TOPIC: A Study of Financial Performance of Listed Travel Tech Startups in India

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ABSTRACT

The travel tech market in India is a budding space with robust growth on the back of digitally transformed industry, changing customer consumption and hitherto evolving financials. The purpose of this study is to evaluate the financial performance and capital structure of four key travel tech startups such as Easy Trip Planners Ltd, Le Travenues Technology Ltd, TBO Tek Ltd and Yatra and their financial parameters like the Debt to Asset and Debt to Equity ratio, Net Profit, Return on Capital Employed (ROCE) and Return on Equity (ROE). This paper explores the relationship between profitability and financial leverage in order to determine how debt affects the financial leverage of a firm and its stability and growth through a correlation and p value analysis.

The analysis shows that the Easy Trip Planners Ltd has good financial health with high profitability, efficient capital utilization and low volatility, which is a sign of growth in the industry. Le Travenues Technology Ltd and Yatra whose profitability and financial efficiency are also not very robust. With modest debt profitability related correlations, TBO Tek Ltd had mixed financial performance. With what this research provides for insights about how financial strategies affect how growth and sustainability happen, these may be used by emerging startups and investors. The borrowed money is being spent on reducing debt management, operational efficiency and risk mitigation, which together form the key for achieving the long term success.

Keywords : Financial Performance, Travel Tech Startups, Capital Structure, Startup Financing

1. Introduction

This research explores financial outcomes of travel tech startups operating on India's public markets which saw strong growth from digital technology adoption and government tourism programs. Dynamic changes in India's travel tech sector create growth potential for startups yet brings major difficulties too. The travel tech industry presents serious barriers for new players who must fight with strong competitors while trying to expand their business while keeping their finances steady. We aim to explore what links between funding methods and financial results help travel tech companies thrive using real numbers. Our quantitative study analyzes Indian travel tech startups through systematic financial data evaluation to develop useful conclusions. This research explains the money flows of India's travel tech industry to help entrepreneurs, investors, and policymakers understand and seize new business possibilities in this rapidly changing sector.

2. Literature Review

Corporate finance experts have studied and discussed the effect of capital structure on firm profitability thoroughly through many scientific studies. Based on Modigliani and Miller's (1958) research, capital structure does not affect firm value when markets are perfect, taxes do not exist, and investors maintain the same financial outlook. Later studies have disproved the initial theory so researchers now focus on the static trade-off theory and the pecking order theory. According to Myers and Majluf's (1984) theory firms seek an ideal capital mix where tax advantages from borrowing match the risks of bankruptcy. The theory developed by Myers and Majluf (1984) states that firms start their capital structure planning by using their own funds, then borrow money, and finally seek external funding through equity sales because internal managers know more details than outside investors.

Mounting evidence from studies about how capital structure affects profitability exhibits conflicting results across multiple business sectors and territories. Research shows that leveraging mostly short-term debt helps businesses become more profitable according to Goyal (2013) studies. Scholars believe the tax benefits of debt help explain these positive findings. Research evidence shows that adding substantial debt may reduce profits as it increases the chance of business failure according to Kim et al., 2023. Science has yet to establish a clear pattern between how quickly companies pay their bills and their profitability numbers although experts still study this topic. Research shows mixed findings between firm size and the relation between capital structure and profit margins

Numerous research studies have utilized methods to investigate the connection, between capital structure and profitability levels in businesses. Regression analysis stands out as a technique employed to explore how different factors of capital structure (such as debt to equity ratio and debt to assets ratio) correlate with measures of profitability (such as return on equity and return, on assets) as highlighted by Goyal (2013) and Anand and Bais (2022). DuPont analysis is a method that breaks down return, on equity into its parts. Profit margin, asset turnover and equity multiplier. It has also been employed to evaluate the performance of companies (Sheela and Karthikeyan 2012). On the hand DEA has become increasingly popular as a tool, for gauging firms efficiency by taking into account various inputs and outputs to evaluate profitability efficiency (Kim et al., 2023).The method chosen can greatly impact the results obtained from a study; thus emphasizing the importance of assessing the research query and the specifics of the data.

Research related to the e commerce industry has shown a focus, on delving into the aspects of these enterprises lately. Various studies have looked into how the capital structure influences the profitability of e commerce firms by taking into account factors like capital needs and fierce market competition amid rapid technological advancements within this field (Anand and Bais 2022). Nevertheless it's worth noting that the scarcity of long term data and the diverse nature of e commerce operations present obstacles, for conducting analyses. In the future researchers need to overcome these constraints by gathering a range of data and utilizing analytical methods to better comprehend the financial success of online retail businesses.

3. Objectives

This study determines how capital structure affects profitability for public travel tech startups. Our research assesses the ability of listed travel tech startups to succeed financially by monitoring their profits and growth rates. This research identifies how profitability relates to a company's financial structure. Some other specific objectives are:-

- To analyze the financial stability, profitability and growth performance of listed travel tech startups.
- To identify and analyze the relationship between profitability and capital structure.

4. Hypothesis

H0: There is no significant relationship between the capital structure and profitability of listed travel tech startups.

H1: There is a significant relationship between the capital structure and profitability of listed travel tech startups.

5. Methodology

- To meet our research goals we have chosen to use ratio analysis. We use these figures to confirm the link between capital structure and profitability.

Profitability Ratio (Independent Variable)	**Leverage Ratio (Dependent Variable)**
Net Profit Ratio	Debt to Equity Ratio
Return on Capital Employed Ratio	Debt to Assets Ratio
Return on Equity	

- Profitability Ratio:- Evaluates the performance of the business.
  - ➢ Net Profit Margin Ratio:- The rate shows how likely companies make money from their overall revenue.
  - ➢ Return on Capital Employed:- The ratio shows how well companies put their obtained funds to work to make money.
  - ➢ Return on Equity:- ROE shows a company's success at generating profits along with its efficiency in using assets. Higher Return on Equity (ROE) shows that company's managers handle equity investments for better profits.
- Leverage Ratio:- Capitalization ratios provide an investor with essential data to assess possible impact of the company's financing structure on new investments.
  - ➢ Debt to Equity Ratio:- It shows exactly what portion of operations a business pays for through loans versus cash held exclusively by owners.
  - ➢ Debt to Asset Ratio:- The comparison shows how frequently organizations use borrowed money for funding operations. When companies use leverage more they face greater financial risk.
- The study is based on secondary data and the data are gathered through Annual Reports of listed Travel Tech Startups. For our research study 6 financial years i.e. from 2018-2019 to 2023-2024 is taken into account.

Table 1: Sample Units

S.No:	Startup Name
1.	EASY TRIP PLANNERS LTD
2.	LE TRAVENUES TECHNOLOGY LTD
3.	TBO TEK LTD
4.	YATRA

- Research uses the quantitative approach to determine the results. Using the published data from sources makes the quantitative approach perfect for our research design. We have use statistical tools to explain why the data points show variation. Our analysis requires examining the data we gathered. Our research evaluated hypothesis results at the 5% statistical significance benchmark. All statistical tests produce results for analysis at a 2-tailed level of confidence. Also we used statistical techniques that combine data summaries and conclusions.

Descriptive statistics show how the variables in a research study behave and display their main characteristics. We simplify big groups of data into simple average values and percentage figures for better understanding. Using inferential statistics analyses for our research findings to show if they have valid results that can be applied beyond the study sample. To test our research hypothesis we used a correlation analysis as an inferential test.

Table 2: Company-Wise Financial Ratios of Listed Travel Tech Start-ups in India (2019-2024) [numbers in times and percentage]

Metric	Company	March 2019	March 2020	March 2021	March 2022	March 2023	March 2024
Debt to Asset	Easy Trip Planners Ltd	0.72	0.64	0.57	0.49	0.43	0.23
	Le Travenues Technology Ltd	4.30	4.21	0.83	0.36	0.36	0.29
	TBO TEK Ltd	0.81	0.70	0.65	0.82	0.87	0.89
	Yatra	0.81	0.76	0.78	0.82	0.75	0.39
Debt to Equity	Easy Trip Planners Ltd	2.58	1.75	1.30	0.97	0.74	0.29
	Le Travenues Technology Ltd	0.00	0.00	5.06	0.57	0.56	0.42
	TBO TEK Ltd	4.13	2.30	1.82	4.48	6.52	7.91
	Yatra	4.14	3.12	3.55	4.42	3.01	0.63
Net Profit	Easy Trip Planners Ltd	24%	25%	45%	46%	34%	25%
	Le Travenues Technology Ltd	-142%	-24%	-4%	1%	-1%	-2%
	TBO TEK Ltd	6%	13%	-24%	7%	14%	15%
	Yatra	-25%	-10%	-95%	-16%	2%	-1%
Return on Capital Emp	Easy Trip Planners Ltd	70%	59%	65%	66%	55%	30%
	Le Travenues Technology Ltd	-449%	-126%	14%	-8%	6%	15%
	TBO TEK Ltd	44%	42%	-12%	21%	53%	42%
	Yatra	-109%	-13%	-37%	-11%	14%	4%
Return on Equity	Easy Trip Planners Ltd	35%	34%	38%	45%	38%	19%
	Le Travenues Technology Ltd	0%	0%	25%	-7%	6%	17%
	TBO TEK Ltd	16%	30%	-17%	15%	42%	37%
	Yatra	-91%	-33%	-96%	-31%	5%	-1%

Source: Annual Reports

6. Results and Analysis

Table 3: Comprehensive Financial Metrics Analysis: Averages, Volatility, Growth, and Skewness (Descriptive Statistics)

Metrics	Easy Trip Planner	Le Travenesus	TBO TEK LTD	Yatra
Average Ratios				
Avg Debt to Asset	0.514	1.725	0.79	0.7184
Avg Debt to Equity	1.2716	1.1017	4.527	3.145
Avg Net Profit	0.3316	-0.287	0.0517	-0.2417
Avg ROCE	0.575	-0.914	0.317	-0.254
Avg ROE	0.3484	0.0684	0.205	-0.4117

Volatility Measures				
Debt to Asset Volatility	0.17305	1.9693	0.09528	0.16314
Debt to Equity Volatility	0.80977	1.95634	2.36067	1.3508
Net Profit Volatility	0.10225	0.56269	0.14770	0.36074
ROCE Volatility	0.14487	1.83274	0.23838	0.44500
ROE Volatility	0.08658	0.11990	0.21361	0.43370
Growth Rates (%)				
Net Profit Growth	4.17	98.5915	150	96
ROE Growth	-45.7142	0	131.25	98.9010
Skewness				
Net Profit Skewness	0.3917	-1.6900	-1.54229	-1.50112
ROE Skewness	-0.9638	0.47793	-0.84748	-0.33254
ROCE Skewness	-1.28383	-1.4920	-1.14318	-1.23402
Source: Author’s Calculation				

A. Descriptive Statistics Analysis

1. Average Ratios: Assessing Overall Performance

Metric	Insights
Avg Debt to Asset	Le Travenesus depends extensively on loans as its top financial leverage stands at (1.725). Easy Trip Planner sticks to low debt levels which shows up in its financial report with a (0.514) leverage ratio.
Avg Debt to Equity	The high use of debt compared to equity makes Yatra (3.145) and TBO TEK LTD (4.527) riskier financial investments than other companies from this group. Easy Trip Planner shows equal parts debt and equity usage in its financial structure (1.2716).
Avg Net Profit	Easy Trip Planner delivers consistent profitability because its average net profit total stands at (0.3316). Le Travenesus and Yatra track negative profits which means they lose money consistently or stand weak financially.
Avg ROCE	TBO TEK LTD owns the top ROCE mark (0.317) showing they maximize capital usage even with minimal gains. Le Travenesus and Yatra fail to deliver returns on invested capital according to their negative ROCE measure.
Avg ROE	Easy Trip Planner generates the most returns for investors as proven by its (0.3484) ROE ratio. Yatra's return on equity stands at (-0.4117) showing investors suffered losses with their investment.

2. Volatility Measures: Examining Risk

Metric	Insights
Debt to Asset Vol	One Travenesus displays the most financial leverage changes because its volatility stands at (1.9693). TBO TEK LTD maintains the most reliable results (0.09528) when it comes to debt-to-asset volatility.

Debt to Equity Vol	TBO TEK LTD comes in first with a debt management volatility score of (2.36067). Easy Trip Planner keeps its debt-equity ratio at (0.80977) across periods.
Net Profit Vol	Le Travenesus returns fluctuate unpredictably at a level of (0.56269). Easy Trip Planner demonstrates very low stability in operations at (0.10225).
ROCE Vol	Our analysis reveals Le Travenesus shows high volatility at (1.83274) because its business results remain unpredictable. The stability in TBO TEK LTD's operations stands at (0.23838).
ROE Vol	Relative to other Travel Tech startups Yatra (0.43370) and Le Travenesus (0.11990) produced widely different yearly returns to shareholders. Easy Trip Planner maintains the lowest risk rating among the companies.

3. Growth Rates: Evaluating Performance Over Time

Metric	Insights
Net Profit Growth	The performance of TBO TEK LTD surged 150% which demonstrated better profits than before. Easy Trip Planner keeps making modest progress in its results at 4.17%. Le Travenesus and Yatra delivered impressive revenue growth of 98.5915% and 96% respectively, yet their profit bottoms benefitted more than long-term success.
ROE Growth	Our analysis shows TBO TEK LTD leads other companies in ROE growth by 131.25% because it effectively uses equity through time. The company Yatra demonstrates promising business development of 98.9010%. Easy Trip Planner's results suggest difficulties keeping returns for shareholders even after posting profits.

4. Skewness: Distribution of Metrics

Metric	Insights
Net Profit Skewness	Le Travenesus, TBO TEK LTD, and Yatra reported negative profit patterns and operational weaknesses based on their skewness numbers. Easy Trip Planner shows higher profitability numbers than lower ones as seen through its positive skewness measurement of (0.3917).
ROE Skewness	The positive skewness of (0.47793) at Le Travenesus demonstrates occasional top ROE results while poor returns happen often. ROE performance trends downward for many companies with their strong returns appearing sporadically.
ROCE Skewness	Startup data shows numerous poor ROCE periods compared to strong periods throughout their operations.

B. Correlation Analysis

1. Easy Trip Planners Ltd: Correlation & P-Value Matrix

Dependent Variable	Independent Variable		
	Net Profit	ROCE	ROE
Debt to Asset	-0.03541 **(0.94690)**	0.87749 **(0.02159)**	0.54368 **(0.26198)**
Debt to Equity	-0.28649 **(0.58201)**	0.73380 **(0.09685)**	0.30526 **(0.55632)**

Source: Author's Calculation

- Debt to Asset as the Dependent Variable

Independent Variable	**Correlation Coefficient**	**P-Value**	**Interpretation**
Net Profit	-0.03541	0.94690	There is neither an association nor a correlation trend between profit and debt-to-asset ratios. Profitability does not influence Debt to Asset. There is extremely high p-value.
ROCE	0.87749	0.02159	Strong positive connection shows up in our data and is highly reliable ($p < 0.05$). Strong ROCE performance increases debt usage throughout company assets.
ROE	0.54368	0.26198	Positive relations exist moderately between these variables but they do not reach statistical significance. Debt to Asset shows weak association with Return on equity despite that connection's impact.

- Profitability levels have no impact on how the start-up establishes its asset-based financing strategy. Businesses with more effective capital use show higher asset-based leverage in our findings.
- ROCE significantly impacts Debt to Asset, meaning that firms with better capital efficiency tend to have higher asset-based leverage. By using debt effectively the business generates higher returns. Equity returns have a weak and non-statistically important effect on how much funds the company uses to buy assets, significantly impacts Debt to Asset, meaning that firms with better capital efficiency tend to have higher asset-based leverage. This suggests that the company uses debt efficiently to generate returns.
- ROE has a weak positive but statistically insignificant effect on Debt to Asset, indicating that equity returns alone do not drive leverage decisions.

- Debt to Equity as the Dependent Variable

Independent Variable	**Correlation Coefficient**	**P-Value**	**Interpretation**
Net Profit	-0.28649	0.58201	Debt to Equity ratio shows very little response to changes in net profit. The statistical results lack significance. The relationship between net profit and this ratio remains generally weak even when comparing mathematical significance.
ROCE	0.73380	0.09685	A moderate connection appears between ROCE and Debt to Equity but the results are not dependable statistically. Debt to Equity Ratio increases when ROCE grows yet the results have limited statistical validity.

ROE	0.30526	0.55632	This shows a weak positive link between ROE and Debt to Equity ratio measurements but statistical tests find this connection is not significant. Debt to Equity relationships show little connection to Return on Equity results.

- Changes in net profit will not push start-ups to adopt more or fewer debt financing arrangements compared to equity sources. Companies that use their capital efficiently tend to borrow more money than equity capital as indicated by ROCE analysis.
- ROCE has a moderate impact on Debt to Equity, suggesting that companies with better capital efficiency might take on more debt relative to equity. Our statistics show this link lacks solid proof after examination. Return on equity demonstrates a negligible impact on how the company mixes debt and equity relative to debt.
- ROCE has a moderate impact on Debt to Equity, suggesting that companies with better capital efficiency might take on more debt relative to equity. However, the p-value indicates that this relationship is not fully reliable.
- ROE shows a weak and insignificant effect on Debt to Equity, meaning that return on equity is not a major factor influencing the start-up's financing mix.

2. LE TRAVENUES TECHNOLOGY LTD: Correlation and P-Value Matrix

Dependent Variable	Independent Variable		
	Net Profit	ROCE	ROE
Debt to Asset	**-0.75591 (0.08209)**	**-0.83150 (0.04019)**	**-0.38456 (0.45150)**
Debt to Equity	**0.30598 (0.55535)**	**0.37911 (0.45857)**	**0.74895 (0.08662)**

Source: Author's Caluclation

➢ Debt to Asset as the Dependent Variable

Independent Variable	**Correlation Coefficient**	**P-Value**	**Interpretation**
Net Profit	-0.75591	0.08209	The link between Net Profit and Debt to Asset runs in the opposite direction and shows a weak connection that nearly reaches statistical acceptance. Firms with greater profits tend to have smaller debt amounts than other start-ups.
ROCE	-0.83150	0.04019	A firm-size relationship exists with robust results that statistically reach meaningful significance at the 0.05 level. Firms that use their capital efficiently need less debt to operate their business.
ROE	-0.38456	0.45150	Statistics prove the connection between return on equity and debt to asset weakly causes debt decline. ROE does not significantly impact Debt to Asset.

- Net Profit make asset leverage decrease substantially. Our statistical results show the relationship between these variables is on the edge of being meaningful so it needs careful interpretation. Debt to Asset decreases significantly at businesses with efficient capital usage as they prefer smaller amounts of financial leverage. The impact of shareholder returns on asset leverage decisions is too small to detect. This suggests borderline significance, so this relationship should be interpreted with caution.

- ROCE is significantly and negatively related to Debt to Asset, indicating that start-ups with efficient capital utilization prefer lower leverage.
- ROE has a weak and insignificant effect on Debt to Asset, suggesting that shareholder returns do not drive asset-based leverage decisions.

➢ Debt to Equity as the Dependent Variable

Independent Variable	**Correlation Coefficient**	**P-Value**	**Interpretation**
Net Profit	0.30598	0.55535	Debt to Equity shows a very limited response to changes in Net Profit but is not significant in the statistical results.
ROCE	0.37911	0.45857	A slight positive link exists between these data without confirming statistical relevance. The outcome shows Debt to Equity does not affect ROCE. Higher Return on Capital does not have a substantial impact on Debt to Equity levels.
ROE	0.74895	0.08662	Strong link increases returns on equity often show up just above normal level of significance when compared to debt and equity levels. Debt to Equity levels tend to increase as companies achieve better Return on Equity.

- The relationship between start up profitability and debt usage is faint and unimpactful since changes in earnings do not affect how start-ups prefer between debt and equity financing. High capital efficiency in a business does not lead to greater use of funds raised through equity rather than debt according to ROCE analysis. Start-ups with higher returns on equity favour more debt financing than equity.
- ROCE shows a weak, insignificant positive relationship with Debt to Equity, suggesting that companies with better capital efficiency do not necessarily use more equity financing relative to debt.
- ROE has a strong positive correlation with Debt to Equity, implying that start-ups with higher shareholder returns tend to have a higher debt-equity ratio. The data implies that companies with good returns on equity successfully employ debt to improve stakeholder value.

3. TBO TEK LTD: Correlation and P-Value Matrix

Dependent Variable	Independent Variable		
	Net Profit	ROCE	ROE
Debt to Asset	**0.73039 (0.09923)**	**-0.83150 (0.04019)**	**-0.38456 (0.45150)**
Debt to Equity	**0.30598 (0.55535)**	**0.37911 (0.45857)**	**0.74895 (0.08662)**

Source : Author's Calculation

➢ Debt to Asset as the Dependent Variable

Independent Variable	**Correlation Coefficient**	**P-Value**	**Interpretation**
Net Profit	0.73039	0.09923	The relationship between high Net Profit and high Debt to Asset levels shows a strong connection but only just meets statistical requirements. More money from operating activities leads to increasing debt usage in company operations.

ROCE	-0.83150	0.04019	High performance numbers produce clear statistical results showing a connection between better returns on capital and smaller Debt to Asset levels. Start-ups that use their capital more efficiently (ROCE) need less debt to operate (Debt to Asset ratio).
ROE	-0.38456	0.45150	Measurements show a weak relationship between (return on equity) ROE and debt-to-asset levels that is statistically unproven. ROE does not strongly impact Debt to Asset levels

- When the business earns more profit it relies more heavily on using debt compared to its assets. The analysis shows a barely significant connection between these measures. Start-ups that put resources to better use show lower debt levels according to our results relative to assets. However, the p-value is slightly above 0.05, so this relationship is only borderline significant.
- ROCE is significantly and negatively related to Debt to Asset, implying that firms with better capital efficiency tend to have lower debt levels. When businesses use their capital well they need less external debt .Shareholder returns demonstrate a minor non-significant relationship to the company's total assets and debt ratio.
- ROCE is significantly and negatively related to Debt to Asset, implying that firms with better capital efficiency tend to have lower debt levels. This suggests that efficient use of capital reduces reliance on debt financing.
- ROE has a weak and insignificant impact on Debt to Asset, indicating that shareholder returns do not strongly influence the company's debt structure in terms of assets.

➢ Debt to Equity as the Dependent Variable

Independent Variable	**Correlation Coefficient**	**P-Value**	**Interpretation**
Net Profit	0.30598	0.55535	There is little connection between Debt to Equity and Net Profit levels in baseline findings. Debt to Equity does not show direct relationship with Net Profit.
ROCE	0.37911	0.45857	This shows a small but not meaningful connection. The connection proves to be unrelated to Debt to Equity. ROCE does not have any meaningful impact on how much debt a firm should carry relative to shareholder equity value.
ROE	0.74895	0.08662	It shows a strong positive relationship between debt levels and return on equity measures. However, the results only approach statistical significance. Start-ups with better profitability often take on heavier amounts of debt.

- Profitability makes little change in how much money the company borrows compared to issuing new shares. Start-ups that use their capital more effectively do not automatically choose to fund operations with more equity compared to debt. Start-ups that deliver better returns to investors also accept more debt relative to equity in their balance sheet.
- ROCE shows a weak, insignificant positive relationship with Debt to Equity, suggesting that start-ups with better capital efficiency do not necessarily use more equity financing relative to debt.
- ROE has a strong positive correlation with Debt to Equity, implying that start-ups with higher shareholder returns tend to have a higher debt-equity ratio. Firms with good ROE probably find effective methods to combine debt with equity to boost shareholder returns.

4. YATRA: Correlation and P-Value Matrix

Dependent Variable	Independent Variable		
	Net Profit	ROCE	ROE
Debt to Asset	-0.3330 (0.51885)	-0.40780 (0.42220)	-0.5173 (0.29325)
Debt to Equity	-0.3334 (0.518313)	-0.49603 (0.31696)	-0.56766 (0.23996)

Source : Author's Calculation

- Debt to Asset as the Dependent Variable

Independent Variable	Correlation Coefficient	P-Value	Interpretation
Net Profit	-0.3330	0.51885	Changes in Net Profit show no direct link to changes in Debt to Asset. Higher net profits do not affect total company assets when measured using debt to asset ratios.
ROCE	-0.40780	0.42220	It shows low but unreliable negative connection between ROCE and Debt to Asset. An increase in ROCE produced a small decrease in the Debt to Asset ratio yet this relationship was too weak to show statistical significance.
ROE	-0.5173	0.29325	It shows a weak negative relation between these two factors that does not reach statistical significance. Higher debt levels on the balance sheet regularly reduce companies return on equity.

- Debt use in company operations shows small linkages to profitability as measured by Net Profit. Better capital efficiency leads to lighter debt usage but the relationship between them is not statistically meaningful. When companies generate better returns for their shareholders they usually reduce the percentage of assets they finance through debts.
- ROCE shows a moderate negative relationship, implying that firms with better capital efficiency may use less debt relative to assets, though the relationship is not statistically significant.
- ROE also has a moderate negative correlation, meaning companies with higher shareholder returns tend to have a lower Debt to Asset ratio.

- Debt to Equity as the Dependent Variable

Independent Variable	Correlation Coefficient	P-Value	Interpretation
Net Profit	-0.3334	0.51831	The connection between net profit and debt to equity remains unproven. There is no meaningful connection between Net Profit and Debt to Equity.
ROCE	-0.49603	0.31696	The link between capital efficiency and debt level shows up as a weak opposing pattern. Start-ups that manage their capital more effectively generally use less debt funds compared to how they fund operations.
ROE	-0.56766	0.23996	Strong links show how debt levels fall when shareholder returns increase yet do not reach significant measurement standards. Start-ups with superior stock market performance show less dependence on high levels of debt compared to capital invested by shareholders.

- Profitability shows very little connection to Debt to Equity numbers. When start-ups generate more effective returns they depend less on debt financing than on shareholder investment according to our results. The relationship with Debt to Equity, suggesting that as companies become more efficient in generating returns, they rely less on debt financing relative to equity. Our analysis shows a strong connection between these factors but the outcome remains uncertain due to the high p-value result. Debt to Equity shows a strong negative link with ROE (-0.56766) since successful start-ups normally keep lower debt compared to equity.
- ROE has the strongest negative correlation with Debt to Equity (-0.56766), implying that start-ups with better shareholder returns tend to maintain a lower debt-equity ratio. The relationship between these variables is not statistically important despite showing some connection.

7. Conclusion

An in depth study of the financial performance and capital structure of Easy Trip Planners Ltd, Le Travenues Technology Ltd, TBO Tek Ltd and Yatra has shed some light on the activity and relationship between the rate of leverage (Debt to Asset, Debt to Equity) and Financial Performance Indicators (Net Profit, ROCE, ROE). Easy Trip Planners Ltd had strong positive correlations between Debt to Asset and ROCE and the values of 0.87749, p = 0.02159. At the same time the correlation of ROCE and ROE was 0.85856, p = 0.02858 indicating that effective debt manageably increases operational effectiveness. On the other hand, Le Travenues Technology Ltd had correlations that were negative between Debt to Asset and financial performance. For instance, it had correlations of -0.75591 with Net Profit, -0.83150 with ROCE, and -0.38456 with ROE, which means that too much dependence on debt resulted in decreased profits and reduced operational functionality. TBO Tek Ltd had moderate positive correlations of 0.73039, p = 0.09923 between Debt to Asset and Net Profit, which indicates that some advantages of these metrics may be gained, however this was too weak in significance for practical purposes. This means that Yatra had weak to moderate negative correlations across all financial metrics meaning high debt did not help increased profits nor operational capital efficiency. Consolidating all the information, Easy Trip Planners Ltd emerged as the most stable entity, demonstrating strong levels of ROCE and ROE, whereas Le Travenues Technology Ltd and Yatra were financially unstable and unprofitable with inefficient utilization of capital. Due to some positive correlations, TBO Tek Ltd displayed moderate stability although with limited statistical significance. Companies such as Le Travenues Technology Ltd and Yatra, whose profitability is low but capital gearing is high, are at risk of losing investor's trust. In contrast, stable companies like Easy Trip Planners Ltd are able to sustain positive growth because they strike a good balance between leverage and profit. The results point out that mismanagement of high debt countries can be equally damaging as profitable. Strategic sanctions are needed for startups with high leverage to operate successfully. High dependence on debt, as witnessed in Le Travenues Technology Ltd and Yatra, is detrimental to performance. On the other hand, when used strategically, debt can be good, as was the case with Easy Trip Planners Ltd, which made extensive use of equity finance but achieved high returns. So it is concluded that according to Easy Trip Planners and Le Travenues Technology Ltd the null hypothesis get rejected as there is significant relationship between capital structure and profitability and for TBO Tek Ltd and Yatra, it fails to reject null hypothesis.

8. References

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