets		Absolute Liquidity Ratio
	Deposits	Other liabilities and provisions	Cash and Balances with Reserve Bank of India	Balances with Banks & Money at call & short notice	
20 17	₹ 23,70,079.0 0	₹ 11,58,49,145.00	₹ 2,47,757.0 0	₹ 1,47,92,53, 208.00	12.51489322
20 18	₹ 1,20,42,943. 00	₹ 10,64,66,830.00	₹ 33,40,292. 00	₹ 89,78,76,2 08.00	7.604575363
20 19	₹ 94,75,91,66 6.00	₹ 2,17,94,15,987.0 0	₹ 10,90,28,3 99.00	₹ 1,46,77,74, 224.00	0.504252883
20 20	₹ 8,55,03,12,1 37.00	₹ 2,16,22,38,607.0 0	₹ 32,69,56,6 50.00	₹ 4,54,62,91, 831.00	0.454910189
20 21	₹ 22,99,68,51, 061.00	₹ 3,00,44,36,771.0 0	₹ 85,41,28,2 00.00	₹ 6,29,45,43, 972.00	0.274935312
20 22	₹ 36,91,72,18, 000.00	₹ 3,36,32,40,000.0 0	₹ 2,67,28,07, 000.00	₹ 9,73,06,53, 000.00	0.307927482

TABLE: 4.1.1.3 ABSOLUTE LIQUIDITY RATIO

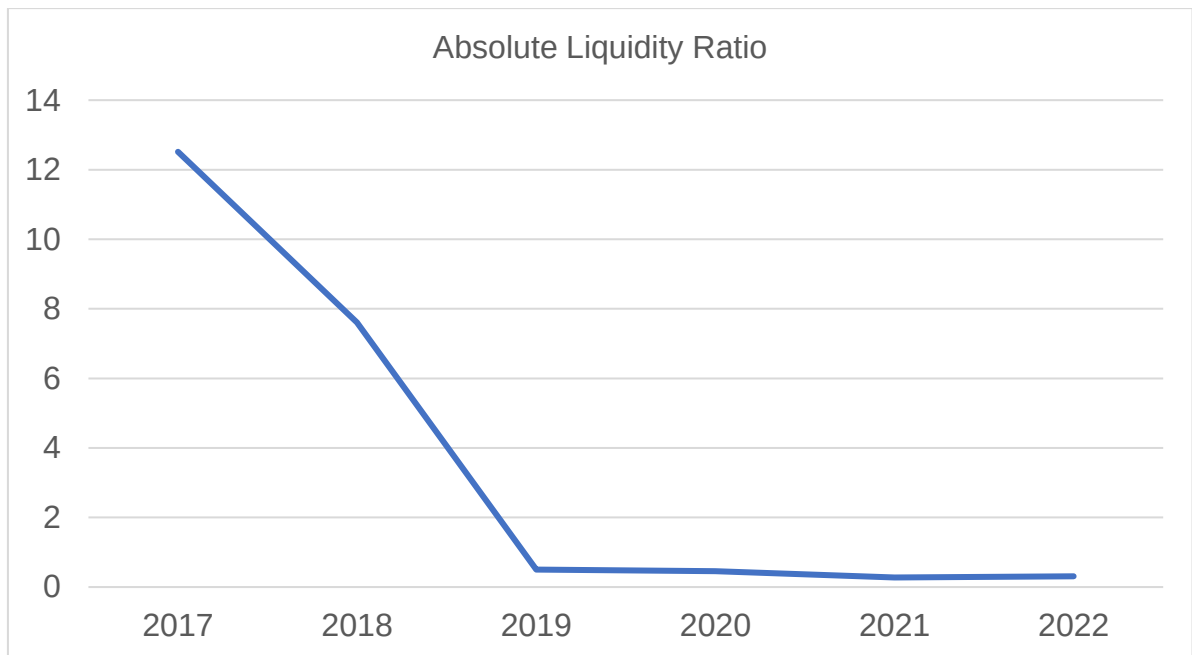


CHART: 4.1.1.3 ABSOLUTE LIQUIDITY RATIO

INFERENCE

It shows that Absolute liquidity ratio(7.60) is higher in (2017) and its suddenly decrease in corresponding years. The current year (2022) found that the Absolute liquidity ratio is (0.307) It indicate that the company struggle to meet its short term obligations.It means it doesn't have enough quick assets to meet all its short-term obligations. If it suffers an interruption, it may find it difficult to raise the cash to pay.

4.1.2 PROFITABILITY RATIO

4.1.2.1 GROSS PROFIT RATIO

Year	Interest Earned	Interest Expended	Gross Profit	Gross Profit Ratio
2017	₹ 5,01,41,265.00	₹ 10,840.00	₹ 5,01,30,425.00	1.00
2018	₹ 39,52,65,857.00	₹ 3,86,486.00	₹ 39,48,79,371.00	1.00
2019	₹ 46,42,09,331.00	₹ 85,37,467.00	₹ 45,56,71,864.00	0.98
2020	₹ 45,75,67,936.00	₹ 13,59,93,347.00	₹ 32,15,74,589.00	0.70
2021	₹ 80,44,29,672.00	₹ 45,90,80,921.00	₹ 34,53,48,751.00	0.43
2022	₹ 1,28,45,59,000.00	₹ 71,12,43,000.00	₹ 57,33,16,000.00	0.45

TABLE: 4.1.2.1 GROSS PROFIT RATIO



CHART: 4.1.2.1 GROSS PROFIT RATIO

INFERENCE

It shows that Gross profit ratio 2017 as 99.98% higher and in 2022 as 44.63% it as gradually decreases. It shows that decrease in profit margins can indicate a highly competitive market.

4.1.2.2 NET PROFIT RATIO

Year	Interest Earned	Net Profit/Net Loss	Net Profit Ratio
2017	₹ 5,01,41,265.00	₹ 2,22,17,608.00	0.44
2018	₹ 39,52,65,857.00	₹ 97,53,705.00	0.02
2019	₹ 46,42,09,331.00	₹ -1,65,10,07,490.00	-3.56
2020	₹ 45,75,67,936.00	₹ -3,34,01,34,041.00	-7.30
2021	₹ 80,44,29,672.00	₹ -3,20,54,38,877.00	-3.98
2022	₹ 1,28,45,59,000.00	₹ -1,59,61,73,000.00	-1.24

TABLE: 4.1.2.2 NET PROFIT RATIO

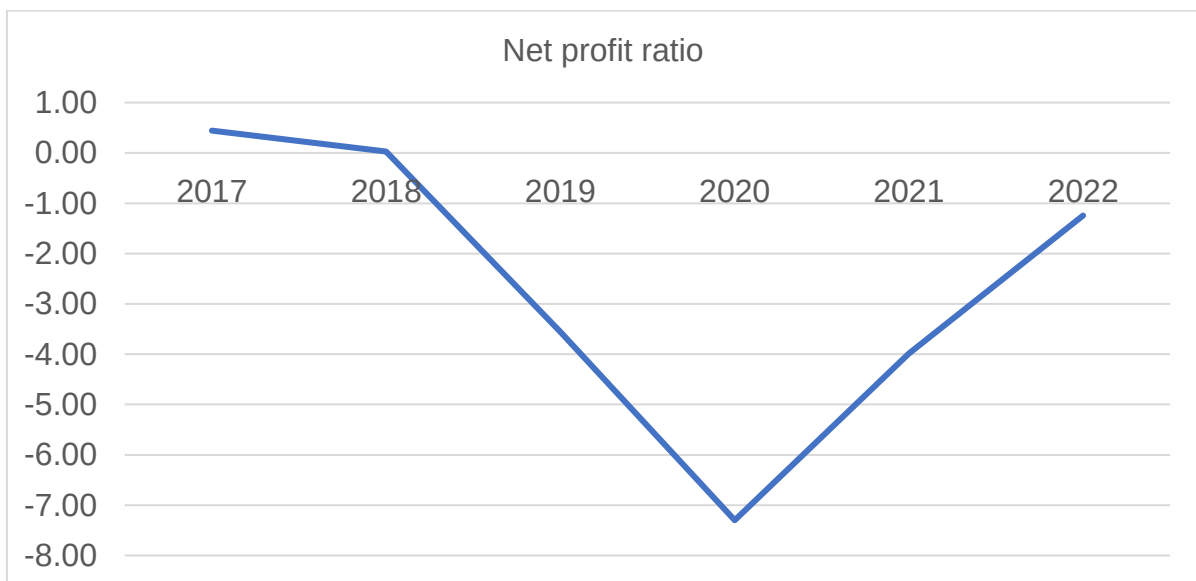


CHART: 4.1.2.2 NET PROFIT RATIO

INFERENCE

It shows that net profit ratio 2017 as 99.98% higher and in 2022 as 44.63% it as gradually decreases. It shows that decrease in net margins can indicate a highly competitive market and less efficiency in operation management, want to control the Expenses

4.1.2.3 OPERATING RATIO

Year	Interest Earned	Operating Expenses	Operating Ratio
2017	₹ 5,01,41,265.00	₹ 41,68,64,397.00	8.31
2018	₹ 39,52,65,857.00	₹ 38,63,17,223.00	0.98
2019	₹ 46,42,09,331.00	₹ 2,70,40,51,809.00	5.83
2020	₹ 45,75,67,936.00	₹ 4,87,52,64,588.00	10.65
2021	₹ 80,44,29,672.00	₹ 4,94,02,31,466.00	6.14
2022	₹ 1,28,45,59,000.00	₹ 5,59,54,50,000.00	4.36

TABLE: 4.1.2.3 OPERATING RATIO

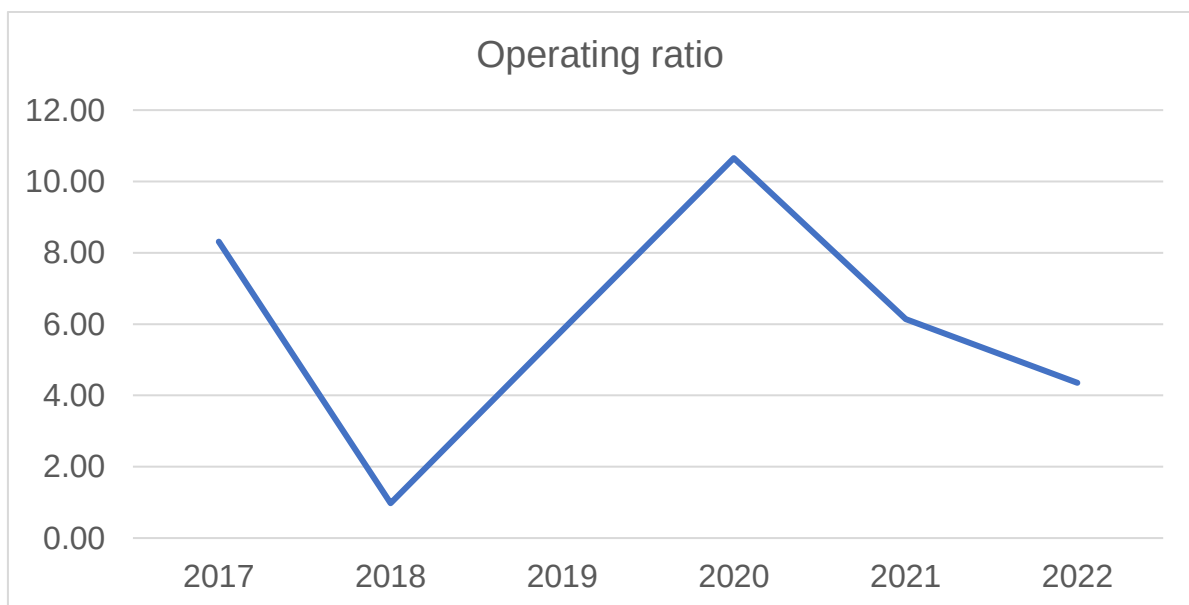


CHART: 4.1.2.3 OPERATING RATIO

INFERENCE

The Operating ratio of year 2020 is 10.65 and it is gradually decreases in which in the year 2022 is 4.36 .It shows the positively that operation expenses are controlled and it is lesser. Expenses are less than its revenue.

4.1.2.4 RETURN ON INVESTMENT RATIO

Y e a r	l) Net Profit After Tax	Profit Before Tax	Issue Of Share Capital	Reserve s & Surplus	Borrowi ngs	Capital Employe d	Return On Investme nt
2 0 1 7	₹ 2,22,17, 608.00	₹ 3,29,65, 048.00	₹ 2,75,00,0 0,000.00	₹ 25,97,31 ,912.00		₹ 3,00,97,3 1,912.00	0.01
2 0 1 8	₹ - 97,53,70 5.00	₹ - 86,28,77 1.00	₹ 1,25,00,0 0,000.00	₹ 3,99,99, 78,207.0 0		₹ 5,24,99,7 8,207.00	0.00
2 0 1 9	₹ - 1,65,10, 07,490.0 0	₹ - 2,22,97, 86,954.0 0	₹ 3,00,00,0 0,000.00	₹ - 1,25,70, 15,363.0 0		₹ 1,74,29,8 4,637.00	-1.28
2 0 2 0	₹ - 3,34,01, 34,041.0 0	₹ - 4,46,36, 34,398.0 0	₹ 3,35,00,0 0,000.00	₹ - 4,60,98, 82,204.0 0		₹ - 1,25,98,8 2,204.00	-3.54
2 0 2 1	₹ - 3,20,54, 38,877.0 0	₹ - 3,26,79, 96,647.0 0	₹ 2,20,00,0 0,000.00	₹ - 8,10,38, 55,507.0 0	₹ 16,99,6 3,638.0 0	₹ - 5,73,38,9 1,869.00	-0.57
2 0 2 2	₹ - 1,59,61, 73,000.0 0	₹ - 1,69,46, 52,000.0 0	₹ 2,00,00,0 0,000.00	₹ - 9,81,93, 77,000.0 0		₹ - 7,81,93,7 7,000.00	-0.22

TABLE: 4.1.2.4 RETURN ON INVESTMENT RATIO



CHART: 4.1.2.4 RETURN ON INVESTMENT RATIO

INFERENCE

Return on investment is recovering for the year 2020 as(-1.28) to year 2022 as(-0.22) even though there is a negative sign, but it shows the organization is recovering back to the profit and showing the ROI as positive as soon as possible.

4.1.2.5 RETURN ON ASSETS

Year	Net Profit After Tax	Total Asset	Return On Assets
2017	₹ 2,22,17,608.00	₹ 3,12,79,51,136.00	0.71
2018	₹ -97,53,705.00	₹ 8,11,84,87,980.00	-0.12
2019	₹ -1,65,10,07,490.00	₹ 8,86,99,92,290.00	-18.61
2020	₹ -3,34,01,34,041.00	₹ 16,45,26,68,540.00	-20.30
2021	₹ -3,20,54,38,877.00	₹ 30,61,73,95,963.00	-10.47
2022	₹ -1,59,61,73,000.00	₹ 45,01,10,81,000.00	-3.55

TABLE: 4.1.2.5 RETURN ON ASSETS

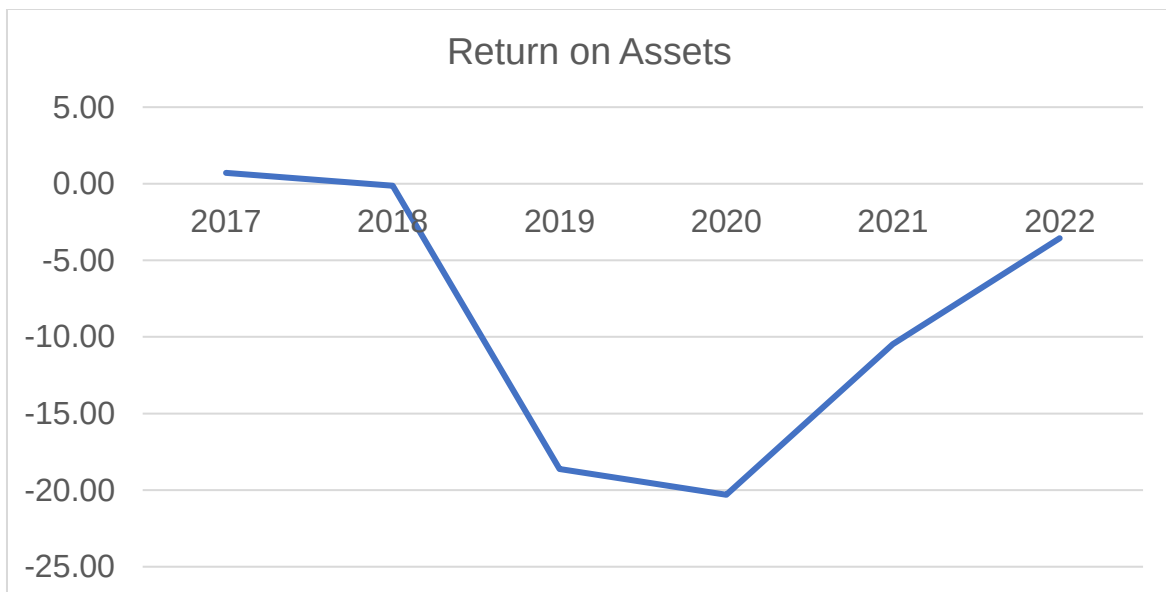


CHART: 4.1.2.5 RETURN ON ASSETS

INFERENCE

Return on Asset is recovering for the year 2020 as(-20.30) to year 2022 as(-3.55) even though there is a negative sign, but it shows the organization is recovering back to the profit and shows the ROA as positive as soon as possible, showing the proper utilization of assets.

4.1.2.6 FIXED ASSET TURN OVER RATIO

Y ea r	Reserves & Surplus	Fixed Assets	Depreciation On Fixed Assets	Net Fixed Asset	Fixed Asset Turn Over Ratio (Net)
20 17	₹ 25,97,31,9 12.00	₹ 4,78,60,35 5.00	₹ 18,46,473.00	₹ 4,60,13,88 2.00	5.64
20 18	₹ 3,99,99,78, 207.00	₹ 6,74,39,43 8.00	₹ 96,55,728.00	₹ 5,77,83,71 0.00	69.22
20 19	₹ - 1,25,70,15, 363.00	₹ 2,94,86,96 ,101.00	₹ 7,63,61,271.00	₹ 2,87,23,34 ,830.00	-0.44
20 20	₹ - 4,60,98,82, 204.00	₹ 2,00,45,16 ,878.00	₹ 95,35,58,355.0 0	₹ 1,05,09,58 ,523.00	-4.39
20 21	₹ - 8,10,38,55, 507.00	₹ 1,57,74,32 ,606.00	₹ 62,40,91,310.0 0	₹ 95,33,41,2 96.00	-8.50
20 22	₹ - 9,81,93,77, 000.00	₹ 78,87,12,0 00.00	₹ 80,61,29,000.0 0	₹ - 1,74,17,00 0.00	-563.78

TABLE: 4.1.2.6 FIXED ASSET TURN OVER RATIO

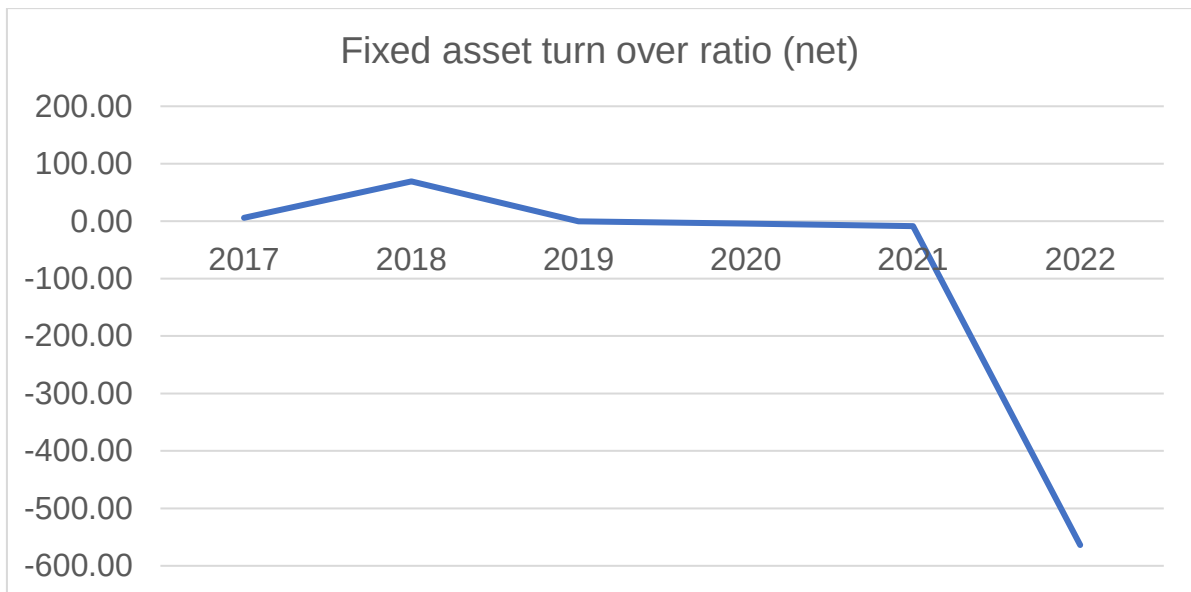


CHART: 4.1.2.6 FIXED ASSET TURN OVER RATIO

INFERENCE

Fixed asset turn over ratio as decreased in 2022 as(-563.78) compared to 2021 as(-8.50) it shows that the fixed as are not fully utilized to manage its internal problems but it doesn't tells about how to manage the fixed asset because its varies based upon the industry.

4.2 TREND ANALYSIS

4.2.1 CURRENT ASSET

Year	Current Asset	Current Asset Trend Analysis
2017	₹ 1,52,46,48,805.00	100
2018	₹ 1,61,31,70,908.00	105.8060652
2019	₹ 2,80,85,07,920.00	184.2068751
2020	₹ 7,50,56,58,193.00	492.2876776
2021	₹ 9,94,90,65,006.00	652.5479818
2022	₹ 15,21,35,06,000.00	997.8367444

TABLE: 4.2.1 CURRENT ASSET TREND ANALYSIS

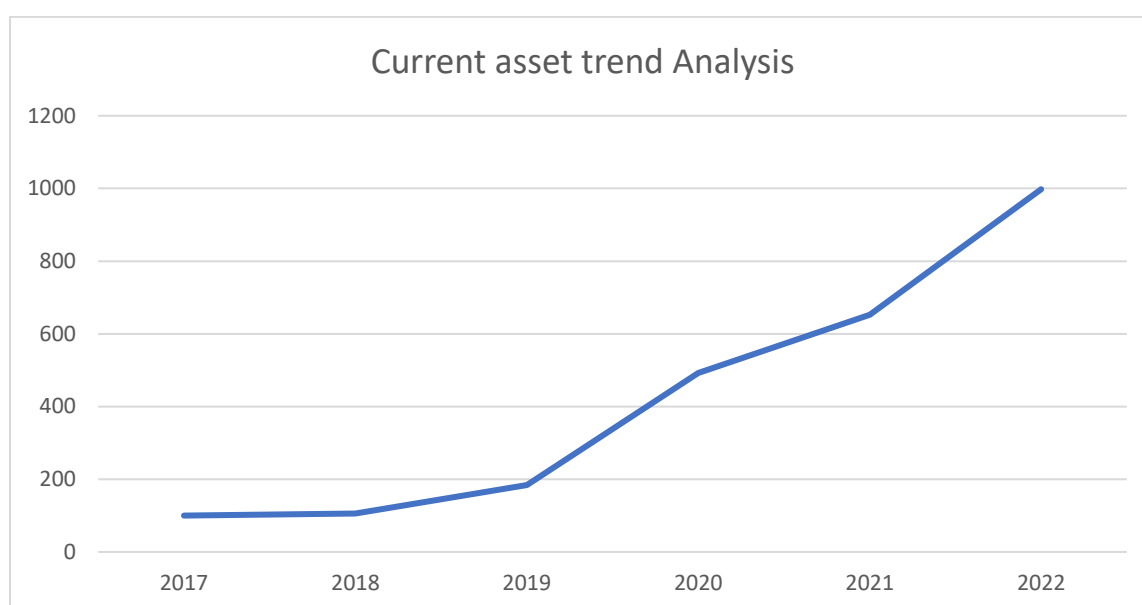


CHART: 4.2.1 CURRENT ASSET TREND ANALYSIS

INFERENCE

The trend analysis shows that there is a continuous increase in the current asset from year to year. Between 2017 and 2018, the current assets increased by 5.81%. The following year, 2019, it increased by a significant percentage of 84.40%. The growth rate further accelerated in 2020 and 2021, with a growth rate of 292.08% and 32.39%, respectively. In 2022, the growth rate decreased compared to the previous years but still had a growth rate of 53.22% compared to the previous year.

4.2.2 NET PROFIT/NET LOSS

Year	Net Profit/Net Loss	Trend Analysis Of Net Profit/ Net Loss
2017	2,22,17,608	100
2018	97,53,705	43.90079
2019	-1,65,10,07,490	-7431.08
2020	-3,34,01,34,041	-15033.7
2021	-3,20,54,38,877	-14427.5
2022	-1,59,61,73,000	-7184.27

TABLE: 4.2.2 NET PROFIT/NET LOSS TREND ANALYSIS

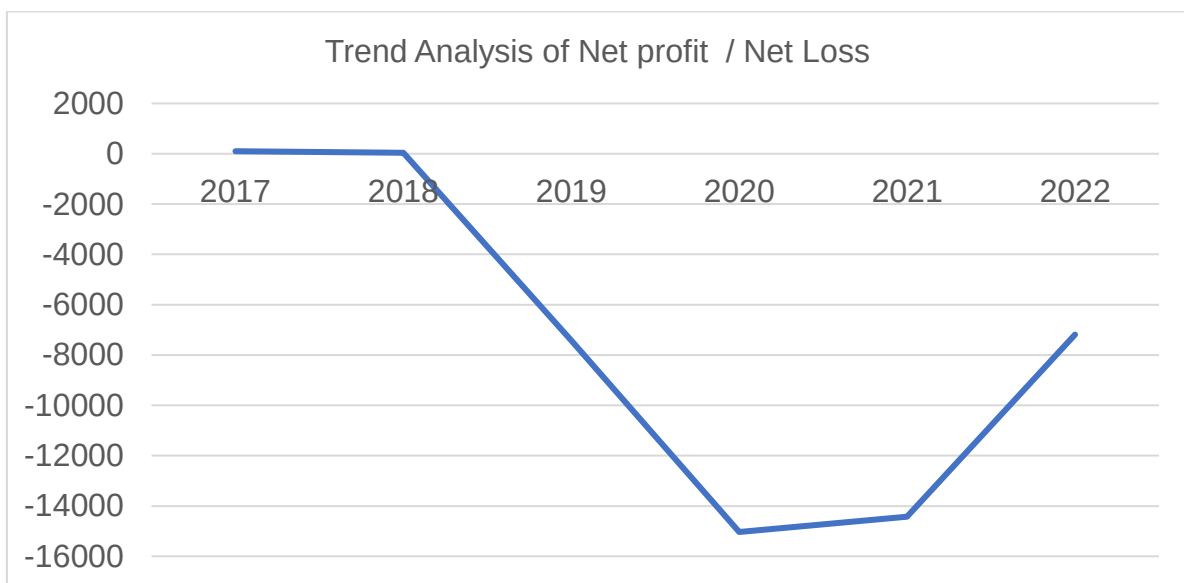


CHART: 4.2.2 NET PROFIT/NET LOSS TREND ANALYSIS

INFERENCE

The trend analysis of net profit/loss indicates that the company has been facing financial challenges for the past few years. The percentage decline in net profit/loss has been increasing, with a decline of 56% in 2018, a loss of 7431% in 2019, and a loss of 15033% in 2020. Although the decline in net loss reduced to 14427% in 2021, it is still quite significant.

4.3 COMMON SIZE BALANCE SHEET

COMMON SIZE BALANCE SHEET				
PARTICULARS	2017	%	2018	%
CAPITAL & LIABILITIES				
CAPITAL	2,75,00,00,000	88	4,00,00,00,000	49.27
Reserves & Surplus	25,97,31,912	8	3,99,99,78,207	49.27
Deposits	23,70,079	0	1,20,42,943	0.15
Borrowing	0		0	
Other liabilities and provisions	11,58,49,145	4	10,64,66,830	1.31
TOTAL	3,12,79,51,136	100	8,11,84,87,980	100.00
ASSETS				
Cash and Balances with Reserve Bank of India	2,47,757	0	33,40,292	0.04
Balances with Banks & Money at call & short notice	1,47,92,53,208	47	89,78,76,208	11.06
Investments	1,55,54,41,976	50	6,43,78,77,634	79.30
Loans & Advances	0		0	
Fixed Assets	4,78,60,355	2	6,74,39,438	0.83
Other Assets	4,51,47,840	1	71,19,54,408	8.77
TOTAL	3,12,79,51,136	100	8,11,84,87,980	100.00
Contingent Liabilities	0		2500000	
Bills for Collection	0		0	

TABLE: 4.3.1 Common Size Balance Sheet for the year 2017-2018

COMMON SIZE BALANCE SHEET				
PARTICULARS	2018	%	2019	%
CAPITAL & LIABILITIES				
CAPITAL	4,00,00,00,000	49	7,00,00,00,000	78.92
Reserves & Surplus	3,99,99,78,207	49	-1,25,70,15,363	-14.17
Deposits	1,20,42,943	0	94,75,91,666	10.68
Borrowing	0		0	
Other liabilities and provisions	10,64,66,830	1	2,17,94,15,987	24.57
TOTAL	8,11,84,87,980	100	8,86,99,92,290	100.00
ASSETS				
Cash and Balances with Reserve Bank of India	33,40,292	0	10,90,28,399	1.23
Balances with Banks & Money at call & short notice	89,78,76,208	11	1,46,77,74,224	16.55
Investments	6,43,78,77,634	79	3,11,27,88,269	35.09
Loans & Advances	0		0	
Fixed Assets	6,74,39,438	1	2,94,86,96,101	33.24
Other Assets	71,19,54,408	9	1,23,17,05,297	13.89
TOTAL	8,11,84,87,980	100	8,86,99,92,290	100.00
Contingent Liabilities	2500000		25,00,000	
Bills for Collection	0		0	

TABLE: 4.3.2 Common Size Balance Sheet for the year 2018-2019

COMMON SIZE BALANCE SHEET				
PARTICULARS	2019	%	2020	%
CAPITAL & LIABILITIES				
CAPITAL	7,00,00,00,000	79	10,35,00,00,000	62.91
Reserves & Surplus	-1,25,70,15,363	-14	-4,60,98,82,204	-28.02
Deposits	94,75,91,666	11	8,55,03,12,137	51.97
Borrowing	0		0	
Other liabilities and provisions	2,17,94,15,987	25	2,16,22,38,607	13.14
TOTAL	8,86,99,92,290	100	16,45,26,68,540	100.00
ASSETS				
Cash and Balances with Reserve Bank of India	10,90,28,399	1	32,69,56,650	1.99
Balances with Banks & Money at call & short notice	1,46,77,74,224	17	4,54,62,91,831	27.63
Investments	3,11,27,88,269	35	6,94,24,93,469	42.20
Loans & Advances	0		0	
Fixed Assets	2,94,86,96,101	33	2,00,45,16,878	12.18
Other Assets	1,23,17,05,297	14	2,63,24,09,712	16.00
TOTAL	8,86,99,92,290	100	16,45,26,68,540	100.00
Contingent Liabilities	25,00,000		25,00,000	
Bills for Collection	0		0	

TABLE: 4.3.3 Common Size Balance Sheet for the year 2019-2020

COMMON SIZE BALANCE SHEET				
PARTICULARS	2020	%	2021	%
CAPITAL & LIABILITIES				
CAPITAL	10,35,00,00,000	63	12,55,00,00,000	40.99
Reserves & Surplus	-4,60,98,82,204	-28	-8,10,38,55,507	-26.47
Deposits	8,55,03,12,137	52	22,99,68,51,061	75.11
Borrowing	0		16,99,63,638	0.56
Other liabilities and provisions	2,16,22,38,607	13	3,00,44,36,771	9.81
TOTAL	16,45,26,68,540	100	30,61,73,95,963	100.00
ASSETS				
Cash and Balances with Reserve Bank of India	32,69,56,650	2	85,41,28,200	2.79
Balances with Banks & Money at call & short notice	4,54,62,91,831	28	6,29,45,43,972	20.56
Investments	6,94,24,93,469	42	19,09,08,98,351	62.35
Loans & Advances	0		0	
Fixed Assets	2,00,45,16,878	12	1,57,74,32,606	5.15
Other Assets	2,63,24,09,712	16	2,80,03,92,834	9.15
TOTAL	16,45,26,68,540	100	30,61,73,95,963	100.00
Contingent Liabilities	25,00,000		25,00,000	
Bills for Collection	0		0	

TABLE: 4.3.4 Common Size Balance Sheet for the year 2020-2021

COMMON SIZE BALANCE SHEET				
PARTICULARS	2021	%	2022	%
CAPITAL & LIABILITIES				
CAPITAL	12,55,00,00,000	41	14,55,00,00,000	32.32
Reserves & Surplus	-8,10,38,55,507	-26	-9819377000	-21.81
Deposits	22,99,68,51,061	75	36,91,72,18,000	82.01
Borrowing	16,99,63,638	1	0	
Other liabilities and provisions	3,00,44,36,771	10	3,36,32,40,000	7.47
TOTAL	30,61,73,95,963	100	45,01,10,81,000	100
ASSETS				
Cash and Balances with Reserve Bank of India	85,41,28,200	3	2,67,28,07,000	5.93
Balances with Banks & Money at call & short notice	6,29,45,43,972	21	9,73,06,53,000	21.61
Investments	19,09,08,98,351	62	29,00,88,63,000	64.44
Loans & Advances	0		1,56,20,000	0.03
Fixed Assets	1,57,74,32,606	5	78,87,12,000	1.75
Other Assets	2,80,03,92,834	9	2,79,44,26,000	6.20
TOTAL	30,61,73,95,963	100	45,01,10,81,000	100
Contingent Liabilities	25,00,000		25,00,000	
Bills for Collection	0		0	

TABLE: 4.3.5 Common Size Balance Sheet for the year 2021-2022

4.4 COMPARATIVE BALANCE SHEET

COMPARATIVE BALANCE SHEET				
PARTICULARS	2017	2018	INCREASE/ DECREASE	%
CAPITAL & LIABILITIES				
CAPITAL	2,75,00,00,000	4,00,00,00,000	1,25,00,00,000	0.45
Reserves & Surplus	25,97,31,912	3,99,99,78,207	3,74,02,46,295	14.40
Deposits	23,70,079	1,20,42,943	96,72,864	4.08
Borrowing	0	0		
Other liabilities and provisions	11,58,49,145	10,64,66,830	-93,82,315	-0.08
TOTAL	3,12,79,51,136	8,11,84,87,980	4,99,05,36,844	1.60
ASSETS				
Cash and Balances with Reserve Bank of India	2,47,757	33,40,292	30,92,535	12.48
Balances with Banks & Money at call & short notice	1,47,92,53,208	89,78,76,208	-58,13,77,000	-0.39
Investments	1,55,54,41,976	6,43,78,77,634	4,88,24,35,658	3.14
Loans & Advances	0	0		
Fixed Assets	4,78,60,355	6,74,39,438	1,95,79,083	0.41
Other Assets	4,51,47,840	71,19,54,408	66,68,06,568	14.77
TOTAL	3,12,79,51,136	8,11,84,87,980	4,99,05,36,844	1.60
Contingent Liabilities	0	2500000		
Bills for Collection	0	0		

TABLE: 4.4.1 Comparative Balance Sheet for the year 2017-2018

COMPARATIVE BALANCE SHEET				
PARTICULARS	2018	2019	INCREASE/ DECREASE	%
CAPITAL & LIABILITIES				
CAPITAL	4,00,00,00,000	7,00,00,00,000	3,00,00,00,000	0.75
Reserves & Surplus	3,99,99,78,207	-1,25,70,15,363	-5,25,69,93,570	-1.31
Deposits	1,20,42,943	94,75,91,666	93,55,48,723	77.68
Borrowing	0	0		
Other liabilities and provisions	10,64,66,830	2,17,94,15,987	2,07,29,49,157	19.47
TOTAL	8,11,84,87,980	8,86,99,92,290	75,15,04,310	0.09
ASSETS				
Cash and Balances with Reserve Bank of India	33,40,292	10,90,28,399	10,56,88,107	31.64
Balances with Banks & Money at call & short notice	89,78,76,208	1,46,77,74,224	56,98,98,016	0.63
Investments	6,43,78,77,634	3,11,27,88,269	-3,32,50,89,365	-0.52
Loans & Advances	0	0		
Fixed Assets	6,74,39,438	2,94,86,96,101	2,88,12,56,663	42.72
Other Assets	71,19,54,408	1,23,17,05,297	51,97,50,889	0.73
TOTAL	8,11,84,87,980	8,86,99,92,290	75,15,04,310	0.09
Contingent Liabilities	2500000	25,00,000		
Bills for Collection	0	0		

TABLE: 4.4.2 Comparative Balance Sheet for the year 2018-2019

COMPARATIVE BALANCE SHEET				
PARTICULARS	2019	2020	INCREASE/ DECREASE	%
CAPITAL & LIABILITIES				
CAPITAL	7,00,00,00,000	10,35,00,00,000	3,35,00,00,000	0.48
Reserves & Surplus	-1,25,70,15,363	-4,60,98,82,204	-3,35,28,66,841	2.67
Deposits	94,75,91,666	8,55,03,12,137	7,60,27,20,471	8.02
Borrowing	0	0		
Other liabilities and provisions	2,17,94,15,987	2,16,22,38,607	-1,71,77,380	-0.01
TOTAL	8,86,99,92,290	16,45,26,68,540	7,58,26,76,250	0.85
ASSETS				
Cash and Balances with Reserve Bank of India	10,90,28,399	32,69,56,650	21,79,28,251	2.00
Balances with Banks & Money at call & short notice	1,46,77,74,224	4,54,62,91,831	3,07,85,17,607	2.10
Investments	3,11,27,88,269	6,94,24,93,469	3,82,97,05,200	1.23
Loans & Advances	0	0		
Fixed Assets	2,94,86,96,101	2,00,45,16,878	-94,41,79,223	-0.32
Other Assets	1,23,17,05,297	2,63,24,09,712	1,40,07,04,415	1.14
TOTAL	8,86,99,92,290	16,45,26,68,540	7,58,26,76,250	0.85
Contingent Liabilities	25,00,000	25,00,000		
Bills for Collection	0	0		

TABLE: 4.4.3 Comparative Balance Sheet for the year 2019-2020

COMPARATIVE BALANCE SHEET				
PARTICULARS	2020	2021	INCREASE/ DECREASE	%
CAPITAL & LIABILITIES				
CAPITAL	10,35,00,00,000	12,55,00,00,000	2,20,00,00,000	0.21
Reserves & Surplus	-4,60,98,82,204	-8,10,38,55,507	-3,49,39,73,303	0.76
Deposits	8,55,03,12,137	22,99,68,51,061	14,44,65,38,924	1.69
Borrowing	0	16,99,63,638		
Other liabilities and provisions	2,16,22,38,607	3,00,44,36,771	84,21,98,164	0.39
TOTAL	16,45,26,68,540	30,61,73,95,963	14,16,47,27,423	0.86
ASSETS				
Cash and Balances with Reserve Bank of India	32,69,56,650	85,41,28,200	52,71,71,550	1.61
Balances with Banks & Money at call & short notice	4,54,62,91,831	6,29,45,43,972	1,74,82,52,141	0.38
Investments	6,94,24,93,469	19,09,08,98,351	12,14,84,04,882	1.75
Loans & Advances	0	0		
Fixed Assets	2,00,45,16,878	1,57,74,32,606	-42,70,84,272	-0.21
Other Assets	2,63,24,09,712	2,80,03,92,834	16,79,83,122	0.06
			0	
TOTAL	16,45,26,68,540	30,61,73,95,963	14,16,47,27,423	0.86
Contingent Liabilities	25,00,000	25,00,000		
Bills for Collection	0	0		

TABLE: 4.4.4 Comparative Balance Sheet for the year 2020-2021

COMPARATIVE BALANCE SHEET				
PARTICULARS	2021	2022	INCREASE/ DECREASE	%
CAPITAL & LIABILITIES				
CAPITAL	12,55,00,00,000	14,55,00,00,000	2,00,00,00,000	0.16
Reserves & Surplus	-8,10,38,55,507	-9819377000	-1,71,55,21,493	0.21
Deposits	22,99,68,51,061	36,91,72,18,000	13,92,03,66,939	0.61
Borrowing	16,99,63,638	0	-16,99,63,638	-1.00
Other liabilities and provisions	3,00,44,36,771	3,36,32,40,000	35,88,03,229	0.12
TOTAL	30,61,73,95,963	45,01,10,81,000	14,39,36,85,037	0.47
ASSETS				
Cash and Balances with Reserve Bank of India	85,41,28,200	2,67,28,07,000	1,81,86,78,800	2.13
Balances with Banks & Money at call & short notice	6,29,45,43,972	9,73,06,53,000	3,43,61,09,028	0.55
Investments	19,09,08,98,351	29,00,88,63,000	9,91,79,64,649	0.52
Loans & Advances	0	1,56,20,000		
Fixed Assets	1,57,74,32,606	78,87,12,000	-78,87,20,606	-0.50
Other Assets	2,80,03,92,834	2,79,44,26,000	-59,66,834	0.00
TOTAL	30,61,73,95,963	45,01,10,81,000	14,39,36,85,037	0.47
Contingent Liabilities	25,00,000	25,00,000		
Bills for Collection	0	0		

TABLE: 4.4.5 Comparative Balance Sheet for the year 2021-2022

CHAPTER-5

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1. FINDINGS

- In 2017 and 2018, the current ratio was higher than 12, which indicates that the company had more than enough short-term assets to cover its short-term liabilities. However, in 2019, the current ratio dropped to less than 1, which means that the company's short-term liabilities exceeded its short-term assets, and the situation did not improve in 2020 and 2021, where the current ratio remained below 1. In 2022, there was a slight improvement in the current ratio as compared to 2021, but it remained below 1. The increase in assets from the previous year was mainly due to the addition of balances with banks and money at call and short notice. Therefore, based on the current ratio, the company needs to improve its short-term liquidity position by either increasing its short-term assets or reducing its short-term liabilities.
- The Quick Ratio of the entity has decreased over the years, from 12.89 in 2017 to 0.38 in 2022, indicating a decrease in its ability to meet its short-term financial obligations. The entity has seen a significant increase in its Capital & Liabilities from ₹23,70,079.00 in 2017 to ₹36,91,72,18,000.00 in 2022, indicating growth in its business. The Assets of the entity have also increased from ₹1,47,92,53,208.00 in 2017 to ₹9,73,06,53,000.00 in 2022, indicating a growth in its financial resources. However, the decrease in the Quick Ratio in the later years indicates that the entity may be facing liquidity issues and may need to take corrective measures to improve its financial position.
- In 2017, the absolute liquidity ratio was 12.51489322. In 2018, the absolute liquidity ratio was 7.604575363. In 2019, the absolute liquidity ratio was 0.504252883. In 2020, the absolute liquidity ratio was 0.454910189. In 2021, the absolute liquidity ratio was 0.274935312. In 2022, the absolute liquidity ratio was 0.307927482. The absolute liquidity ratio is a measure of a bank's ability to meet its obligations in the short term, particularly its ability to pay off all of its current liabilities with its most liquid assets. A higher absolute liquidity ratio indicates a better ability to meet short-term obligations. As seen in the table, the bank's absolute liquidity ratio has decreased over the years, indicating a potential decrease in its ability to meet short-term obligations.

- The gross profit ratio, which measures the company's gross profit as a percentage of the interest earned, was 1.00 in 2017 and 2018, but it decreased to 0.43 in 2021 before slightly increasing to 0.45 in 2022. The company's financial performance in 2020 and 2021 was affected by the increase in interest expenses, which led to a decline in gross profit and gross profit ratio. However, in 2022, the company's financial performance improved with an increase in gross profit and gross profit ratio compared to the previous year. The company's interest earned and interest expended increased over the years, indicating growth in its operations, but the increase in interest expenses needs to be monitored to maintain a healthy gross profit ratio.
- The interest earned by the company has been increasing steadily over the years, with a significant jump from 2017 to 2018 and a further increase in 2021 and 2022. The company has been facing losses for the past four years, with the highest loss being in 2020. However, there has been a significant improvement in 2022 with the company incurring a relatively smaller loss. The net profit ratio has been negative for the past four years, indicating that the company is incurring losses. However, there has been an improvement in the net profit ratio in 2022 compared to the previous years. Overall, the company has been facing losses for the past few years, but there are some signs of improvement in 2022. The company needs to analyze its operations and take necessary steps to minimize losses and increase profitability in the future.
- The operating expenses of the company have also been increasing over the years, with a significant jump in 2020. However, there has been a slight decrease in 2022 compared to the previous year. The operating ratio of the company has been fluctuating over the years, with the highest ratio in 2020 and the lowest ratio in 2018. The operating ratio is an indicator of how efficiently a company is using its resources to generate revenue. A lower operating ratio is better as it indicates that the company is operating more efficiently. Overall, the company needs to analyze its operating expenses and take necessary steps to reduce them, which can result in a lower operating ratio and better profitability. While the interest earned by the company has been increasing, the operating expenses have also been increasing, which has resulted in lower profitability for the company.

- The company had a positive return on investment in 2017 and a negative return in subsequent years, with the lowest being in 2020. In 2021, the company had a slightly better return on investment compared to 2020. Overall, the company has had a mixed financial performance over the years, with losses in most years except for 2017. The company has been issuing share capital every year and has reduced its borrowings significantly. The company's return on investment has been negative in recent years, indicating a need for improvement in its operational and financial performance.
- The return on assets (ROA) has been negative in all years since 2018, with the lowest being in 2020. This indicates that the company has not been generating sufficient profits from its assets. However, the ROA has improved in 2021 and 2022, which may indicate that the company is taking steps to improve its operational efficiency. Overall, the company has been facing losses in recent years, but its total assets have been increasing, indicating that it is investing in its business. The negative ROA indicates that the company needs to focus on improving its profitability and operational efficiency. However, the slight improvement in ROA in recent years may indicate that the company is taking steps to address these issues.
- The Reserves & Surplus have been fluctuating over the years, with a significant increase in 2018 but a steady decline since then, reaching a negative value in 2022. The Fixed Assets have been increasing steadily, except for a decrease in 2021. The Depreciation on Fixed Assets has been increasing over the years, except for a decrease in 2022. The Net fixed asset has been fluctuating over the years, with a significant decrease in 2020 but a recovery in 2021. The Fixed asset turn over ratio (net) has been decreasing significantly over the years, with a negative ratio in 2022 indicating that the company is not generating sufficient revenue from its fixed assets.
- The company's current assets have been consistently increasing over the years, with a significant jump in 2020 and 2021. This indicates that the company has been able to effectively manage its short-term assets and has likely seen an increase in sales or profitability. The current asset trend analysis shows that the company's current assets have almost doubled from 2017 to 2022, indicating a strong growth trajectory. The increase in current assets could also suggest that the company is expanding its operations or

investing in new ventures. Overall, the trend in the company's current assets is positive and suggests strong financial performance.

- The net profit/net loss of the company has been fluctuating over the years. In 2017, the net profit was 2,22,17,608, which was the base year for trend analysis. In 2018, the net profit decreased to 97,53,705, which is a decrease of 56.1% compared to the previous year. In 2019, the company faced a huge loss of 1,65,10,07,490, which is a significant decrease of 1792.77% compared to the previous year. The trend continued in 2020 with a net loss of 3,34,01,34,041, which is a decrease of 102.03% compared to the previous year. In 2021, the company faced a net loss of 3,20,54,38,877, which is a decrease of 95.91% compared to the previous year. However, in 2022, the net loss decreased to 1,59,61,73,000, which is a decrease of 50.31% compared to the previous year. Overall, the company's net profit/loss trend has been negative, with huge losses incurred in recent years.

5.2 SUGGESTIONS & RECOMMENDATIONS

Based on the information provided, the company seems to be facing various financial challenges, such as declining liquidity and profitability. The current ratio and quick ratio have declined over the years, indicating a decrease in the company's ability to meet its short-term financial obligations. The company has also been incurring losses for the past few years, with a negative net profit ratio. The operating expenses of the company have been increasing, and the operating ratio has been fluctuating over the years, indicating that the company needs to analyze its expenses and take necessary steps to reduce them. The company has also had a negative return on investment in recent years, indicating a need for improvement in its operational and financial performance. Overall, the company needs to take corrective measures to improve its liquidity and profitability, which may include reducing its expenses, increasing its revenues, and improving its operational efficiency.

5.3. LIMITATIONS OF STUDY

- Lack of data: There may be a lack of data available on the impact of India Post Payments Bank (IPPB) on financial inclusion in India, which could limit the scope of the study.

- Short duration of operation: IPPB is a relatively new entity, having been launched in 2018. As a result, there may be limited data available on its long-term impact on financial inclusion in India.
- Sample size: The study may be limited by the sample size of the population being studied. It may be difficult to generalize the findings of the study to the entire population of India.
- External factors: The impact of IPPB on financial inclusion in India may be influenced by external factors such as government policies, economic conditions, and technological advancements. These factors may be difficult to control or measure in the study.
- Limited scope: The study may only focus on the role of IPPB in driving financial inclusion in India, without considering other factors that may contribute to or hinder financial inclusion in the country.
- Bias: There may be potential biases in the study, such as researcher bias or respondent bias, which may affect the accuracy and validity of the findings.
- Lack of control group: The study may not have a control group for comparison, which could limit its ability to establish causal relationships between IPPB's initiatives and improvements in financial inclusion.
- Cultural differences: India is a diverse country with different cultural backgrounds, and perceptions of financial services may vary among different communities. This could limit the generalizability of the findings.
- User adoption: While IPPB may offer financial services in remote areas, it may still face challenges in encouraging user adoption. This may limit the reach of the bank's initiatives to drive financial inclusion.
- Technology limitations: Technology limitations such as network connectivity and device compatibility may impact the ability of users to access IPPB's digital offerings, which could limit the impact of the bank's initiatives.
- Inadequate infrastructure: In some remote areas, there may be inadequate infrastructure such as roads and electricity supply, which may impact the delivery of financial services and limit the impact of IPPB's initiatives.
- External competition: IPPB operates in a highly competitive market, with several other financial institutions vying for market share. This could limit the

impact of IPPB's initiatives on financial inclusion if it fails to compete effectively.

5.4. CONCLUSION

- **Improve short-term liquidity position:** The company needs to improve its short-term liquidity position by either increasing its short-term assets or reducing its short-term liabilities. This can be done by implementing effective cash management techniques and reducing unnecessary expenses.
- **Monitor interest expenses:** The increase in interest expenses needs to be monitored to maintain a healthy gross profit ratio. The company can explore options such as debt refinancing or seeking lower interest rates from lenders to reduce interest expenses.
- **Analyze operating expenses:** The company needs to analyze its operating expenses and take necessary steps to reduce them. This can include identifying areas of inefficiency and implementing cost-cutting measures.
- **Improve profitability:** The company needs to analyze its operations and take necessary steps to minimize losses and increase profitability. This can include exploring new revenue streams or restructuring the business to focus on more profitable areas.
- **Increase efficiency:** The company needs to focus on increasing efficiency in its operations, as indicated by the fluctuating operating ratio. This can include optimizing processes, reducing waste, and investing in technology to streamline operations.
- **Review investments:** The company needs to review its investments and ensure that they are generating a positive return on investment. Investments that are not performing well should be divested to free up resources for more profitable investments.
- **Reduce reliance on share capital:** While share capital can be a useful source of funding, the company should reduce its reliance on this source of financing and explore other options such as debt financing or retaining earnings to fund its operations.

Overall, the company needs to adopt a more proactive approach to financial management and take necessary steps to improve its financial position. This

includes implementing effective financial planning and analysis, regular monitoring of financial performance, and timely action to address any issues that arise.

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ANNEXURE-I

BALANCE SHEET						
	2017	2018	2019	2020	2021	2022
CAPITAL & LIABILITIES						
CAPITAL	2,75,00,00,000	4,00,00,00,000	7,00,00,00,000	10,35,00,00,000	12,55,00,00,000	14,55,00,00,000
Reserves & Surplus	25,97,31,912	3,99,99,78,207	1,25,70,15,363	4,60,98,82,204	8,10,38,55,507	9819377000
Deposits	23,70,079	1,20,42,943	94,75,91,666	8,55,03,12,137	22,99,68,51,061	36,91,72,18,000
Borrowing	0	0	0	0	16,99,63,638	0
Other liabilities and provisions	11,58,49,145	10,64,66,830	2,17,94,15,987	2,16,22,38,607	3,00,44,36,771	3,36,32,40,000
TOTAL	3,12,79,51,136	8,11,84,87,980	8,86,99,92,290	16,45,26,68,540	30,61,73,95,963	45,01,10,81,000
ASSETS						
Cash and Balances with Reserve Bank of India	2,47,757	33,40,292	10,90,28,399	32,69,56,650	85,41,28,200	2,67,28,07,000
Balances with Banks & Money at call & short notice	1,47,92,53,208	89,78,76,208	1,46,77,74,224	4,54,62,91,831	6,29,45,43,972	9,73,06,53,000
Investments	1,55,54,41,976	6,43,78,77,634	3,11,27,88,269	6,94,24,93,469	19,09,08,98,351	29,00,88,63,000
Loans & Advances	0	0	0	0	0	1,56,20,000
Fixed Assets	4,78,60,355	6,74,39,438	2,94,86,96,101	2,00,45,16,878	1,57,74,32,606	78,87,12,000
Other Assets	4,51,47,840	71,19,54,408	1,23,17,05,297	2,63,24,09,712	2,80,03,92,834	2,79,44,26,000
TOTAL	3,12,79,51,136	8,11,84,87,980	8,86,99,92,290	16,45,26,68,540	30,61,73,95,963	45,01,10,81,000
Contingent Liabilities	0	2500000	25,00,000	25,00,000	25,00,000	25,00,000
Bills for Collection	0	0	0	0	0	0

PROFIT AND LOSS ACCOUNT						
	2017	2018	2019	2020	2021	2022
I. INCOME						
Interest earned	5,01,41,265	39,52,65,857	46,42,09,331	45,75,67,936	80,44,29,672	1,28,45,59,000
Other Income	39,96,99,021	27,87,392	1,85,92,991	9,00,55,601	1,32,68,86,068	3,32,74,82,000
TOTAL	44,98,40,286	39,80,53,249	48,28,02,322	54,76,23,537	2,13,13,15,740	4,61,20,41,000
II. EXPENDITURE						
Interest expended	10,840	3,86,486	85,37,467	13,59,93,347	45,90,80,921	71,12,43,000
Operating expenses	41,68,64,397	38,63,17,223	2,70,40,51,809	4,87,52,64,588	4,94,02,31,466	5,59,54,50,000
Provisions and Contingencies	1,07,47,441	11,24,934	57,87,79,464	1,12,35,00,357	6,25,57,770	9,84,79,000
TOTAL	42,76,22,678	38,78,28,643	2,13,38,09,812	3,88,77,57,578	5,33,67,54,617	6,20,82,14,000
Extraordinary Items Prior Period Expenditure		1,99,78,311				
Net Profit/Net Loss	2,22,17,608	97,53,705	1,65,10,07,490	3,34,01,34,041	3,20,54,38,877	1,59,61,73,000
Balance in Profit & Loss Account (Carried Forward)		1,66,63,206	69,09,501	1,64,40,97,989	5,00,89,55,059	8,22,87,58,000
Profit available for Appropriation	2,22,17,608	69,09,501	1,64,40,97,989	4,98,42,32,030	8,21,43,93,936	9,82,49,31,000
APPROPRIATIONS						
Transfer to Reserves (Net) :						
Statutory Reserve		55,54,402				
Grant Account - Capital Reserve				2,47,23,029	1,43,64,130	2466000
Investment Fluctuation Reserve						
Other Reserve						
Special Reserve						
Balance carried over to Balance Sheet	1,66,63,206	69,09,501	1,64,40,97,989	5,00,89,55,059	8,22,87,58,066	9,82,73,97,000
TOTAL	2,22,17,608	69,09,501	1,64,40,97,989	4,98,42,32,030	8,21,43,93,936	9,82,49,31,000

Particulars	2017	2018	2019	2020	2021	2022
8 A. Cash Flow from Operations						
			-	-		-
		-	1,65,1	3,34,0	-	1,59,6
i) Net Profit After Tax	2,22,1 7,608	97,53, 705	0,07,4 90	1,34,0 41	3,20,54 ,38,877	1,73,0 00
			-	-		-
Add: Provision for Tax (inculding deffered Tax)	1,07,4 7,441	11,24, 934	57,87, 79,464	1,12,3 5,00,3 57	- 6,25,57 ,770	- 98479 000
	32965 048.	-	-	-		-
Profit before Tax	99674 73	86,28, 771	2,22,9 7,86,9 54	4,46,3 6,34,3 98	- 3,26,79 ,96,647	- 16946 52000
ii) Adjustments:						
Depreciation on Fixed Assets	18,46, 473	96,55, 728	7,63,6 1,271	95,35, 58,355	62,40,9 1,310	80612 9000
Incorporation Expenses Written Of	55,00, 522	2,20,0 2,088				
Prior Period Item Written Of		1,99,7 8,311				
	-		3,60,5			
Less: Amount withdrawn from Grants	1,24,8 5,696		9,86,0 80	1,27,3 2,800	28,85,3 4,426	11934 8000
	-		-			
Total Adjustments	51,38, 701	5,16,3 6,126	3,52,9 6,24,8 09	94,08, 25,555	33,55,5 6,884	68678 1000
Operating profit before changes in Operating Assets & Liabilities			-	-		-
	2,78,2 6,348	4,30,0 7,356	5,75,9 4,11,7 63	3,52,2 8,08,8 43	- 2,93,24 ,39,763	- 10078 71000
iii) Adjustments for net change in Operating Assets & Liabilities						
	-	-		-	-	-
Increase in Investments (Net)	1,55,5 4,41,9 76	4,88,2 4,35,6 58	3,32,5 0,89,3 64	3,82,9 7,05,2 00	12,14,8 4,04,88 2	- 99179 65000

Increase in Other Assets (Net)	- 5,06,4 8,362	- 68,78, 94,921	- 5,90,2 8,575	- 27,72, 04,057	- 10,54,2 5,353	- 10,44, 46,000
Decrease/ (Increase) in Advances						- 15620 000
Increase in Deposits (Net)	23,70, 079	96,72, 864	93,55, 48,723	7,60,2 7,20,4 71	14,44,6 5,38,92 4	13920 36700 0
Increase in borrowings (Net)					16,99,6 3,638	- 16996 4000
Increase in Other Liabilities (Net)	10,72, 63,465	- 74,84, 759	2,07,2 9,49,1 58	- 1,71,7 7,380	84,21,9 8,164	35880 3000
Total adjustment for net change in Operating Assets & Liabilities	- 1,49,6 4,56,7 94	- 5,56,8 1,42,4 74	- 6,39,2 6,15,8 20	- 3,47,8 6,33,8 33	- 3,20,48 ,70,491	- 42800 68000
Cash Flow used from Operations (i)+(ii)+(iii)	- 1,46,8 6,30,4 46	- 5,52,5 1,35,1 18	- 63,32, 04,057	- 4,41,7 5,010	- 27,24,3 0,728	- 32721 97000
Tax Paid	- 21,61, 761	- 39,36, 226				
Net Cash Flow used from Operations	- 1,47,0 7,92,2 07	- 5,52,9 0,71,3 44	- 63,32, 04,057	- 4,41,7 5,010	- 27,24,3 0,728	- 32721 97000
B. Cash Flow used in Investing Activities						
Purchase of Fixed Assets	- 4,97,0 6,828	- 4,92,1 3,121	- 2,95,7 6,17,9 34	- 93,79, 132	- 19,70,0 7,038	- 17408 000
Net Cash Flow used in Investing Activities	- 4,97,0 6,828	- 4,92,1 3,121	- 2,95,7 6,17,9 34	- 93,79, 132	- 19,70,0 7,038	- 17408 000
C. Cash Flow generated from Financing Activities						

	2,75,0 0,00,0 00	1,25,0 0,00,0 00	3,00,0 0,00,0 00	3,35,0 0,00,0 00	2,20,00 ,00,000	20000 00000
Issue of Share Capital						
	25,00, 00,000	3,75,0 0,00,0 00				
Receipt of Grants						
	3,00,0 0,00,0 00	5,00,0 0,00,0 00	3,00,0 0,00,0 00	3,35,0 0,00,0 00	2,20,00 ,00,000	20000 00000
Net Cash Generated from Financing Activities						
Net Changes in Cash & Cash Equivalent (A)+(B)+(C')	1,47,9 5,00,9 65	- 57,82, 84,465	67,55, 86,123	3,29,6 4,45,8 58	2,27,54 ,23,691	52547 88000
Cash and Cash Equivalent at the beginning of the year						
Cash and Balance with RBI						
Balance with Banks & Money at Call & Short Notice						
	1,47,9 5,00,9 65		90,12, 16,500	1,57,6 8,02,6 23	4,87,32 ,48,481	71486 72000
Cash and Cash Equivalent at the end of the year						
Cash and Balance with RBI						
Balance with Banks & Money at Call & Short Notice						
	1,47,9 5,00,9 65	90,12, 16,500	1,57,6 8,02,6 23	4,87,3 2,48,4 81	7,14,86 ,72,172	12403 46000 0
	1,47,9 5,00,9 65	- 57,82, 84,465	67,55, 86,123	3,29,6 4,45,8 58	2,27,54 ,23,691	52547 88000

ANNEXURE II

ROLE OF INDIA POST PAYMENTS BANK TO DRIVE FINANCIAL INCLUSION IN INDIA

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ABSTRACT

In Indian population Majority of rural areas. Payments Bank is new categories of Bank in India on 2017. In September 2013, committee on comprehensive financial services for small Business and Low Income Households, headed by Nachiket Mor, was formed by RBI. On November 2015 RBI Released guidelines for Licensing of Payments bank. India post payments bank as Main purpose is to drive financial inclusion in rural areas. Digitalization the mode of Banking services with core Banking activities like UPI, IMPS, NEFT, RTGS, AEPS. The parameters for India Post Payments Banks financial inclusions are Business Correspondents, Third party insurance services, Basic bank deposit, Door step services, Aadhaar mobile no updates, child enrolment Aadhaar. The objective of the project to find out the efficiency of the India Post Payments Bank using the Liquidity ratios, Profitability Ratios to provide suitable suggest improve the financial performance of the India Post Payments Bank.

Key words: financial inclusion, Banking services, RBI, Digitalization, financial performance.

I . INTRODUCTION

India Post Payments Bank (IPPB) was established in 2018 as a public sector company under the Department of Posts, Ministry of Communications with the objective of providing affordable banking and financial services to the unbanked population of India. The IPPB is aimed at bringing financial inclusion by leveraging the extensive postal network of India, which has a presence in every nook and corner of the country.

II . OBJECTIVES OF STUDY

- To identify the function and role of India Post Payments Bank.
- To find the Trend Analysis of India Post Payments Bank.
- To identify the difference between POSB (Post Office Savings Bank), Post Life Insurance (PLI) and India Post Payments Bank.
- To study the role of Indian post payment banks in financial inclusion.
- To Identify how the Head office (HO), Sub-office (SO), Branch office (BO) are utilized.
- To identify the financial Position of India Post Payments Bank

III . REVIEW OF LITERATURE

- HARSHAD KUMAR et.al (NOV-22) The Govt. of India aims to achieve financial inclusion by bringing banking services to the homes of millions of Indians. By providing a full range of facilities and attractive programs, banks can meet the diverse needs of customers.
- DIPANKAR MONDAL (DEC-22) This research is purely based on conceptual study of the available data, secondary in nature, of India Post Payment Bank. This study is mainly judging the available data with the financial inclusion indicators to understand its impact of IPPB on financial inclusion. Hence it is important to say that suitable statistical tools can be applied to analyze the inputs gathered from structured questionnaire to find empirical conclusions.
- HIRENKUMAR RAMESHBHAI AND RAJESH M (JUL-22) India Mail plays a vital role in providing financial assistance to the network provided there and especially to the rural areas. It has adopted various reform measures for innovation and technological advancement in the country.
- HARSHAD AND KANISHK (MAR-22) Payment banks focus on digital innovation and a country like India is also geared towards a cashless and digital economy, which is achievable and flexible in terms of the latest technological and economic conditions.
- N. SENTHILKUMAR AND L. BALASUBRAMANIAN (DEC-21) Awareness level of employees is needed to be improved. The Namakkal Postal Division has done well to its postal customers. With its 86.17% post offices in rural area, it can successfully provide all the bank services to the rural people.

IV . RESEARCH DESIGN

DESCRIPTIVE RESEARCH

Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. In social science and business research, it is quite often, the term Ex post facto research is used for descriptive research studies. The main characteristic of this method is that the researcher has no control over the variables; she/he can only report what has happened or what is happening. The methods of research utilized in descriptive research and survey methods of all kinds, including comparative and correlation methods.

ANALYTICAL RESEARCH

Analytical research is a specific type of research that involves critical thinking skills and the evaluation of facts and information relative to the research being conducted. A variety of people including students, doctors and psychologists use analytical research during studies to find the most relevant information.

V . SOURCES OF DATA

SECONDARY DATA

Secondary data refers to the information or facts already collected such data are collected with the objective of understanding the past status of any variable. Common sources of secondary data for social science include censuses, information collected by government departments, organizational records and data that was originally collected for other research purposes. Primary data, by contrast, are collected by the investigator conducting the research. Data was collected from Annual Report and websites of the India post. Supporting literature from relevant sources, journals, research reports, websites etc. also form the sources of secondary data.

VI . TOOLS FOR ANALYSIS

RATIO ANALYSIS

A financial ratio or accounting ratio is a relative magnitude of two selected numerical values taken from an enterprise's financial statements. Often used in accounting, there are many standard ratios used to try to evaluate the overall financial condition of a corporation or other organization. Financial ratios may be used by managers within a firm, by current and potential shareholders (owners) of a firm, and by a firm's creditors. Financial analysts use financial ratios to compare the strengths and weaknesses in various companies. If shares in a company are traded in a financial market, the market price of the shares is used in certain financial ratios.

TREND ANALYSIS

Evaluates an organization's financial information over a period of time. Periods may be measured in months, quarters, or years, depending on the circumstances. The goal is to calculate and analyze the amount change and percent change from one period to the next. Trend analysis of financial statements helps information users to discern percentage changes over time in the selected data. It is a technique of studying the operational results and financial position over a series of years. Using the previous years' data of a business enterprise, trend analysis can be done to observe the percentage changes over time in the selected data. The trend percentage is the percentage relationship, in which each item of different years bears to the same item in the base year. Trend analysis is important because, with its long run view, it may point to basic changes in the nature of the business. By looking at a trend in a particular ratio, one may find whether the ratio is falling, rising or remaining relatively constant. From this observation, a problem is detected or the sign of good or poor management is detected.

VII . DATA ANALYSIS AND INTERPRETATION

CURRENT RATIO

Year	Capital & Liabilities		Assets				Current Ratio
	Deposits	Other liabilities and provisions	Cash and Balances with Reserve Bank of India	Balances with Banks & Money at call & short notice	Loans & Advances	Other Assets	
2017	₹ 23,70,079.00	₹ 11,58,49,145.00	₹ 2,47,757.00	₹ 1,47,92,53,208.00	₹ -	₹ 4,51,47,840.00	12.89679253
2018	₹ 1,20,42,943.00	₹ 10,64,66,830.00	₹ 33,40,292.00	₹ 89,78,76,208.00	₹ -	₹ 71,19,54,408.00	13.61213398
2019	₹ 94,75,91,666.00	₹ 2,17,94,15,987.00	₹ 10,90,28,399.00	₹ 1,46,77,74,224.00	₹ -	₹ 1,23,17,05,297.00	0.898145522

2020	₹ 8,55,03,12,137.00	₹ 2,16,22,38,607.00	₹ 32,69,56,650.00	₹ 4,54,62,91,831.00	₹ -	₹ 2,63,24,09,712.00	0.700641553
2021	₹ 22,99,68,51,061.00	₹ 3,00,44,36,771.00	₹ 85,41,28,200.00	₹ 6,29,45,43,972.00	₹ -	₹ 2,80,03,92,834.00	0.382637394
2022	₹ 36,91,72,18,000.00	₹ 3,36,32,40,000.00	₹ 2,67,28,07,000.00	₹ 9,73,06,53,000.00	₹ 1,56,20,000.00	₹ 2,79,44,26,000.00	0.377689499

TABLE: 7.1 CURRENT RATIO

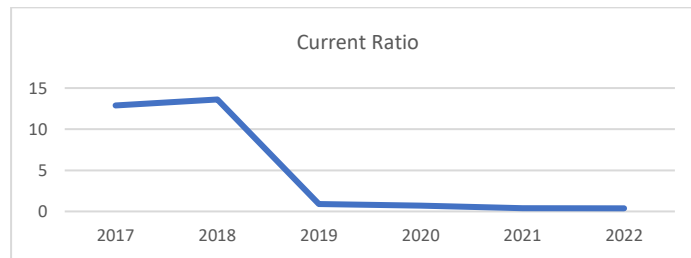


CHART: 7.1 CURRENT RATIO

INFERENCE

It shows that current ratio(12.89) is higher in (2017) and its suddenly decrease in corresponding years. The current year (2022) found that the current ratio is (0.377) which is less than one. It indicate that the company struggle to meet its short term obligations.

QUICK RATIO

Year	Capital & Liabilities		Assets			Quick Ratio
	Deposits	Other liabilities and provisions	Cash and Balances with Reserve Bank of India	Balances with Banks & Money at call & short notice	Other Assets	
2017	₹ 23,70,079.00	₹ 11,58,49,145.00	₹ 2,47,757.00	₹ 1,47,92,53,208.00	₹ 4,51,47,840.00	12.896793
2018	₹ 1,20,42,943.00	₹ 10,64,66,830.00	₹ 33,40,292.00	₹ 89,78,76,208.00	₹ 71,19,54,408.00	13.612134
2019	₹ 94,75,91,666.00	₹ 2,17,94,15,987.00	₹ 10,90,28,399.00	₹ 1,46,77,74,224.00	₹ 1,23,17,05,297.00	0.8981455
2020	₹ 8,55,03,12,137.00	₹ 2,16,22,38,607.00	₹ 32,69,56,650.00	₹ 4,54,62,91,831.00	₹ 2,63,24,09,712.00	0.7006416
2021	₹ 22,99,68,51,061.00	₹ 3,00,44,36,771.00	₹ 85,41,28,200.00	₹ 6,29,45,43,972.00	₹ 2,80,03,92,834.00	0.3826374
2022	₹ 36,91,72,18,000.00	₹ 3,36,32,40,000.00	₹ 2,67,28,07,000.00	₹ 9,73,06,53,000.00	₹ 2,79,44,26,000.00	0.3773017

TABLE: 7.2 QUICK RATIO

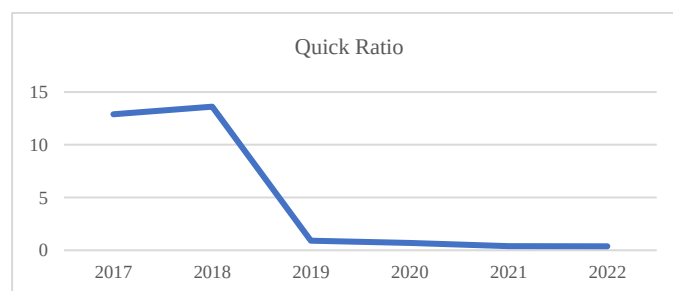


CHART: 7.2 QUICK RATIO

INFERENCE

It shows that Quick ratio(12.89) is higher in (2017) and its suddenly decrease in corresponding years. The current year (2022) found that the Quick ratio is (0.377) which is less than one. It indicate that the company struggle to meet its short term obligations. It means it doesn't have enough quick assets to meet all its short-term obligations. If it suffers an interruption, it may find it difficult to raise the cash to pay.

ABSOLUTE LIQUIDITY RATIO

Year	Capital & Liabilities		Assets		Absolute Liquidity Ratio
	Deposits	Other liabilities and provisions	Cash and Balances with Reserve Bank of India	Balances with Banks & Money at call & short notice	
2017	₹ 23,70,079.00	₹ 11,58,49,145.00	₹ 2,47,757.00	₹ 1,47,92,53,208.00	12.51489322
2018	₹ 1,20,42,943.00	₹ 10,64,66,830.00	₹ 33,40,292.00	₹ 89,78,76,208.00	7.604575363
2019	₹ 94,75,91,666.00	₹ 2,17,94,15,987.00	₹ 10,90,28,399.00	₹ 1,46,77,74,224.00	0.504252883
2020	₹ 8,55,03,12,137.00	₹ 2,16,22,38,607.00	₹ 32,69,56,650.00	₹ 4,54,62,91,831.00	0.454910189
2021	₹ 22,99,68,51,061.00	₹ 3,00,44,36,771.00	₹ 85,41,28,200.00	₹ 6,29,45,43,972.00	0.274935312
2022	₹ 36,91,72,18,000.00	₹ 3,36,32,40,000.00	₹ 2,67,28,07,000.00	₹ 9,73,06,53,000.00	0.307927482

TABLE: 7.3 ABSOLUTE LIQUIDITY RATIO

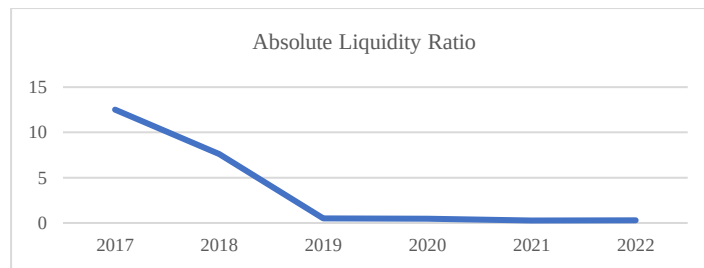


CHART: 7.3 ABSOLUTE LIQUIDITY RATIO

INFERENCE

It shows that Absolute liquidity ratio(7.60) is higher in (2017) and its suddenly decrease in corresponding years. The current year (2022) found that the Absolute liquidity ratio is (0.307) It indicate that the company struggle to meet its short term obligations.It means it doesn't have enough quick assets to meet all its short-term obligations. If it suffers an interruption, it may find it difficult to raise the cash to pay.

PROFITABILITY RATIO

GROSS PROFIT RATIO

Year	Interest Earned	Interest Expended	Gross Profit	Gross Profit Ratio
2017	₹ 5,01,41,265.00	₹ 10,840.00	₹ 5,01,30,425.00	1.00
2018	₹ 39,52,65,857.00	₹ 3,86,486.00	₹ 39,48,79,371.00	1.00
2019	₹ 46,42,09,331.00	₹ 85,37,467.00	₹ 45,56,71,864.00	0.98
2020	₹ 45,75,67,936.00	₹ 13,59,93,347.00	₹ 32,15,74,589.00	0.70
2021	₹ 80,44,29,672.00	₹ 45,90,80,921.00	₹ 34,53,48,751.00	0.43
2022	₹ 1,28,45,59,000.00	₹ 71,12,43,000.00	₹ 57,33,16,000.00	0.45

TABLE: 7.4 GROSS PROFIT RATIO

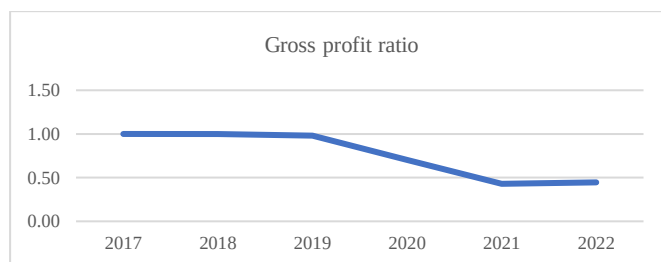


CHART: 7.4 GROSS PROFIT RATIO

INFERENCE

It shows that Gross profit ratio 2017 as 99.98% higher and in 2022 as 44.63% it as gradually decreases. It shows that decrease in profit margins can indicate a highly competitive market.

NET PROFIT RATIO

Year	Interest Earned	Net Profit/Net Loss	Net Profit Ratio
2017	₹ 5,01,41,265.00	₹ 2,22,17,608.00	0.44
2018	₹ 39,52,65,857.00	₹ 97,53,705.00	0.02
2019	₹ 46,42,09,331.00	₹ -1,65,10,07,490.00	-3.56
2020	₹ 45,75,67,936.00	₹ -3,34,01,34,041.00	-7.30
2021	₹ 80,44,29,672.00	₹ -3,20,54,38,877.00	-3.98
2022	₹ 1,28,45,59,000.00	₹ -1,59,61,73,000.00	-1.24

TABLE: 7.5 NET PROFIT RATIO

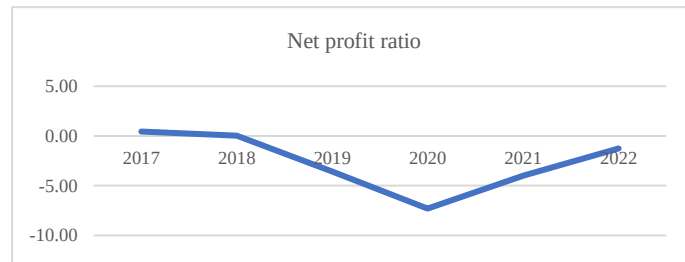


CHART: 7.5 NET PROFIT RATIO

INFERENCE

It shows that net profit ratio 2017 as 99.98% higher and in 2022 as 44.63% it as gradually decreases. It shows that decrease in net margins can indicate a highly competitive market and less efficiency in operation management, want to control the Expenses

OPERATING RATIO

Year	Interest Earned	Operating Expenses	Operating Ratio
2017	₹ 5,01,41,265.00	₹ 41,68,64,397.00	8.31
2018	₹ 39,52,65,857.00	₹ 38,63,17,223.00	0.98
2019	₹ 46,42,09,331.00	₹ 2,70,40,51,809.00	5.83
2020	₹ 45,75,67,936.00	₹ 4,87,52,64,588.00	10.65
2021	₹ 80,44,29,672.00	₹ 4,94,02,31,466.00	6.14
2022	₹ 1,28,45,59,000.00	₹ 5,59,54,50,000.00	4.36

TABLE: 7.6 OPERATING RATIO

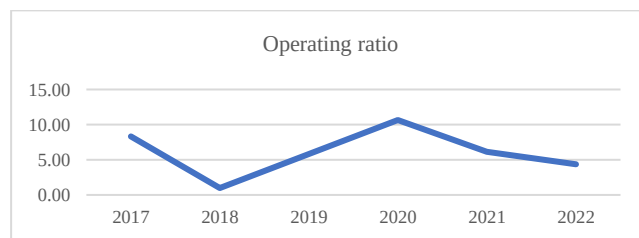


CHART: 7.6 OPERATING RATIO

INFERENCE

The Operating ratio of year 2020 is 10.65 and it is gradually decreases in which in the year 2022 is 4.36 .It shows the positively that operation expenses are controlled and it is lesser. Expenses are less than its revenue.

RETURN ON INVESTMENT RATIO

Year	Net Profit After Tax	Profit Before Tax	Issue Of Share Capital	Reserves & Surplus	Borrowings	Capital Employed	Return On Investment
2017	₹ 2,22,17,608.00	₹ 3,29,65,048.00	₹ 2,75,00,00,000.00	₹ 25,97,31,912.00		₹ 3,00,97,31,912.00	0.01

2018	₹ - 97,53,705.00	₹ - 86,28,771.00	₹ 1,25,00,00,000.00	₹ 3,99,99,78,207.00		₹ 5,24,99,78,207.00	0.00
2019	₹ - 1,65,10,07,490.00	₹ - 2,22,97,86,954.00	₹ 3,00,00,00,000.00	₹ - 1,25,70,15,363.00		₹ 1,74,29,84,637.00	-1.28
2020	₹ - 3,34,01,34,041.00	₹ - 4,46,36,34,398.00	₹ 3,35,00,00,000.00	₹ - 4,60,98,82,204.00		₹ - 1,25,98,82,204.00	-3.54
2021	₹ - 3,20,54,38,877.00	₹ - 3,26,79,96,647.00	₹ 2,20,00,00,000.00	₹ - 8,10,38,55,507.00	₹ 16,99,63,638.00	₹ - 5,73,38,91,869.00	-0.57
2022	₹ - 1,59,61,73,000.00	₹ - 1,69,46,52,000.00	₹ 2,00,00,00,000.00	₹ - 9,81,93,77,000.00		₹ - 7,81,93,77,000.00	-0.22

TABLE: 7.7 RETURN ON INVESTMENT RATIO

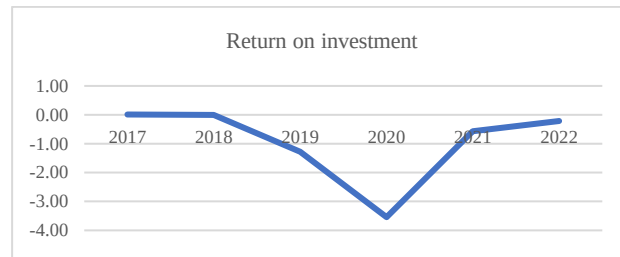


CHART: 7.7 RETURN ON INVESTMENT RATIO

INFERENCE

Return on investment is recovering for the year 2020 as(-1.28) to year 2022 as(-0.22) even though there is negative sign the but it shows the organization as recover back to the profit and show the ROI as positive as soon as possible.

RETURN ON ASSETS

Year	Net Profit After Tax	Total Asset	Return On Assets
2017	₹ 2,22,17,608.00	₹ 3,12,79,51,136.00	0.71
2018	₹ -97,53,705.00	₹ 8,11,84,87,980.00	-0.12
2019	₹ -1,65,10,07,490.00	₹ 8,86,99,92,290.00	-18.61
2020	₹ -3,34,01,34,041.00	₹ 16,45,26,68,540.00	-20.30
2021	₹ -3,20,54,38,877.00	₹ 30,61,73,95,963.00	-10.47
2022	₹ -1,59,61,73,000.00	₹ 45,01,10,81,000.00	-3.55

TABLE: 7.8 RETURN ON ASSETS

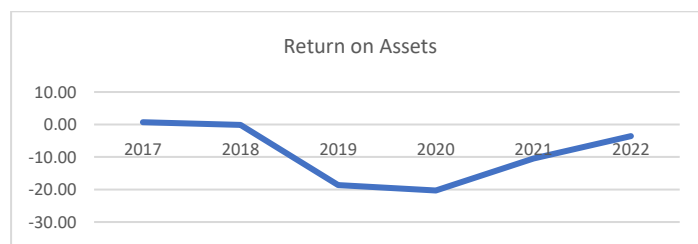


CHART: 7.8 RETURN ON ASSETS

INFERENCE

Return on Asset is recovering for the year 2020 as(-20.30) to year 2022 as(-3.55) even though there is negative sign the but it shows the organization as recover back to the profit and show the ROA as positive as soon as possible show the proper utilization of assets.

FIXED ASSET TURN OVER RATIO

Year	Reserves & Surplus	Fixed Assets	Depreciation On Fixed Assets	Net Fixed Asset	Fixed Asset Turn Over Ratio (Net)
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2017	₹ 25,97,31,912.00	₹ 4,78,60,355.00	₹ 18,46,473.00	₹ 4,60,13,882.00	5.64
2018	₹ 3,99,99,78,207.00	₹ 6,74,39,438.00	₹ 96,55,728.00	₹ 5,77,83,710.00	69.22
2019	₹ -1,25,70,15,363.00	₹ 2,94,86,96,101.00	₹ 7,63,61,271.00	₹ 2,87,23,34,830.00	-0.44
2020	₹ -4,60,98,82,204.00	₹ 2,00,45,16,878.00	₹ 95,35,58,355.00	₹ 1,05,09,58,523.00	-4.39
2021	₹ -8,10,38,55,507.00	₹ 1,57,74,32,606.00	₹ 62,40,91,310.00	₹ 95,33,41,296.00	-8.50
2022	₹ -9,81,93,77,000.00	₹ 78,87,12,000.00	₹ 80,61,29,000.00	₹ -1,74,17,000.00	-563.78

TABLE: 7.9 FIXED ASSET TURN OVER RATIO

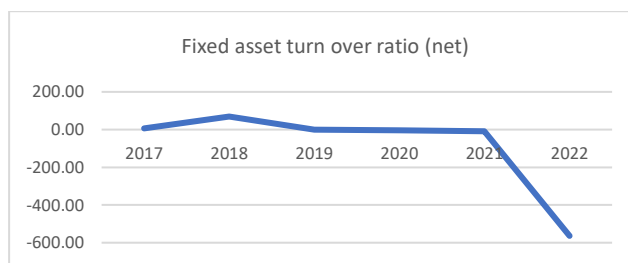


CHART: 7.9 FIXED ASSET TURN OVER RATIO

INFERENCE

Fixed asset turn over ratio as decreased in 2022 as(-563.78) compared to 2021 as(-8.50) it shows that the fixed as are not fully utilized to manage its internal problems but it does't tells about how to manage the fixed asset because its varies based upon the industry.

TREND ANALYSIS

CURRENT ASSET

Year	Current Asset	Current Asset Trend Analysis
2017	₹ 1,52,46,48,805.00	100
2018	₹ 1,61,31,70,908.00	105.8060652
2019	₹ 2,80,85,07,920.00	184.2068751
2020	₹ 7,50,56,58,193.00	492.2876776
2021	₹ 9,94,90,65,006.00	652.5479818
2022	₹ 15,21,35,06,000.00	997.8367444

TABLE: 7.10 CURRENT ASSET TREND ANALYSIS

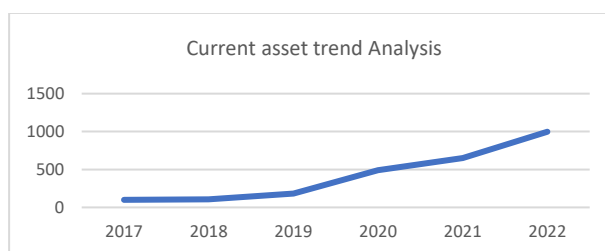


CHART: 7.10 CURRENT ASSET TREND ANALYSIS

INFERENCE

The trend analysis shows that there is a continuous increase in the current asset from year to year. Between 2017 and 2018, the current assets increased by 5.81%. The following year, 2019, it increased by a significant percentage of 84.40%. The growth rate further accelerated in 2020 and 2021, with a growth rate of 292.08% and 32.39%, respectively. In 2022, the growth rate decreased compared to the previous years but still had a growth rate of 53.22% compared to the previous year.

NET PROFIT/NET LOSS

Year	Net Profit/Net Loss	Trend Analysis Of Net Profit/ Net Loss
2017	2,22,17,608	100
2018	97,53,705	43.90079
2019	-1,65,10,07,490	-7431.08
2020	-3,34,01,34,041	-15033.7
2021	-3,20,54,38,877	-14427.5
2022	-1,59,61,73,000	-7184.27

TABLE: 7.11 NET PROFIT/NET LOSS TREND ANALYSIS

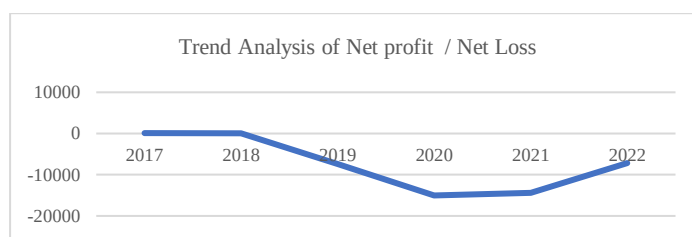


CHART: 7.11 NET PROFIT/NET LOSS TREND ANALYSIS

INFERENCE

The trend analysis of net profit/loss indicates that the company has been facing financial challenges for the past few years. The percentage decline in net profit/loss has been increasing, with a decline of 56% in 2018, a loss of 7431% in 2019, and a loss of 15033% in 2020. Although the decline in net loss reduced to 14427% in 2021, it is still quite significant

VIII . FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

- In 2017 and 2018, the current ratio was higher than 12, which indicates that the company had more than enough short-term assets to cover its short-term liabilities. However, in 2019, the current ratio dropped to less than 1, which means that the company's short-term liabilities exceeded its short-term assets, and the situation did not improve in 2020 and 2021, where the current ratio remained below 1. In 2022, there was a slight improvement in the current ratio as compared to 2021, but it remained below 1. The increase in assets from the previous year was mainly due to the addition of balances with banks and money at call and short notice. Therefore, based on the current ratio, the company needs to improve its short-term liquidity position by either increasing its short-term assets or reducing its short-term liabilities.
- The Quick Ratio of the entity has decreased over the years, from 12.89 in 2017 to 0.38 in 2022, indicating a decrease in its ability to meet its short-term financial obligations. The entity has seen a significant increase in its Capital & Liabilities from ₹23,70,079.00 in 2017 to ₹36,91,72,18,000.00 in 2022, indicating growth in its business. The Assets of the entity have also increased from ₹1,47,92,53,208.00 in 2017 to ₹9,73,06,53,000.00 in 2022, indicating a growth in its financial resources. However, the decrease in the Quick Ratio in the later years indicates that the entity may be facing liquidity issues and may need to take corrective measures to improve its financial position.
- In 2017, the absolute liquidity ratio was 12.51489322. In 2018, the absolute liquidity ratio was 7.604575363. In 2019, the absolute liquidity ratio was 0.504252883. In 2020, the absolute liquidity ratio was 0.454910189. In 2021, the absolute liquidity ratio was 0.274935312. In 2022, the absolute liquidity ratio was 0.307927482. The absolute liquidity ratio is a measure of a bank's ability to meet its obligations in the short term, particularly its ability to pay off all of its current liabilities with its most liquid assets. A higher absolute liquidity ratio indicates a better ability to meet short-term obligations. As seen in the table, the bank's absolute liquidity ratio has decreased over the years, indicating a potential decrease in its ability to meet short-term obligations.
- The gross profit ratio, which measures the company's gross profit as a percentage of the interest earned, was 1.00 in 2017 and 2018, but it decreased to 0.43 in 2021 before slightly increasing to 0.45 in 2022. The company's financial performance in 2020 and 2021 was affected by the increase in interest expenses, which

led to a decline in gross profit and gross profit ratio. However, in 2022, the company's financial performance improved with an increase in gross profit and gross profit ratio compared to the previous year. The company's interest earned and interest expended increased over the years, indicating growth in its operations, but the increase in interest expenses needs to be monitored to maintain a healthy gross profit ratio.

- The interest earned by the company has been increasing steadily over the years, with a significant jump from 2017 to 2018 and a further increase in 2021 and 2022. The company has been facing losses for the past four years, with the highest loss being in 2020. However, there has been a significant improvement in 2022 with the company incurring a relatively smaller loss. The net profit ratio has been negative for the past four years, indicating that the company is incurring losses. However, there has been an improvement in the net profit ratio in 2022 compared to the previous years. Overall, the company has been facing losses for the past few years, but there are some signs of improvement in 2022. The company needs to analyze its operations and take necessary steps to minimize losses and increase profitability in the future.
- The operating expenses of the company have also been increasing over the years, with a significant jump in 2020. However, there has been a slight decrease in 2022 compared to the previous year. The operating ratio of the company has been fluctuating over the years, with the highest ratio in 2020 and the lowest ratio in 2018. The operating ratio is an indicator of how efficiently a company is using its resources to generate revenue. A lower operating ratio is better as it indicates that the company is operating more efficiently. Overall, the company needs to analyze its operating expenses and take necessary steps to reduce them, which can result in a lower operating ratio and better profitability. While the interest earned by the company has been increasing, the operating expenses have also been increasing, which has resulted in lower profitability for the company.
- The company had a positive return on investment in 2017 and a negative return in subsequent years, with the lowest being in 2020. In 2021, the company had a slightly better return on investment compared to 2020. Overall, the company has had a mixed financial performance over the years, with losses in most years except for 2017. The company has been issuing share capital every year and has reduced its borrowings significantly. The company's return on investment has been negative in recent years, indicating a need for improvement in its operational and financial performance.
- The return on assets (ROA) has been negative in all years since 2018, with the lowest being in 2020. This indicates that the company has not been generating sufficient profits from its assets. However, the ROA has improved in 2021 and 2022, which may indicate that the company is taking steps to improve its operational efficiency. Overall, the company has been facing losses in recent years, but its total assets have been increasing, indicating that it is investing in its business. The negative ROA indicates that the company needs to focus on improving its profitability and operational efficiency. However, the slight improvement in ROA in recent years may indicate that the company is taking steps to address these issues.
- The Reserves & Surplus have been fluctuating over the years, with a significant increase in 2018 but a steady decline since then, reaching a negative value in 2022. The Fixed Assets have been increasing steadily, except for a decrease in 2021. The Depreciation on Fixed Assets has been increasing over the years, except for a decrease in 2022. The Net fixed asset has been fluctuating over the years, with a significant decrease in 2020 but a recovery in 2021. The Fixed asset turn over ratio (net) has been decreasing significantly over the years, with a negative ratio in 2022 indicating that the company is not generating sufficient revenue from its fixed assets.
- The company's current assets have been consistently increasing over the years, with a significant jump in 2020 and 2021. This indicates that the company has been able to effectively manage its short-term assets and has likely seen an increase in sales or profitability. The current asset trend analysis shows that the company's current assets have almost doubled from 2017 to 2022, indicating a strong growth trajectory. The increase in current assets could also suggest that the company is expanding its operations or investing in new ventures. Overall, the trend in the company's current assets is positive and suggests strong financial performance.
- The net profit/net loss of the company has been fluctuating over the years. In 2017, the net profit was 2,22,17,608, which was the base year for trend analysis. In 2018, the net profit decreased to 97,53,705, which is a decrease of 56.1% compared to the previous year. In 2019, the company faced a huge loss of 1,65,10,07,490, which is a significant decrease of 1792.77% compared to the previous year. The trend continued in 2020 with a net loss of 3,34,01,34,041, which is a decrease of 102.03% compared to the previous year. In 2021, the company faced a net loss of 3,20,54,38,877, which is a decrease of 95.91% compared to the previous year. However, in 2022, the net loss decreased to 1,59,61,73,000, which is a decrease of 50.31% compared to the previous year. Overall, the company's net profit/loss trend has been negative, with huge losses incurred in recent years.

IX . SUGGESTIONS & RECOMMENDATIONS

Based on the information provided, the company seems to be facing various financial challenges, such as declining liquidity and profitability. The current ratio and quick ratio have declined over the years, indicating a decrease in the company's ability to meet its short-term financial obligations. The company has also been incurring losses for the past few years, with a negative net profit ratio. The operating expenses of the company have been increasing, and the operating ratio has been fluctuating over the years, indicating that the company needs to analyze its expenses and take necessary steps to reduce them. The company has also had a negative return on investment in recent years, indicating a need for improvement in its operational and financial performance. Overall, the company needs to take corrective measures to improve its liquidity and profitability, which may include reducing its expenses, increasing its revenues, and improving its operational efficiency.

X . LIMITATIONS OF STUDY

- Lack of data: There may be a lack of data available on the impact of India Post Payments Bank (IPPB) on financial inclusion in India, which could limit the scope of the study.
- Short duration of operation: IPPB is a relatively new entity, having been launched in 2018. As a result, there may be limited data available on its long-term impact on financial inclusion in India.
- Sample size: The study may be limited by the sample size of the population being studied. It may be difficult to generalize the findings of the study to the entire population of India.
- External factors: The impact of IPPB on financial inclusion in India may be influenced by external factors such as government policies, economic conditions, and technological advancements. These factors may be difficult to control or measure in the study.
- Limited scope: The study may only focus on the role of IPPB in driving financial inclusion in India, without considering other factors that may contribute to or hinder financial inclusion in the country.
- Bias: There may be potential biases in the study, such as researcher bias or respondent bias, which may affect the accuracy and validity of the findings.
- Lack of control group: The study may not have a control group for comparison, which could limit its ability to establish causal relationships between IPPB's initiatives and improvements in financial inclusion.
- Cultural differences: India is a diverse country with different cultural backgrounds, and perceptions of financial services may vary among different communities. This could limit the generalizability of the findings.
- User adoption: While IPPB may offer financial services in remote areas, it may still face challenges in encouraging user adoption. This may limit the reach of the bank's initiatives to drive financial inclusion.
- Technology limitations: Technology limitations such as network connectivity and device compatibility may impact the ability of users to access IPPB's digital offerings, which could limit the impact of the bank's initiatives.
- Inadequate infrastructure: In some remote areas, there may be inadequate infrastructure such as roads and electricity supply, which may impact the delivery of financial services and limit the impact of IPPB's initiatives.
- External competition: IPPB operates in a highly competitive market, with several other financial institutions vying for market share. This could limit the impact of IPPB's initiatives on financial inclusion if it fails to compete effectively.

XI . CONCLUSION

- Improve short-term liquidity position: The company needs to improve its short-term liquidity position by either increasing its short-term assets or reducing its short-term liabilities. This can be done by implementing effective cash management techniques and reducing unnecessary expenses.
- Monitor interest expenses: The increase in interest expenses needs to be monitored to maintain a healthy gross profit ratio. The company can explore options such as debt refinancing or seeking lower interest rates from lenders to reduce interest expenses.
- Analyze operating expenses: The company needs to analyze its operating expenses and take necessary steps to reduce them. This can include identifying areas of inefficiency and implementing cost-cutting measures.
- Improve profitability: The company needs to analyze its operations and take necessary steps to minimize losses and increase profitability. This can include exploring new revenue streams or restructuring the business to focus on more profitable areas.
- Increase efficiency: The company needs to focus on increasing efficiency in its operations, as indicated by the fluctuating operating ratio. This can include optimizing processes, reducing waste, and investing in technology to streamline operations.

- Review investments: The company needs to review its investments and ensure that they are generating a positive return on investment. Investments that are not performing well should be divested to free up resources for more profitable investments.
- Reduce reliance on share capital: While share capital can be a useful source of funding, the company should reduce its reliance on this source of financing and explore other options such as debt financing or retaining earnings to fund its operations.

Overall, the company needs to adopt a more proactive approach to financial management and take necessary steps to improve its financial position. This includes implementing effective financial planning and analysis, regular monitoring of financial performance, and timely action to address any issues that arise.

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