ECON F212: Fundamentals of Finance and Accounting

Project Report on Trend Analysis of Companies Based on Various Financial Ratios

Under the guidance of

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GROUP 28

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ASSIGNED COMPANIES

ORICONENT

IFBAGRO

ONMOBILE

IGARASHI

TABLE OF CONTENT

PART 1: ACCOUNTING

ORICON ENTERPRISES LTD.

ORICON
ENTERPRISES LTD

INTRODUCTION

Nature of Business

Oricon Enterprises Ltd. is involved in a range of various things. At the heart of it, it's famous for manufacturing packaging materials such as metal and plastic drums that are utilized in industries to securely store and ship products. However, that's not the whole picture — the company is involved in petrochemical trading too and even operates in marine logistics. Essentially, it has fingers in quite a number of industrial segments.

Public or Private Ownership

Oricon is a listed company, hence it is owned by the public. Anyone can purchase its shares on the stock market. It's listed at the Bombay Stock Exchange (BSE), therefore it is guided by the directives and guidelines specified for listed companies. This further implies that it gives the public regular information on its performance.

Origin of the Company

The company has existed since 1968, so it's experienced a lot of ups and downs over the years. It began primarily dealing with packaging, but eventually, it branched out into other fields such as trading and logistics. Such growth indicates it's managed to adapt to changing times.

Overall Greatness of the Company

Oricon may not be a household name, but it's one of those consistent firms that quietly does its thing. It's been going on for decades, has diversified businesses to fall back on, and still tends to key industrial sectors. That resilience and versatility are what make it a solid, reliable presence.

Note: For the following tables, the year column refers to the financial year, for example 2021 implies 1st April 2020 to 31st March 2021.

LIQUIDITY RATIOS TABLE

Year	Current Ratio	Acid-Test ratio	Cash ratio	Operating cash flow ratio
2021	2.89	2.22	1.07	-
2022	2.24	1.80	0.93	-
2023	2.60	1.87	0.60	-
2024	1.20	0.98	0.47	-
2025	6.88	6.31	3.60	-
				-
Average	3.16	2.64	1.33	-
Min	1.20	0.98	0.47	-
Max	6.88	6.31	3.60	-

LEVERAGE FINANCIAL RATIOS TABLE

Year	Debt Ratio	Debt to equity ratio	Interest coverage ratio	Debt service coverage ratio
2021	0.26	0.35	-0.09	0.31
2022	0.21	0.27	14.09	15.64
2023	0.17	0.20	0.61	2.11
2024	0.18	0.22	-1.03	3.02
2025	0.07	0.08	-13.57	-0.59
Average	0.18	0.22	0.00	4.10
Min	0.07	0.08	-13.57	-0.59
Max	0.26	0.35	14.09	15.64

EFFICIENCY RATIOS TABLE

Year	Asset turnover ratio	Inventory turnover ratio	Receivables turnover ratio	Days sales in inventory ratio
2021	0.29	3.67	2.95	99.46
2022	0.32	4.58	3.79	79.69
2023	0.12	1.39	1.26	262.59
2024	0.10	3.82	3.99	95.55
2025	0.15	2.59	2.81	141.18
Average	0.20	3.21	2.96	135.69
Min	0.10	1.39	1.26	79.69
Max	0.32	4.58	3.99	262.59

PROFITABILITY RATIOS TABLE

Year	Gross margin ratio(%)	Operating margin ratio(%)	Return on assets ratio(%)	Return on Equity ratio(%)
2021	54.95	-0.45	-0.13	-0.21
2022	44.13	32.38	8.33	11.09
2023	65.40	2.24	1.20	1.44
2024	74.65	-7.01	2.09	2.55
2025	28.86	-16.04	10.65	12.06
Average	53.60	2.22	4.43	5.39
Min	28.86	-16.04	-0.13	-0.21
Max	74.65	32.38	10.65	12.06

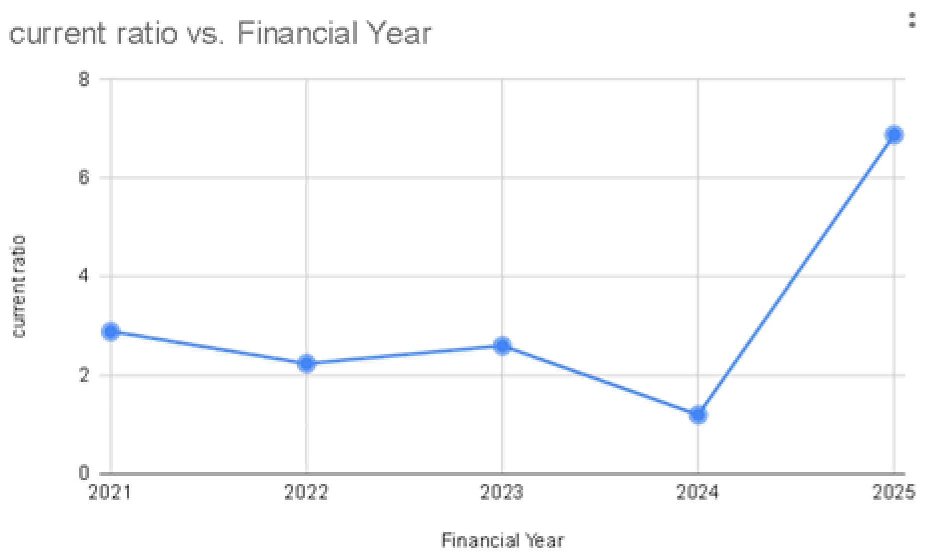
MARKET VALUE RATIOS

Year	Book value per share ratio	Dividend yield ratio	Earnings per share ratio	Price-earnings ratio
2021	58.81	1.38%	-0.12	
2022	73.34	1.00%	8.14	17.71
2023	65.75	2.99%	0.95	17.58
2024	74.80	1.38%	1.91	18.98
2025	86.81	1.29%	0.20	116.67
Average	71.90	1.61	2.22	42.735
Min	58.81	1.00	-0.12	17.58
Max	86.81	2.99	8.14	116.67

TREND ANALYSIS AND ECONOMIC INFERENCES

1. LIQUIDITY RATIOS:

a) Current Ratio



• Current ratio determines a firm's capacity to settle short-term liabilities, which is computed by dividing current assets by current liabilities.

• Higher current ratio signals good short-term financial health with figures greater than 1 illustrating the ability of the company to meet its short-term obligations.

•\tThe ratio varied between FY2021-FY2023, declined significantly in FY2024 to a record low, and jumped considerably in FY2025 to an all-time high.

• The recent sharp rise in FY2025 indicates a drastic improvement in Oricon's liquidity position, perhaps because of higher current assets, lower current liabilities, or both.

b) Acid-Test Ratio

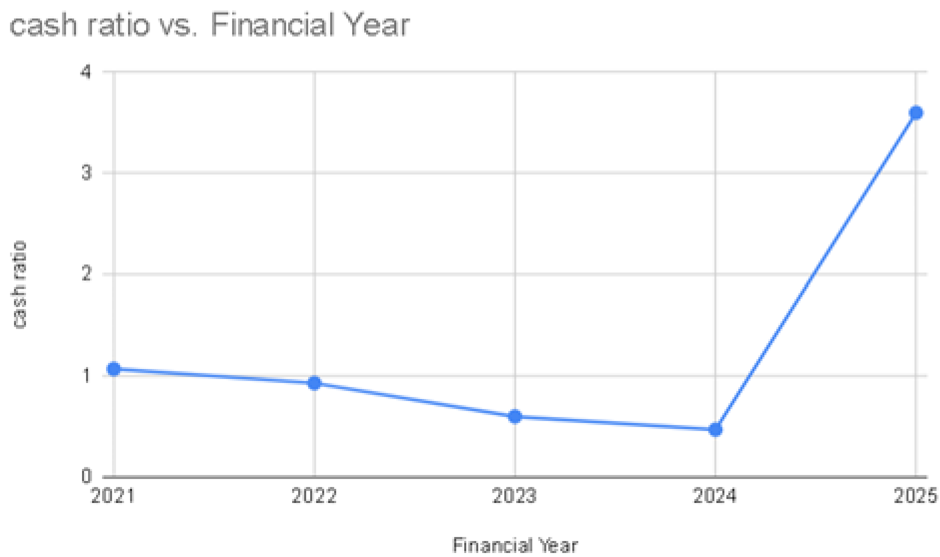
• Current ratio is a measure of a company's capacity to settle short-term obligations, determined by dividing current assets by current liabilities.

•A greater current ratio signifies improved short-term financial health, with a result over 1 indicating the company is able to pay its short-term debts.

•The ratio was fairly consistent from FY2021 through FY2023 (approximately 2.0), decreased sharply in FY2024 to its lowest (approximately 1.0), and jumped highly in FY2025 to more than 6.0.

• The sudden spike in FY2025 would be on account of a drastic decrease in current liabilities (from 349.49 Cr in FY2024 to around 90 Cr as of Q3 FY2025) along with sustained or raised current assets, indicating a marked improvement in the short-term liquidity position of Oricon.

c) Cash Ratio



•Current ratio gauges a firm's short-term capacity to meet obligations, computed as current assets divided by current liabilities.

•The higher the current ratio, the stronger the short-term finances, with a ratio greater than 1 reflecting that the firm has the ability to pay for its short-term obligations.

•The ratio was fairly consistent from FY2021 to FY2023 (approximately 2.0), declined sharply in FY2024 to a low (approximately 1.0), and then jumped high in FY2025 to more than 6.0.

•Cash ratio indicates how well the company can pay off its near-term liabilities with only its most liquid resources (cash and marketable securities), obtained by dividing marketable securities and cash by current liabilities.

•Higher cash ratio reflects stronger short-term liquidity position, although too high a ratio could reflect inefficient utilization of resources available for better return.

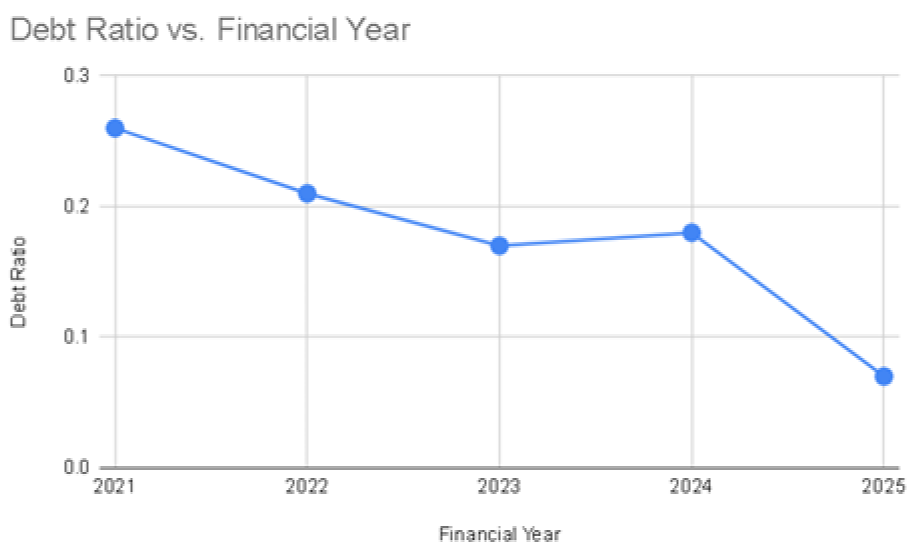
•The ratio declined steadily from FY2021 to FY2024, its lowest point, before jumping significantly higher in FY2025 to its peak during the five-year period.

•The dramatic rise in FY2025 implies that Oricon has considerably improved its short-term liquidity position

• The steep rise in FY2025 is attributed to a sizeable decrease in current liabilities (from 349.49 Cr in FY2024 to around 90 Cr as of Q3 FY2025) along with sustained or rising current assets, indicating an improvement of considerable magnitude in Oricon's short-term liquidity situation.

2. LEVERAGE FINANCIAL RATIOS

a) Debt Ratio



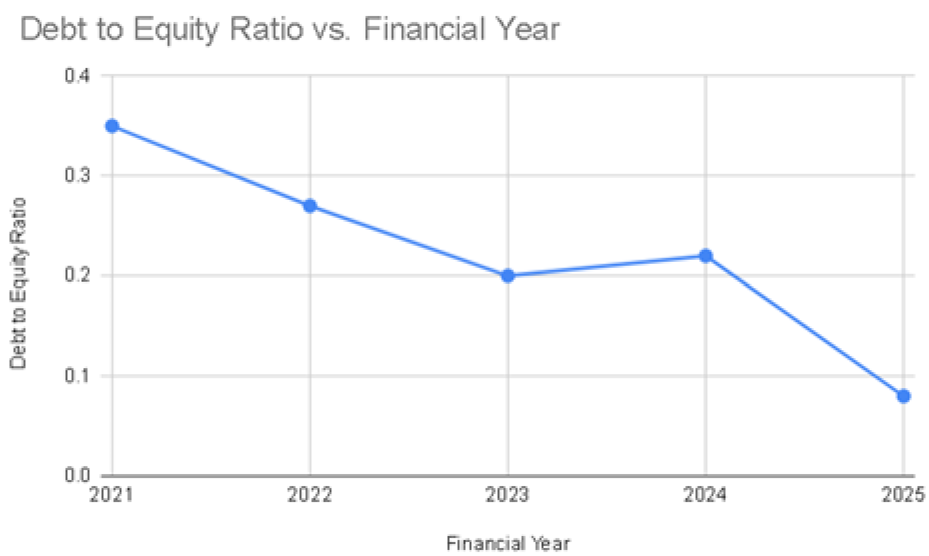
• Debt ratio quantifies the percentage of a firm's assets that are funded by debt, determined by dividing total debt by total assets.

• A low debt ratio suggests better financial health since it signifies that the firm has more assets than debt and is less leveraged, decreasing financial risk.

•The ratio declined consistently from FY2021 to FY2023, rose marginally in FY2024, and then sharply declined in FY2025 to its lowest level.

•This huge decrease in the debt ratio of Oricon by FY2025 reflects that the company has significantly reduced its debt financing dependence, becoming nearly debt free, which enhances its financial stability and makes it less susceptible to interest rate changes.

b) Debt to Equity Ratio



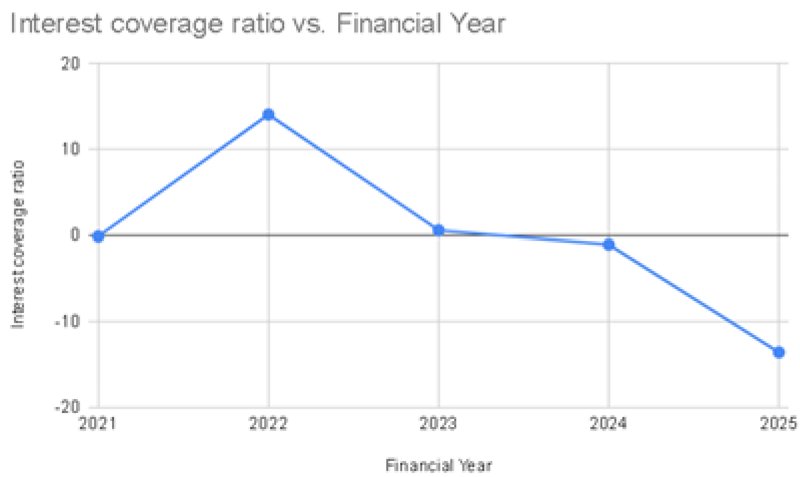
•Debt to equity ratio is the comparison of the total debt of a company to the equity of its shareholders, and it is computed by dividing the total debt by the shareholders' equity.

•Less financial risk is implied by a lower ratio as the company is utilizing less debt to fund its operations compared to equity.

•The ratio decreased consistently from FY2021 to FY2023, increased slightly in FY2024, and dropped sharply in FY2025 to its lowest level.

• This general downward trend indicates Oricon has been consistently lowering its financial leverage, with the steep decline in FY2025 reflecting the company has significantly lowered its use of debt financing compared to equity capital.

c) Interest Coverage Ratio



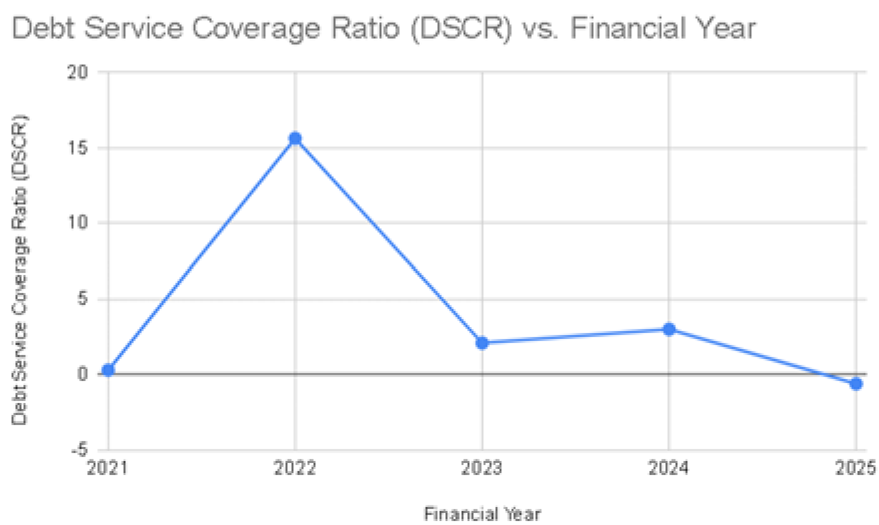
•Interest coverage ratio gauges a firm's capacity to pay interest on its outstanding debt, which is computed by dividing earnings before interest and taxes (EBIT) by interest expenses.

•A higher ratio signifies greater capability to fulfill interest obligations, whereas a negative ratio implies the firm is not generating sufficient operating income to repay interest.

•The ratio began around zero in FY2021, reached a very high point in FY2022, decreased to positive in FY2023, became negative in FY2024, and continued to fall to its lowest in FY2025.

•The fact that this ratio is falling, especially the FY2024 and FY2025 negative readings, shows that Oricon is having trouble earning enough operating income to pay for its interest costs, which is indicative of financial stress even though its debt has lowered.

d) <u>Debt Service Coverage Ratio (DSCR)</u>



•The debt service coverage ratio is a measurement of the ability of a company to service its debt burden, quantified by the division of operating income by the total debt service obligations.

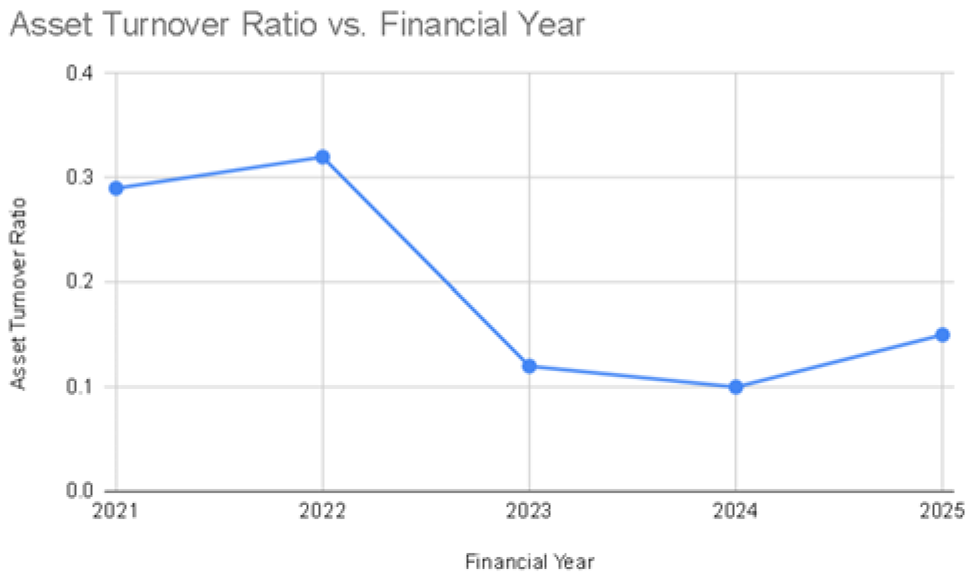
•A higher ratio indicates improved capability to service debt, while a value of less than 1 indicates the company will have difficulty servicing its debt.

• The line indicates the ratio began low in 2021, climbed very high in 2022 to around 15, plummeted in 2023 to around 2, climbed modestly in 2024 to around 3, before declining to a negative in 2025.

• This trend indicates Oricon experienced an unusually high year for debt payment capacity in 2022, followed by a return to more moderate levels in 2023-2024, and is currently struggling to pay its debts in 2025 as indicated by the negative ratio.

3. EFFICIENCY RATIOS

a) Asset Turnover Ratio



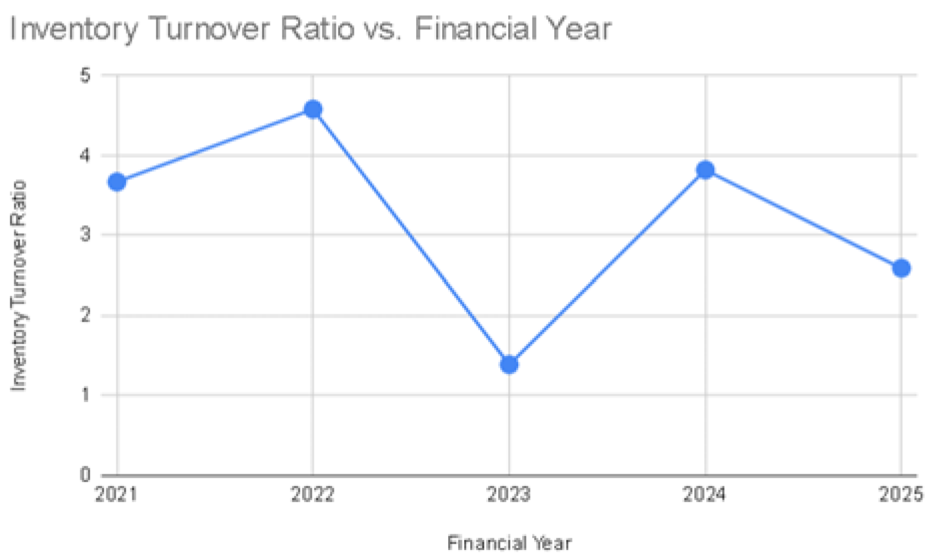
Asset turnover ratio measures how efficiently a company uses its assets to generate sales, calculated by dividing total revenue by average total assets.

• A higher ratio indicates better efficiency in using assets to produce revenue, while a lower ratio suggests the company might not be utilizing its assets effectively.

•The ratio rose marginally from 2021 to 2022, then fell dramatically from 2023 to 2024, hitting a low in 2024, before rising marginally in 2025.

•This general decline indicates Oricon has seen a dramatic fall in its effectiveness at creating sales from its assets, with the marginal rise in 2025 potentially marking the start of a turnaround in operational efficiency.

b) Inventory Turnover Ratio



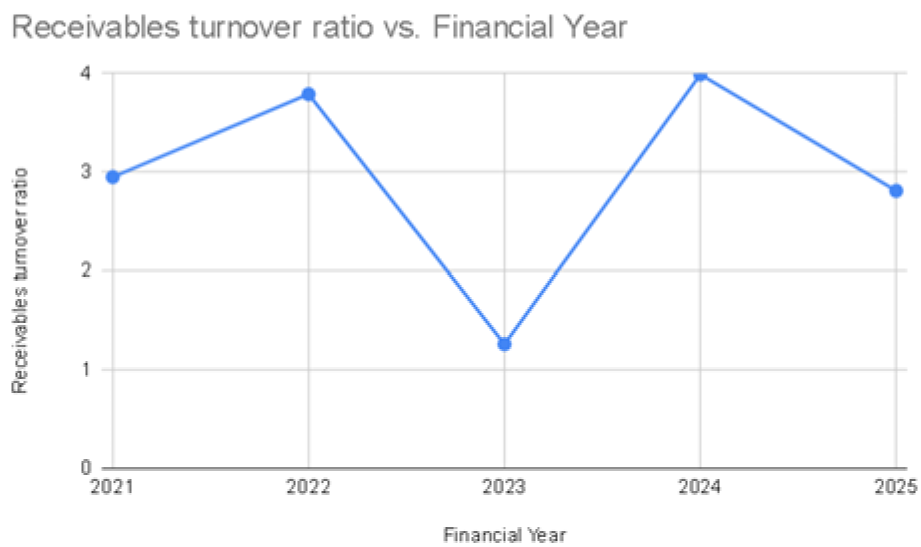
•Inventory turnover ratio indicates the number of times a business sells and replaces its inventory within an interval, determined by the division of cost of goods sold by average inventory.

•More efficient inventory management and better sales are represented by an increasing ratio, and weaker sales performance or overstocking may be represented by a decreasing ratio.

•The ratio rose from 2021 to 2022 to its highest, then fell dramatically in 2023 to its lowest, before bouncing back strongly in 2024, followed by a fall in 2025.

•This fluctuating trend implies Oricon has had uneven inventory management, with 2023 being especially bad inventory turnover, perhaps because of poor sales or overstocking, while the partial bounce in 2024 suggests short-term improvement that was not carried through into 2025.

c) Receivables turnover ratio

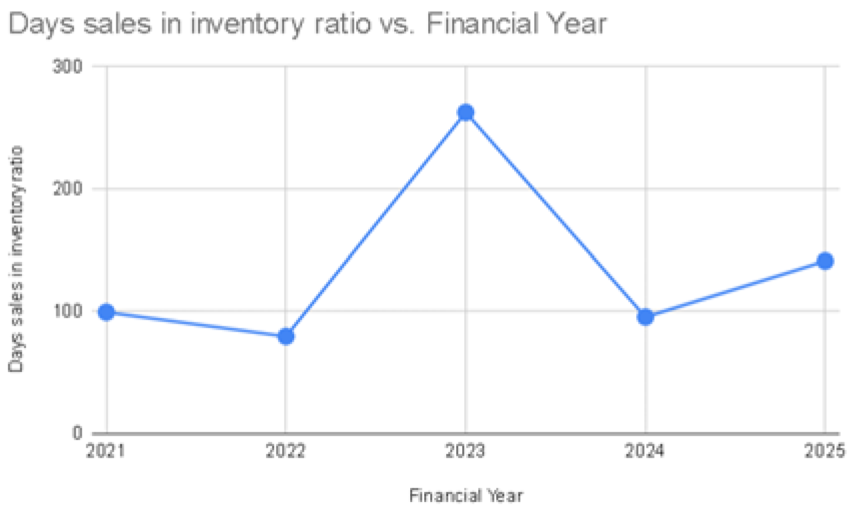


•Receivables turnover ratio is an indicator of how effectively a company is able to collect money from customers, computed by dividing net credit sales by average accounts receivable.

• The higher the ratio, the faster the company is able to collect accounts and vice versa. As the ratio has gone up from 2021 to 2022, decreased drastically in 2023, then bounced back well in 2024, and decreased once again in 2025.

• The V-shaped trend indicates Oricon had serious collection problems during 2023, which were followed by better collection effectiveness in 2024 and moderate worsening in the latest year.

d) Days sales in inventory ratio



•Days sales in inventory ratio calculates how many days a company takes to sell its inventory, using the formula average inventory divided by daily cost of goods sold.

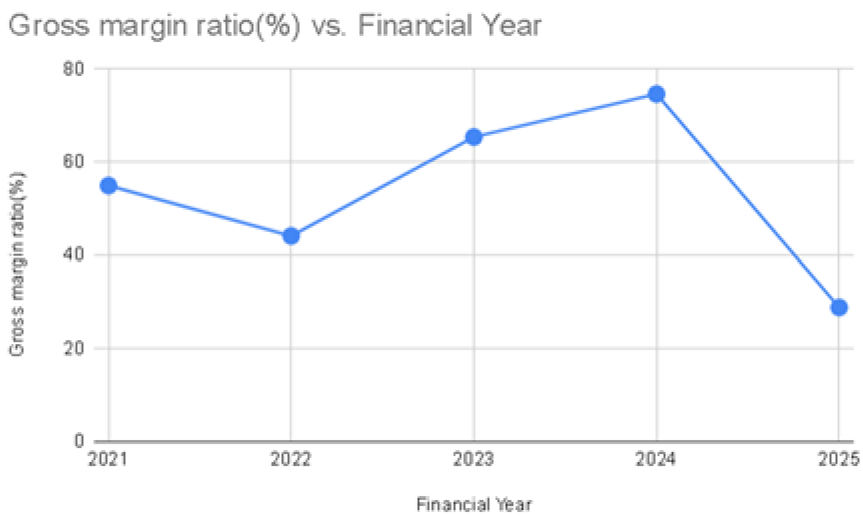
•Fewer days, as a low ratio shows efficient management of the inventory, but a higher ratio implies inventory waiting longer to get sold.

• The ratio fell from 2021 to 2022 to its lowest level, then rose exponentially in 2023 to its highest point (approximately 260 days), before declining steeply in 2024, and rising again in 2025.

• This unpredictable trend implies Oricon had severe inventory management issues in 2023, when it took almost three times longer to sell inventory compared to 2022, with some easing in 2024, but the uptrend in 2025 suggests the company might once more be suffering from slower inventory turnover

4. PROFITABILITY RATIOS

a) Gross Margin Ratio(%)



Gross margin ratio indicates the percentage of sales revenue retained by a company after paying for direct production costs, determined by dividing gross profit by revenue.

•Greater gross margin reflects greater profitability from main operations, whereas lower margin reflects greater production costs in relation to sales.

• The ratio began modestly in 2021, dropped in 2022, rose steadily in 2023 and 2024 (when it was at its highest), before plummeting in 2025 to its lowest level.

• This erratic trend, especially the precipitous fall in 2025, indicates Oricon recently faced a huge rise in production costs compared to sales, which could be a result of higher input costs, price pressures, or shifts in product mix that have cut core operations' profitability by a substantial amount.

b) Operating margin ratio

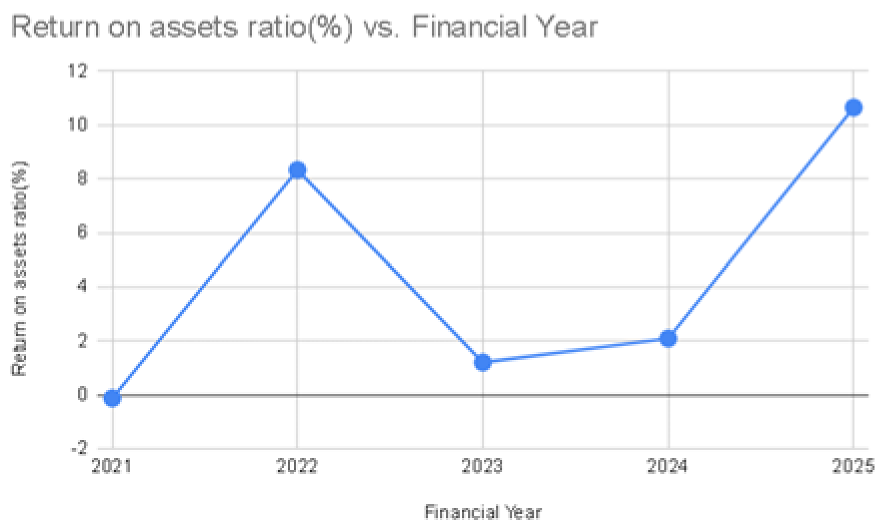
• Operating margin ratio indicates a firm's profitability from operations, determined by dividing operating income by revenue.

• A high ratio shows more efficient and profitable operations, and a negative ratio signifies that the firm is incurring losses from its core business.

• The ratio began near zero in 2021, shot up dramatically in 2022 to its peak (around 32%), fell precipitously to just over zero in 2023, before becoming negative in 2024 and continuing downward in 2025 to its trough.

• This troubling trend, especially the move into increasingly negative ground in 2024-2025, indicates Oricon is facing serious operational difficulties, with expenses outpacing revenues from mainline business activities even as the previous period of robust profitability in 2022.

c) Return on Assets Ratio



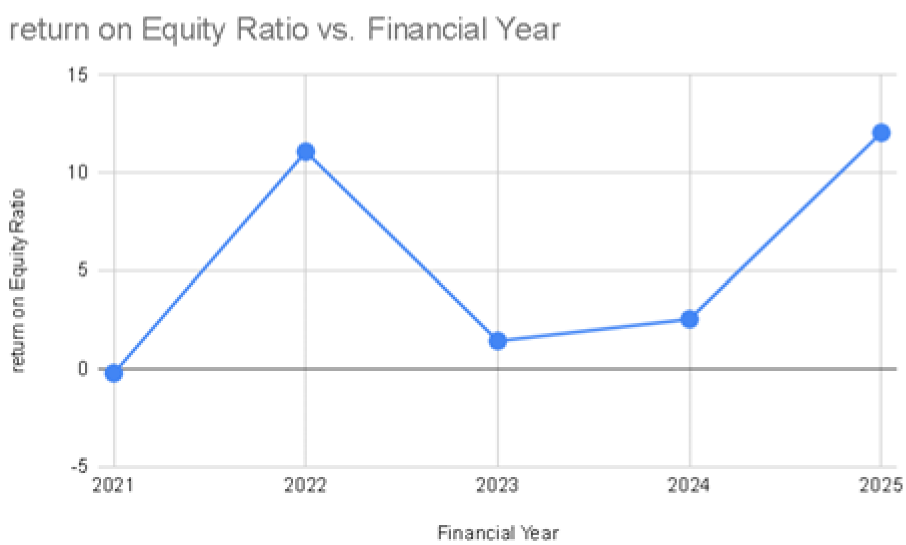
• Return on assets ratio is the measure of a firm's effectiveness in utilizing its assets in generating profits, determined by dividing net income by total average assets.

• A higher ratio shows greater effectiveness in using assets in generating earnings, whereas a lower ratio reflects ineffective utilization of firm assets.

•The graph indicates that the ratio began in 2021 at around zero, reached a peak in 2022, declined drastically in 2023, then continued consistently increasing throughout 2024 to a peak in 2025.

• This V-pattern indicates Oricon first had good asset utilization, then a big drop, and then a notable recovery in later periods, meaning the company significantly enhanced its performance in terms of generating profits out of its assets.

d) Return on Equity Ratio



•Return on equity ratio is a measure of how effectively a company is utilizing shareholders' investments to earn profits, and it is calculated by dividing net income by average shareholders' equity.

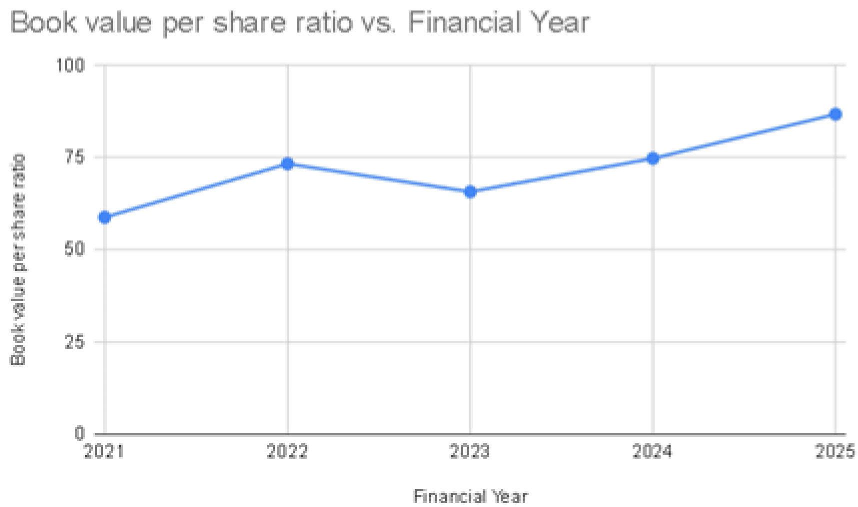
•A higher ratio means greater returns earned from shareholders' investments, whereas a lower ratio implies less efficient utilization of equity capital.

• The chart indicates the ratio began around zero in 2021, reached its peak in 2022, fell precipitously in 2023, then gradually increased throughout 2024 and to its peak in 2025.

• This V-shaped trend indicates Oricon had a phase of healthy returns on equity investments in 2022, then had a major setback in 2023, before recording a phenomenal turnaround through 2024-2025, reflecting the company having significantly enhanced its capability to generate shareholder returns in recent periods.

5. MARKET VALUE RATIOS

a) Book value per share ratio



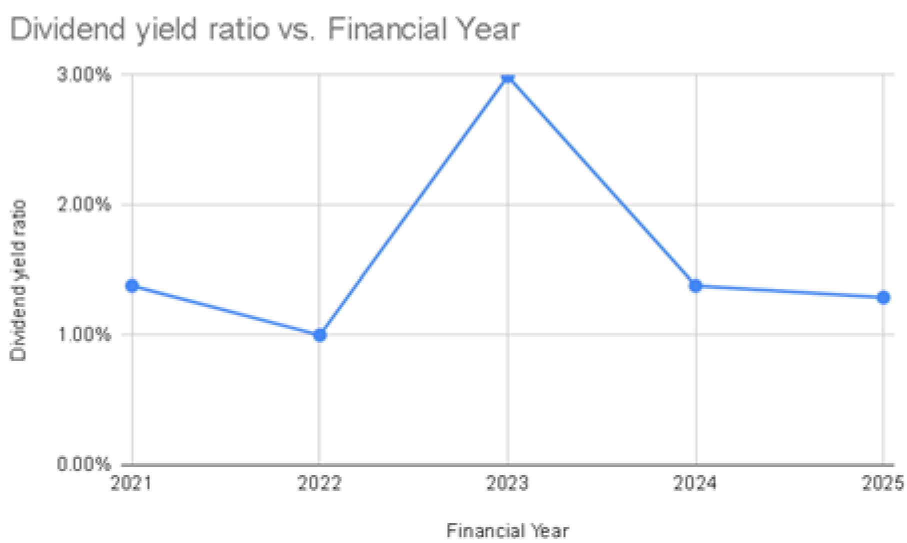
•Book value per share ratio indicates the amount of a company's equity worth per share of stock, determined by dividing shareholders' total equity by outstanding shares.

•More book value means more assets supporting each share, implying better financial health and possibly more underlying value.

•The graph indicates a generally increasing trend from 2021 to 2025, with a slight decline in 2023, and peaking in 2025.

• This general trend of increasing implies Oricon has been continually growing its net asset value over the years, albeit with a temporary dip in 2023, meaning the firm has been successful in increasing the underlying value per share regardless of operational issues in some years.

b) Dividend Yield Ratio



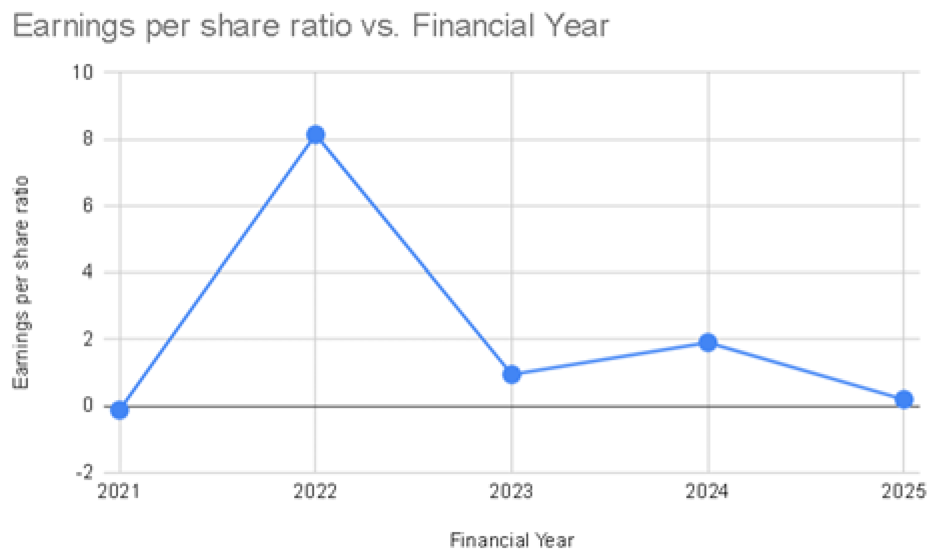
•Dividend yield ratio quantifies the proportion of return that a firm distributes to investors in the form of dividends against its share price, computed as annual dividends per share divided by share price.

•An increased dividend yield signifies superior income returns to shareholders, while a lower one might imply that the firm is returning more profits or has a relatively higher share price compared to dividends.

• The chart indicates moderate yields in 2021, decreasing to its lowest level in 2022, followed by a sudden peak in 2023 to its highest, then dropping significantly in 2024, with a small further drop in 2025.

•This V-shaped shape indicates Oricon greatly increased its dividend payment per share in comparison to share price in 2023, potentially as a result of exceptional earnings or as part of a policy to pay out value to investors, before dropping back to lower dividend yields over the past few years.

c) Earnings per Share Ratio



•Earnings per share ratio quantifies the number of net income earned per outstanding share of a firm's stock, determined by dividing net income by outstanding shares.

•Greater EPS reflects higher profitability per share, which is usually considered favourable by investors since it implies improved returns on their investment.

•The line indicates the ratio began at close to zero in 2021, shot up abruptly in 2022 to an all-time high, plummeted in 2023, increased moderately in 2024, before the decrease in 2025 to close to zero.

• This trendy pattern, especially the outstanding result in 2022 followed by significantly lower levels in later years, implies Oricon had an unusually lucrative year in 2022 that it has not been able to repeat since then, with profitability per share being quite subdued in recent times.

IFB Agro Industries Ltd.

INTRODUCTION

Nature of business:

IFB Agro Industries Limited is an Indian corporation with a focus around two main business activities, making alcohol-based products and processing seafood. As far as making alcohol products, IFB produces different forms of alcohol that include some alcohol which will be consumed as beverages and other types that will be used for industrial or medicinal purposes. In addition to production of alcohol products, IFB sources and processes seafood products, particularly shrimp which are sold into international markets. IFB is intended to incorporate traditional agriculture with modern manufacturing in global markets.

Public or Private Ownership :

IFB Agro Industries Limited is a publicly traded company with its shares listed on the stock exchange. This means that individuals, institutions, and the general public can buy and sell shares in the company.

Origin of the Company :

IFB Agro Industries Limited entered the market in the early 1980s as a part of the larger IFB group based out of India, which began its journey in India regarding industrial and engineering products. The agro division was created to utilize India's rich agricultural and marine resources.

Overall Greatness of the Company :

The organization is recognized for maintaining steady quality and properly conforming to rules and regulations. It has built consumer trust as a stable and responsible business with a long-term growth strategy. Whether selling in India or acting as an exporter across borders, IFB Agro has remained steady and stable, truly demonstrating that it is a reputable organization that can be trusted.

Note: For the following tables, the year column refers to the financial year, 2021 would imply 1 April 2020 to 31 March 2021

LIQUIDITY RATIOS TABLE

Year	Current Ratio	Acid-Test ratio	Cash ratio	Operating cash flow ratio
2021	4.79	3.15	1.70	0.57
2022	6.26	4.46	3.31	1.59
2023	7.55	4.83	3.86	0.55
2024	5.87	3.40	2.16	-0.55
2025	3.99	2.45	0.15	N/A
Average	5.69	3.66	2.24	0.54
Min	3.99	2.45	0.15	-0.55
Max	7.55	4.83	3.86	1.59

LEVERAGE FINANCIAL RATIOS TABLE

Year	Debt Ratio	Debt to equity ratio	Interest coverage ratio(%)	Debt service coverage ratio
2021	0.57	0.68	270.00	255.73
2022	3.79	4.46	88.08	66.79
2023	3.07	3.54	27.45	29.70
2024	1.76	2.02	-19.65	-26.44
2025	1.51	3.00	33.48	3.04
Average	2.14	2.74	79.87	65.76
Min	0.57	0.68	-19.65	-26.44
Max	3.79	4.46	270.00	255.73

EFFICIENCY RATIOS TABLE

Year	Asset turnover ratio	Inventory turnover ratio	Receivables turnover ratio	Days sales in inventory ratio
2021	1.44	5.68	8.18	64.32
2022	1.81	10.40	11.64	35.09
2023	2.04	10.77	20.74	33.90
2024	1.47	6.72	14.08	54.46
2025	2.32	4.57	15.43	79.87
Average	1.82	7.63	14.01	53.53
Min	1.44	4.57	8.18	33.90
Max	2.32	10.77	20.74	79.87

PROFITABILITY RATIOS TABLE

Year	Gross margin ratio(%)	Operating margin ratio	Return on assets ratio	Return on Equity ratio(%)
2021	40.87	5.77	9.53	11.24
2022	31.39	5.75	10.46	12.38
2023	26.47	4.45	8.04	9.36
2024	31.05	-3.42	-1.27	-1.47
2025	50.12	1.99	3.85	4.71
Average	37.18	2.91	6.12	7.24
Min	26.47	-3.42	-1.27	-1.47
Max	50.12	5.77	10.46	12.38

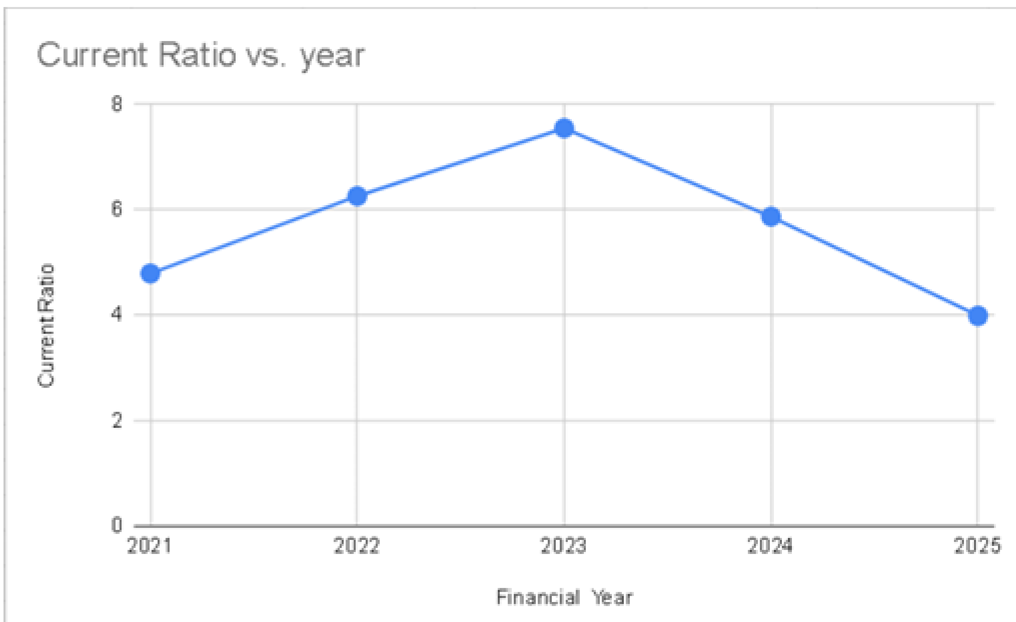
MARKET VALUE RATIOS

Year	Book value per share ratio	Dividend yield ratio	Earnings per share ratio	Price-earnings ratio
2021	474.35	0	49.51	8.15
2022	535.06	0	62.50	10.99
2023	585.46	0	52.45	8.21
2024	590.14	0	-8.62	
2025	606.01	0	23.17	38.82
Average	558.20	0	35.80	16.54
Min	474.35	0	-8.62	8.15
Max	606.01	0	62.50	38.82

TREND ANALYSIS AND ECONOMIC INFERENCES

1. LIQUIDITY RATIOS

a) Current Ratio

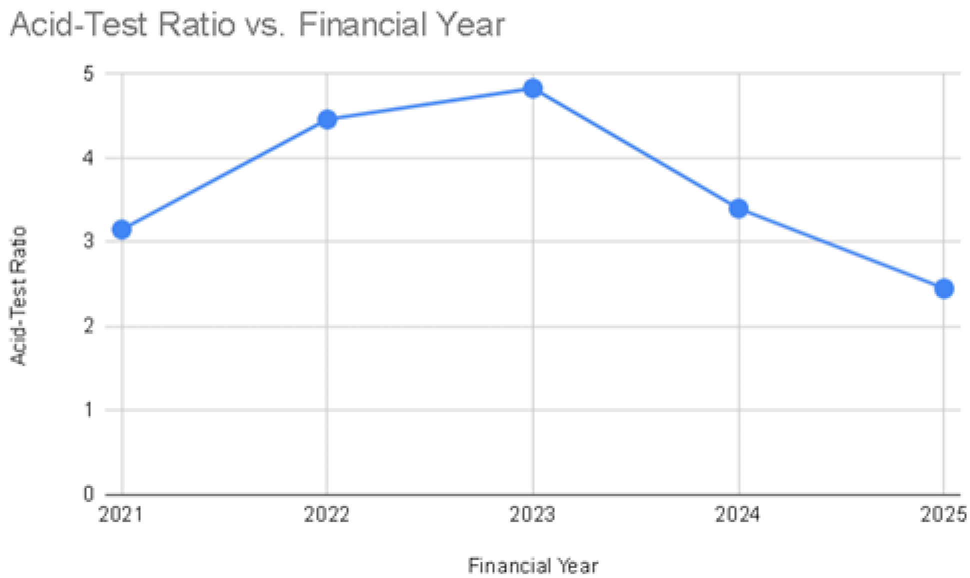


· Definition: Current ratio is a comparison of a firm's short-term assets to short-term liabilities, which tells us how well the firm can repay its short-term debts with short-term assets (resources).

· Trend: From the graph, we see that current ratio increased slightly from 2021 to 2023 before starting to decline again.

· Economic inference: The decline over the past two years suggests that the liquidity of the firm may be weakening, and if the current ratio keeps going down, that may pose a risk to the firm.

b) Acid-Test Ratio



Definition: The acid-test ratio indicates a company's ability to pay current liabilities as they come due, with no reliance on inventory.

Trend: In the graph visible, the ratio reached its peak in 2023 and has been on a downward trend since.

Economic Inference: Even though it is still well over 1, in relative terms the downward trend suggests that the company may be in a declining short-term liquidity position.

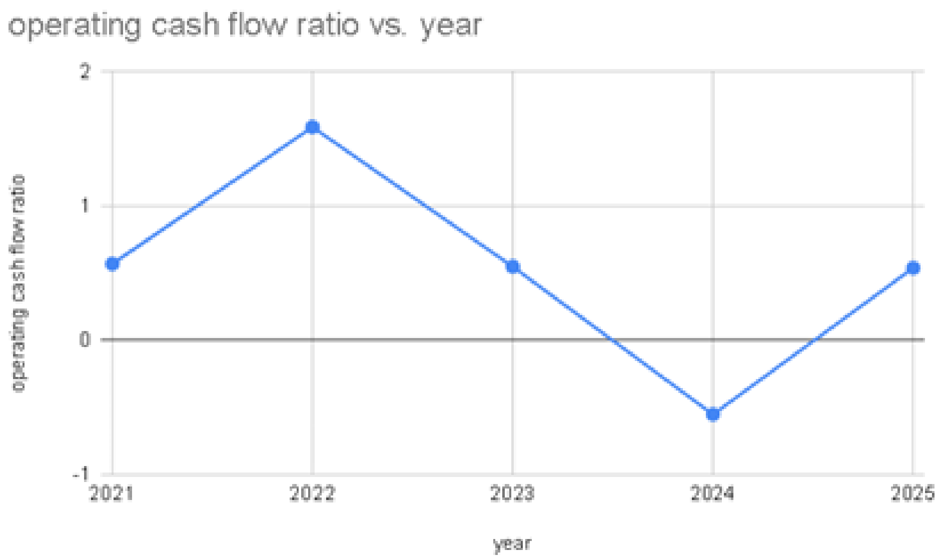
c) Cash Ratio

• Definition: The cash ratio indicates how capable a company is to pay short-term liabilities through cash or cash equivalents as a measure of liquidity, the most staid measure of liquidity.

• Trend: The graph shows a heavy upward slope for two years that goes on for two years until 2023, from which the following two years showed a severe plunge.

• Economic Inference: The large drop in 2025 can take care one warning sign of less cash strength to settle immediate liabilities.

d) Operating Cash Flow Ratio



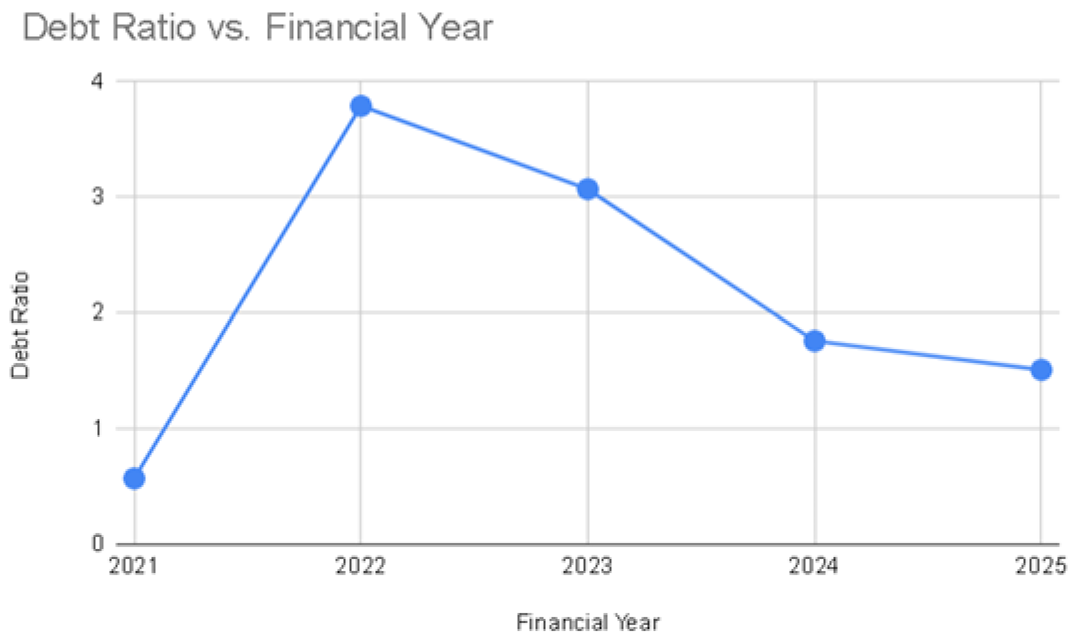
Definition: Operating cash flow ratio signifies the extent to which a company can generate cash from its core business operations to cover its current liabilities. The higher the ratio, the better the company's short-term financial health.

Trend: The ratio peaked in 2022. Following this, the ratio steadily declined before reaching negative territory in 2024. Between 2024 and 2025 the ratio showed a positive recovery.

Economic Inference: The drastic decline between 2022 and 2024 suggests the company was struggling with operations that were hindering its ability to generate cash from operations. The positive signal from 2025 indicate operational efficiencies improved and the company was able to generate cash from operations which is a good indication liquidity position improved.

2. LEVERAGE FINANCIAL RATIOS

a) Debt Ratio

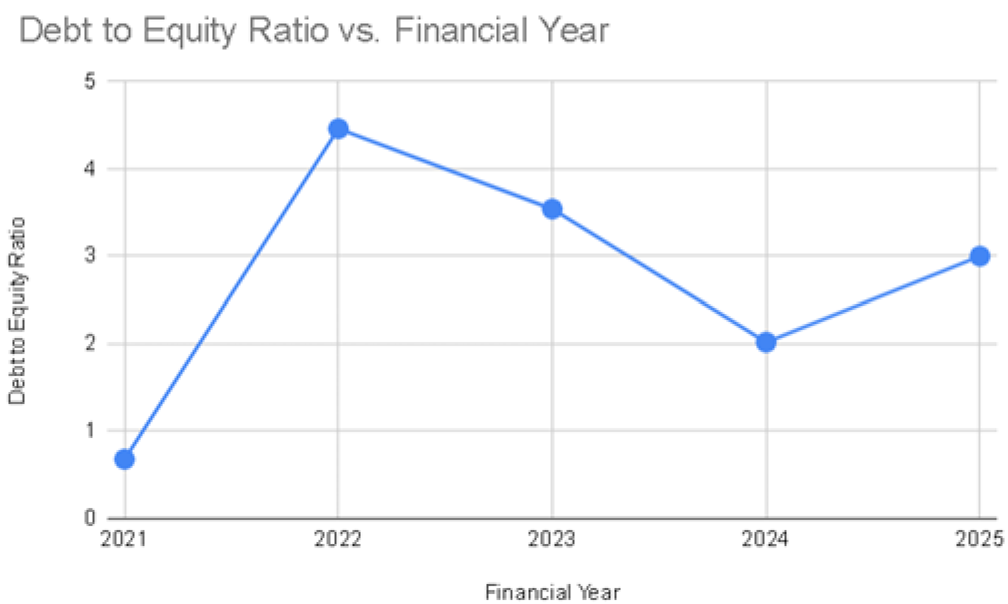


• Definition: The debt ratio reflects the percentage of assets financed through debt. A higher ratio indicates more utilization of borrowed funds.

• Trend: The ratio peak was reached in 2022, and it has only fallen since.

• Economic Inference: The decrease suggests the company is decreasing its reliance from debt, which is a positive sign for its debt position.

b) Debt to Equity Ratio

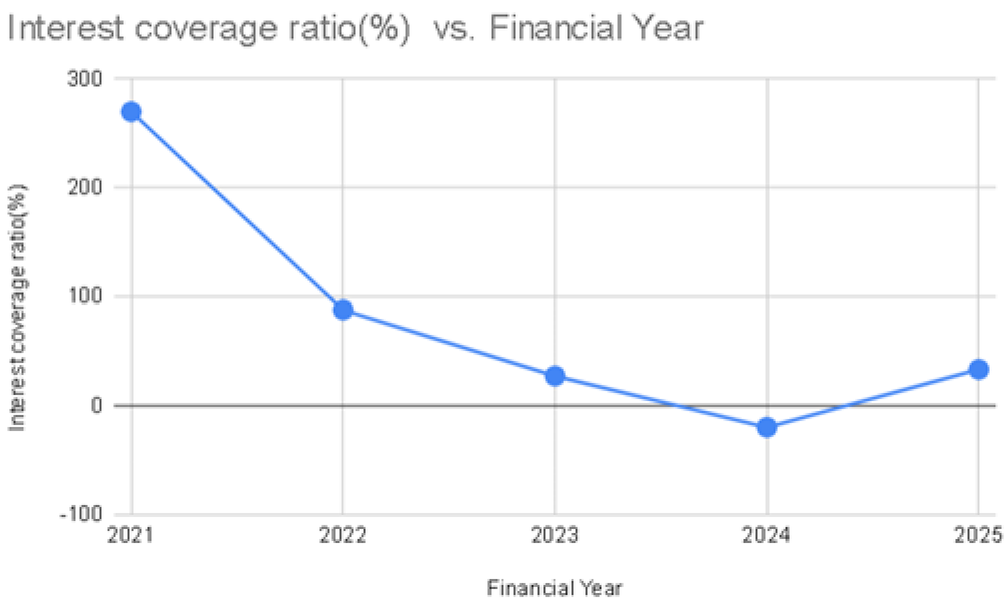


• Definition: The debt-to-equity ratio is an assessment of total debt relative to the owner's equity in a company. A high debt-to-equity ratio indicates the company borrowed more compared to the owner's investment.

• Trend: The debt-to-equity ratio increased in 2022, decreased the followed by a modest increase in 2025.

• Economic Inference: The increase in the debt-to-equity ratio may suggest the company is again relying on debt to fund its operations.

c) Interest Coverage Ratio

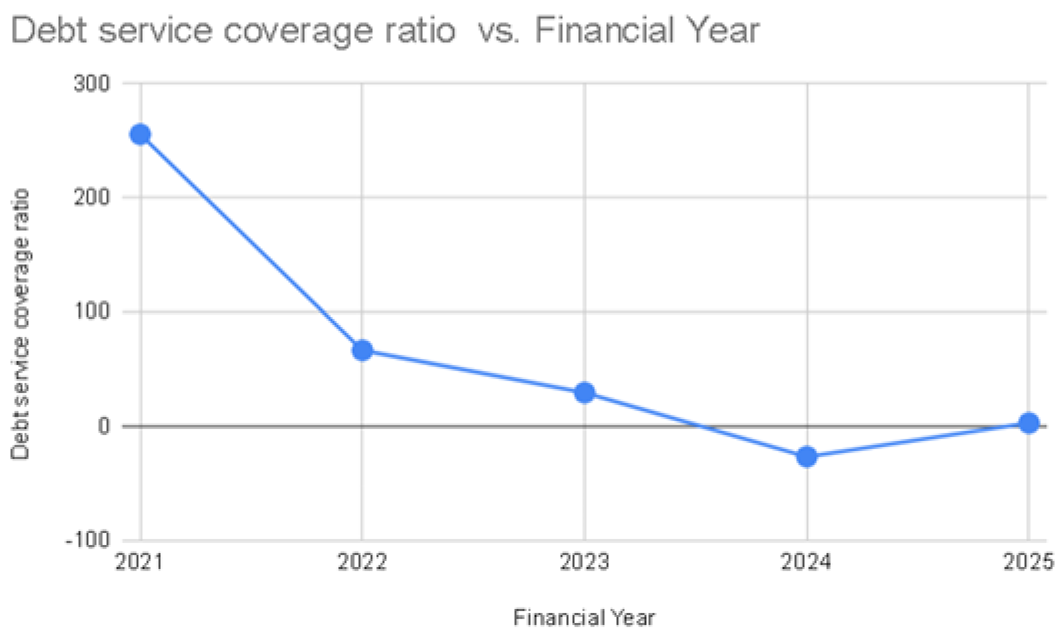


• Definition: Interest coverage ratio measures a company's ability to pay interest on debt, using earnings before interest and taxes. A higher ratio indicates that the company can cover interest payments with ease, whereas a lower ratio suggests that the company may be in a financially stressful position.

• Trend: The graph shows a significant drop from 2021 to 2024, and in 2024 the ratio is negative, before recovering slightly in 2025.

• Economic Inference: A negative ratio in 2024 means the company was not able to pay its interest charges, however, the small increase in it's ratio in 2025 indicates the beginning of a turnaround.

d) <u>Debt Service Coverage Ratio (DSCR)</u>



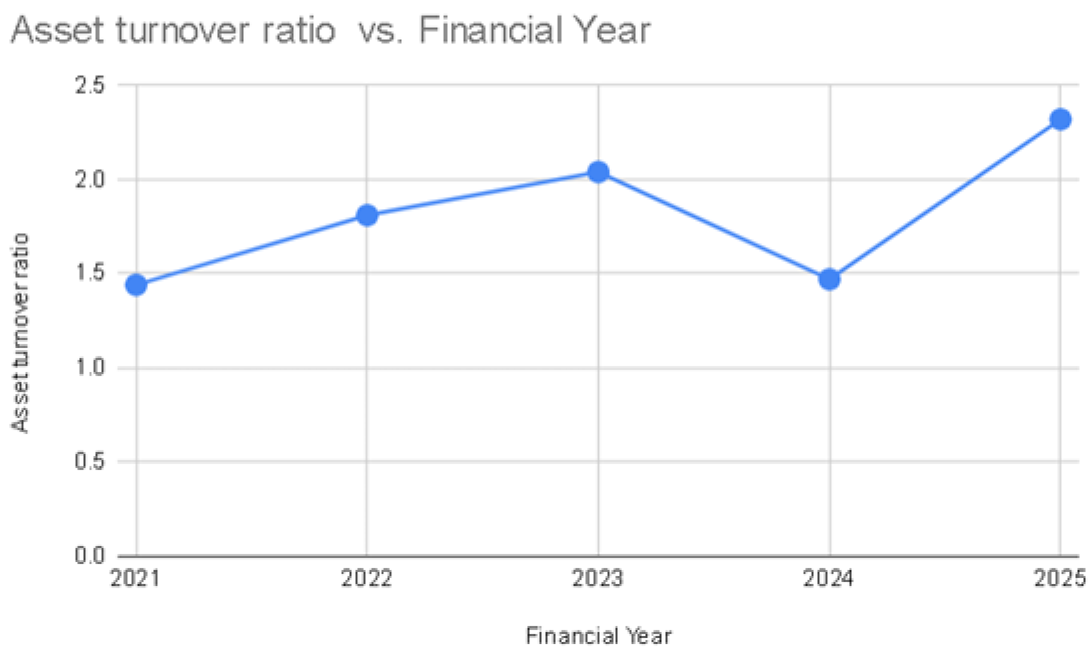
• Definition: Debt service coverage ratio is an indicator of a company's ability to pay its entire debt obligation, including principal and interest payments, using its operating income. A larger ratio would indicate that the company can conveniently service its debt, whereas a smaller ratio would suggest that the company may have difficulty servicing its debt obligation.

• Trend: The exhibit depicts a dramatic drop from a very strong position at 2021 to negative value in 2024, before a marginal recovery in 2025.

• Economic Inference: The negative ratio in 2024 indicates that the company did not bring in sufficient revenue to service its debt obligations, but the slight turnaround in 2025 represents an indication that the company may be on a slight turnaround.

3. EFFICIENCY RATIOS

a) Asset Turnover Ratio

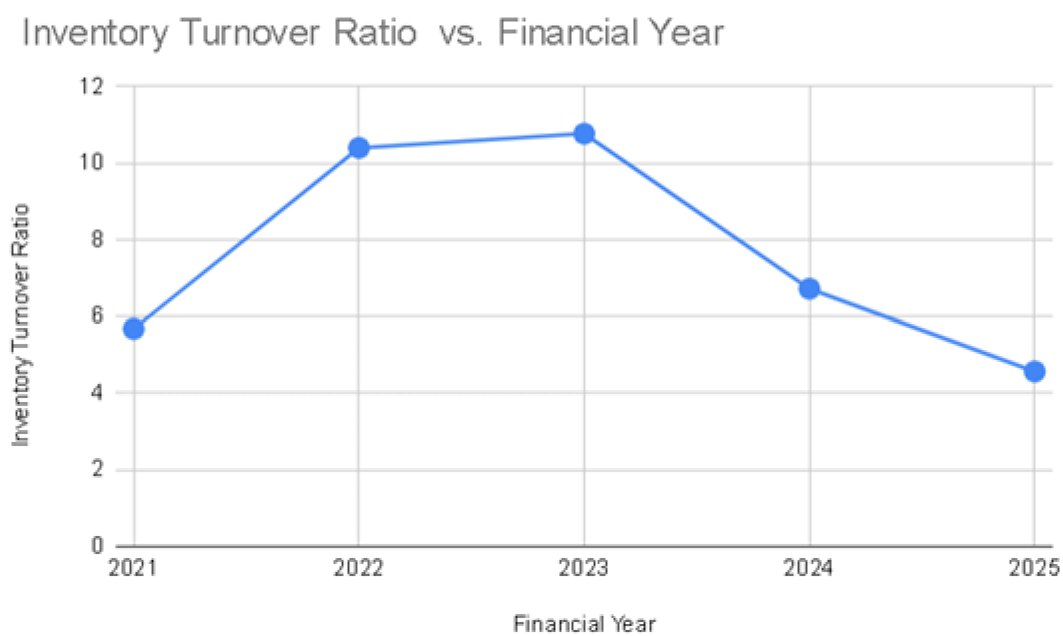


• Definition: Asset turnover ratio shows how efficiently a company is using its assets to generate sales, calculated by taking total sales and dividing it by average total assets.A larger ratio represents greater efficiency of assets in generating revenue, while a smaller ratio may represent a company's inefficiency of its asset utilization.

• Trend: The trend shows an overall positive slope between 2021 to 2025, with a noticeable drop in efficiency in 2024, with a high in 2025.

• Economic Inference: The high increase in efficiency in 2025 indicates the company is relying less on its asset base and selling more from its assets than prior years.

b) Inventory Turnover Ratio

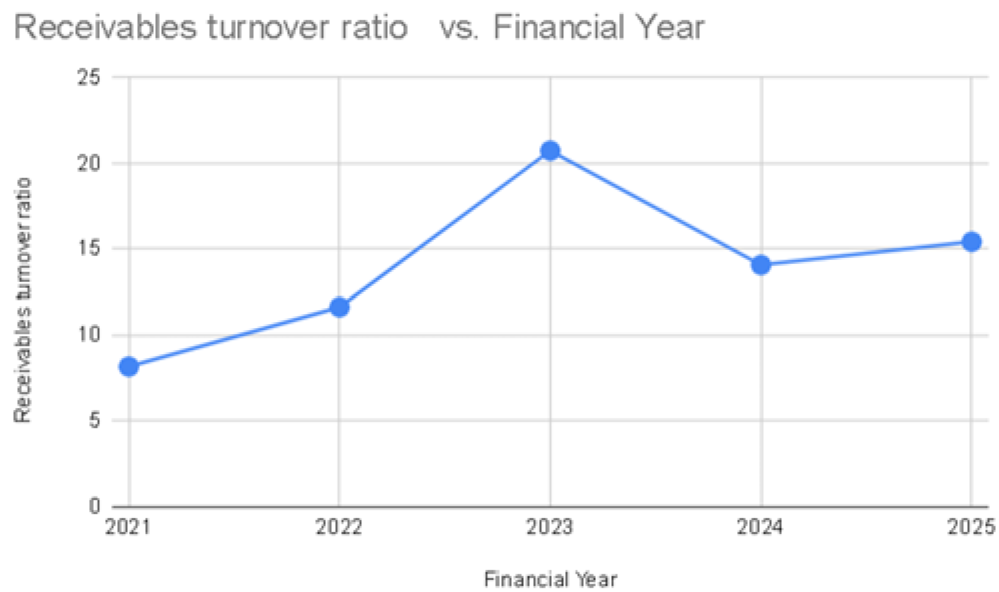


• Definition: Inventory turnover ratio measures how many times a company sells and replaces inventory in a period of time, which is calculated by dividing the cost of goods sold by average inventory. Higher ratios means the firm has managed to sell through their stock and replace it many times, while a lower ratio indicates the firm may not have sold through their entire stock and gained equal value or overstocking issues.

•Trend: The line indicates that the ratio in 2022-2023 was at its highest (approximately 10) and then decreased to about 4.5 by 2025, nearly equal to the value in 2021.

• Economic Inference: The abrupt drop after 2023 indicates this company is having some level of inventory management issues, either as a result of lower sales rates or perhaps due to stockpiling a higher than needed amount of inventory.

c) Receivables turnover ratio

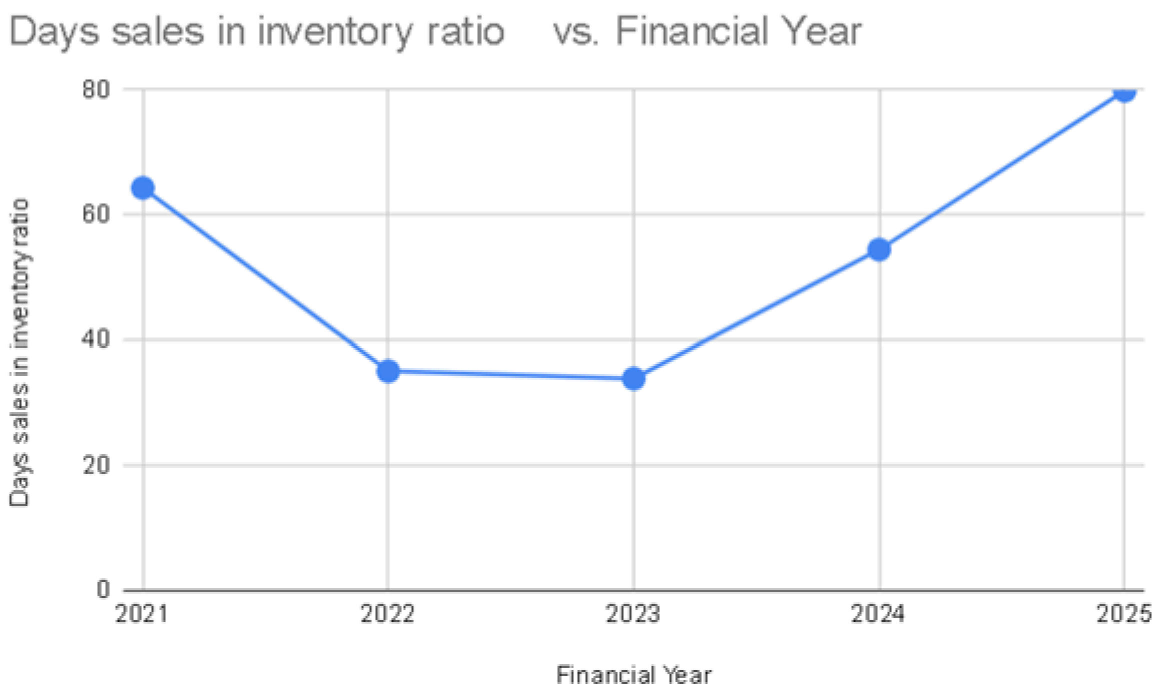


• Definition: The receivables turnover ratio is an indication of the quality of a business's ability to collect payments from customers, determined by dividing net credit sales by average accounts receivable. A higher turnover ratio indicates stronger credit policies and that the business is able to collect payments in a timely manner. A low ratio indicates that the business may have collection problems and/or collection issues with the quality of customers' credit.

• Trend: This chart indicates a steady increase from 2021 to 2023 and a sudden decline in 2024, followed by some reversal in 2025.

• Economic Inference: The possible reason for the decline after 2023 and into 2024 is that the business loosened its credit terms and/or is having serious difficulties in terms of collecting from customers.

d) <u>Days sales in inventory ratio</u>



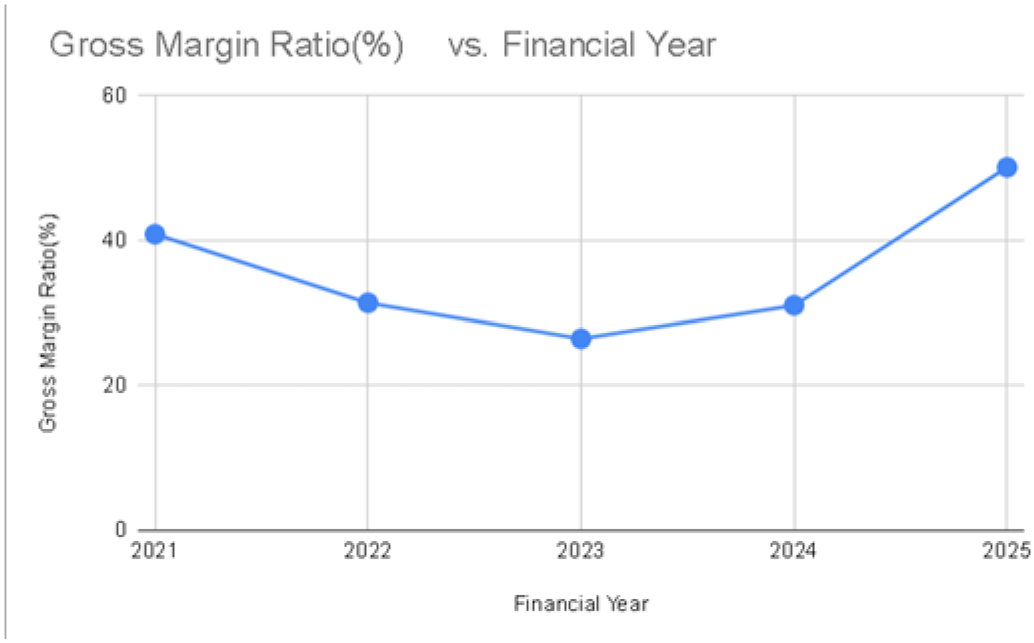
• Definition: The days sales in inventory ratio shows in what timeframe an organization sells the inventory, calculated by averaging the inventory and dividing by the daily cost of goods sold. A small ratio results from poor inventory management, and a larger ratio shows more inventory existing before sale.

• Trend: The graph depicts a decline typical between 2021 and 2022, then hanging low for 2023, and increasing sharply from 2024 and 2025

• Economic Inference: The recent sharp increase suggests the company is struggling to dispose of inventory efficiently and could be noted as decreasing demand or inventory being over produced.

4. PROFITABILITY RATIOS

a) Gross Margin Ratio(%)

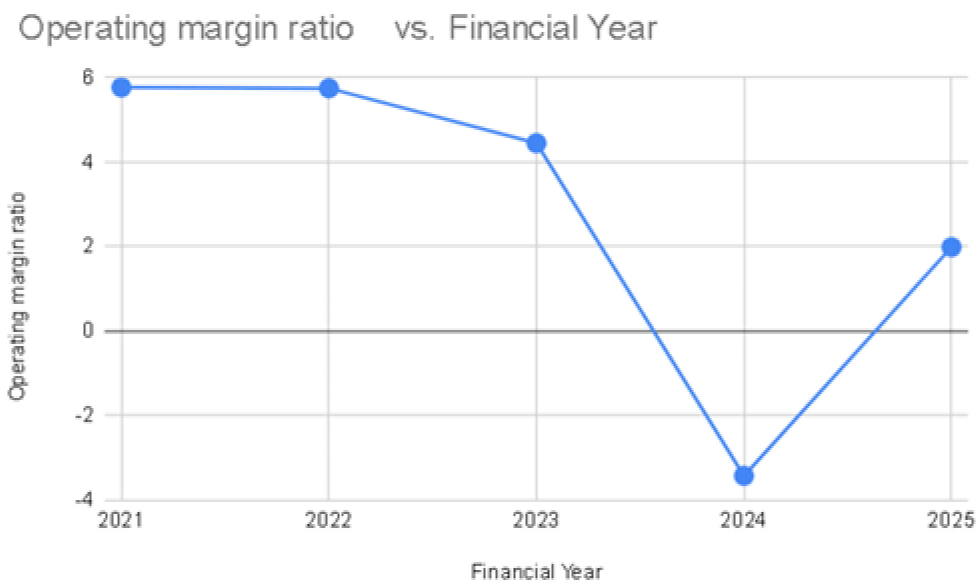


• Definition: Gross margin ratio shows how much of a company's sales revenue is left over after direct costs of production. An increase in gross margin shows improved profit margins from core business activities, while a decreasing margin shows increased direct production costs compared to revenue.

• Trend: The ratio decreased almost continuously between 2021 and 2023, hitting its lowest point in 2023, improved in 2024 and expanded in 2025.

• Economic Inference: The increase shows that the company has been able to decrease production costs or increase prices, furthering their ability to generate profit from each sale.

b) <u>Operating margin ratio</u>

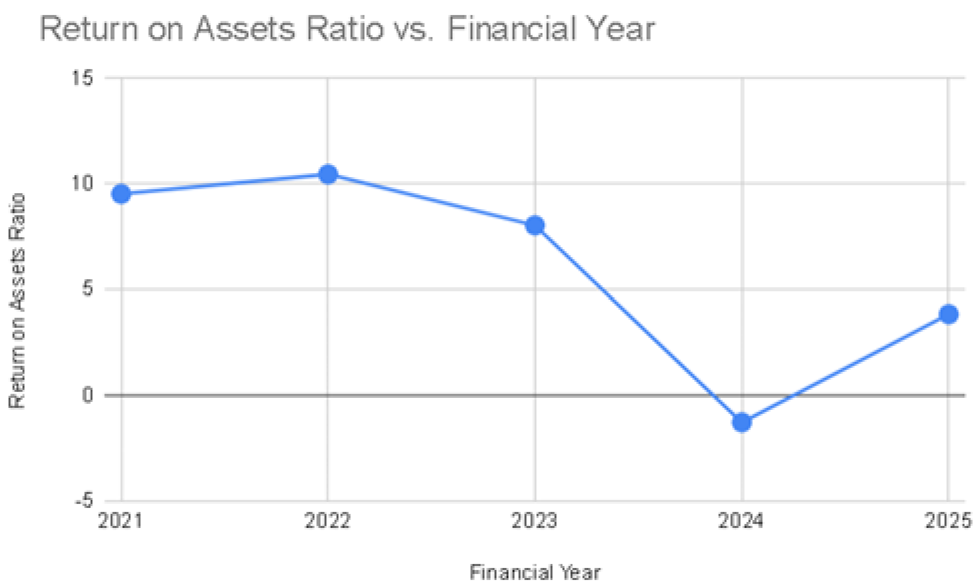


• Definition: The operating margin ratio is a measure of how much revenue a business retains after it covers the costs of operating the business. It is an indicator of the efficiency in which a company is able to run its core operations.

• Trend: A higher operating margin is favorable; it indicates that the business is able to operate more efficiently and profitably than competitors, while a lower operating margin indicates that the business is spending more on its operations than revenue generated from sales.

• Economic Inference: The ratio from 2021 to 2022 was flat, indicating approximate average operating performance; the margin fell in 2023, and then when steeply into the negative range in 2024, then it partially recovered during 2025, a positive trend. The negative margin of 2024 demonstrates that the firm lost money in its operations, but the positive trend seen in 2025 demonstrates a signalling of turning around operational efficiency.

c) <u>Return on Assets Ratio</u>

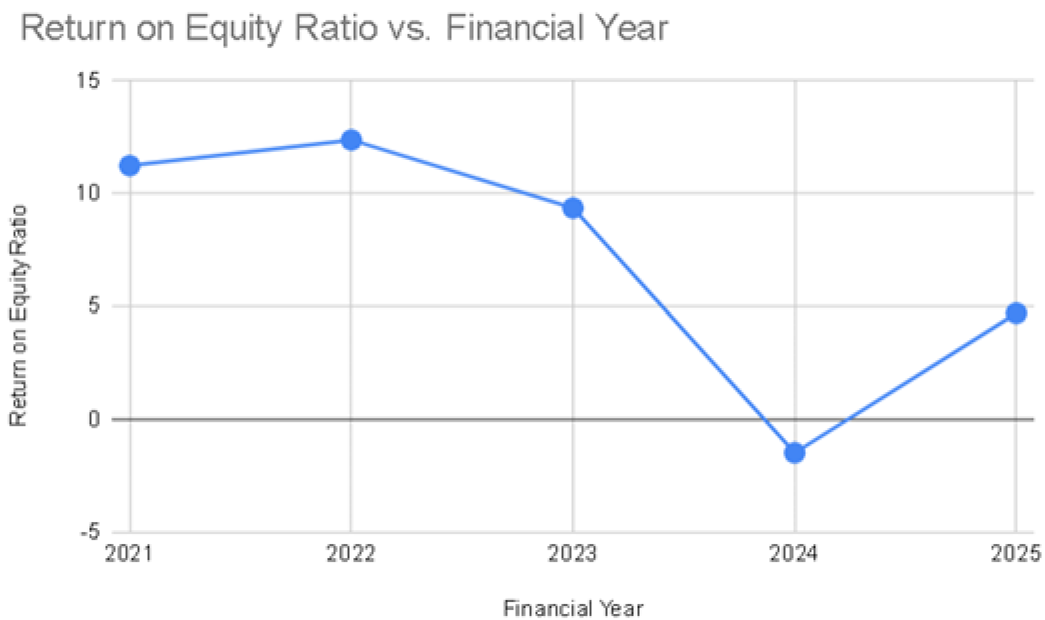


• Definition: Return on Assets (ROA) ratio measures the extent of profitability a company is achieving from the given assets by dividing net income and average total assets. The ROA ratio is better the higher the ROA, this shows that the company's assets are well utilized to earn income. The lower the ROA, the worse the returned income from the assets.

• Trend: The trend for ROA increased slightly from 2021 to 2022, thereafter in 2023, the ROA decreased consistently until falling to negative levels in 2024, followed by a minor uptick in 2025.

• Economic Inference: The negative ROA in 2024 reflects that the company incurred losses, nonetheless, the positive slope in the trend of ROA in 2025 represents that the company officially has increased positive profitably in relation to assets being utilized.

d) Return on Equity Ratio



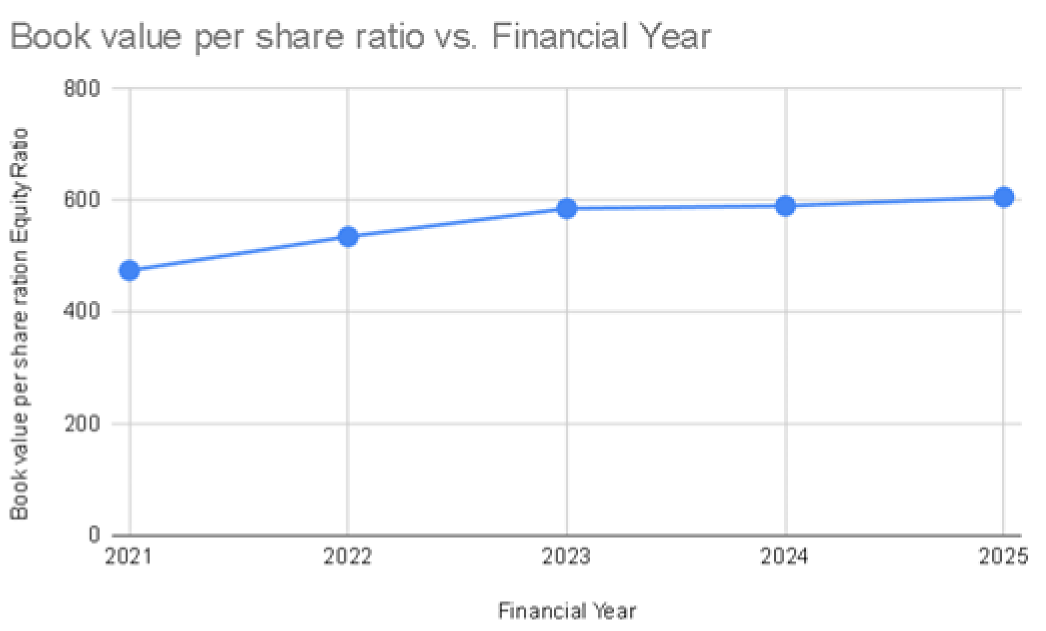
• Return on Equity (ROE) ratio is the tool to determine how effectively a company uses the money invested in the company by its shareholders to produce profits taking net income and dividing it to the average shareholder's equity. Larger amounts of ROE suggests a company can produce better returns from the amounts of equity invested and hence smaller amounts of ROE suggests a company's use of equity funds is less productive.

• Trend: The ROE increased slightly from 2021 to 2022, decreased continuously from 2023, before taking 2024 to the negative, and in 2025 could report positive ROE.

• Economic Conclusion: The negative ROE for 2024 tells us the business incurred losses to the shareholders, but the improving trend for 2025 is an exciting sign that capital may be coming back and producing returns.

5. MARKET VALUE RATIOS

a) Book value per share ratio

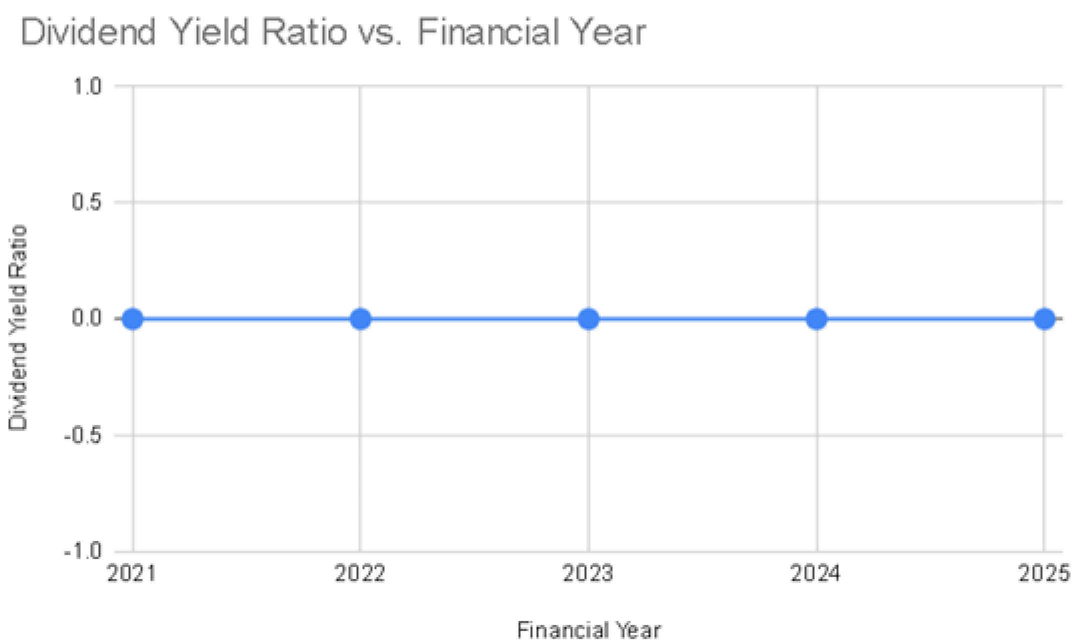


• Definition: Book value per share shows how much equity can be allocated to each share of the company's stock. Since the book value indicates more asset support for each share, a large book value reflects an organization with significant underlying financial health.

• Trend: The ratio has continuously grown from 2021 to 2025, with the fastest amount of growth over the period occurring from 2021 to 2023, and then steadily increasing at a slower pace thereafter.

• Economic Inference: This continual upward trend indicates that the firm has been able to consistently increase its net worth over the span of multiple years, and provide its shareholders with higher underlying worth.

b) <u>Dividend Yield Ratio</u>

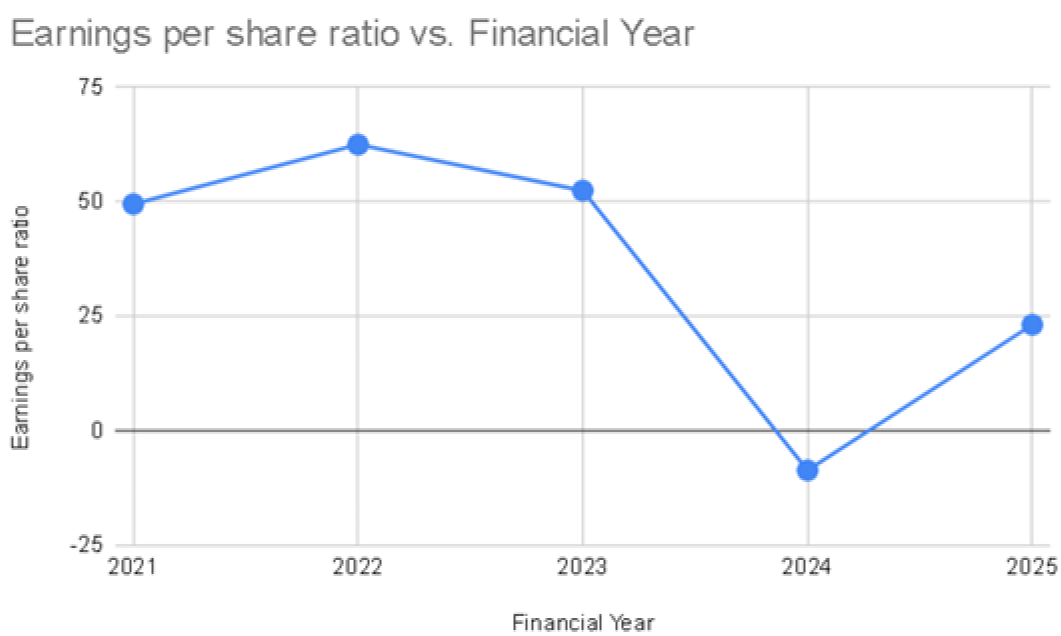


• Definition: The dividend yield ratio provides the rate of return on a company's dividends relative to its current stock price.

• Trend: A zero dividend yield shows that the company does not return dividends to shareholders and continues to keep its profits.

• Economic Inference: The chart shows that IFB Agro Industries Ltd has had a zero dividend yield from 2021-2025 and thus has not returned any dividends to shareholders since that time.

c) <u>Earnings per Share Ratio</u>

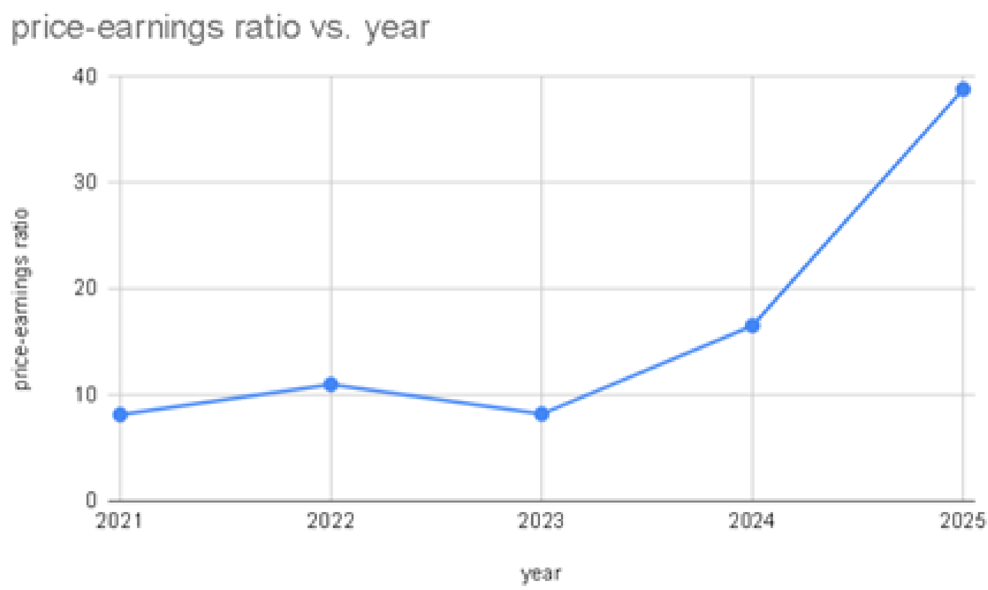


• Definition: Earnings Per Share (EPS) ratio indicates the amount of net income earned for each share of common stock by a company. Higher EPS conveys evidence of higher profit per share of stock and is generally considered by investors as a positive sign of better returns.

• Trend: EPS was indicated as increasing from 2021 to 2022, decreasing slightly in 2023, then falling sharply into negative territory in 2024, all along the way increasing again in 2025.

• Economic Inference: EPS went negative in 2024, indicating that the company sustained losses, however, the increase in EPS in 2025 indicates the return to profitability.

d) <u>Price-Earnings Ratio(P/E Ratio)</u>



Definition: The price-earnings ratio denotes how much investors, on average, will for every rupee of earnings. The higher the P/E ratio, the more the investor expects growth in the future.

Trend: There was slight variation in this ratio during 2021 to 2023, then from 2023 to 2025, the ratio began to grow parabolically. The most dramatic growth was in the final year.

Economic Inference: Overall, the large increase in the P/E ratio shows that investor confidence in the future of the company is growing. It is certainly a significant premium to historical valuations. Based on this, the market believes that the company will earn at an accelerated rate, improve the business fundamentals or degrade the risk of future cash flow in the coming periods.

ONMOBILE GLOBAL LIMITED

INTRODUCTION

Nature of Business :

OnMobile Global Limited is a public company based in Bengaluru that primarily provides mobile technology and services. They offer products such as a mobile gaming platform(ONMO), a digital content store and ringback tones.

Ownership :

OnMobile Global Ltd. Is a publicly owned company. It is listed on the Bombay Stock Exchange(BSE) and the National Stock Exchange(NSE).

Origin of the Company :

OnMobile was founded in 2000 as Onscan Technologies India Private Limited by Arvind Mohan Rao and Mouli Raman. The same year they launched a voice portal platform the same year. They went public and had their IPO on the Bombay Stock Exchange in 2008.

Overall Greatness of the Company :

Since being founded, the company has navigated many changes in the market, quite notably pivoting to the mobile gaming industry while previously being more solely telecom based. The company had figured out ways to monetize audio content on phones even before streaming became mainstream.The company operates in over 50 countries today.

Note: For the following tables, the year column refers to the financial year, for example 2021 implies 1st April 2020 to 31st March 2021.

LIQUIDITY RATIOS TABLE

Year	**Current Ratio**	**Acid-Test ratio**	**Cash ratio**	**Operating cash flow ratio**
2021	1.79	1.24	0.66	0.015
2022	1.7	1.1	0.43	0.019
2023	1.47	0.90	0.33	-0.01
2024	1.22	0.91	0.28	0.018
2025	1.29	0.55	0.17	-0.011
Average	1.494	0.94	0.374	0.0062
Min	1.22	0.55	0.17	-0.011
Max	1.79	1.24	0.66	0.019

LEVERAGE FINANCIAL RATIOS TABLE

Year	Debt Ratio	Debt to equity ratio	Interest coverage ratio(%)	Debt service coverage ratio
2021	0.85	1.22	81.39	12.09
2022	0.76	1.06	70.11	31.59
2023	1.48	2.05	38.98	5.75
2024	1.89	2.58	9.28	3.23
2025	2.94	4.16	3.45	3
Average	1.584	2.214	40.642	11.132
Min	0.76	1.06	3.45	3
Max	2.94	4.16	81.39	31.59

EFFICIENCY RATIOS TABLE

Year	Asset turnover ratio	Inventory turnover ratio	Receivables turnover ratio	Days sales in inventory ratio
2021	0.61	0	3.65	N/A
2022	0.57	0	3.23	N/A
2023	0.58	0	3.97	N/A
2024	0.57	0	3.69	N/A
2025	0.55	0	3.7	N/A
Average	0.576	0	3.648	N/A
Min	0.55	0	3.23	N/A
Max	0.61	0	3.97	N/A

PROFITABILITY RATIOS TABLE

Year	Gross margin ratio(%)	Operating margin ratio	Return on assets ratio	Return on Equity ratio(%)
2021	49.41	9.64	5.07	7.13
2022	48.21	6.71	3.57	4.94
2023	50.48	0.42	0.75	0.93
2024	50.79	2.13	1.7	2.33
2025	43.7	1.08	-3.35	-4.69
Average	48.518	3.996	1.548	2.128
Min	43.7	0.42	-3.35	-4.69
Max	50.79	9.64	5.07	7.13

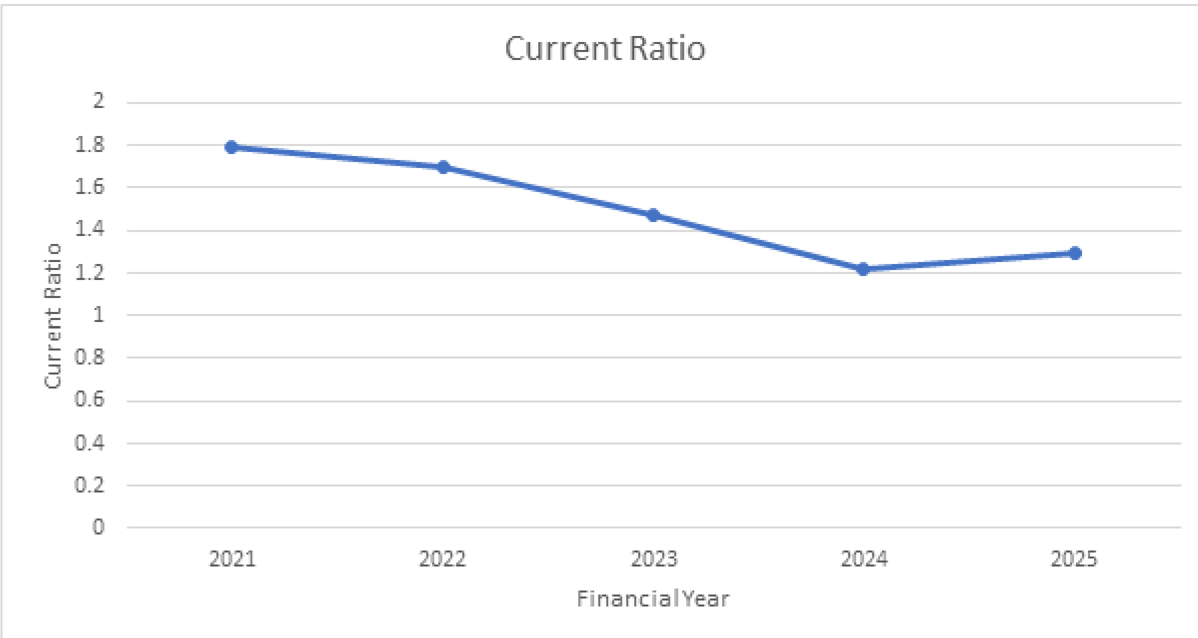
MARKET VALUE RATIOS

Year	Book value per share ratio	Dividend yield ratio	Earnings per share ratio	Price-earnings ratio
2021	59.92	1.7	4.42	19.94
2022	61.82	1.31	3.08	37.24
2023	61.75	2.48	0.64	94.38
2024	61.17	1.94	1.44	41.7
2025	56.77	1.4	1.44	40
Average	60.286	1.766	2.204	46.652
Min	56.77	1.31	0.64	19.94
Max	61.82	2.48	4.42	94.38

TREND ANALYSIS AND ECONOMIC INFERENCES

1. LIQUIDITY RATIOS

a) Current Ratio

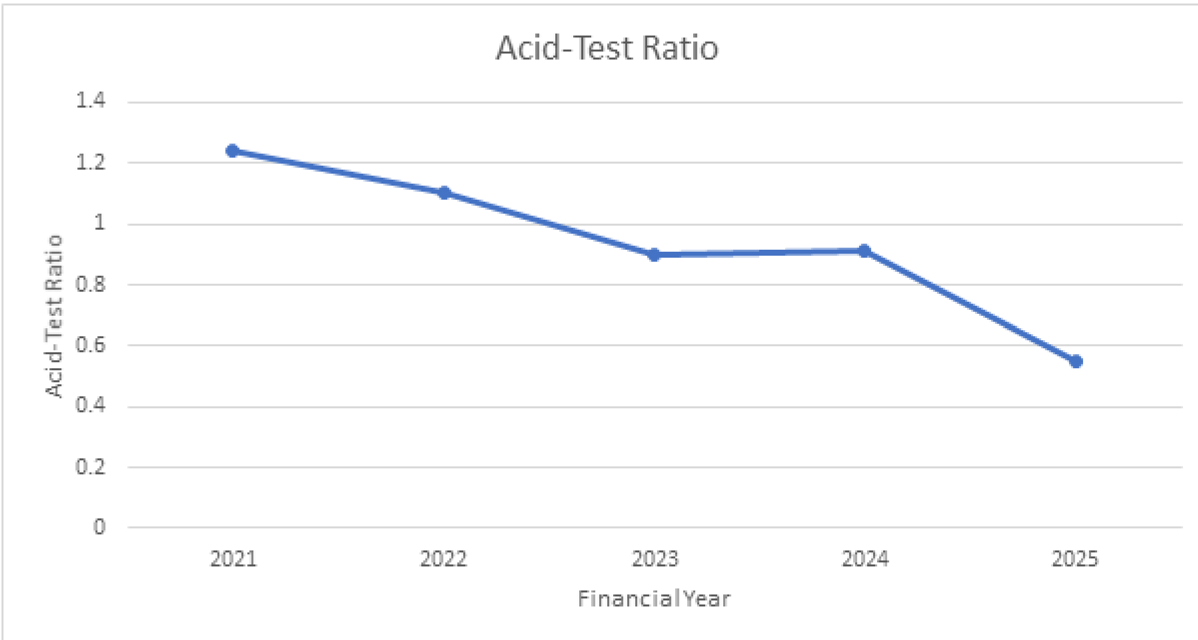


Definition: Current ratio is the ratio of current assets to current liabilities. It measures a company's ability to pay off its short term debts.

Trend: From the graph we can notice a clear downward trend in the current ratio over the last 5 years. But despite the dip, this value stays above 1 throughout the period of this study.

Economic Inference: This tells us that the company has enough assets to support short-term liabilities and is in a strong position to pay off short-term debts, however the dip still represents a fall in the liquidity position and will be concerning if it continues.

b) Acid-Test Ratio



Definition: Acid-Test ratio or quick ratio is the ratio of quick/short-term assets (Current assets minus inventory and prepaid expenses) to current liabilities. It measures how sufficient a company's short term assets are to cover the current liabilities

Trend: We can notice a clear downward trend in the acid-test ratio, and it has been below 1 since FY2023.

Economic Inference: This reflects an increasing reliance on inventory and pre-paid assets to meet short-term obligations. The company's immediate short-term liquidity is declining.

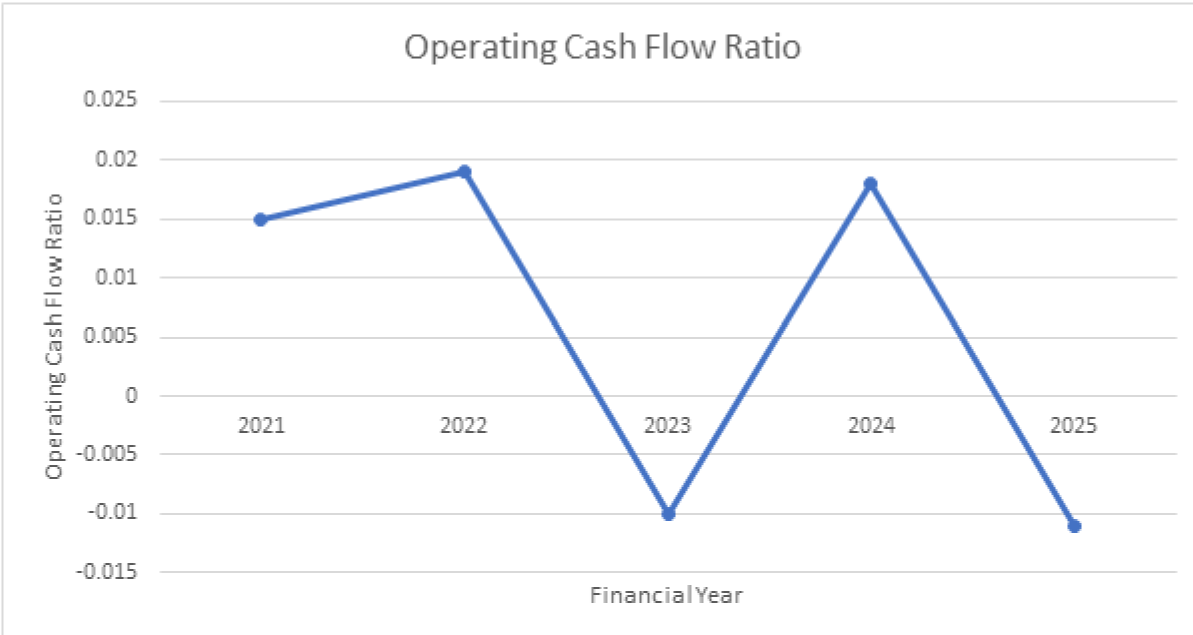
c) Cash Ratio

Definition: Cash ratio is the proportion of a company's cash and cash equivalents to its current liabilities. It measures the company's ability to pay short-term liabilities using its available cash reserve

Trend: There is an extremely steep decline in the cash ratio of the company

Economic inference: This is indicative of a continuous depletion in cash available to cover short-term liabilities.

d) <u>Operating Cash Flow Ratio</u>



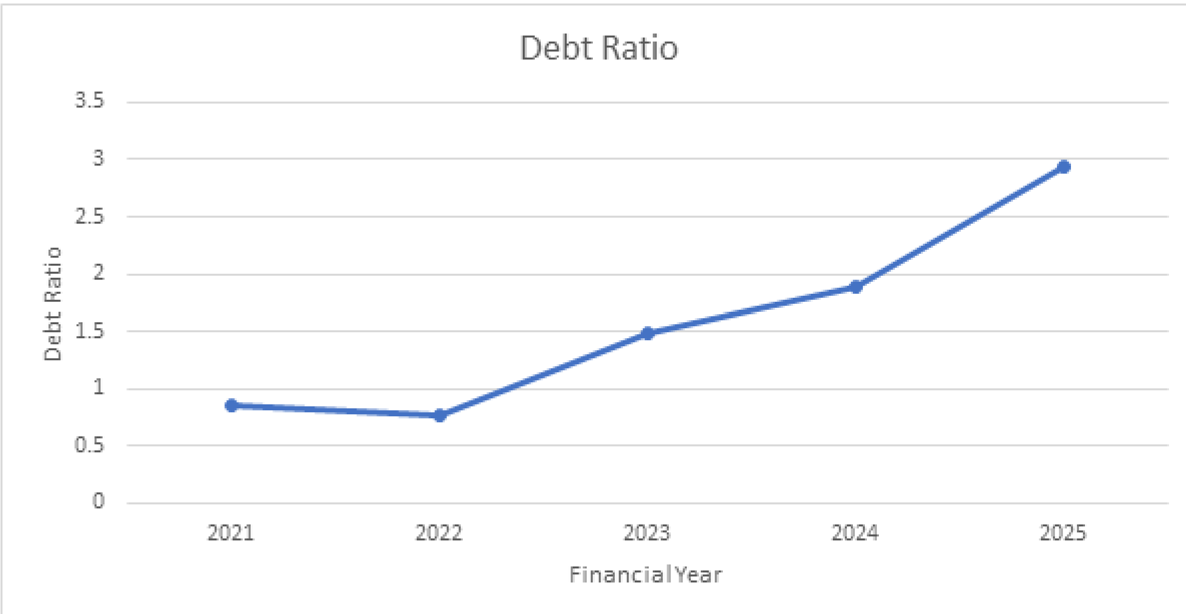
<u>Definition</u>: Operating cash flow ratio is the proportion of operating cash flow to the current liabilities. It measures the company's ability to pay its debts using existing cash flow.

<u>Trend</u>: The graph doesn't have a clear trend and fluctuates. The values are very concerning as they are quite low and even negative at times.

<u>Economic Inference</u>: The company has poor cash generation from core business operations, even losing money from operations in some years. There is a very high reliance on external funding or non-core-business operations to pay off liabilities.

2. LEVERAGE FINANCIAL RATIOS

a) Debt Ratio

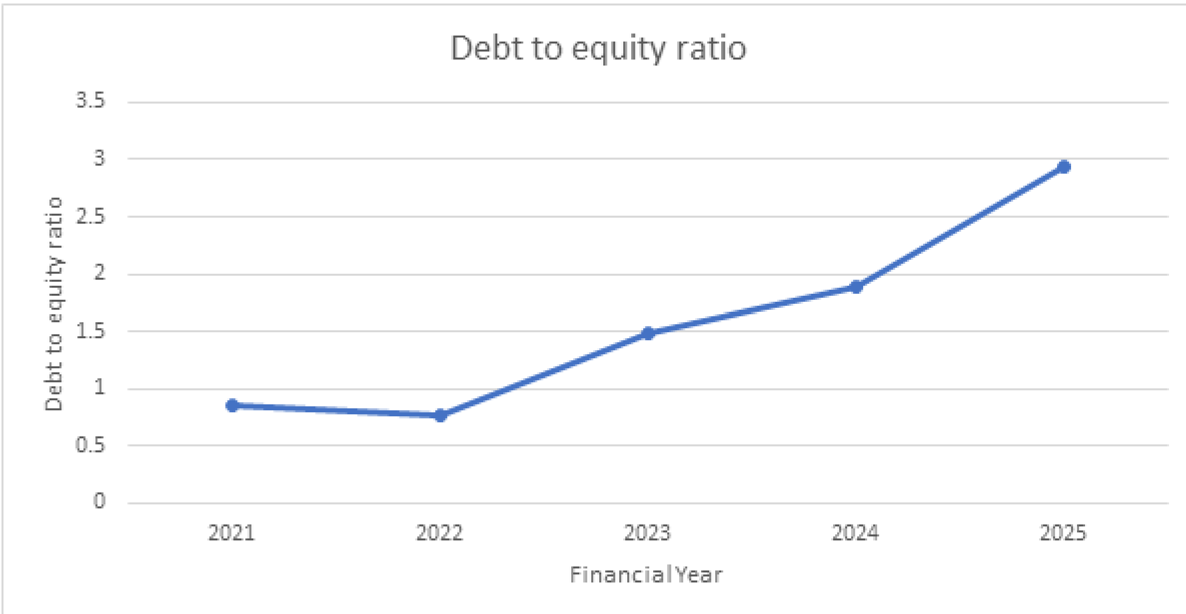


Definition: Debt ratio is the ratio of total debt to total assets of a company. It reflects the reliance on taking on debt to increase assets.

Trend: There is a steadily increase debt ratio, which has been greater than 1 since 2022.

Economic Inference: This implies an increasing reliance on taking on debt, making them harder to repay.

b) <u>Debt to Equity Ratio</u>

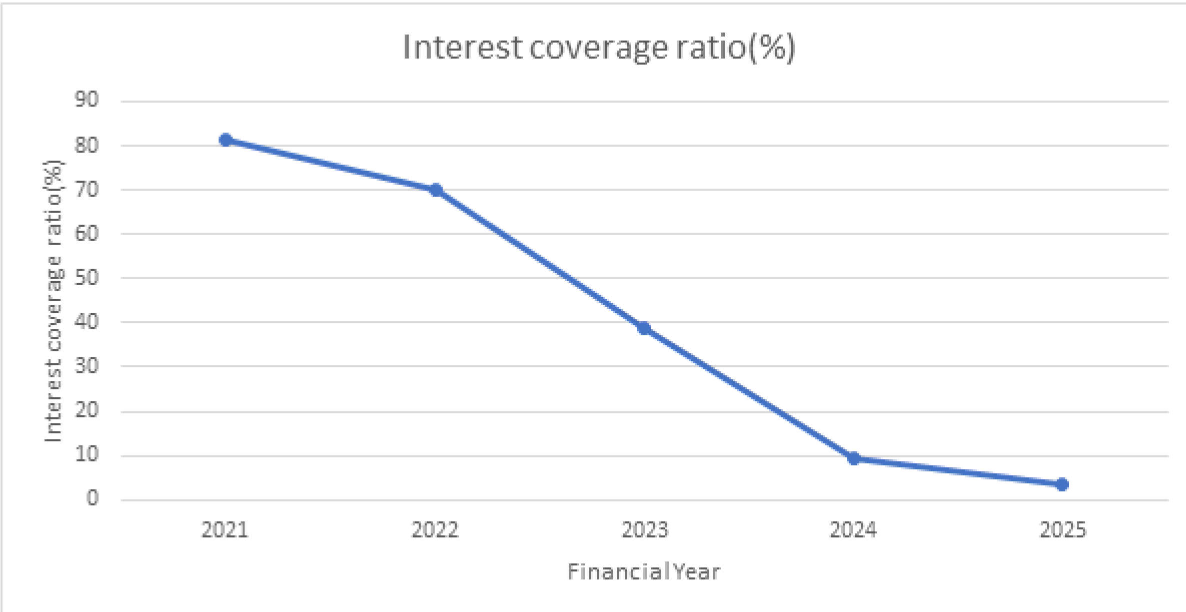


<u>Definition</u>: Debt to equity ratio is the ratio of total debt to total shareholder's equity.

<u>Trend</u>: We can see a steadily climbing D/E ratio here, implying that the company is being more and more risky.

<u>Economic Inference</u>: The company is thus being less appealing to investors and lenders due to increased risk as they leverage their debt more than their equity.

c) Interest Coverage Ratio

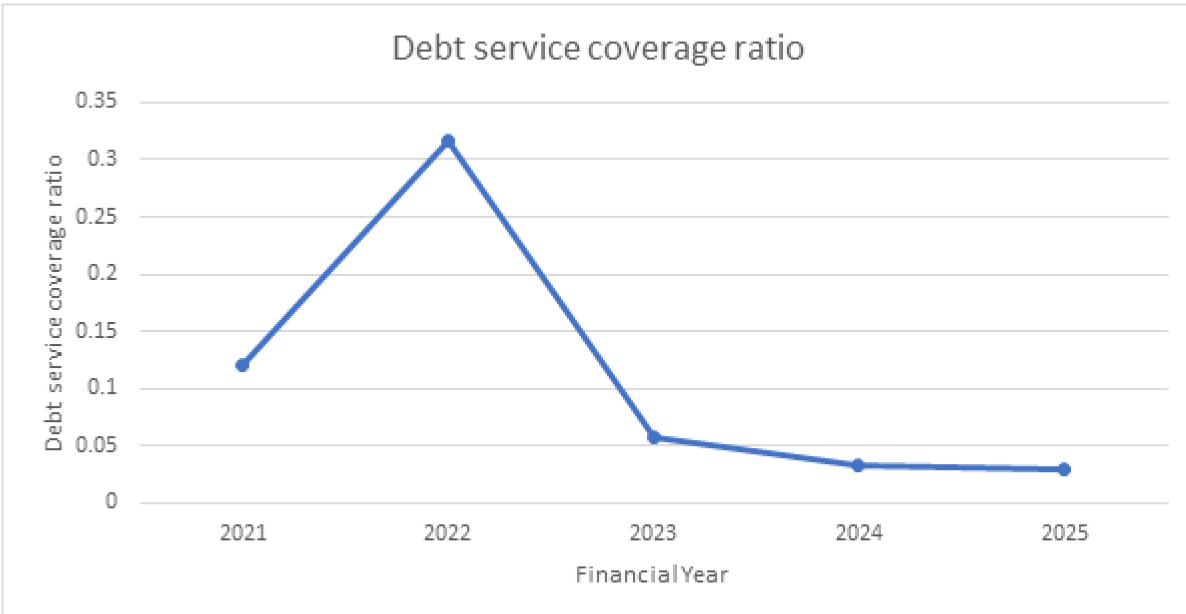


Definition: Interest Coverage Ratio is the ratio of EBIT to Interest Expenses.

Trend: There is a continuous decline throughout.

Economic Inference: This implies the company is at high risk of default and will struggle to obtain more credit.

d) Debt Service Coverage Ratio (DSCR)



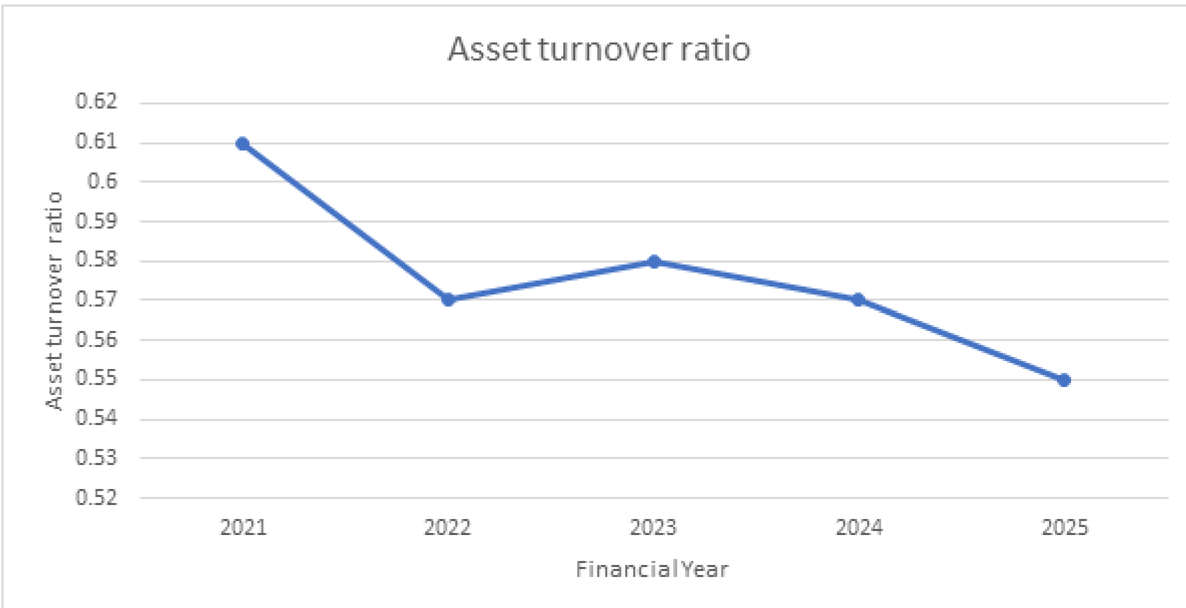
Definition: This is the ratio of the net operating income to total debt service.

Trend: There is a big upward fluctuation in 2022, but an overall downward trend in DSCR with some stability in the last 3 years, but at a lower value.

Economic Inference: The company finds it harder to meet debt obligations, weakening its financial position.

3. EFFICIENCY RATIOS

a) Asset Turnover Ratio

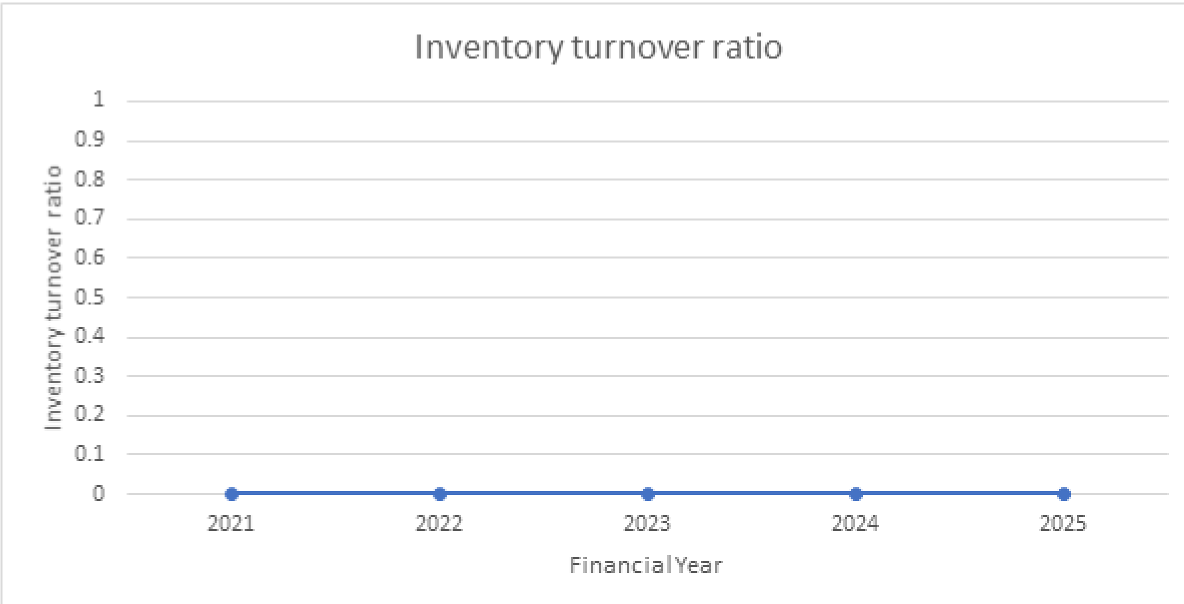


Definition: This is the ratio of Net sales and total average assets. It represents how efficiently assets are being used in the company.

Trend: There is a downward trend and the ratio is well below 1.

Economic Inference: This points to very inefficient use of assets and not as much revenue is being generated from assets as they should.

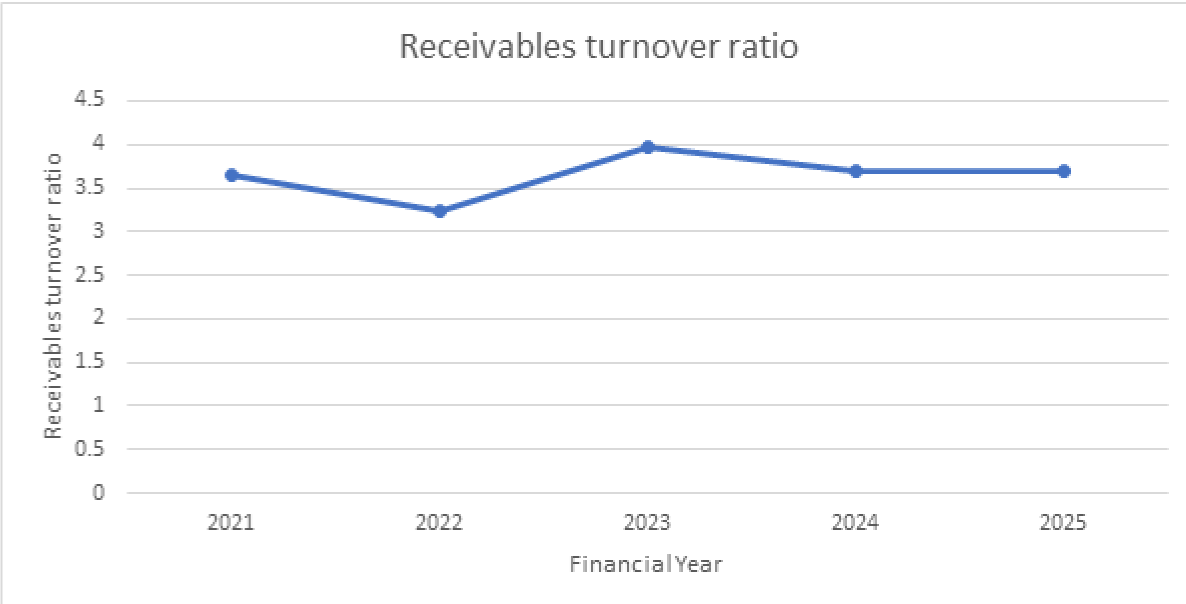
b) <u>Inventory Turnover Ratio</u>



<u>Definition</u>: On a yearly basis, inventory turnover ratio is the number of times a company sells and replenishes its inventory in a given financial year.

<u>Explanation for nature of graph</u>: OnMobile being a business in the telecom and mobile entertainment sector, doesn't hold any physical inventory thus this ratio is 0 as there is no physical inventory inventory to empty and replenish.

c) Receivables turnover ratio



Definition: This is the ratio of net credit sales to the average accounts receivable. It shows the frequency and efficiency of receivables collection.

Trend: This ratio stays relatively unchanging across 5 years, being stable throughout.

Economic Inference:This shows that receivables are being collected at roughly the same rate across the timeframe of the study. There is consistency in the amount of cash that is available for reinvestment back into the company

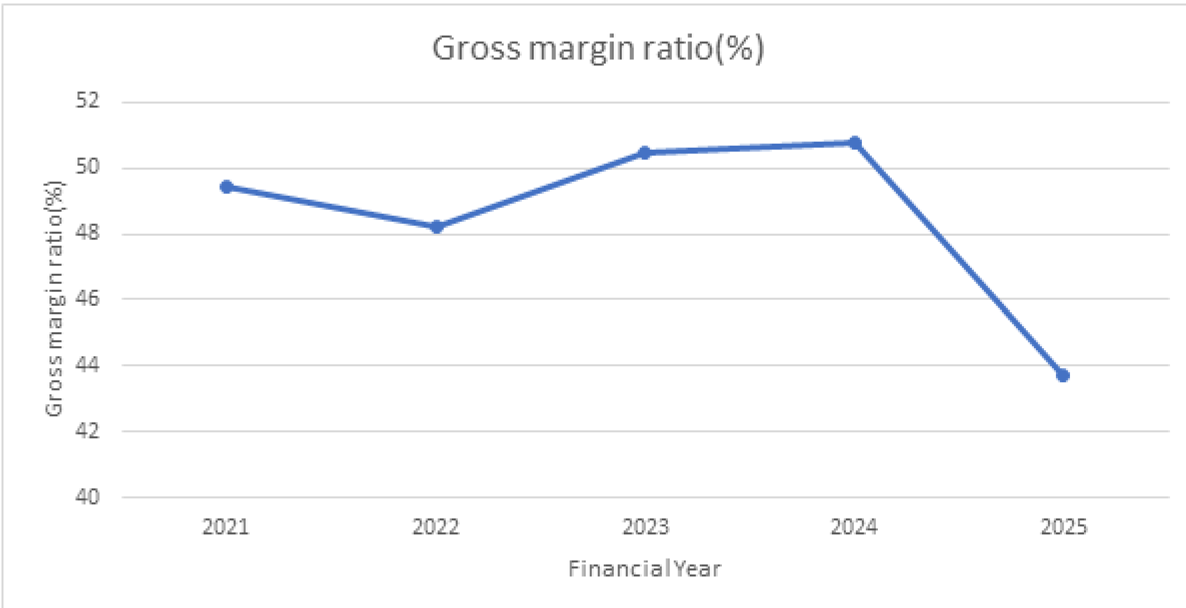
d) Days sales in inventory ratio

Definition: This ratio is given by 365/number of days taken to sell out inventory.

Reason for Irrelevance of this Ratio: OnMobile's products all being of software nature do not have any physical inventory to begin with, making the denominator essentially zero. This is also seen in the inventory turnover ratio being 0. Thus this ratio doesn't exist in the context of this company and doesn't really have any meaning as it is mathematically infinite.

4. PROFITABILITY RATIOS

a) Gross Margin Ratio(%)

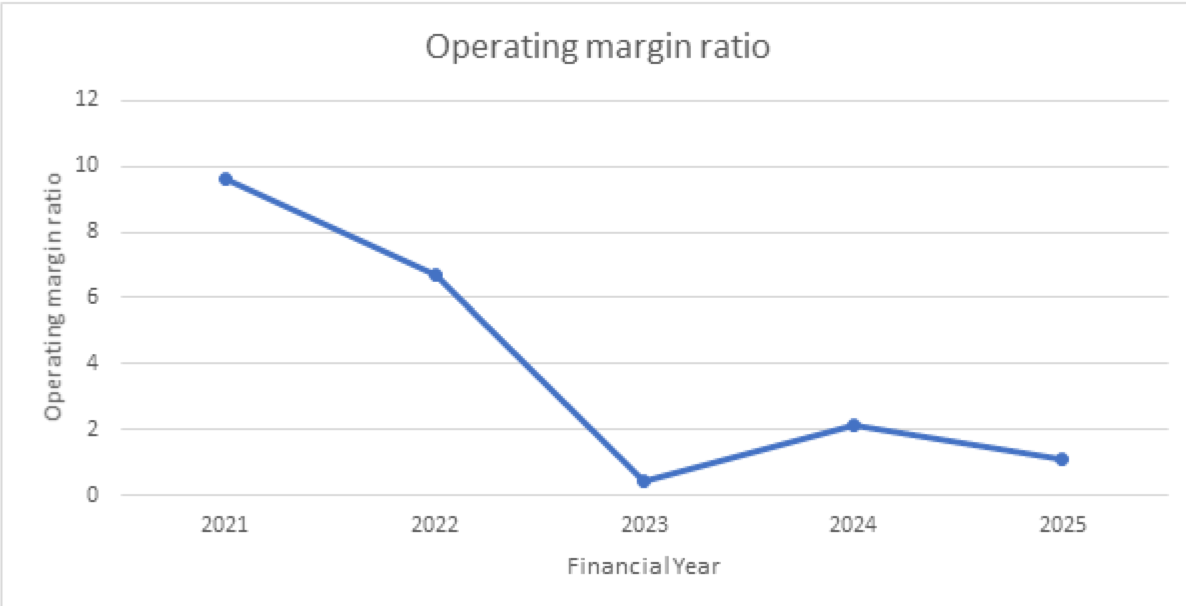


Definition: It is calculated by dividing Net sales- (total Cost of goods sold, operating expenses and interest expenses) by Net sales.

Trend: We can notice a period of relative constancy around 50% and then a sharp decline to 43.7% in 2025. This is a healthy value and is about the average industry value for their market.

Economic Inference: This indicates a very efficient production overall. The fall in 2025 might be caused by rising cost of production or price cuts.

b) Operating margin ratio



Definition: This is the ratio of operating income to revenue.

Trend: There is a very big dip from 2021 to 2023 to near zero, followed by a recovery to 2.18 and then a small dip to 1.08.

Economic Inference: This indicates that for every 100 rupees generated it retains 1.08 rupees after operating expenses which is poor and below industry average.

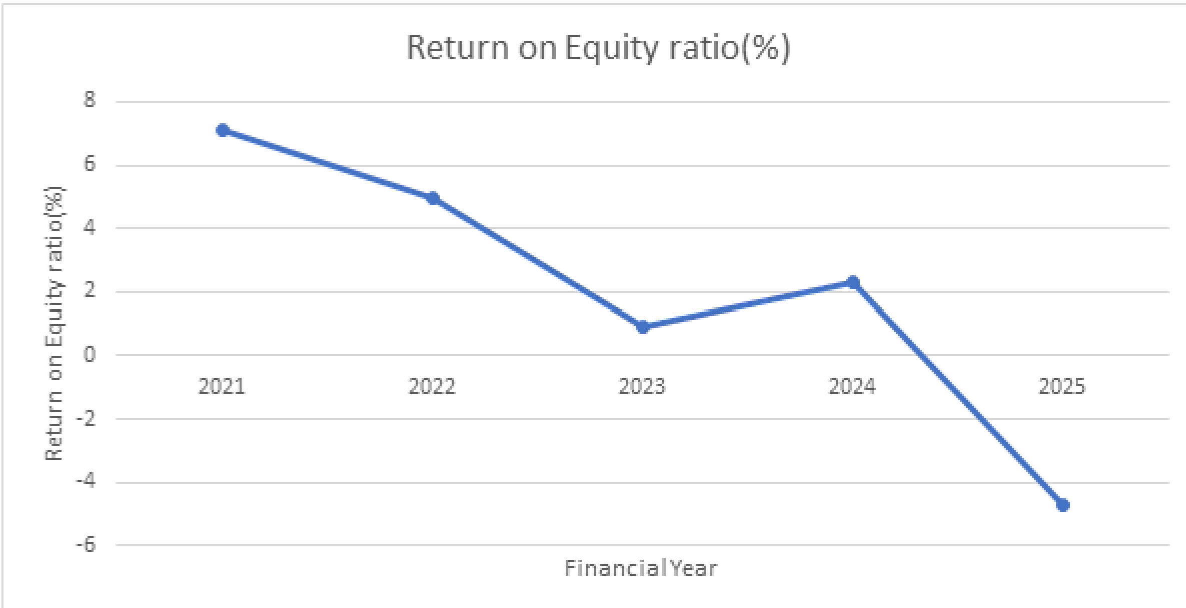
c) Return on Assets Ratio

Definition: This is the ratio of Company's post-tax earnings to total assets owned. It determines how profitable a company's assets are for revenue generation.

Trend: There is an overall concerning downward trend with it dropping to negative in 2025.

Economic Inference: This indicates that the company is struggling to generate revenue from its assets. The negative value in 2025 implies that the assets were not profitable for the company in 2025. The entire trend signifies poor asset management.

d) <u>Return on Equity Ratio</u>



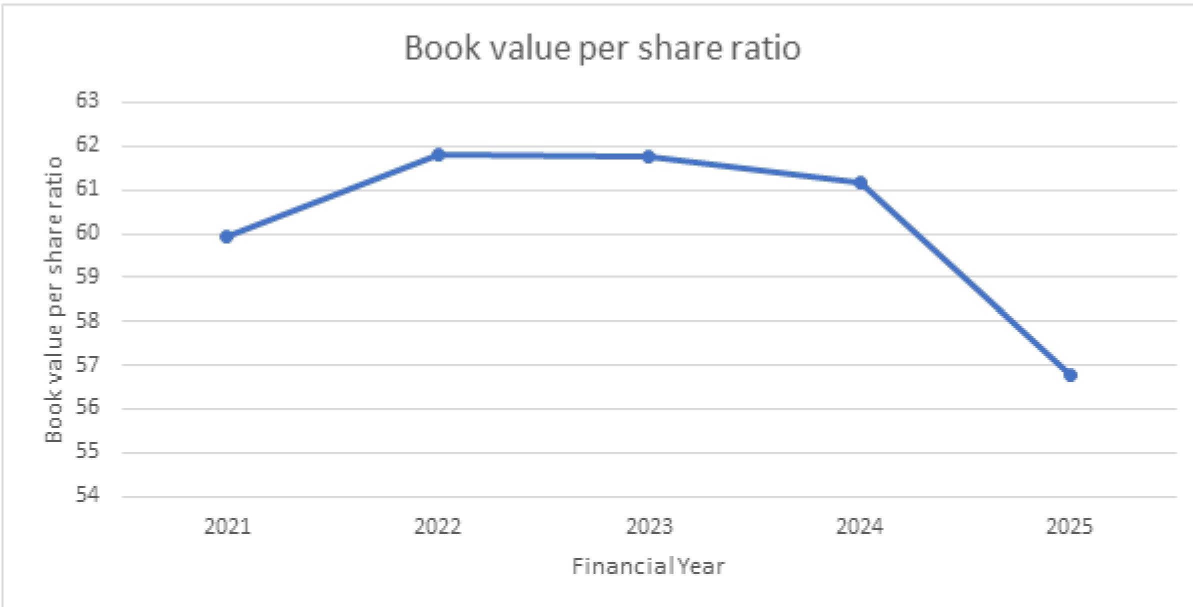
Definition: It is the ratio of net income to total equity. It determines how profitable a company's assets are for revenue generation.

Trend: Just like with return on assets ratio, there is an overall concerning downward trend with it dropping to negative in 2025.

Economic Inference: This indicates that the company is struggling to generate revenue from its equity, again a sign of poor management of assets.

5. MARKET VALUE RATIOS

a) Book value per share ratio

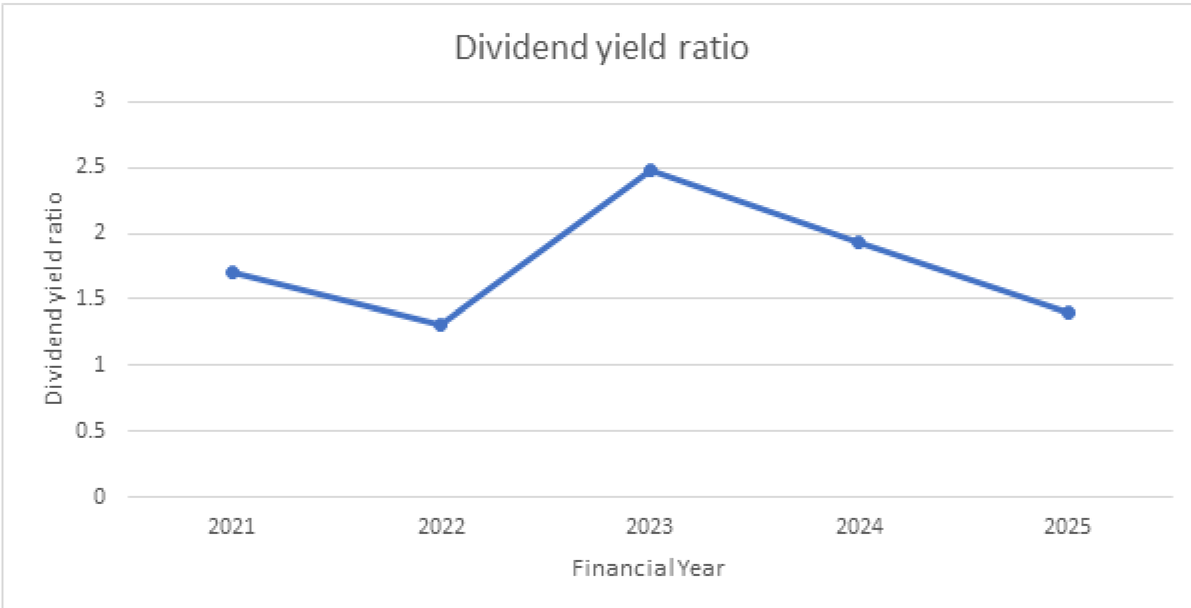


Definition: This is the ratio of total shareholders' equity to number of outstanding shares.

Trend: There is an initial rise, followed by stability and then a sharp decline towards the end.

Economic Inference: This indicates a weakening financial position, possibly even erosion of shareholders' equity value.

b) <u>Dividend Yield Ratio</u>

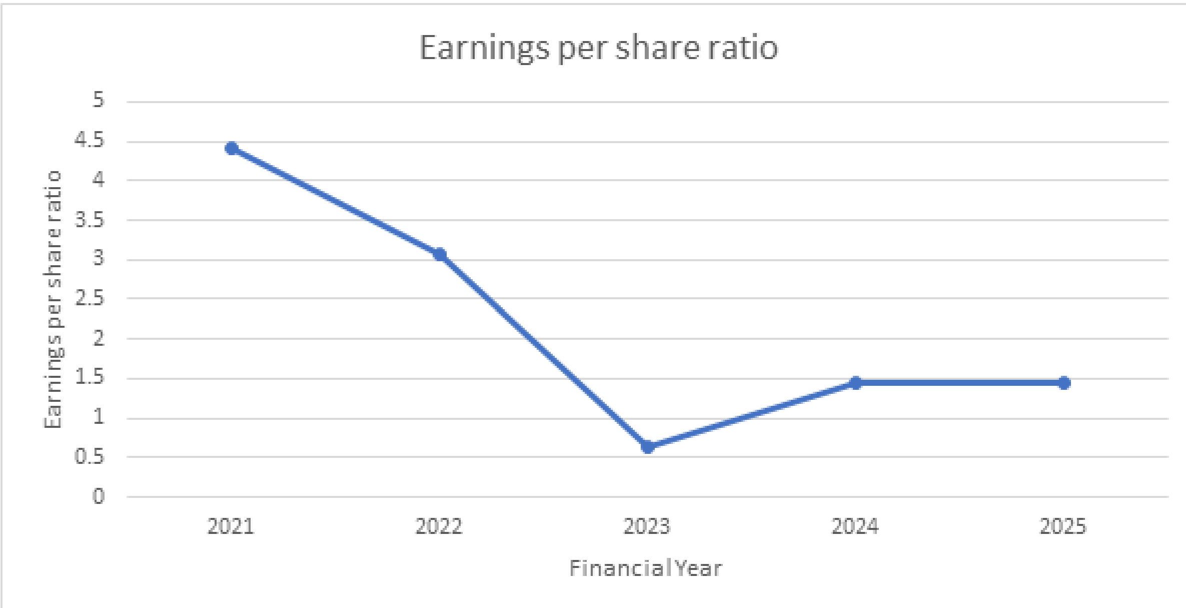


<u>Definition</u>: This is the ratio of annual dividends per share to price per share.

<u>Trend</u>: There is no particular trend but the dividend yield appears to be in control.

<u>Economic</u> Inference: The decline from 2023 to 2025 hints at a more cautious approach to dividends.

c) Earnings per Share Ratio



Definition: This is the ratio of net income to number of outstanding shares.

Trend: There is a very sharp decline till 2023. This is followed by stability and a bit of growth.

Economic Inference: The dip means each outstanding share of common stock doesn't earn as much profit as it did in 2021. The stabilization suggests more consistency in profitability albeit at a lower level.

d) Price-Earnings Ratio(P/E Ratio)

Definition: Price-earnings ratio is the ratio of current market price of a stock to its earnings per share.

Trend: There is an initial increase with a massive spike in 2023, followed by a decrease and stability at around 40 over the last 2 years.

Economic Inference: The spike in 2023 implies investors were extremely optimistic about the company in 2023, possibly due to OnMobile's ventures like "Challenger's Arena" gaining more steam.

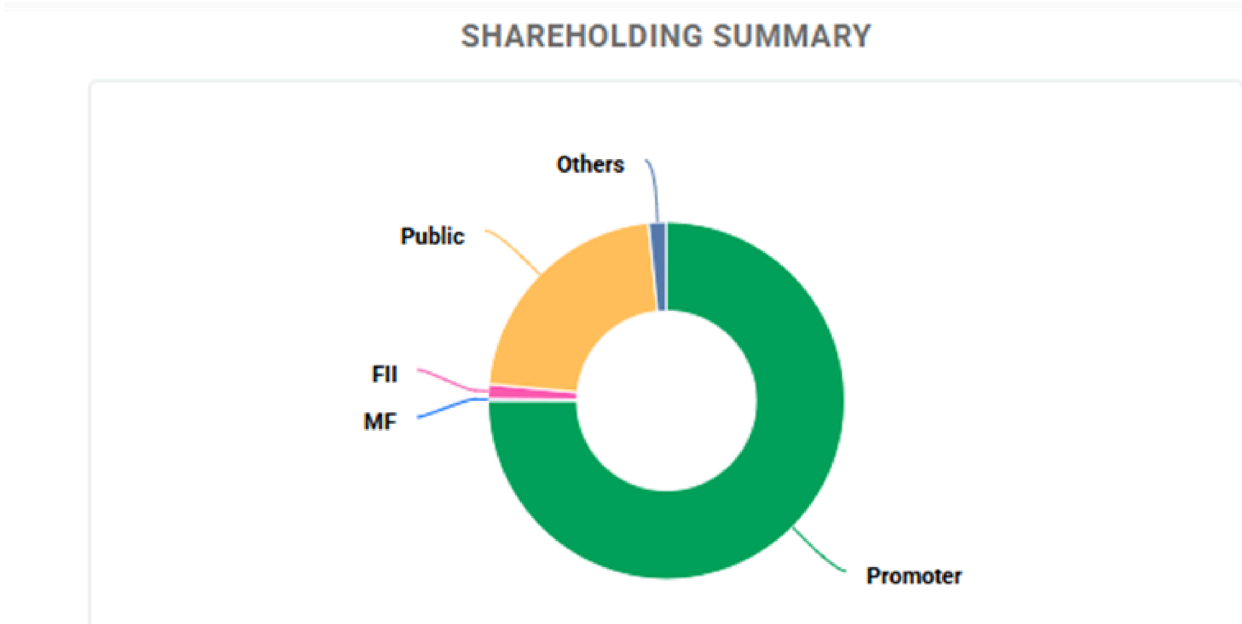
<u>IGARASHI MOTORS INDIA Ltd.</u>

INTRODUCTION

- **Nature of Business**

Igarashi Motors India Ltd. (IMIL) [BSE: 517380, NSE: IGARASHI] is a Chennai based – Indian manufacturing company which primarily concerns itself with the production and export of permanent magnet DC (direct current) motors for the automotive sector, mainly for passenger cars.

- **Ownership**



(Source: Trendlyne.com)

As is evident from the above figure, IMIL is a privately owned company with almost 75% owned by promoters. The remaining 25% is owned by the public (21.9%) + FIIs (Foreign Institutional Investors) (1.3%) + Mutual Funds (0.17%) and others (1.6%). The Igarashi Motors in Japan and its subsidiaries hold the majority share in IMIL.

The company is listed in the BSE and NSE stock exchanges and is hence a publicly listed company but with a private ownership.

- **Origin**

The company was initially incorporated as CG Igarashi Motors Limited (CGIML) on 10th January, 1992 as a joint- venture between Crompton Greaves Ltd (India), Igarashi Electric Works Ltd. (IEWL), and International Components Corporation, USA. The company became a public limited company and was listed on the Indian stock exchanges in 1993. IEWL later consolidated its ownership by acquiring the shares previously held by the existing joint venture partners. The name was changed from CGIML to Igarashi Motors India Limited from July 13, 2003.

- **Overall greatness**

Established as a contract manufacturer in 1992, the company expanded into the design and development of critical automotive applications starting in 2000. IMIL has engineered an actuator motor—a type of DC motor—for use in Electronic Throttle Control (ETC) systems. It provides DC motors and sub-assemblies for various applications such as seat motors, window lift systems, and fuel pumps to both domestic and international customers. With over two decades of operational expertise, the company has built a robust and diversified portfolio. Beyond conventional DC motor applications, the company has established a presence in advanced automotive systems such as air management systems, braking systems and vehicle body systems, catering to internal combustion engines (ICE), hybrid, and battery electric vehicle (BEV) segments.

1. Liquidity Ratios

Year	Liquidity Ratios			
	Current Ratio	Acid-Test Ratio	Cash Ratio	Operating Cash Flow Ratio
31st March 2021	1.27	0.81	0.12	0.41
31st March 2022	1.42	0.81	0.05	0.16
31st March 2023	1.51	0.89	0.15	0.33
31st March 2024	1.41	0.85	0.09	0.14
31st March 2025	1.37	0.86	0.08	0.17
Average	1.40	0.84	0.10	0.24
Max	1.51	0.89	0.15	0.41
Min	1.27	0.81	0.05	0.14

2. Leverage Ratios

Year	Leverage Financial Ratios			
	Debt Ratio	Debt to Equity Ratio	Interest coverage ratio	Debt service coverage ratio
31st March 2021	0.37	0.21	5.18	1.14
31st March 2022	0.37	0.17	5.88	1.81
31st March 2023	0.35	0.23	0.49	1.62
31st March 2024	0.39	0.27	2.30	2.99
31st March 2025	0.42	0.31	3.33	0.41
Average	0.38	0.24	3.44	1.59
Max	0.42	0.31	5.88	2.99
Min	0.35	0.17	0.49	0.41

3. <u>Efficiency ratios</u>

Year	Efficiency Ratios			
	Asset Turnover Ratio	Inventory turnover ratio	Receivables turnover ratio	Days sales in inventory
31st March 2021	0.78	0.12	3.76	3171.83
31st March 2022	0.76	0.08	3.42	4519.62
31st March 2023	0.79	3.96	3.58	92.18
31st March 2024	0.91	4.68	4.1	78.01
31st March 2025	0.94	4.37	3.69	83.76
Average	0.84	2.64	3.71	1589.08
Max	0.94	4.68	4.10	4519.62
Min	0.76	0.08	3.42	78.01

4. Profitability Ratios

Year	Profitability Ratios			
	Gross Margin ratio	Operating margin ratio	Return on assets ratio	Return on equity ratio
31^{st} March 2021	40.58	6.66	4.45	7.02
31^{st} March 2022	38.42	5.59	3.73	5.94
31^{st} March 2023	31.47	0.36	0.17	0.27
31^{st} March 2024	31.25	2.08	0.75	1.19
31^{st} March 2025	31.15	3.54	1.28	2.16
Average	34.57	3.64	2.08	3.32
Max	40.58	6.66	4.45	7.02
Min	31.15	0.36	0.17	0.27

5. Market Value Ratios

Year	Market Value Ratios			
	Book value per share ratio	Dividend yield ratio	Earnings per share ratio	Price-earnings ratio
31st March 2021	134.34	2.66	9.16	19.41
31st March 2022	139.58	0.44	8.03	33.48
31st March 2023	139.25	0.42	0.32	943.16
31st March 2024	139.65	0.39	1.87	209.70
31st March 2025	142.01	0.24	2.82	134.97
Average	138.96	0.83	4.44	268.14
Max	142.01	2.66	9.16	943.16
Min	134.34	0.24	0.32	19.41

TREND ANALYSIS AND ECONOMIC INFERENCES

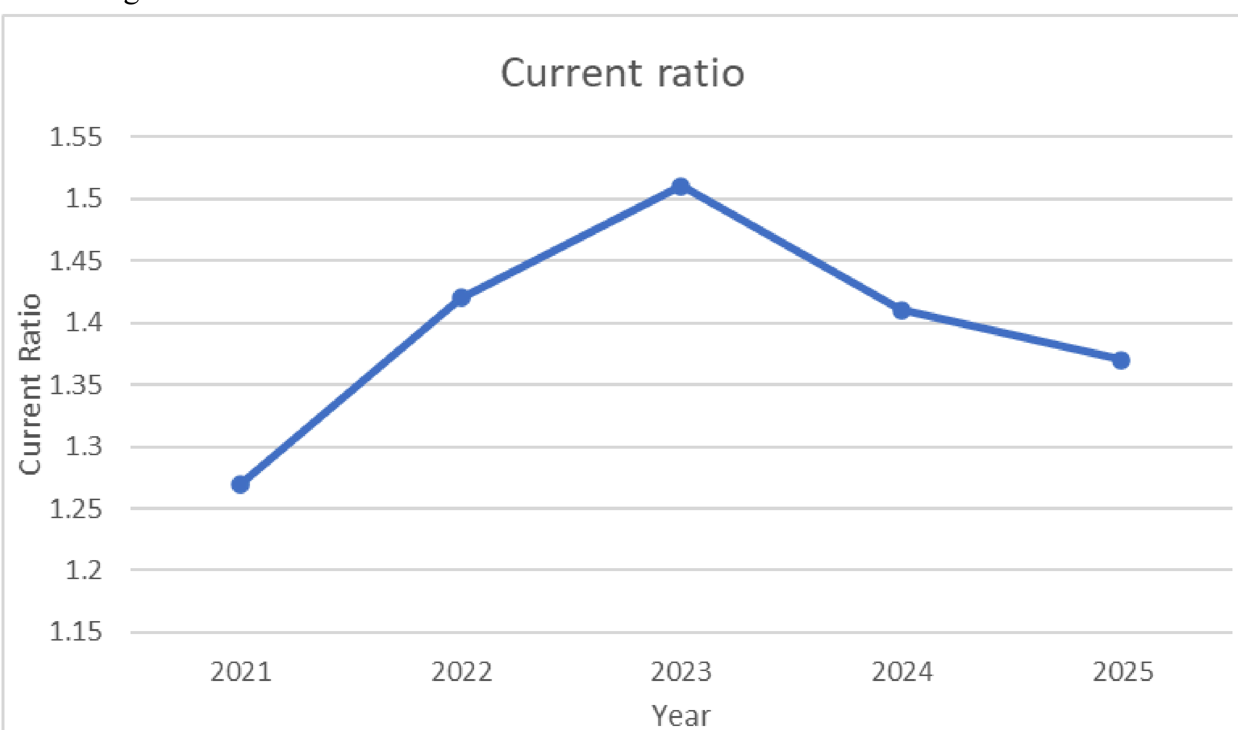
1. LIQUIDITY RATIOS

a. Current Ratio

Definition: Measures the company's ability to pay its short-term obligations or those due within a year. It is obtained by dividing current assets with current liabilities.

Trend: The current ratios of IMIL experienced a positive trend from 2021 (1.27) to 2023(1.51), but has experienced a negative trend from 2023 to 2025 (1.37), However, the rate of decrease has reduced from 2024 to 2025 as compared to 2023 to 2024. This might imply that the company's ability to pay its debts have increased. The ratios are above 1 which indicates the capability of the company to pay off its short-term debts

Economic Inference: IMIL's current ratio values over the past 5 years are greater than 1, which means that it has the funds to pay for its short-term liabilities. The current ratio values of 1.27 to 1.51 are within the normal and acceptable range for electrical equipment companies. The upward trend shows that the company was becoming more capable at settling its short-term liabilities. But the negative trend between 2023 and 2025 appears to reflect a more constrained liquidity position. It may signal developing liquidity issues if it persists. The recent stabilization of the rate of decline may suggest that management is acting to resolve liquidity issues, but continued monitoring is recommended.

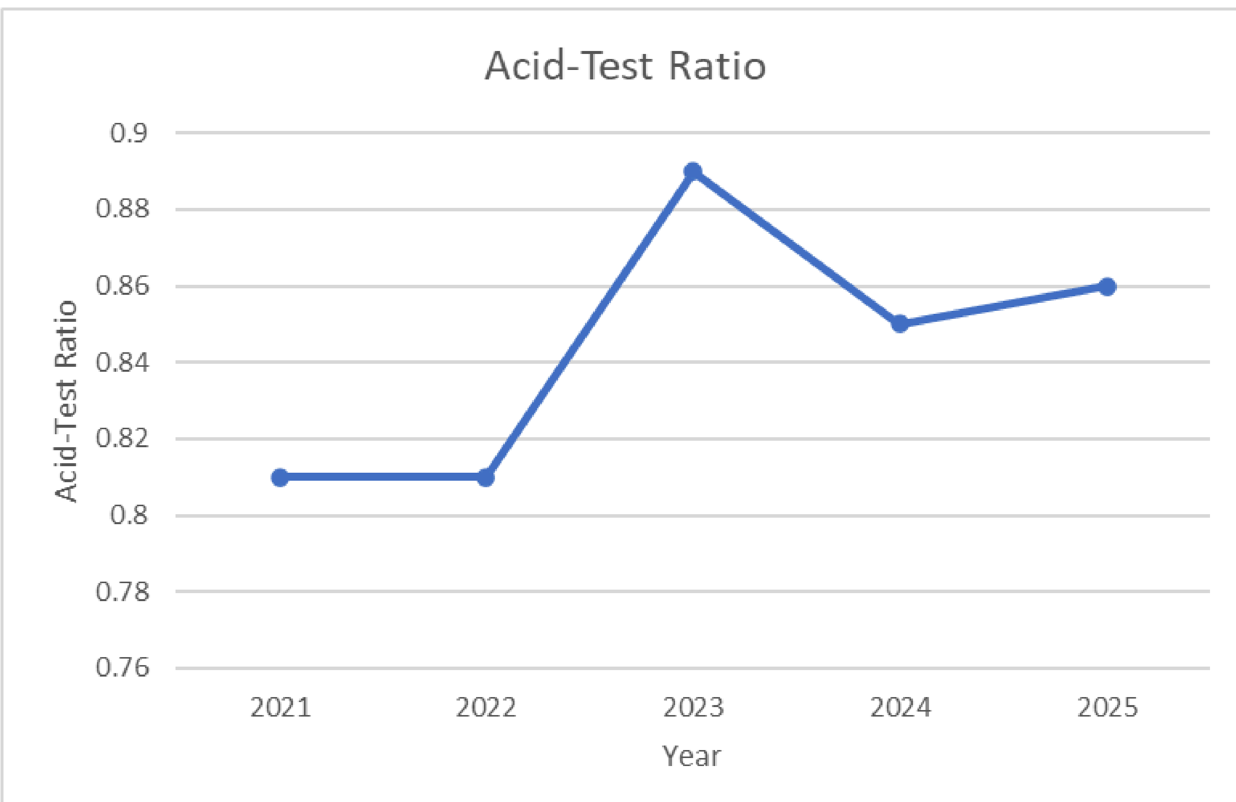


b. Acid-Test ratio

Definition: The acid-test is used to determine if the value of a company's short-term assets is enough to cover its short-term liabilities. It is a stricter liquidity measure when compared to the current ratio as it does not include inventory (which are difficult to liquidate quickly) from the calculation of current assets

Trend: The acid-test ratio (from Fig. 2) is constant from 2021 to 2022 (0.81) followed by an increase to 0.89 in 2023 and then a subsequent decrease to 0.85 in 2024 and a slight uptick to 0.86 in 2025. The value remains below 1 during this 5-year time period.

Economic Inference: An acid-test ratio less than 1 suggests that IMIL lacks sufficient liquid assets (excluding inventory) to meet all its current liabilities at short notice, typically within 90 days. It can be observed that the current ratio is above 1, while the acid-test ratio remains below 1. This implies that much of the short-term assets of IMIL are in the form of inventories or other less liquid assets. This may signal potential liquidity risk, particularly if the company faces sudden cash flow needs.

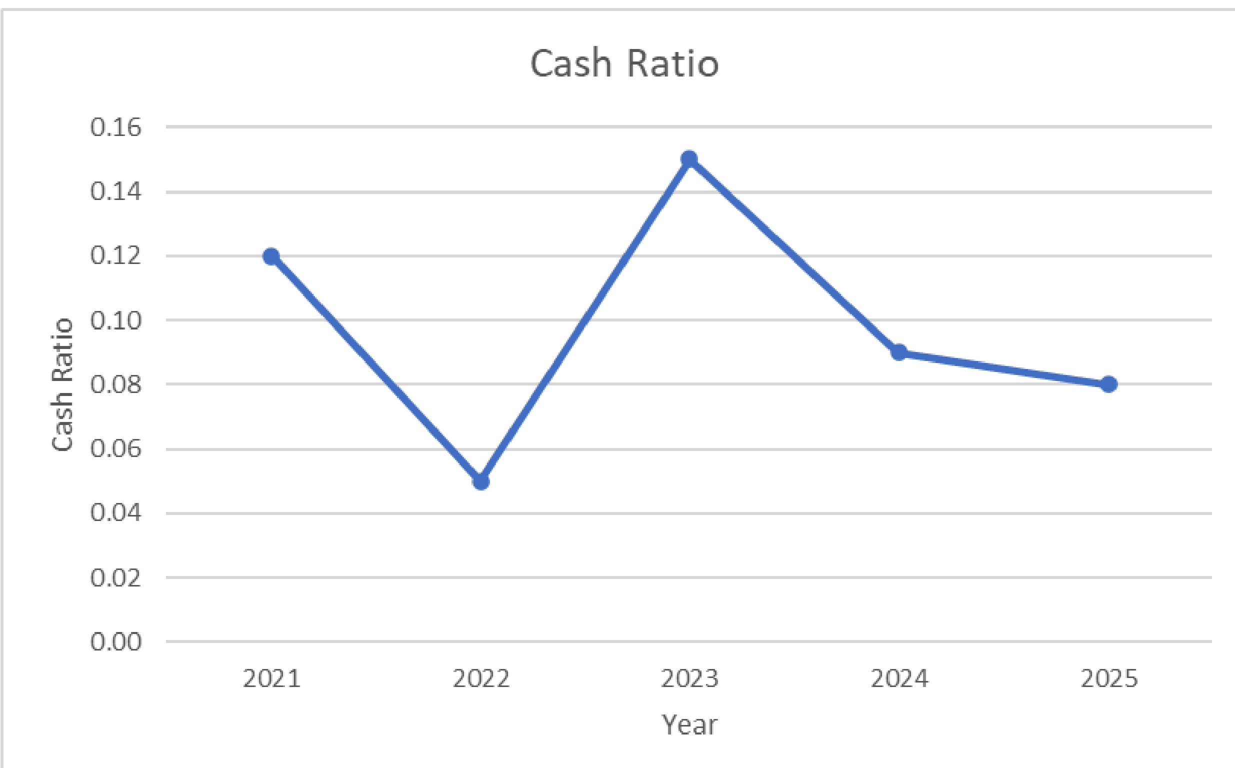


c. <u>Cash Ratio</u>

Definition: The cash ratio is a liquidity measure that shows a company's ability to cover its short-term obligations using only cash and cash equivalents, without having to sell or liquidate other assets. It is equal to the sum of a company's total reserves of cash and near cash securities divided by its total current liabilities.

Trend: The cash ratio fluctuates quite a lot during the five-year time period. It decreases from 0.12 to 0.05 in 2022 and then increases to 0.15 in 2023, followed by a decrease to 0.09 in 2024 and then to 0.08 in 2025. The cash ratios have stayed below 1 throughout the time frame indicating the company has more short-term debt than cash.

Economic inference: The volatile cash ratio is characteristic of a company in the manufacturing sector. The electric equipment manufacturing industry is high-cost and tends to have cyclical cash flows because of extensive investments in equipment, inventory, and technology. The company seems to be actively managing its liquidity, balancing between holding cash and using it for growth or operational needs. The company's cash ratio varies from 0.05 to 0.15. This means IMIL has only 6% to 15% of the cash needed to cover its current liabilities at any given time. While this is not uncommon for a company in the manufacturing industry, IMIL may face liquidity issues in times of economic stress or unexpected expenses.

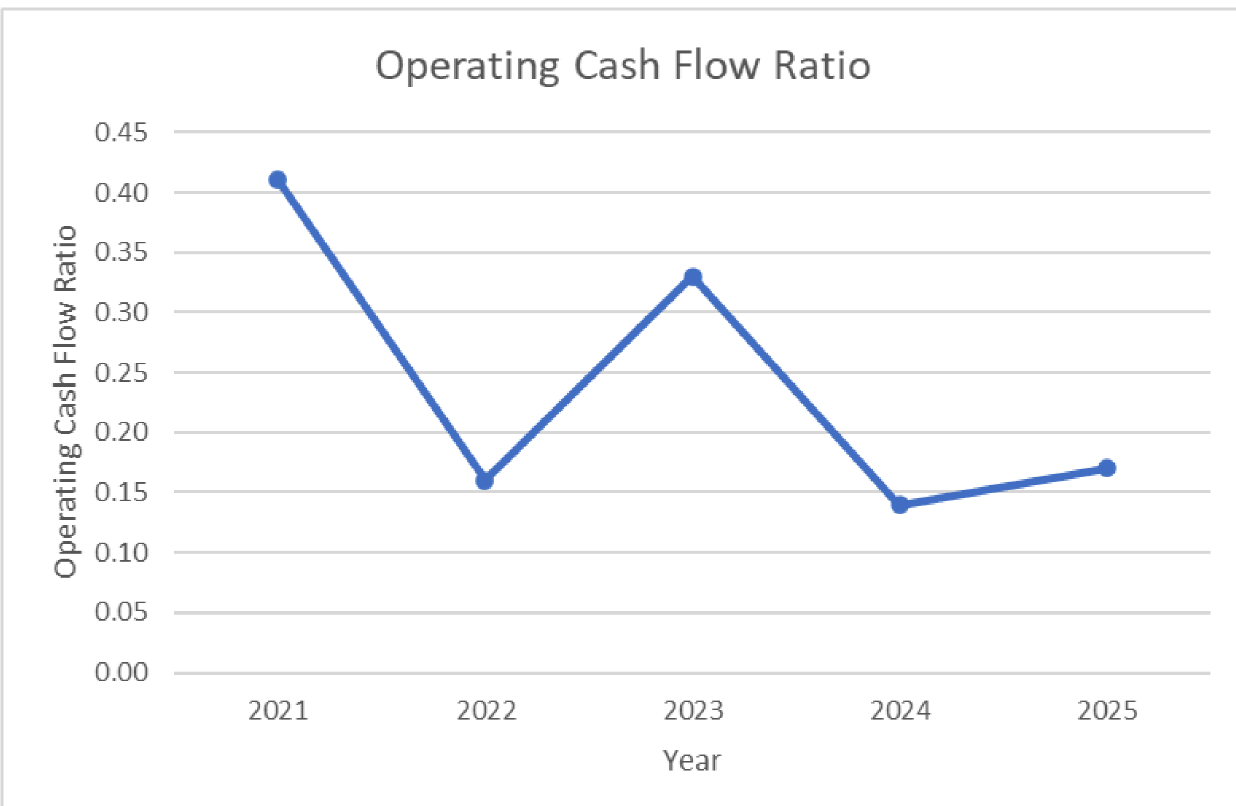


d. **Operating Cash Flow Ratio**

Definition: The operating cash flow ratio is a measure of how well the current liabilities can be covered by the cash flows generated from a company's operation. It is determined by dividing operating cash flow by current liabilities.

Trends: The operating cash flow ratio is fluctuating throughout the 5-year period. It is 0.41 at 2021, thereafter it decreases to 0.16 in 2022, followed by an increase to 0.33 and a subsequent decrease to 0.14 and an increase to 0.17. The ratios stay below 1 throughout the period.

Economic Inference: IMIL's operating cash flow ratio trend reveals periods of both strong and weak cash generation, with notable volatility. The volatility in operating cash flow ratio is common in manufacturing companies due to the cyclical and project-driven nature of the electric equipment manufacturing industry. The low value of these ratios, though common in such industries, is of slight concern. The average ratio is 0.24, which implies that the cash from the operations of the company would pay off about 24% of its current liabilities. This indicates weaker liquidity and higher reliance on external funding or working capital management.



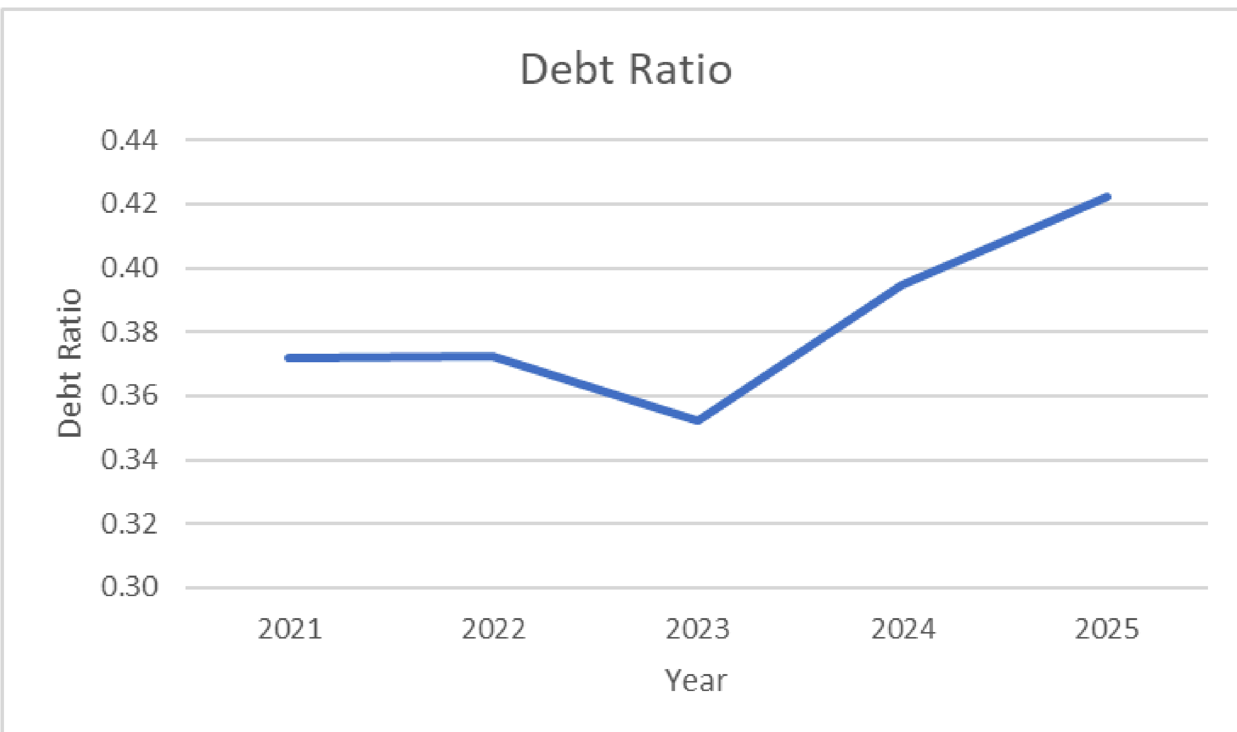
2. LEVERAGE RATIOS

a. Debt Ratio

Definition: A debt ratio measures the extent to which a company's assets are financed by debt. It is determined by dividing total debt by total assets.

Trends: The ratio remains less than 1 during the course of the last 5 years. It remains the same from 2021 to 2022 with a value of 0.37. It drops to 0.35 in 2023, after which it rises to 0.39 and then to 0.42 in 2024 and 2025 respectively

Economic inference: A ratio below 1 implies that the company has more assets than debts. The average debt ratio of 0.38 is very close to the industry average of 0.357, suggesting that the firm neither takes an extremely conservative or aggressive approach in leveraging finance. IMIL has increased its financial leverage from 2023 to 2025, implying that the company has incurred more debt, probably to fund expansions, capital expenditures or operation. Despite the risk, this can accelerate growth, if used productively.

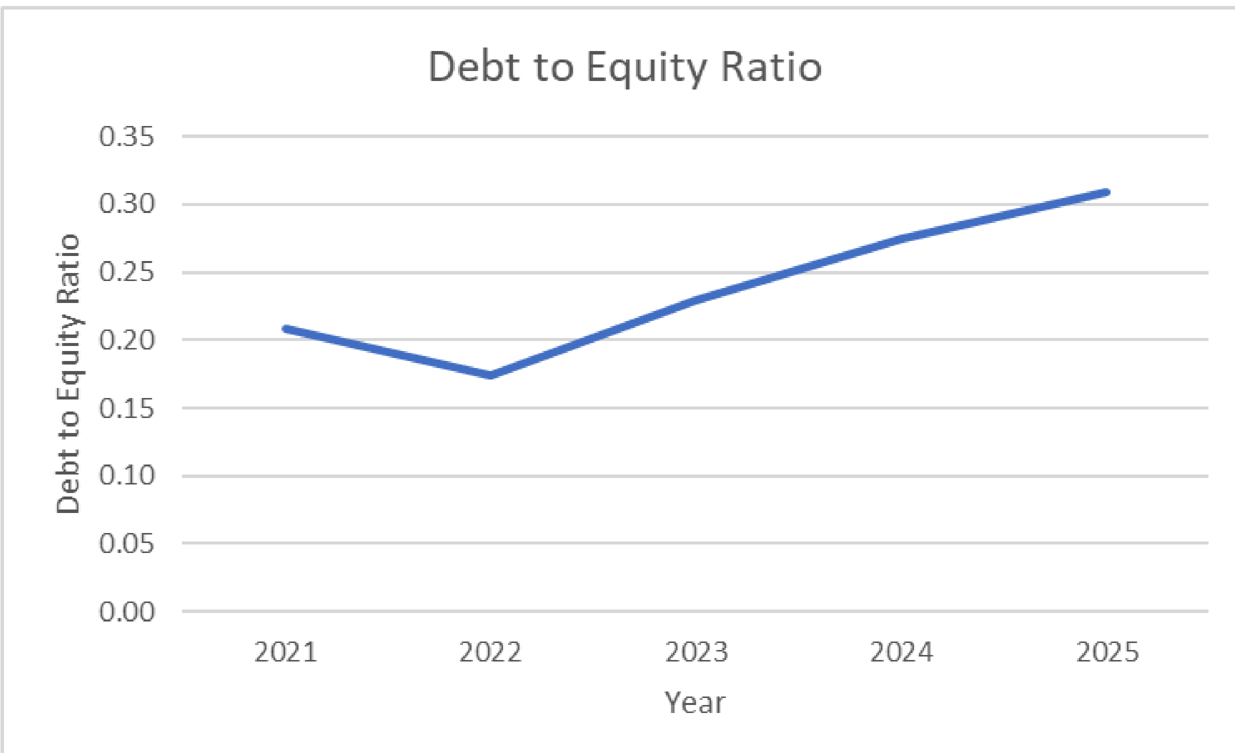


b. Debt to Equity Ratio

Definition: Debt to Equity(D/E) ratio depicts how much debt a company has when compared to its assets. It is calculated by dividing a company's total liabilities by its shareholder equity

Trends: The debt-to-equity ratio decreases from 0.21 in 2021 to 0.17 in 2022 and then proceeds to increase to 0.31 in 2025.

Economic Inference: Even at its peak of 0.31, IMIL has a relatively low D/E ratio relative to industry norms (usually between 0.5 to 2.0 for manufacturing firms) This implies a conservative financial leverage strategy, providing greater financial stability. The steady increase from 2022 to 2025 indicates an intentional shift towards greater financial leverage. This could be an indication that the management is becoming more confident in the company's growth and its ability to service debt.

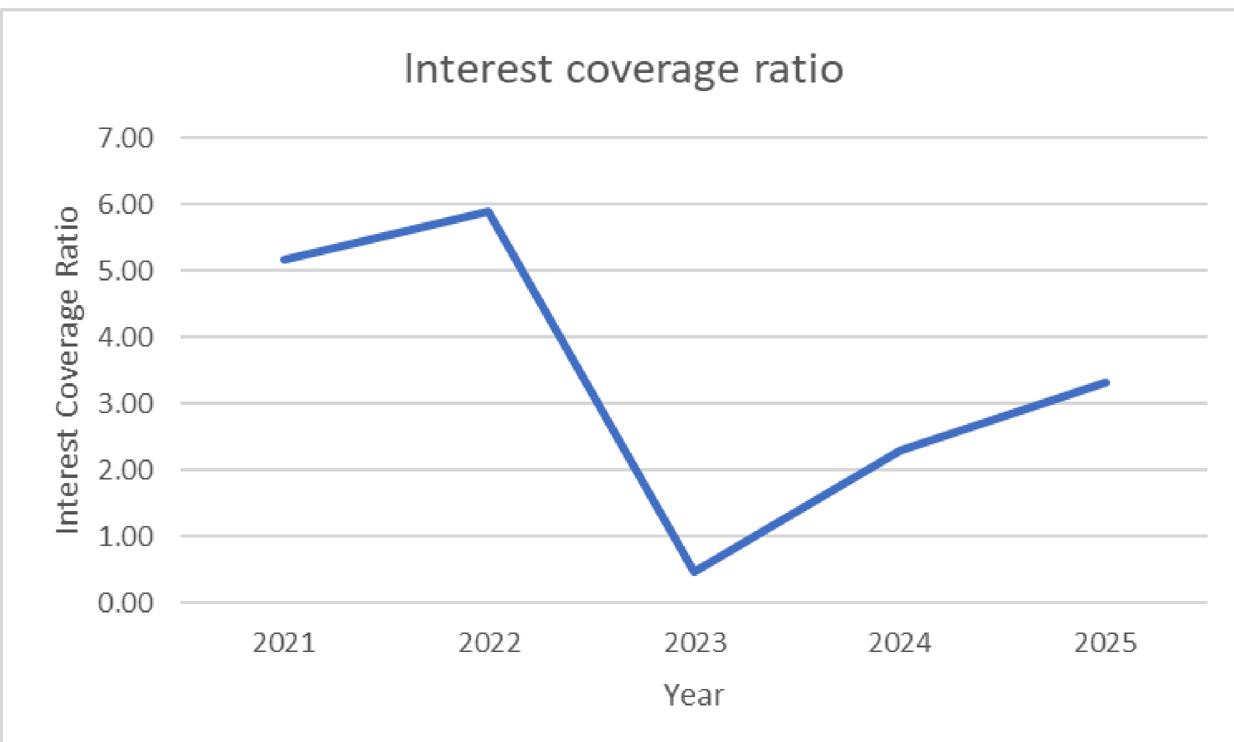


c. Interest Coverage Ratio

Definition: The interest coverage ratio measures the ability of a company to pay the interest due on outstanding debt. The ratio is determined by dividing a company's earnings before interest and taxes (EBIT) by its interest expense during a given period.

Trends: The interest coverage ratio was very volatile during the course of the last 5 years. It had a maximum of 5.88 in 2022 with a large dip to 0.49 the following year. It has shown an increase in the years that followed, indicating a return to financial stability. IMIL's volatility is quite unusual for companies in the same sector and its values have stayed consistently less than the industry average (13.73 for Electric & Wiring Equipment and 10.54 for Industrial Machinery and Components).

Economic Inference: The high volatility reflects vulnerability to operational and financial shocks. By 2025, with a current value of 3.3, IMIL has restored a moderate safety buffer, though it's still behind its all-time high. It may have suffered some form of financial challenge in 2023 – presumably due to the global pandemic-but it was successful in navigating a recovery path. IMIL is more exposed to interest rate changes and earnings volatility than its competitors. Its lower ratio suggests less financial flexibility and greater risk, especially during periods of operational stress.

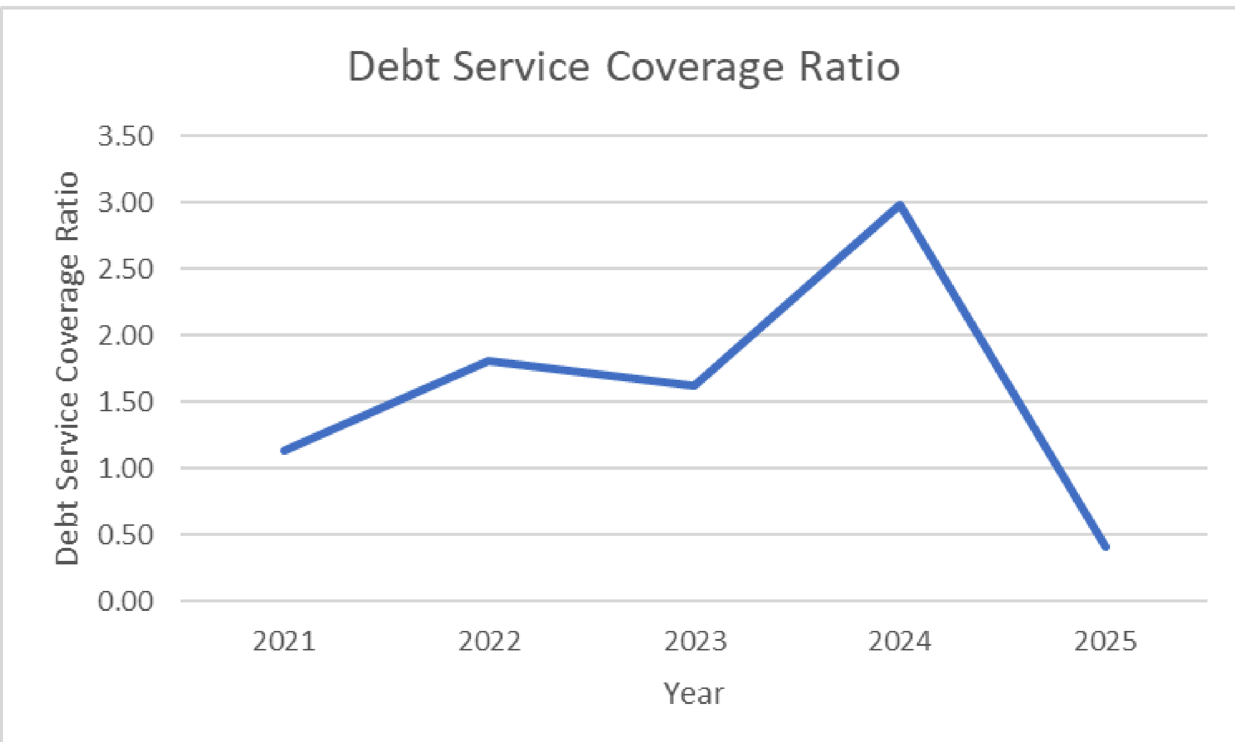


d. Debt Service Coverage Ratio

Definition: The debt-service coverage ratio measures a firm's ability to pay its debt payments using its operating income. The ratio is obtained by dividing net operating income by debt service (includes principal and interest)

Trends: IMIL has had a volatile DSCR over the years. In 2021, it was 1.14. Since then, it has experienced highs and lows, the highest in 2024(2.99) and the lowest in 2025(0.41) – which is a significant decline. The average DSCR during the course of five years is 1.59.

Economic Inference: The average DSCR of 1.59 means that, on average, the company has sufficient operating income to pay 1.59 times its debt service requirements (including both interest and principal payments). It is fairly healthy when compared to its peers in the manufacturing sector. However, the plunge to 0.41 in 2025 is a cause for concern, suggesting that the company's operating income was insufficient to cover even half of its debt obligations for the year. These can be attributed to a number of reasons such as a sharp drop in profitability or cash flow, a decline in quarterly profit or increased operating costs.



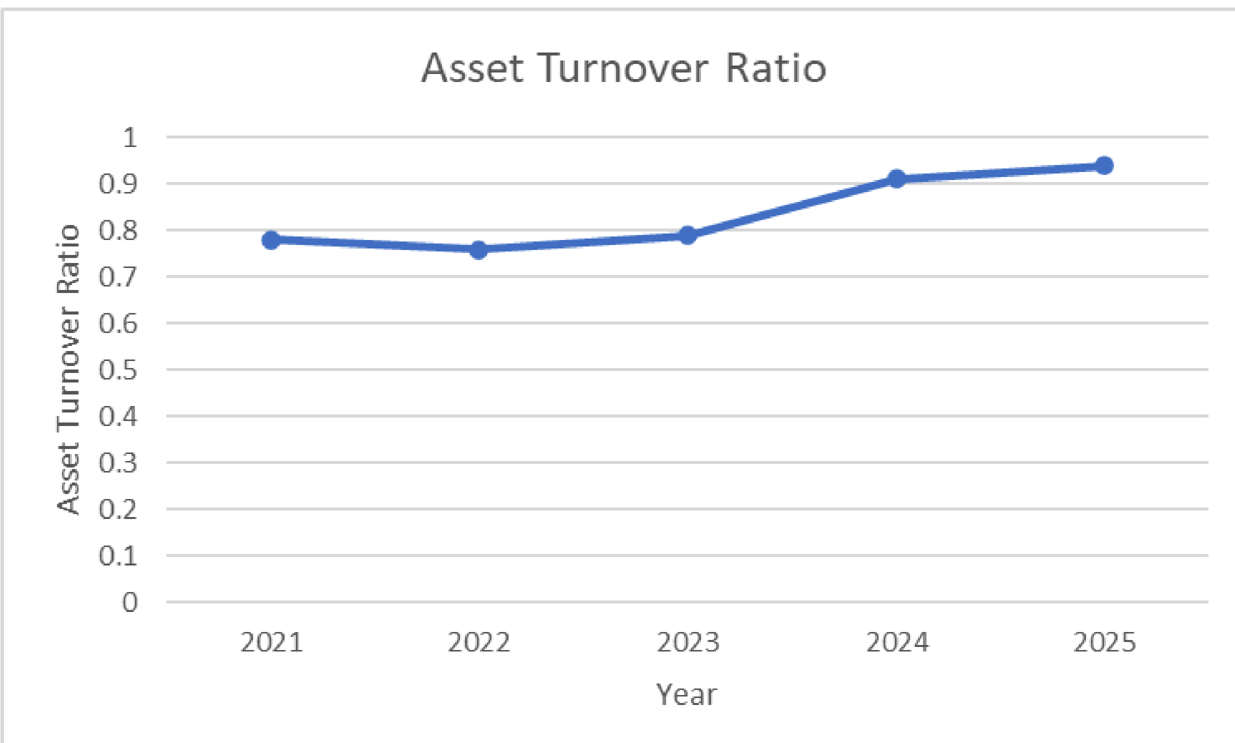
3. EFFICIENCY RATIOS

a. Asset Turnover Ratio

Definition: It is obtained by dividing the total sales or revenue with the average assets. A higher asset ratio implies better efficiency. If the company has a low asset ratio turnover, it means it is not efficient in utilising its assets to generate revenue.

Trends: The asset turnover ratio shows an increasing trend during the course of five years. It is 0.78 in 2021, with a small dip to 0.76 in 2022 and then followed by an increase to 0.94 in 2025. The values are, however, below 1.

Economic Inference: The fact that the values are below 1, generally indicates lack of proper management of assets by the company, to create revenue. However, IMIL with an average ratio of 0.84 is decent for a company in the manufacturing sector. IMIL has shown a positive trend in its asset turnover ratio, indicating effective asset utilisation.



b. **Inventory turnover Ratio**

Definition: Inventory Turnover ratio measures how efficiently a company uses its inventory. It is obtained by dividing the cost of goods sold by the average inventory value during a set period. It shows how many times a company sells its inventory and restocks it during a given period.

Trends: The ratio is 0.78 in 2021 and 0.76 in 2022, after which there is a significant increase to 3.96 in 2023, followed by an increase in 2024(4.68), and then a slight dip in 2025(4.37). Its final value of 4.4 places it in a middle-tier position when compared to other companies in the sector

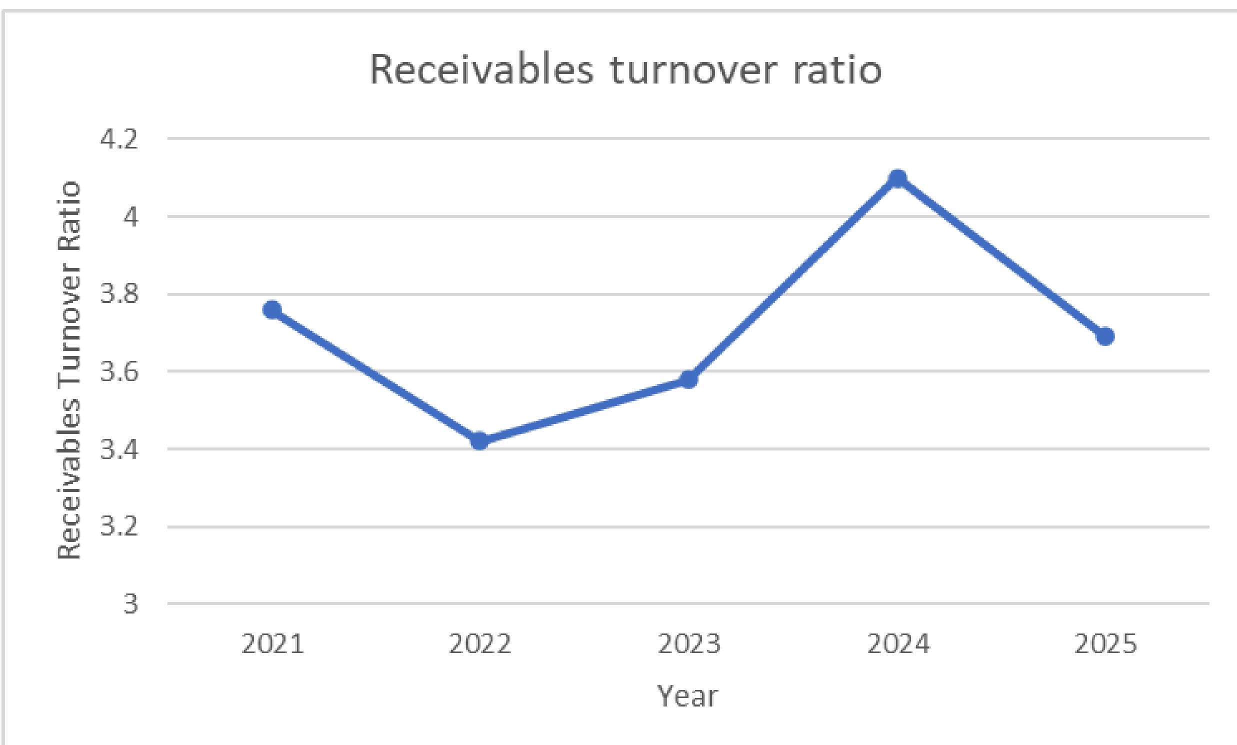
Economic Inferences: From the graph, it is evident that IMIL underwent a remarkable operational transformation between 2022 and 2023, perhaps adapting new inventory management systems, restructuring operations, or experiencing a sharp rise in demand. A higher inventory can mean that the company is selling its inventory quickly. The extremely low ratios are most probably a result of the severe supply chain disruptions and reduced demand during the peak of the pandemic. The dramatic increase from 2023 onwards imply that the management was successful in adapting to the post pandemic conditions. The current ratio of 4.4, though much better, suggests IMIL continues to have areas for improvement in operation compared to industry peers with ratios of 8+.

c. **Receivables Turnover Ratio**

Definition: The receivables turnover ratio measures how often a company is collecting its accounts receivable balance from customers over a certain time period. It is obtained by dividing Net Credit Sales by Average Accounts Receivables.

Trend: The values fluctuate throughout the course of the last 5 years. The value is 3.76 in 2021, then it achieves a minimum of 3.42 in 2022 and a maximum of 4.10 in 2024 after which it decreases to 3.69 in 2025.

Economic Inference: The pattern shows that IMIL experienced its most efficient collection period in 2024, with a decrease in efficiency the subsequent year. The volatile nature of the values indicates inconsistent cash flow management. IMIL's ratio of 3.69 is close to the industry average of 3.49 which indicates that it is facing similar market challenges as its peers but has not achieved a top tier collection. The average value of 3.71 implies that IMIL collects its average accounts receivable about 3.71 times a year. This would mean that the collection period is 365/3.71 = 98 days(approx.), which is significantly longer when compared to other companies (30 – 45 days). This suggests inefficient collections, or very generous credit terms.



d. Days sales of Inventory

Definition: The days sales of inventory (DSI) is the average number of days a firm takes to sell off inventory. It is obtained by dividing 365 by Inventory Turnover Ratio

Trend: The inventory was 3172 days in 2021(8.5 years), followed by an increase to 4520 days in 2022(12.3 years). This is alarmingly higher than the normal industry levels. This was followed by a dramatic decrease to 92.18 days in 2023 and a further decrease to 78.01 days in 2024. The DSI has slightly increased to 83.76 in 2025

Economic Inference: The industry average for electronic equipment manufacturing companies falls between 30 to 90 days. IMIL falls in the optimal range. The dramatic reduction from 4519 days (2022) to 92 days (2023) can be considered as one of the most significant inventory management transformations possible, moving from an extremely inefficient position to potentially industry-leading efficiency within a single year (2022-2023). This likely represents IMIL's strategic response to post-pandemic business conditions and a massive release of capital previously trapped in inventory. This improvement has likely positioned IMIL for better financial performance, provided the new inventory management approach proves sustainable.

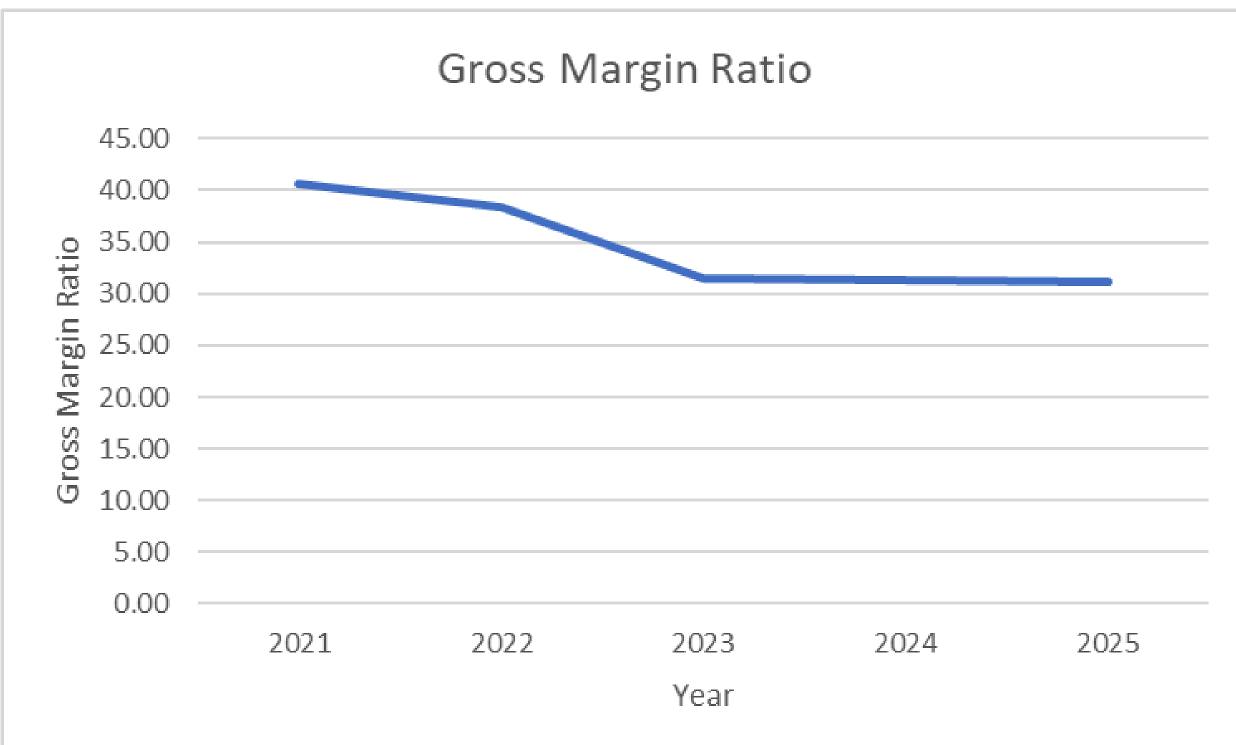
4. PROFITABILITY RATIOS

a. Gross Margin Ratio

Definition: Gross Margin Ratio expresses the amount of revenue left after subtracting the cost of goods sold (COGS). It is expressed as a percentage of total revenue.

Trends: IMIL witnessed a sharp drop in its gross margin ratio over the past five financial years. It was initially 40.58% after which it declined to 38.42% and then to 31.47% in 2023. Since then, the company appears to have stabilised its gross margins. The gross margin ratio was 31.15% in 2025.

Economic Inference: It can be understood that IMIL was one of the leaders in profitability compared to its peers in the electrical equipment manufacturing sector. However, over the past five years, the company has shifted to being a more average performer. The stabilization at a lower margin level might indicate a maturing market segment with standardized products and less differentiation.

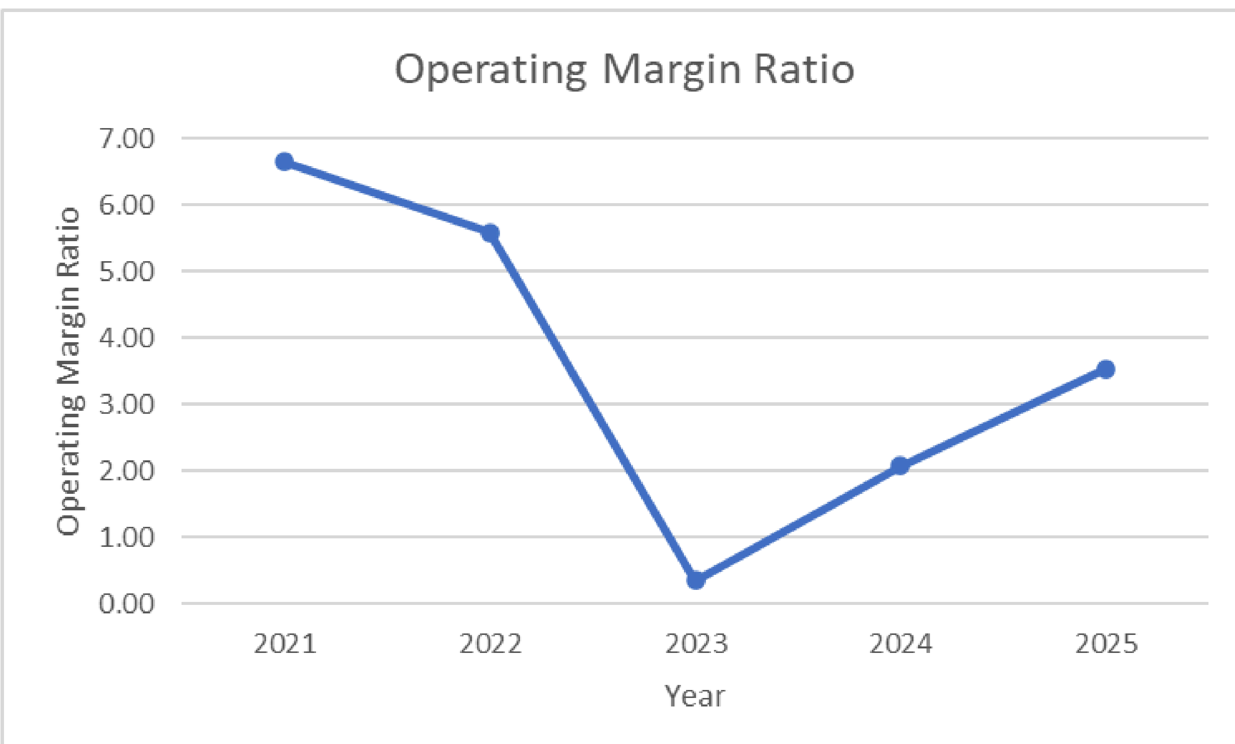


b. Operating Margin Ratio

Definition: The operating margin represents how efficiently a company can generate profit through its core operations. It is obtained by dividing operating income (earnings) by sales (revenues).

Trends: The operating margin ratio of IMIL shows a clear pattern of decline followed by recovery. It was 6.67 in 2021 after which it decreased to a minimum of 0.36 in 2023. However, it was able to recover, with a value of 3.54 in 2025.

Economic Inference: As is evident from this graph and the preceding ones, IMIL had to face major challenges during the 2022 to 2023 time period, which could be because of the pandemic. Its final value of 3.54 is significantly below the industrial averages. This means that only 3.54% of the company's sales are retained as operating profit i.e. it is operating with tight margins. However, it can be observed that IMIL is going on a recovery path and it still has room for improvement.



c. <u>Return on Assets (ROA) Ratio</u>

Definition: The Return on Assets ratio demonstrates how efficiently a company uses its assets to generate profits. It is determined by dividing net income with total assets.

Trends: IMIL's ROA shows a pattern of decline followed by partial recovery. It was 4.45% in 2021, after which there was a steady decline to 3.73 in 2022 and a dramatic decline to 0.17% in 2023. The period after 2023 shows slight improvement with values of 0.75% in 2024 and 1.28% in 2025. This is however, significantly below industry standards

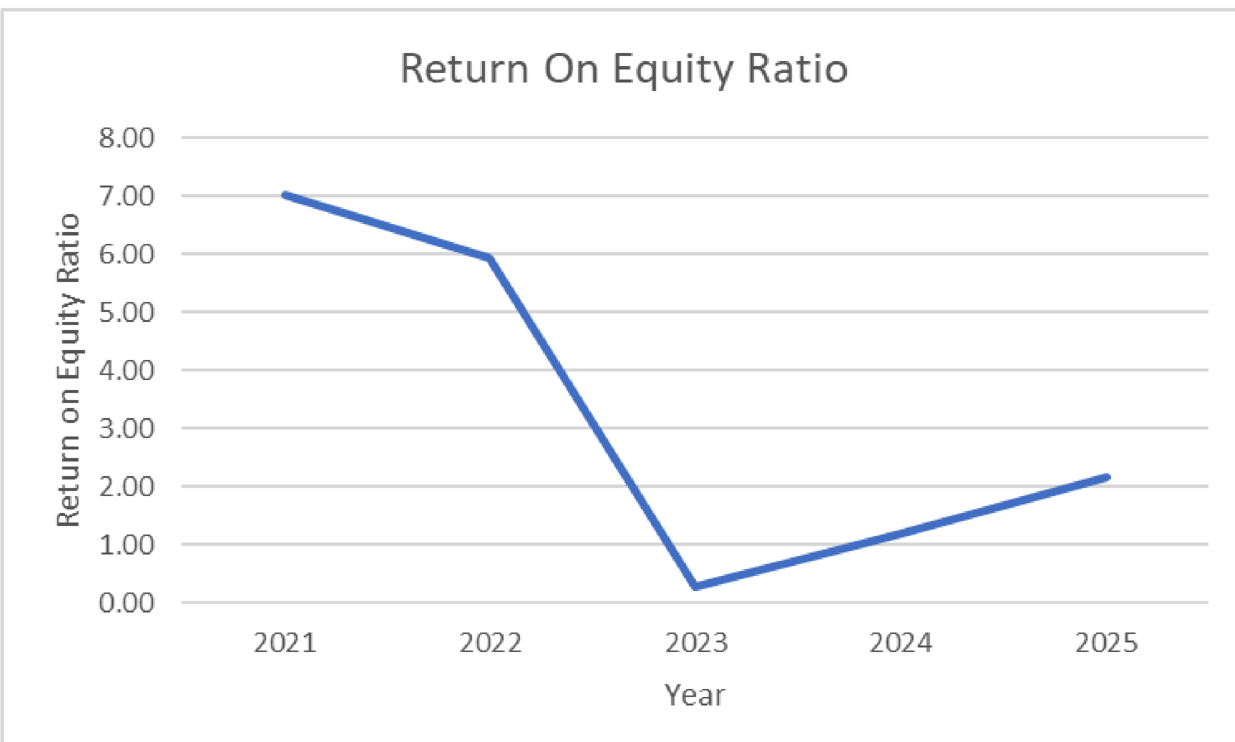
Economic Inference: The ROA of 1.28% means that the company is generating only Rs. 1.30 in net profit for every Rs. 100 of assets utilised in the business. IMIL's consistently below-average ROA suggests structural inefficiencies in how the company deploys capital. The post 2023 recovery implies that the management has implemented remedial measures, but the recovery remains slow.

d. **Return on Equity (ROE) Ratio**

Definition: ROE is calculated by dividing net income by shareholders equity (which is equal to total assets – liabilities). It measures how efficiently a company generates profits from its shareholders' investments.

Trends: ROE, like ROA, also shows a decline in the 2022-2023 period and a slight recovery in 2024 and 2025. It has decreased from 7.02 in 2021 to 5.94% (in 2022) to a minimum of 0.27% in 2023. It has however shown slow yet steady recovery to 2.16% in 2025. However, the ROE values remain significantly below the industry average.

Economic Inference: IMIL's current Return on Equity (ROE) of around 2.2% means that the company is producing a mere ₹2.20 of net profit for every ₹100 of shareholder equity put in. This relatively low ratio puts IMIL at a competitive disadvantage compared to its peers in the electrical equipment manufacturing industry. Nevertheless, the change in management since 2023 has helped create a steadily rising trend, although the progress remains modest.



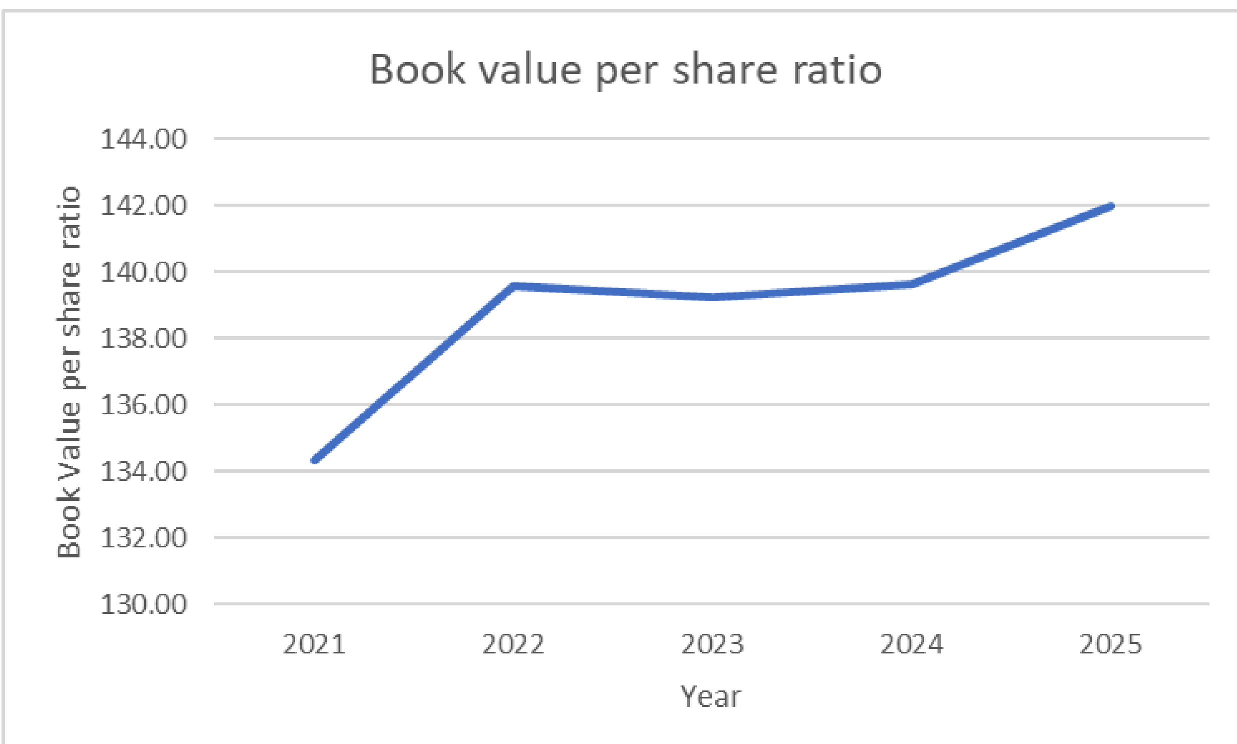
5. MARKET VALUES RATIOS

a. Book Value per Share Ratio

Definition: Book value per share ratio (BVPS) measures the underlying value of a firm on a per-share basis. It indicates how much of a company's asset value is attributable to outstanding share of common stock. It is determined by dividing equity available to common shareholders by the total number of outstanding shares.

Trends: Overall, IMIL has demonstrated a positive trend with an approximately 5.7% increase in book value per share over the five-year period, with the most substantial growth occurring between 2021 and 2022. It was initially 134.34 in 2021, 139.58 in 2022 during which it remained more or less constant till 2024. The final BVPS in 2025 is 142.01

Economic Inference: IMIL's steady BVPS growth suggests it's an established player in a relatively stable sector. The moderate but consistent growth in BVPS indicates IMIL is generating returns above its cost of capital and successfully reinvesting in the business. The electric equipment manufacturing sector shows varied financial strength among players, with IMIL demonstrating consistent asset growth and financial stability in a sector where some competitors have experienced more volatile performance.

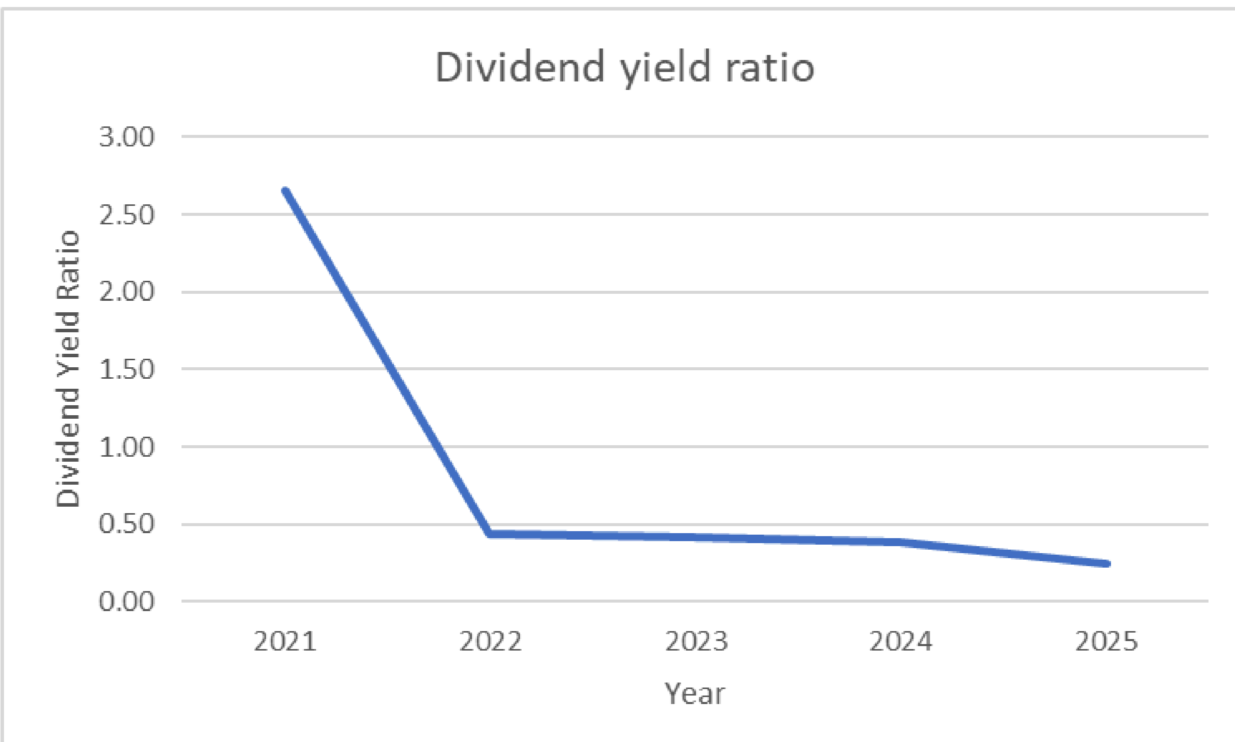


b. Dividend yield Ratio

Definition: The dividend yield represents the annual dividend paid by the company to its shareholders, relative to its stock price. It can be determined by dividing the annual dividends per share with the market price per share

Trends: The dividend yield ratio for IMIL shows a clear declining trend over the observed period, with some stabilization following FY2022. The yield stood at 2.66% in FY2021 before experiencing a sharp drop to 0.44% in FY2022. Since then, it has continued to gradually decline, reaching 0.24% by the end of FY2025.

Economic Inference: The sharp decline from 2021 to 2022 when compared with the book value per share ratio seems to indicate that IMIL's market valuation may have increased at a much faster rate than its dividend payments, effectively diluting the yield percentage. It seems to be retaining more earnings for business expansion or debt reduction rather than distributing profits to shareholders.



c. **Earnings Per Share Ratio**

Definition: Earnings per share ratio (EPS) is a company's net income subtracted by preferred dividends and then divided by the number of common shares it has outstanding. It indicates how much money a company makes for each share of its stock

Trends: The pattern shows a significant decline in EPS values. It was 9.16 in 2021, then decreased to 8.03 the following year. In 2023, it experienced a dramatic drop to 0.32. Recovery has been slow since then as the dividend values increased to 1.87 in 2024 and 2.82 in 2025.

Economic Inference: IMIL's EPS trajectory reflects a company in recovery mode after a severe earnings crisis. The average EPS ratio of 4.4 means that, on average over the course of 5 years, the IMIL generated a net profit of Rs. 4.4 for each outstanding share of its company stock. However, this is well below the sector average implying that is less profitable per share than most of its major peers. While the positive direction since 2023 is encouraging, the company significantly lags sector leaders and even mid-tier competitors. This suggests company specific issues rather than industry wide challenges.

d. Price-Earnings Ratio

Definition: Price-to-earnings ratio (P/E) ratio is a financial ratio that calculates the share price of a firm relative to its earnings per share (EPS). It is applied to determine the relative value of a firm's stock.

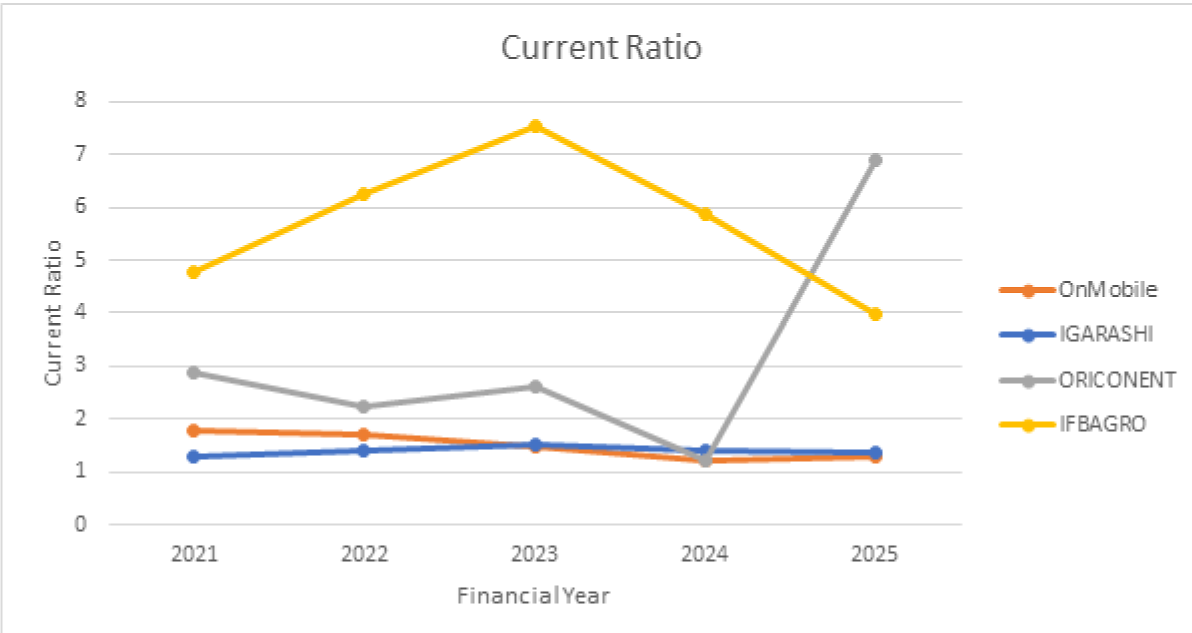
Trends: The P/E ratio starts at 19.41 and increases to 33.48 by 2022. It increases dramatically to 943.16 by 2023 and falls dramatically to 209.70 the next year. It dropped further to 134.97 by 2025. Thus, there are significant fluctuations, reflecting the company's challenges and subsequent strategic shifts.

Economic Inference: IMIL has shown an unusually erratic P/E trajectory that has stabilized at a premium level when compared to other companies in the same sector. It had risen between 2021 – 2022 which reflected increased investor optimism. A sudden surge to 943.16 indicates steep decline in earnings while the share price remained unchanged. Its final value is 134. 97 is notably higher when compared to other companies in the same sector. In comparison with the EPS ratio of IMIL post pandemic, it can be understood that the profit that the company makes has increased but the market price has not increased much. The falling P/E ratio signals that the company's new administrative strategies are yielding results, improving earnings, and restoring investor confidence.

COMPARATIVE ANALYSIS BASED ON RATIOS

1. LIQUIDITY RATIOS

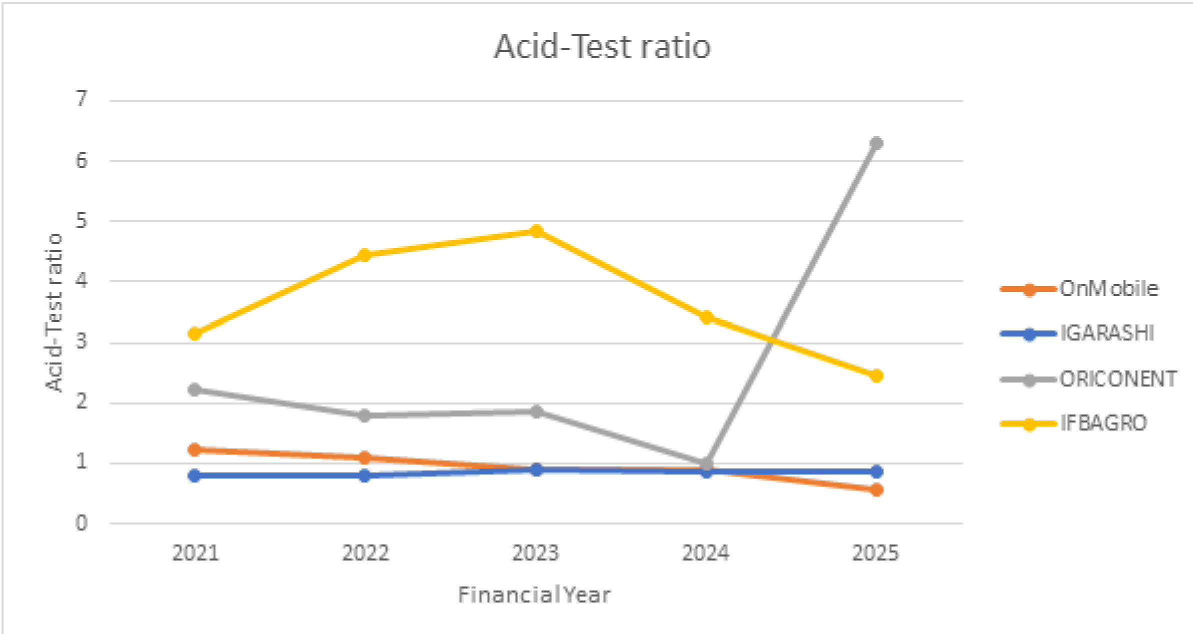
a) Current Ratio



Trends: IFBAGRO maintains the highest current ratio consistently until 2025 when ORICONENT shoots up above it. ONMOBILE and IGARASHI are much lower, but still always above 1.

Economic Inference: IFBAGRO and ORICONENT have high current ratios implying a very low chance of facing liquidity risk. ONMOBILE and IGARASHI are lower but still also have a low chance of liquidity risk.

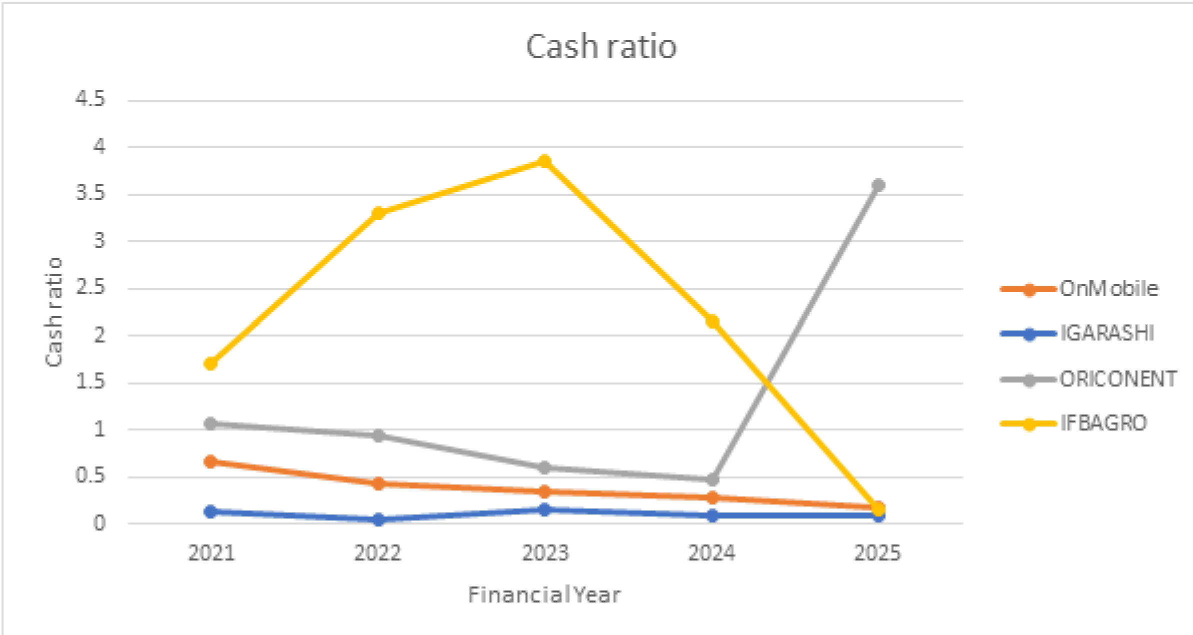
b) Acid-Test Ratio



Trends: The trends are quite similar to the previous one, with IFBAGRO maintaining the highest acid-test ratio consistently until 2025 when ORICONENT shoots up above it. ONMOBILE and IGARASHI are lower, both falling below 1 and IGARASHI consistently below 1 throughout.

Economic Inference: ORICONENT and IFBAGRO, especially the former have a very strong liquid position in comparison to the other two. Their stable values, especially of IGARASHI probably indicate that they have had a constant way of managing their respective liquid profiles across the years.

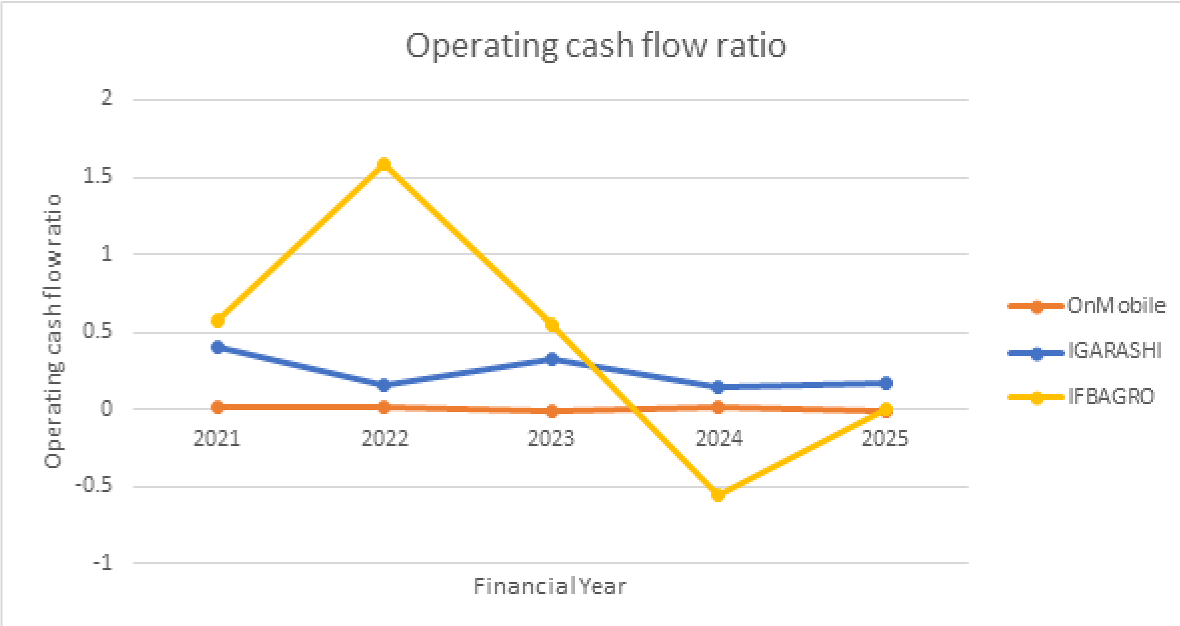
c) Cash Ratio



Trends: ORICONENT has the highest value of Cash ratio with a sharp increase in 2025. IFBAGRO had a sharp increase followed by a steep decline to 0.15 in 2025 and IGARASHI and ONMOBILE have stayed below 1 throughout.

Economic Inference: High cash ratio of ORICONENT indicates their readiness for economic uncertainty in the near future. All the other three companies' low cash ratio could be due to low cash reserves or a lot of cash flow.

d) Operating Cash Flow Ratio

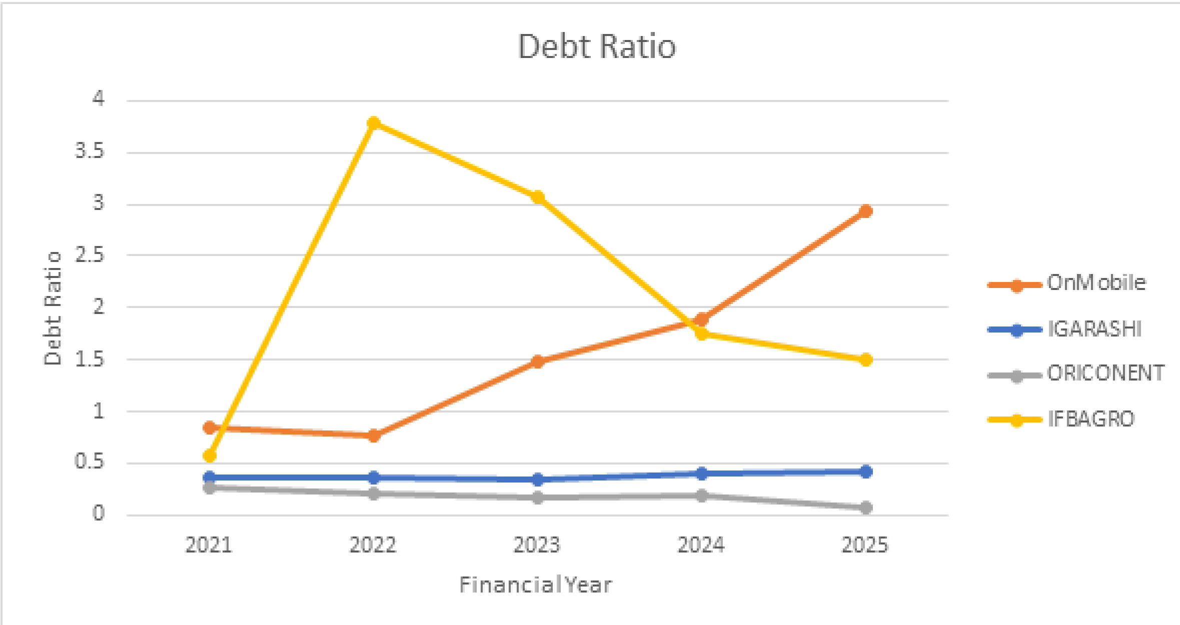


Trends: Onmobile has a very low Operating cash flow ratio, Igarashi's has a slight declining trend, whereas IFBAGRO has an erratic trend.

Economic Inference: IFBAGRO's unstable operating cash flow ratio could be concerning if they do not find a way to stabilize it. It could also be due to a bad harvest of seafood in years like 2024. Onmobile's very low Operating cash flow ratio is very concerning as this shows that the company relies on external sources of funds and has high liquidity risk.

2. LEVERAGE FINANCIAL RATIOS

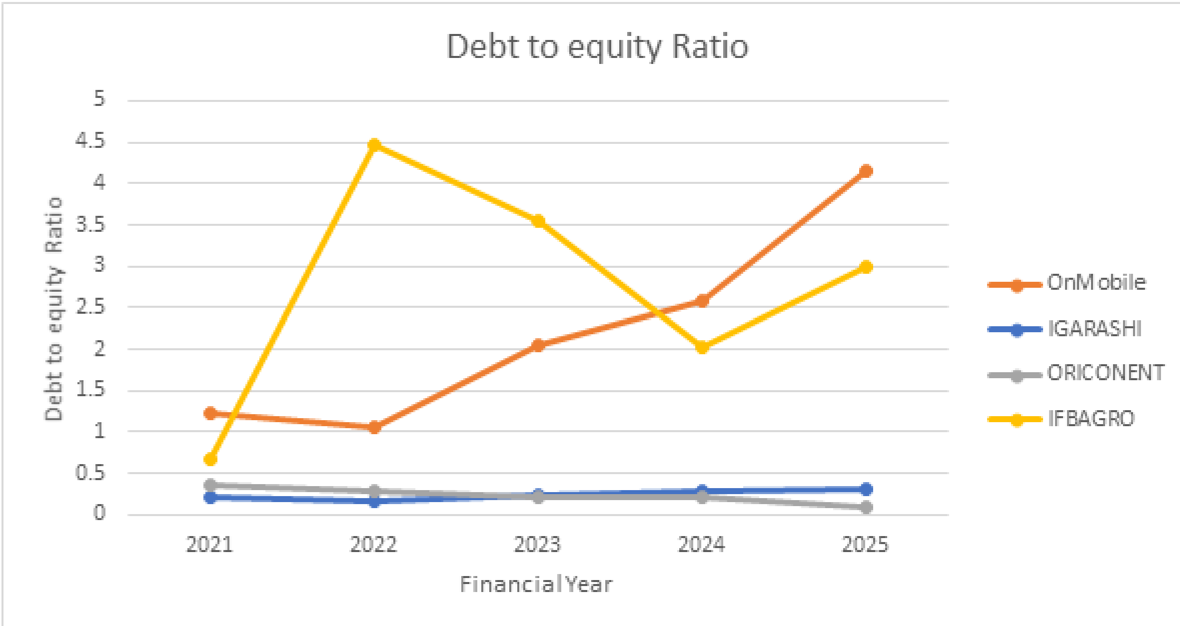
a) Debt Ratio



Trends: ONMOBILE has a continuously increasing trend whereas IFBAGRO has, after 2022 shown continuous decline. IGARASHI and ORICONENT have remained comparatively much more stable with ORICONENT having an especially low value in 2025.

Economic Inference: ONMOBILE shows a case of debt to assets increasing, probably due to either mismanagement or change in strategy. ORICONENT's decreasing debt ratio implies a possible attempt at reducing debt. IFBAGRO's peaking debt ratio in 2022 was probably caused by the pandemic, and the decreasing trend from there shows that the company is attempting to pay off accumulated debts from then.

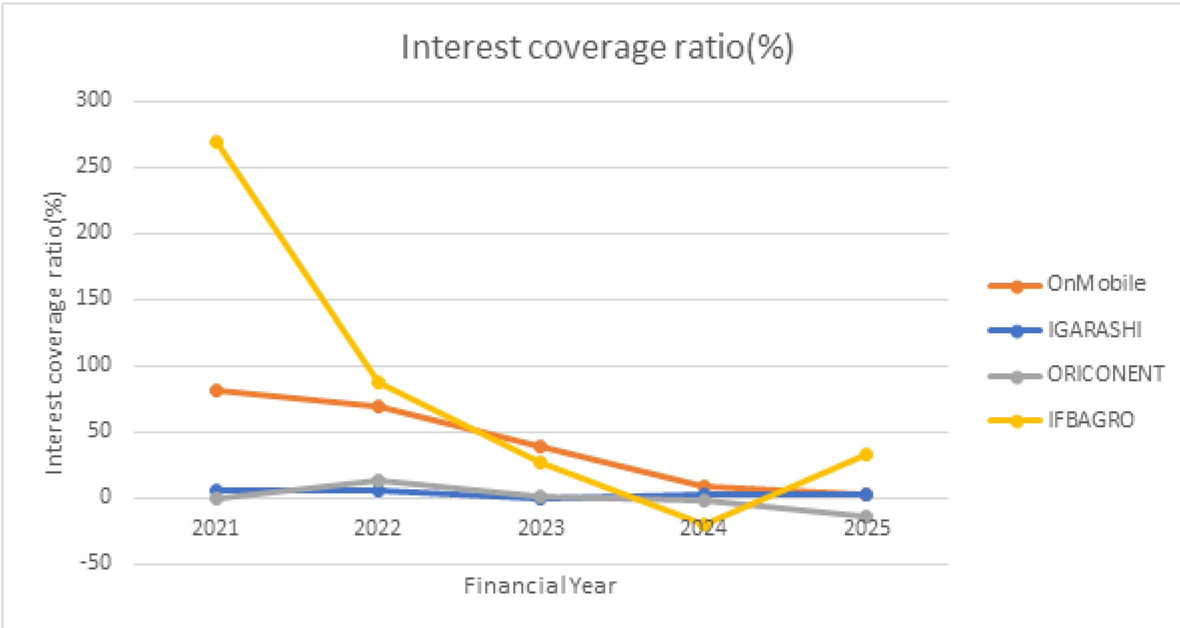
b) Debt to Equity Ratio



Trends: ONMOBILE shows an increasing trend and has the highest ratio over the last 2 years. IGARASHI stays relatively constant and ORICONENT has a declining trend. IFBAGRO had a decreasing trend from 2022 to 2024 followed by an increase.

Economic Inference: IFBAGRO has an increasing debt to equity ratio in 2025 in contrast with debt ratio. This means its equity numbers are not able to keep up with the debt values. For all the other companies, on the contrary equity is keeping up with debt.

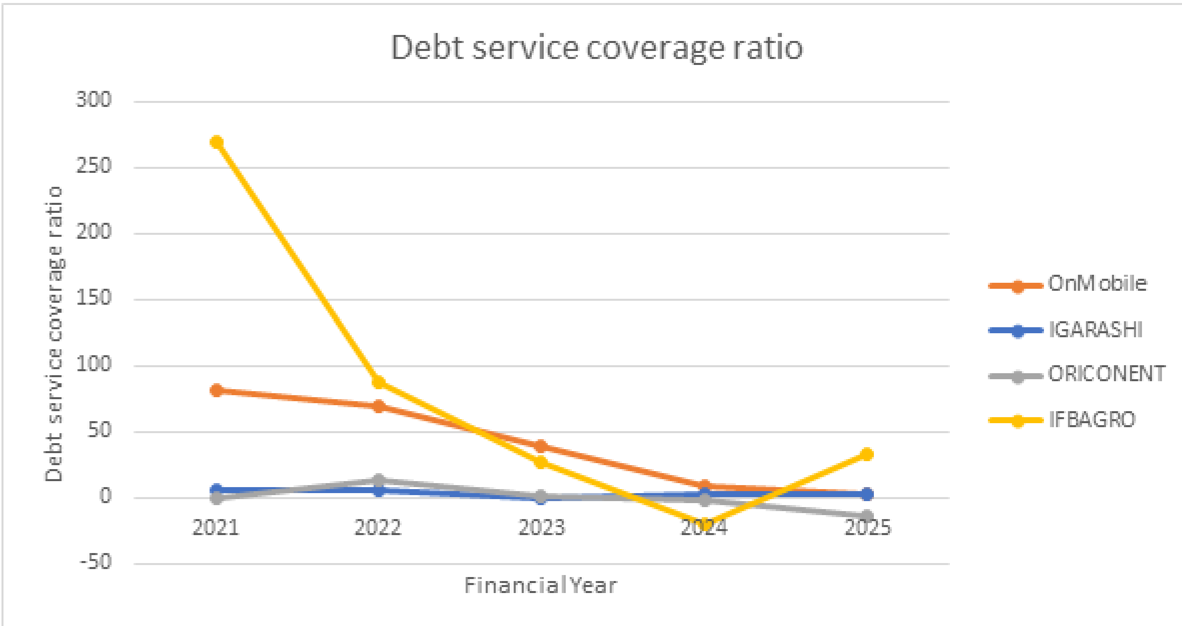
c) Interest Coverage Ratio



Trends: IFBAGRO has an extremely high ICR in 2021, steeply declining to negative in 2024. ONMOBILE and ORICONENT have generally decreasing trends and IGARASHI stays relatively constant. In general, except IGARASHI, all companies have a general downward trend.

Economic Inference: The drastic decline for IFBAGRO suggests rising debt costs or reduced profitability. ONMOBILE's decline indicates increasingly insufficient earnings for servicing interest payments. IGARASHI's consistent low ICR suggests consistent but limited earnings relative to interest expenses.

d) Debt Service Coverage Ratio

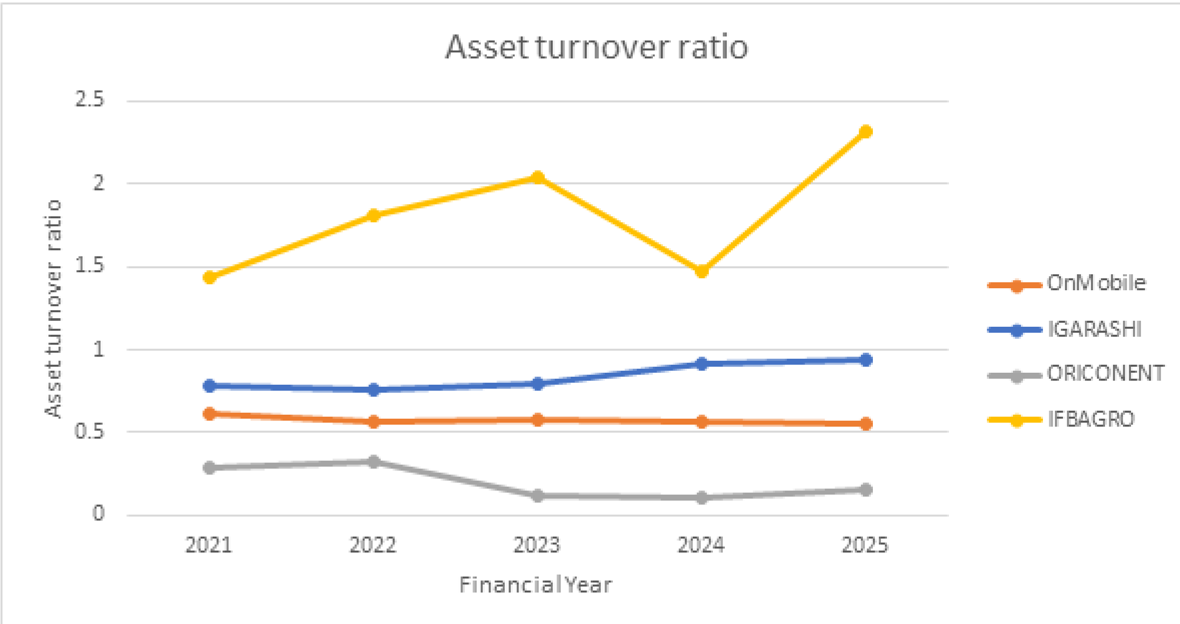


<u>Trends</u>: IFBAGRO has a significantly high DSCR in 2021, falling significantly till 2024 followed by a slight recovery. ONMOBILE has a steady decline throughout the five-year period. IGARASHI and ORICONENT maintain low DSCRs consistently.

<u>Economic Inferences</u>: ONMOBILE has a weakening financial position in terms of adequacy of cash flows to meet debt payments. IFBAGRO had a very high ratio in 2021, but the steep drop indicates substantial reduction in earnings, probably COVID-related or sharp rise in debt obligations. IGARASHI and ORICONENT show relatively stable DSCR trends indicating tight but relatively controlled financial conditions. The consistency indicates disciplined debt management.

3. EFFICIENCY RATIOS

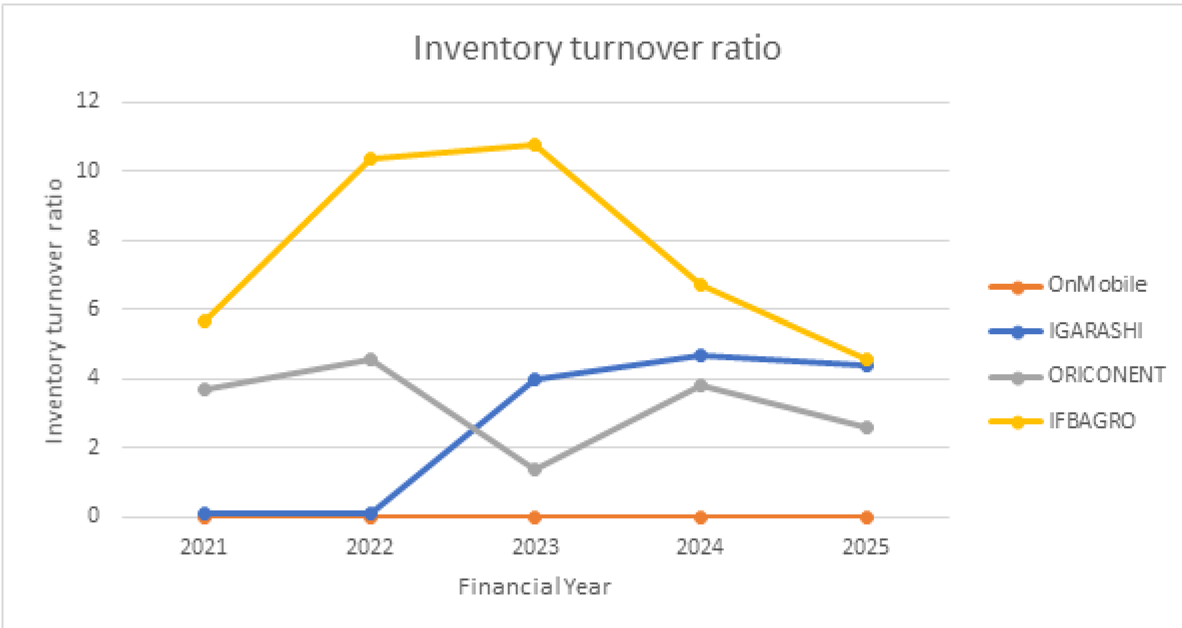
a) Asset Turnover Ratio



Trends: IFBAGRO consistently has the highest Asset turnover ratio with a sharp increase in 2025. IGARASHI has had a gradual upward trend over the years. ONMOBILE has slight fluctuations with a gradual decline whereas ORICONENT has declined a lot in 2023 and hasn't reached 2022 levels yet despite some recovery.

Economic Inference: IFBAGRO's high asset turnover indicates that they are utilizing their assets very efficiently. IGARASHI's gradual upward trend may be attributed to strategic improvements in operational efficiency. ORICONENTS low asset turnover ratio shows a concerning struggle in efficiently using assets.

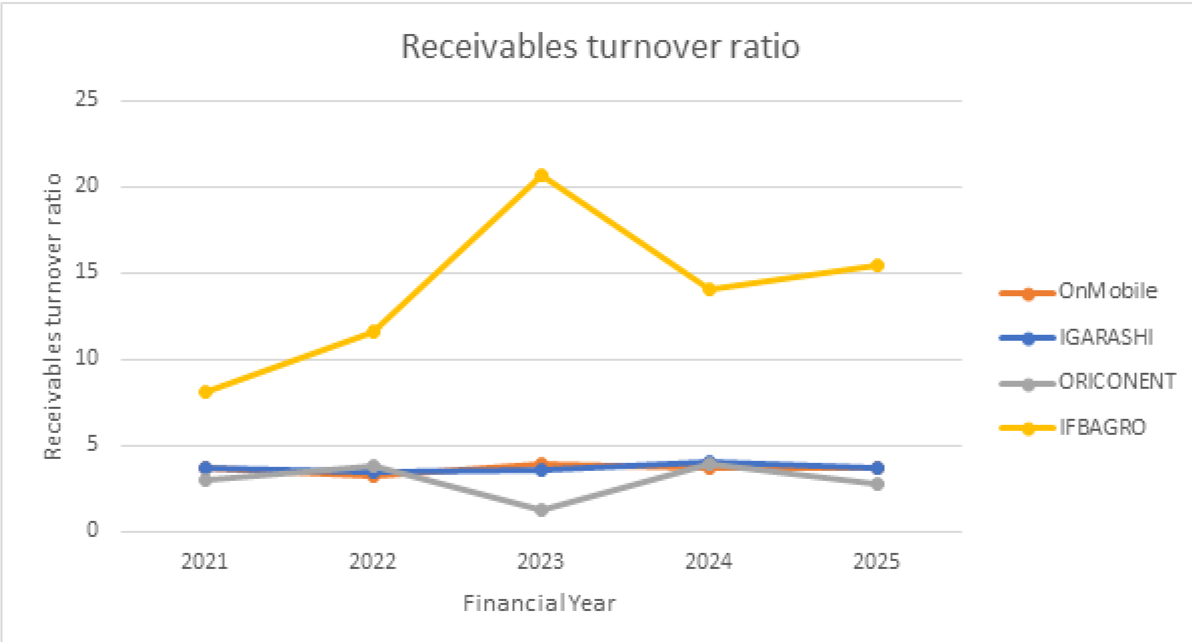
b) Inventory Turnover Ratio



Trend: IFBAGRO has had the highest inventory turnover ratio throughout despite a decline the past 2 years. IGARASHI started with negligible turnover but has since steeply improved. ORICONENT has had fluctuations and a slight downward trend.

Economic Inference: IFBAGRO's high turnover rate is a sign of good inventory management and product demand. IGARASHI's sudden improvement in 2023 may be due to post-COVID growth and indicates a transformation in supply chain operations around the time and that they struggled to sell inventory in 2021 and 2022. ORICONENT's volatility implies inconsistency in inventory handling. ONMOBILE stays zero throughout as it doesn't possess a physical inventory.

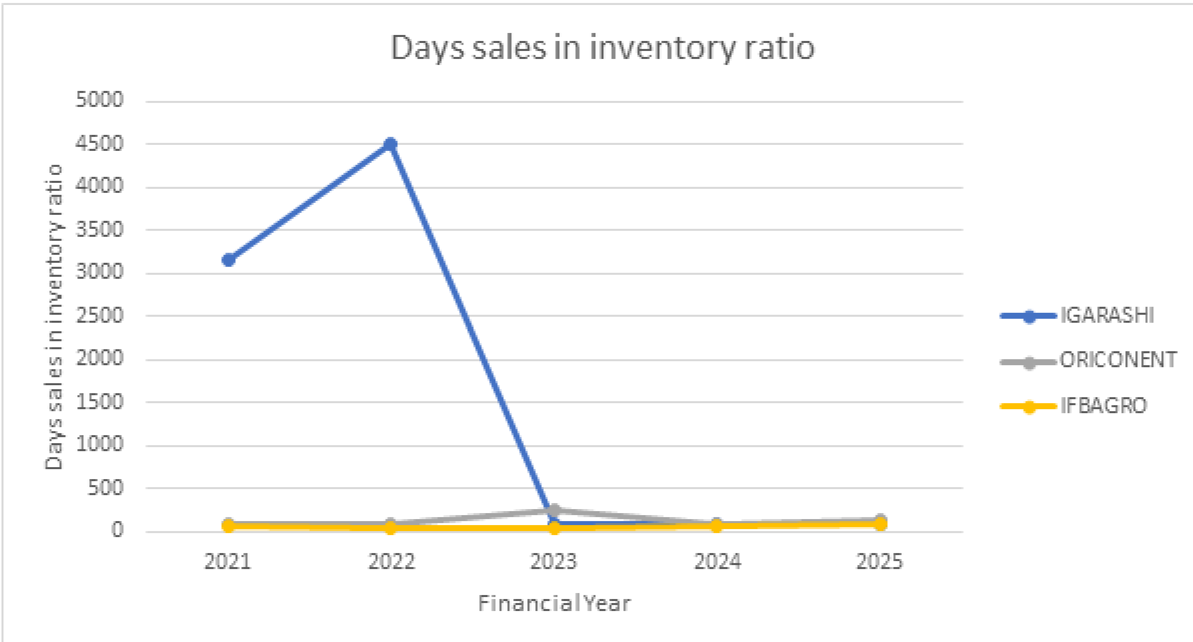
c) Receivables Turnover Ratio



Trends: IFBAGRO stands out with a much higher receivables turnover ratio. Peaking in 2023, it subsequently dipped followed by a slight recovery. ORICONENT has a more fluctuating trend, whereas IGARASHI and ONMOBILE have stable trends, almost following the same graph.

Economic Inferences: IGARASHI's and ONMOBILE's stable trends indicate well established and stable credit control, which shouldn't be surprising especially in the case of a mobile entertainment based company like ONMOBILE. IFBAGRO has a very efficient receivables collection, the last two years may have seen some loosening of credit policies as seen by the dip. ORICONENT's erratic trend highlights an unstable credit policy.

d) Days Sales in Inventory Ratio

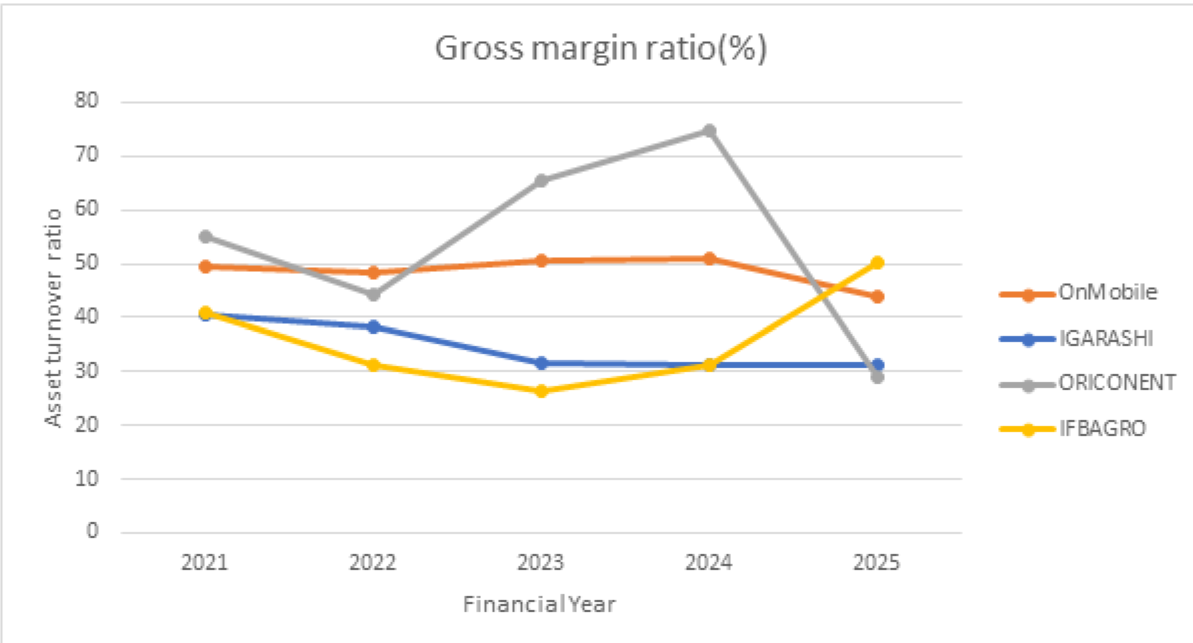


Trends: IGARASHI struggled very much to sell in 2021 and 2022. ORICONENT has seen an upward trend till 2023 followed by a decrease and then an increase in 2025. IFBAGRO has stayed relatively constant throughout.

Economic Inference: From this, we draw the same inferences as those in the Inventory Turnover ratio, because this ratio is related to that.

4. PROFITABILITY RATIOS

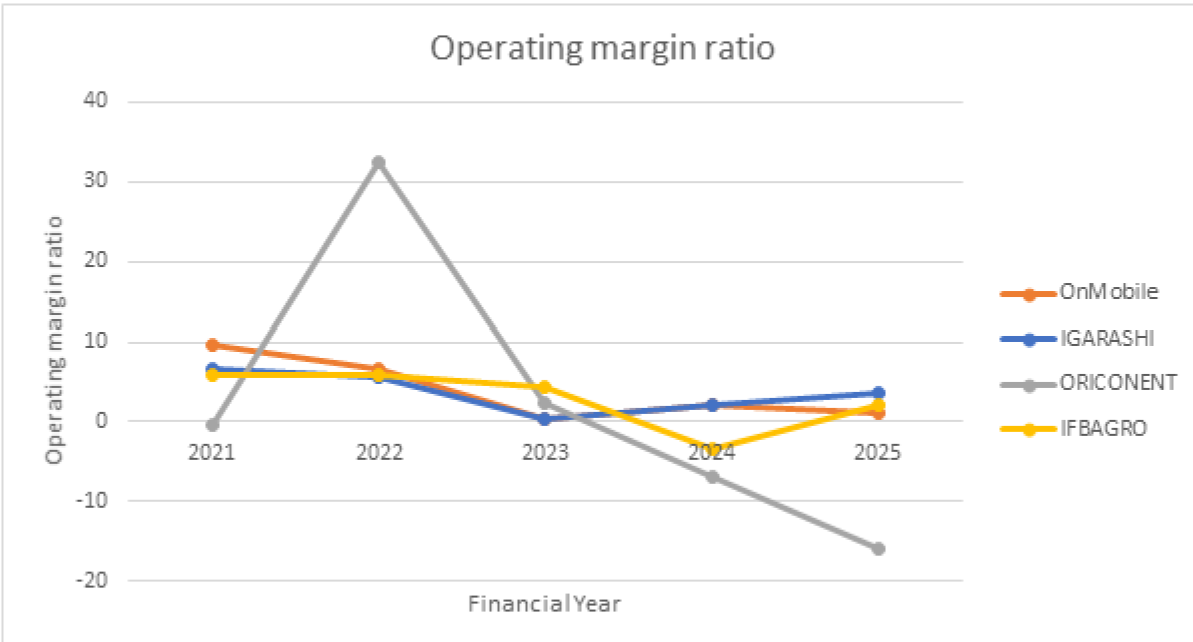
a) Gross Margin Ratio



Trends: ORICONENT shows the most volatility in this, peaking in 2024 before abruptly falling to just below 30% in 2025. ONMOBILE maintains a stable ratio throughout with a slight dip in 2025. IFBAGRO on the other hand had a downward trend till 2023 before rising till 2025. A slightly downward, but otherwise consistent ratio can be seen from IGARASHI.

Economic Inference: ORICONENT's erratic gross margin ratio could be caused by temporary efficiency gains, or raw material price swings which is likely given it is in the petrochemical industry. ONMOBILE's stability is expected, being in the SaaS based business-model. IGARASHI's slow downward trend can be attributed to increased input costs or more competition.

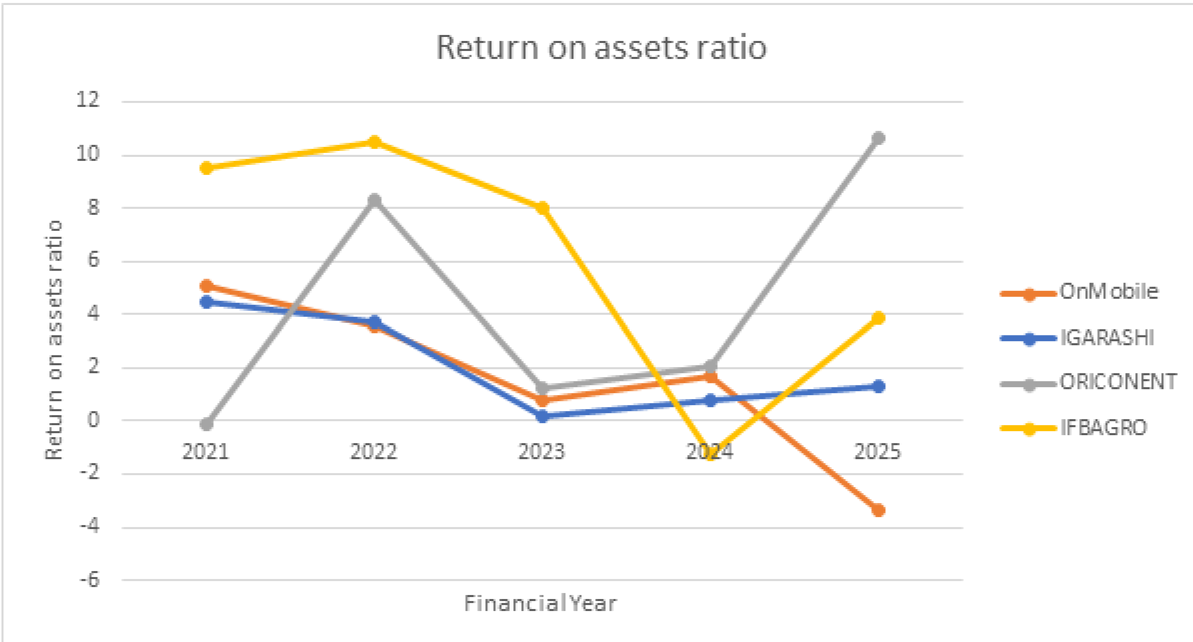
b) Operating Margin Ratio



Trends: ONMOBILE shows a declining trend from 10% to around 2%. IGARASHI with the exception of a dip in 2023 has been relatively unchanging. ORICONENT's operating margin ratio is by far the most volatile, and IFBAGRO has a mild declining trend.

Economic Inference: ONMOBILE's declining trend suggests possible operating inefficiencies or increased operating costs. ORICONENT's negative margins imply possible failed expansion or excess capacity. The spike in 2022 maybe be due to a one-off gain or temporary windfall in operations, but in general the negative margins suggest unprofitable operations. IGARASHI's consistent ratio points to good and controlled operations.

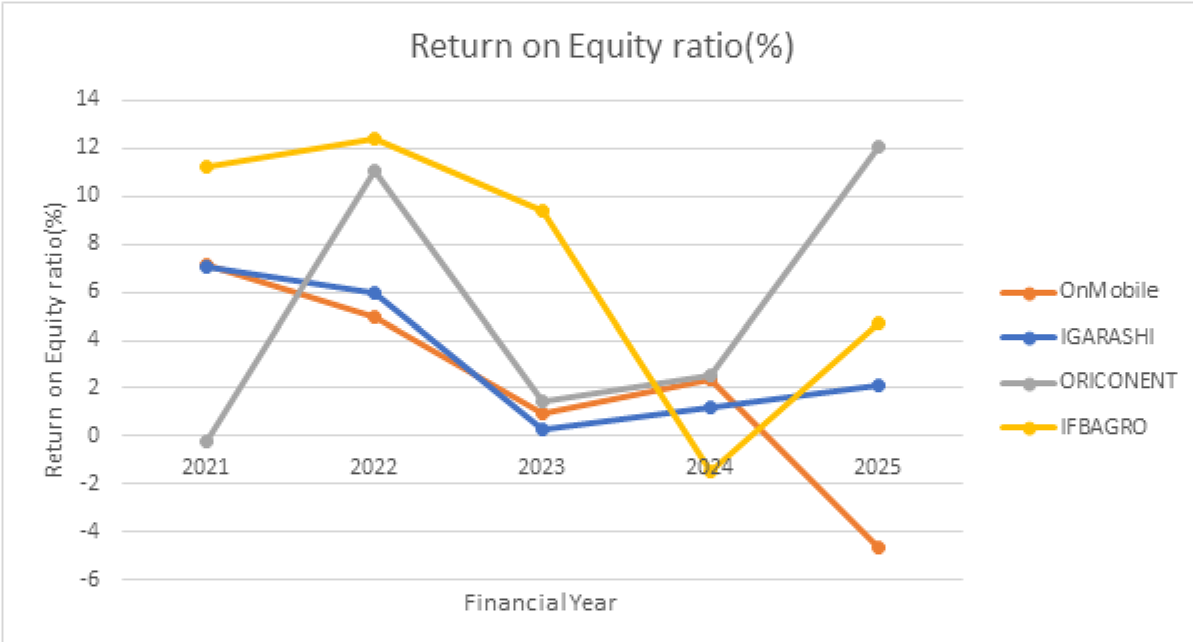
c) Return on Assets ratio



Trends: Except ORICONENT, all the companies seem to have a net downward trend, which shows high volatility.

Economic Inferences: ORICONENT's high volatility may be due to reliance on project-based/temporary contractual work. IFBAGRO's declining ROA could be due to increasing asset base without proportional income growth. ONMOBILE's ROA going negative suggests deep profitability issues. IGARASHI's gradual ROA erosion might reflect squeezed margins in a competitive manufacturing environment.

d) Return on Equity Ratio

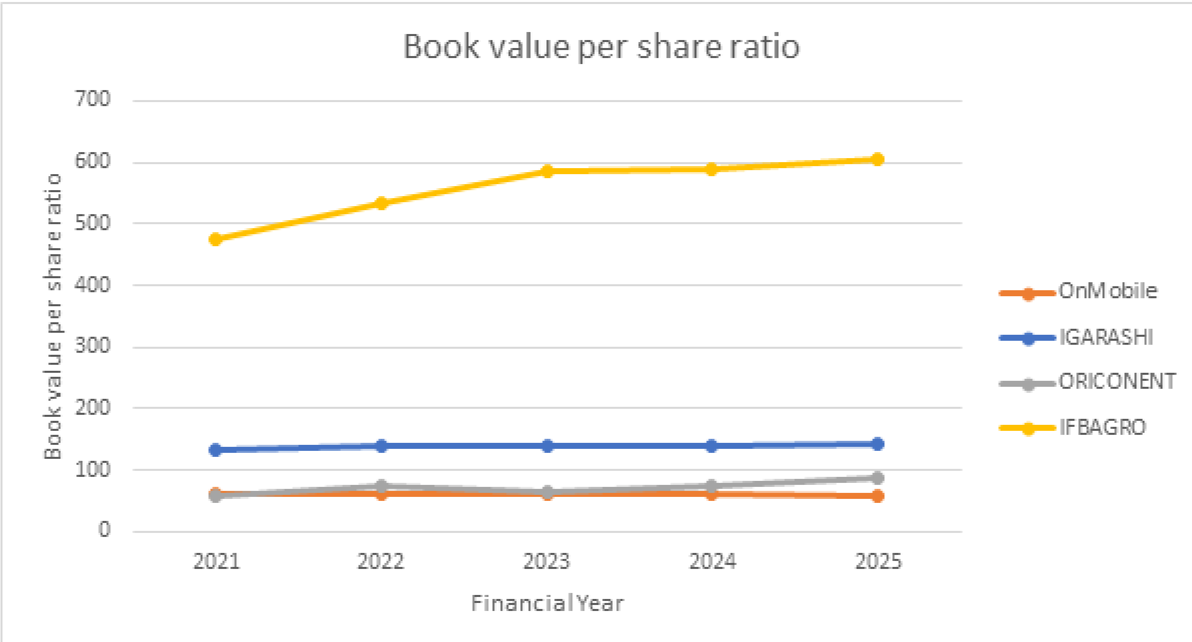


Trends: Again, ORICONENT shows a volatile trend. IFBAGRO starts off strong but sharply falls in 2024 followed by a partial recovery in 2025. ONMOBILE's ROE declines, going negative and hitting -4.69 in 2025. IGARASHI has a gentler overall decline in ROE, with an upward trend since 2023.

Economic Inferences: ORICONENT's erratic trend probably points to erratic profit margins. IFBAGRO's declining ROE signals reduced profitability, rising costs, or equity base expansion without matching income, affecting investor returns. ONMOBILE's negative ROE implies deep profitability issues potentially by stagnation or poor cost control. IGARASHI's declining ROE is more consistent than the other three companies. This could be due to factors like input cost inflation or competitive pricing.

5. MARKET VALUE RATIOS

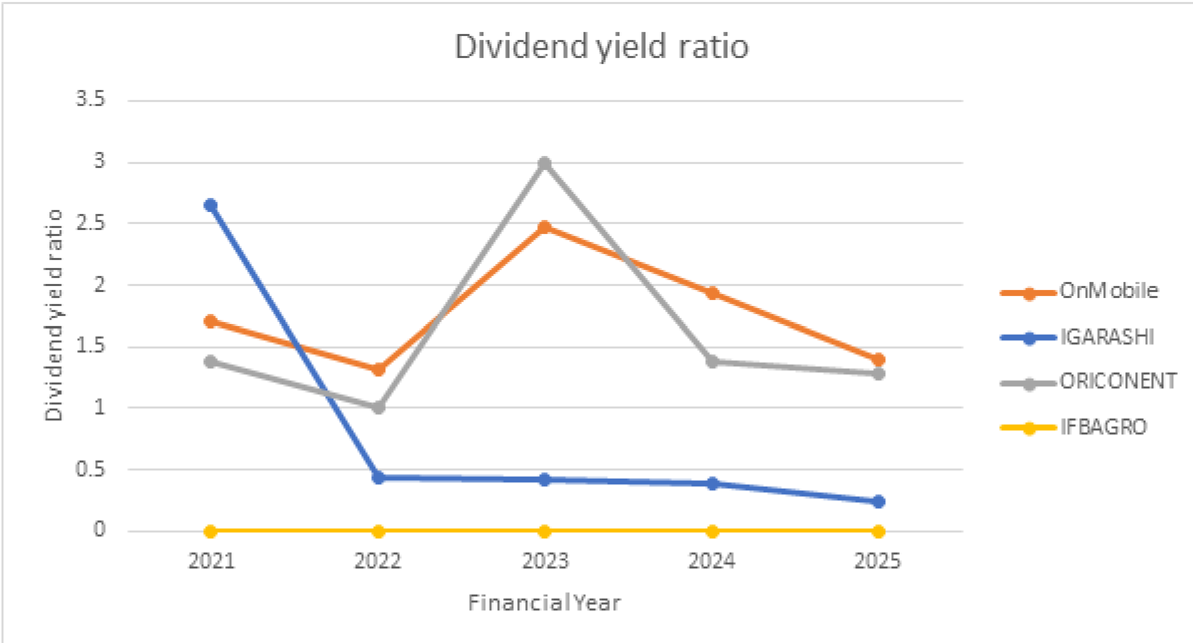
a) Book Value per Share Ratio



Trends: IFBAGRO has by far the highest book value per share ratio, also with an increasing trend. IGARASHI maintains a consistent value around the 140-150 mark, even ONMOBILE has a consistent ratio albeit much lower. IGARASHI has a modest upward trend.

Economic Inferences: IFBAGRO's upward trend points to strong internal retention of earnings or good capital management. IGARASHI and ONMOBILE's modest growth across the five years suggests conservative growth strategies.

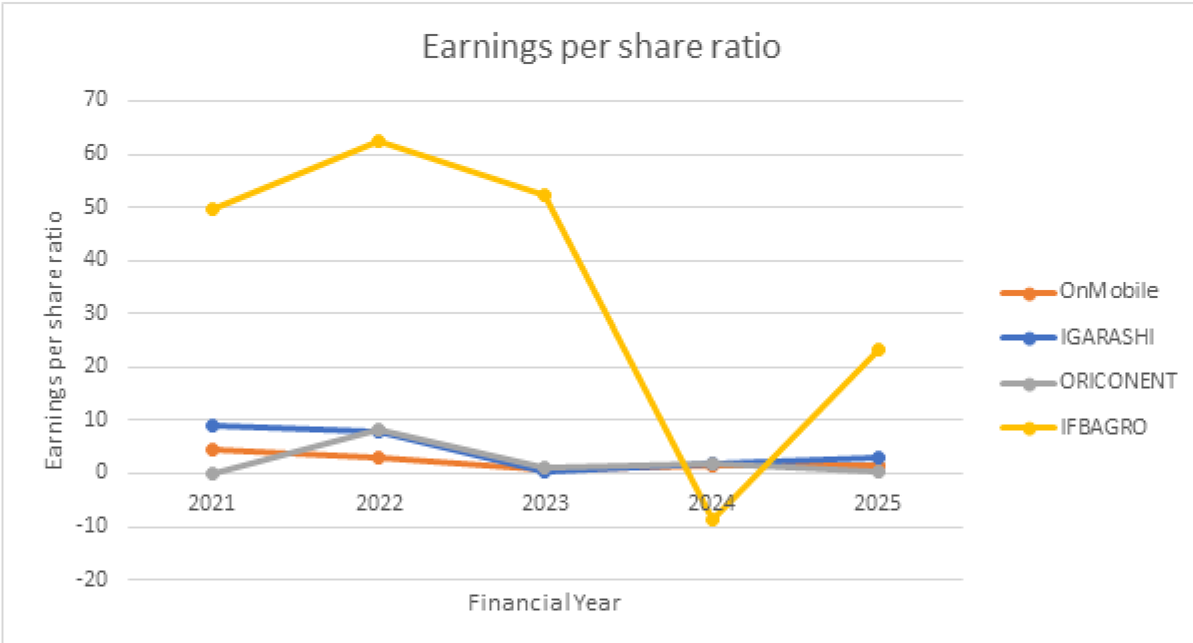
b) Dividend Yield Ratio



Trends: IGARASHI begins with the highest dividend yield ratio in 2021, then steeply declining in 2022 and stabilizing around 0.4%. ONMOBILE's dividend yield gradually increases till 2023 and then falls. ORICONENT has a volatile dividend yield ratio, and IFBAGRO stays flat zero throughout.

Economic Inferences: ORICONENT's fluctuating dividend point yield may point to inconsistent earnings. IFBAGRO's zero dividend payout suggests either retained earnings or insufficient profits. ONMOBILE's peak in 2023 may be a temporary boost in payouts.

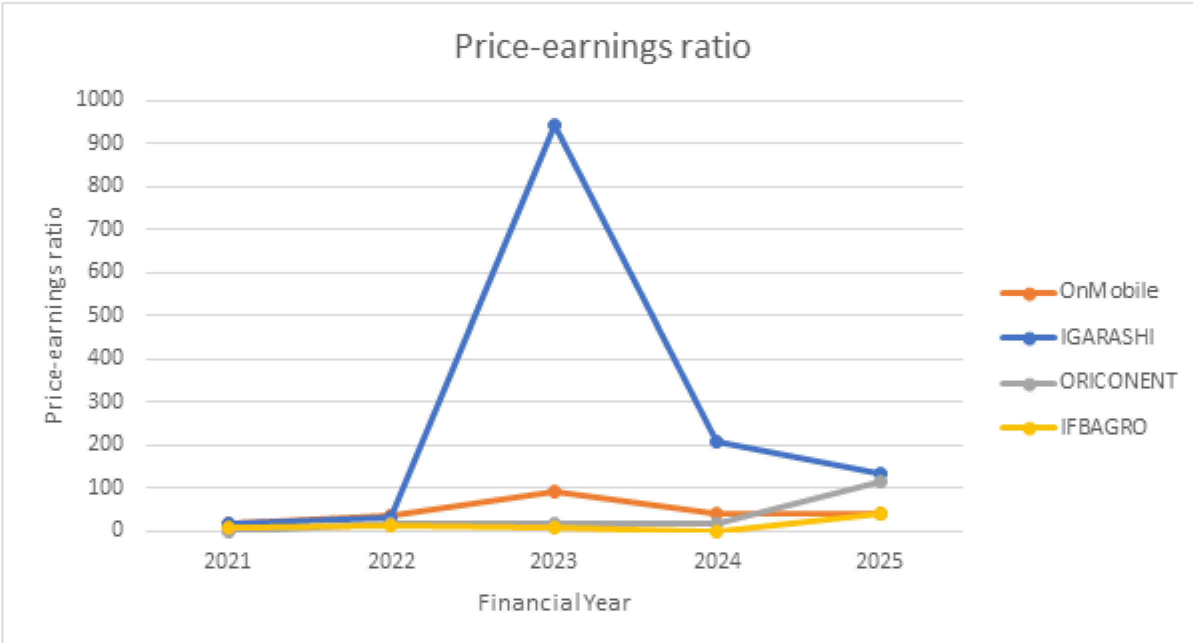
c) Earnings per Share Ratio



Trends: IFBAGRO's EPS peaks in 2022 followed by a steep drop till 2024. It has high volatility. ONMOBILE and IGARASHI have very similar trends with IGARASHI being a bit above. ORICONENT with the exception of a bump in 2022 remains relatively stable just above 0.

Economic Inferences: IFBAGRO's dramatic swing suggests unstable earnings, likely driven by unpredictable revenue streams, volatile costs, or one-time gains. ORICONENT's flat EPS may indicate stagnation in profitability.

d) Price-Earnings Ratio



<u>Trends</u>: IGARASHI shows an extremely sharp spike in PE ratio in 2023, before plummeting in 2024 and 2025. ONMOBILE steadily increases till 2023 followed by a decline till 2025. ORICONENT displays a flat trend with a big rise in 2025, the same can be said for IFBAGRO albeit a lesser rise.

<u>Economic Inferences</u>: IGARASHI's spike in 2023 may be due to a drop in earnings skewing the ratio, or an inflated stock price. The subsequent crash suggests restored earning levels. ONMOBILE's modest rise and fall indicates market optimism possibly not sustained by earnings growth. ORICONENT and IFBAGRO have consistently low P/E ratios that could be due to low earnings expectations, weak investor confidence, or undervaluation.

CONCLUSION

1. IFBAGRO, operating in the alcoholic beverages sector shows strong Inventory and Asset turnover ratios, which is in line with the fact that the products are high-volume and perishable. This resulting rapid and high-volume production explains its low Days Sales in Inventory and high efficiency ratios. Maintaining zero dividend payouts is the industry norm of reinvesting heavily on production assets.

2. ONMOBILE, being a player in the mobile entertainment industry shows mediocre liquidity and very low inventory involvement. This points to possible scaling issues or pricing pressures that are common in digital subscription models which are easy to be priced out of. ONMOBILE is relatively stable receivables ratio is a strength given it has limited tangible assets. However the rising leverage ratios is a concerning sign and a red flag for investors as tech firms mostly use retained earnings for growth

3. IGARASHI has stable but low profitability and moderate liquidity, reflecting the capital-intensive nature of its industry- machinery manufacturing. The industry has very tight margins which can also be seen from this. The low asset turnover rate is also typical. The company’s volatile interest coverage and ROE is in line with global raw material fluctuations and seasonal changes in demand.

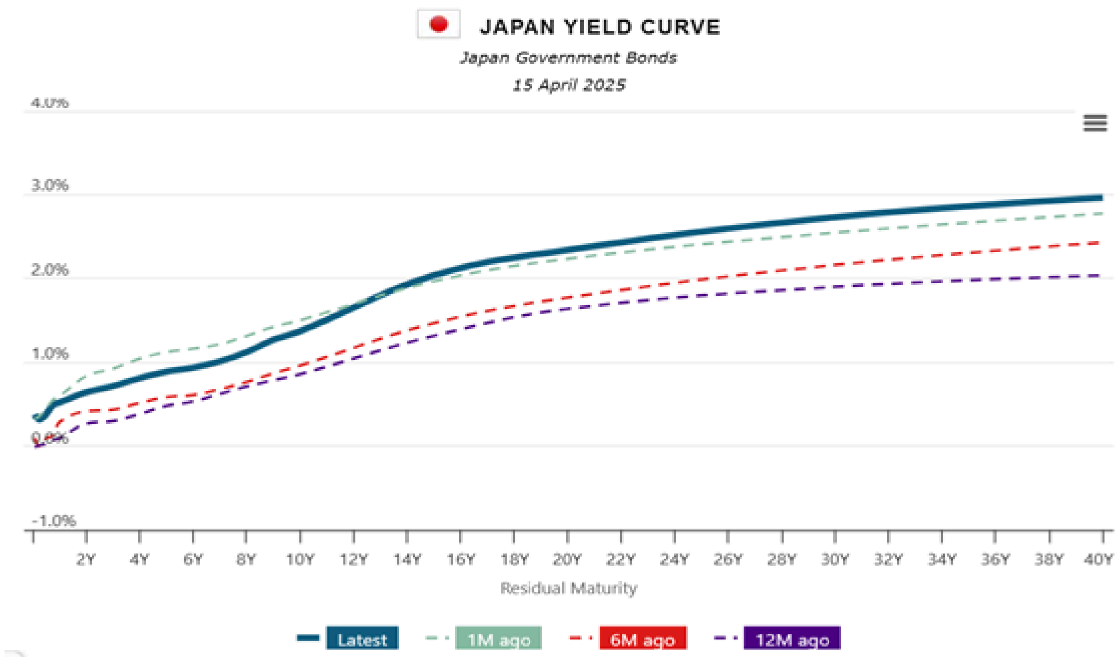
4. ORICONENT displays extremely volatile profitability ratios which is to be expected as it is in the petrochemical industry which is very dependent on price and supply of raw materials. ORICONENT seems to have very high cash reserves in recent years, indicative of industry caution. The low but stable P/E is not surprising as it is not a favourable industry for a safe investment given the asset-heavy nature of the sector.

5. The ratio performances of all four companies reinforce the idea that the industry that a company is in shapes the financial indicators. It is important to look at the broader context for any meaningful financial analysis.

PART 2: FINANCE

<u>1. Analysis of yield curve</u>

2.1 Japan



Type of Yield Curve: The given yield curve represents an upward yield curve and the credit rating for the same is A+.

Reasons for shape of given curve:

- An upward sloping yield curve also called a normal yield curve signifies that interest rates on short term bonds are lower than the rates on long term bonds.

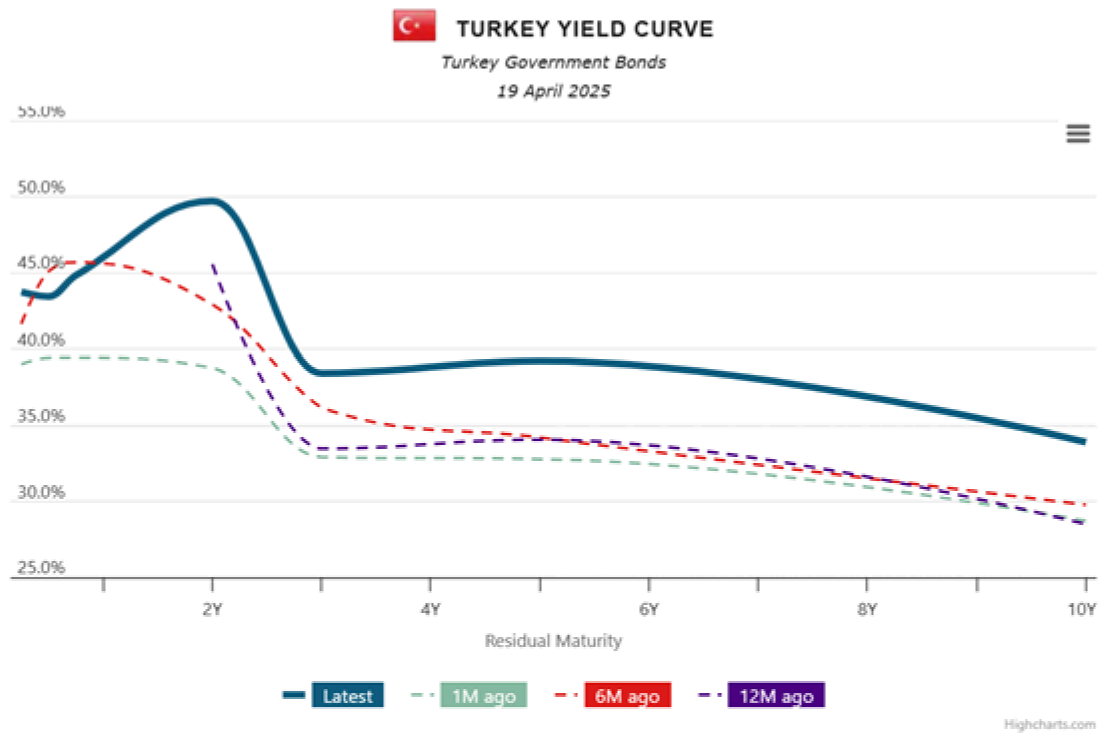
- This might be because the Bank of Japan (BOJ) ended its negative interest rate regime and abandoned Yield Curve Control (YCC). citing that its monetary easing policies had fulfilled their roles. The central bank's statement mentioned that the economy had "recovered moderately" and wages were expected to continue increasing steadily.

- It suggests that investors expect good economic growth in the long term

Macroeconomic implication:

- Positive Yield curve leads to an increased investment in short-term bonds and lower yields. There is an expectation of economic growth which can cause businesses and households to invest more. leading to overall economic growth
- An upward sloping curve reflects positive expectations for GDP growth. A stable or improving economic conditions is expected therefore leading to businesses and consumers confidently borrowing and investing.
- Expectations around central bank policies and a flight to safety can also shape the yield curve. along with global economic factors like trade tensions and international conditions that affect local yield curves.
- Although Japan has historically struggled with low inflation and deflation. The new changes reflect moderate inflation expectations.

Turkey



Type of Yield Curve: The given yield curve represents an inverted yield curve and the credit rating for the same is BB-.

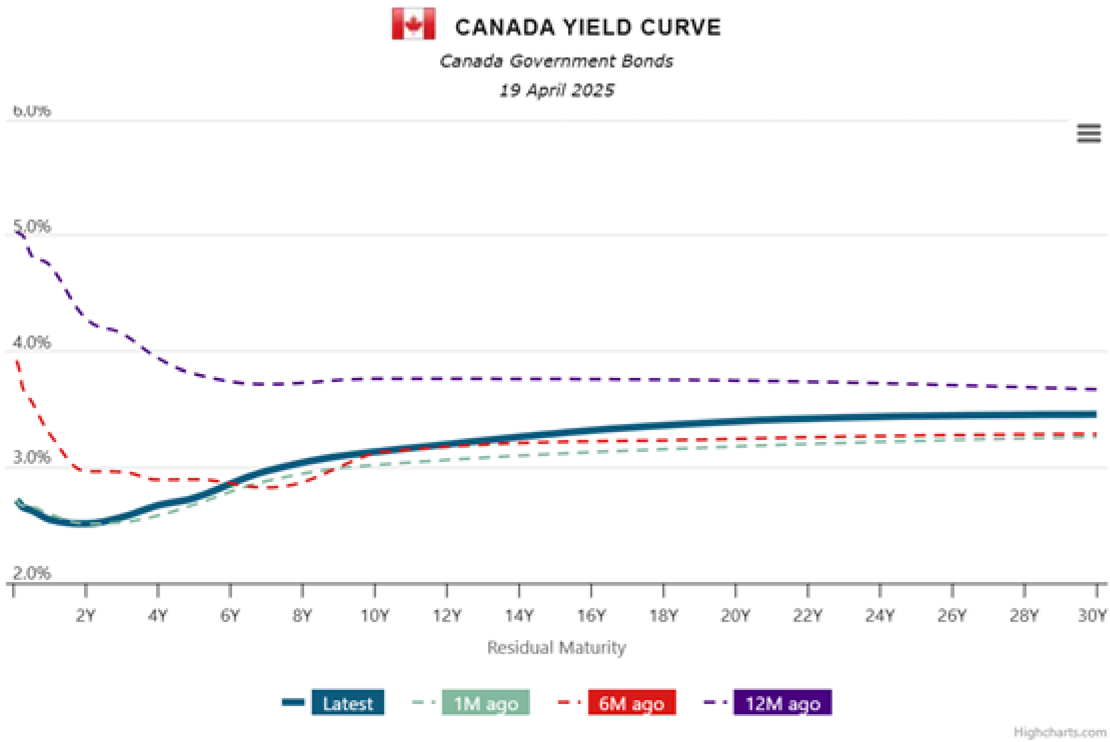
Reasons for shape of given curve:

- An inverted curve indicates a high short-term rate due to inflation control.
- The curve is inverted due to uncertainty in the short term and economic instability.
- Turkey has faced volatile inflation, currency devaluation, and political challenges that led to high short term risk premiums.

Macroeconomic implication:

- Inverted curve generally indicates recessions risk or economic slowdown.
- The market expects tight monetary policy in Turkey to dampen economic activity in the near term.
- High short term yields imply very high inflation expectations.
- The Central bank is in a very tight stance.
- As long-term yields decline, the interest rates are believed to fall due to easing inflation or economic pressures.

Canada



Type of Yield Curve: The given yield curve represents a flat yield curve and the credit rating for the same is BB-.

Reasons for shape of given curve:

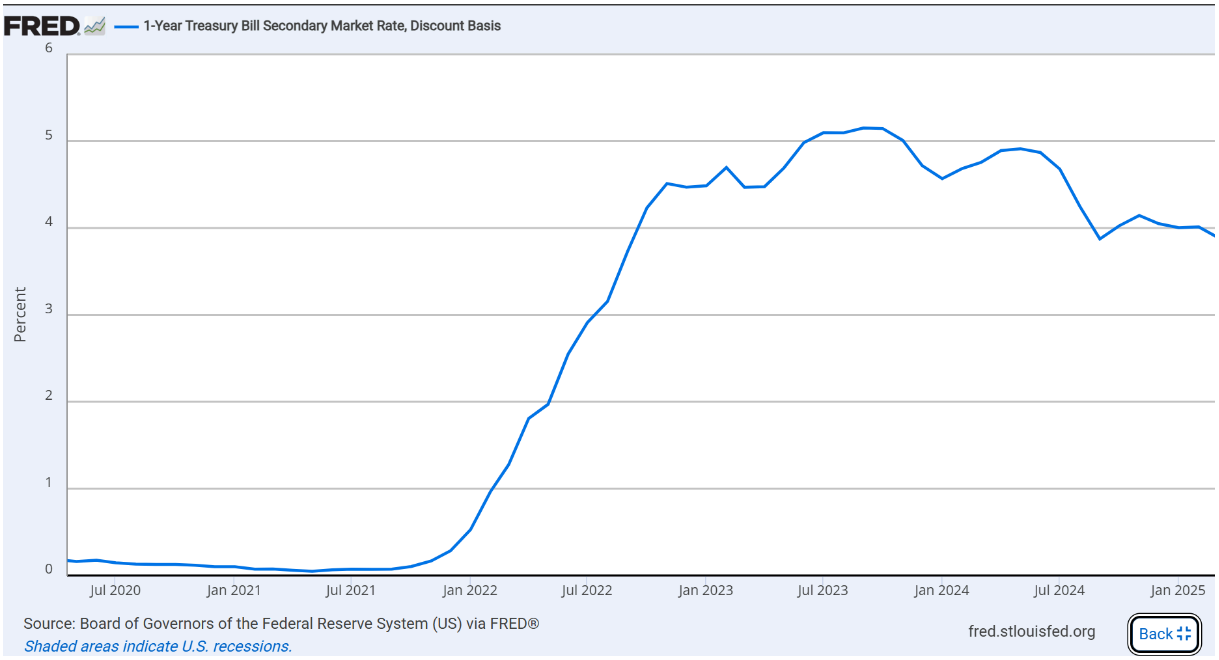
- An inverted curve indicates a high short-term rate due to inflation control.
- The curve is inverted due to uncertainty in the short term and economic instability.
- Turkey has faced volatile inflation, currency devaluation, and political challenges that led to high short term risk premiums.

Macroeconomic implication:

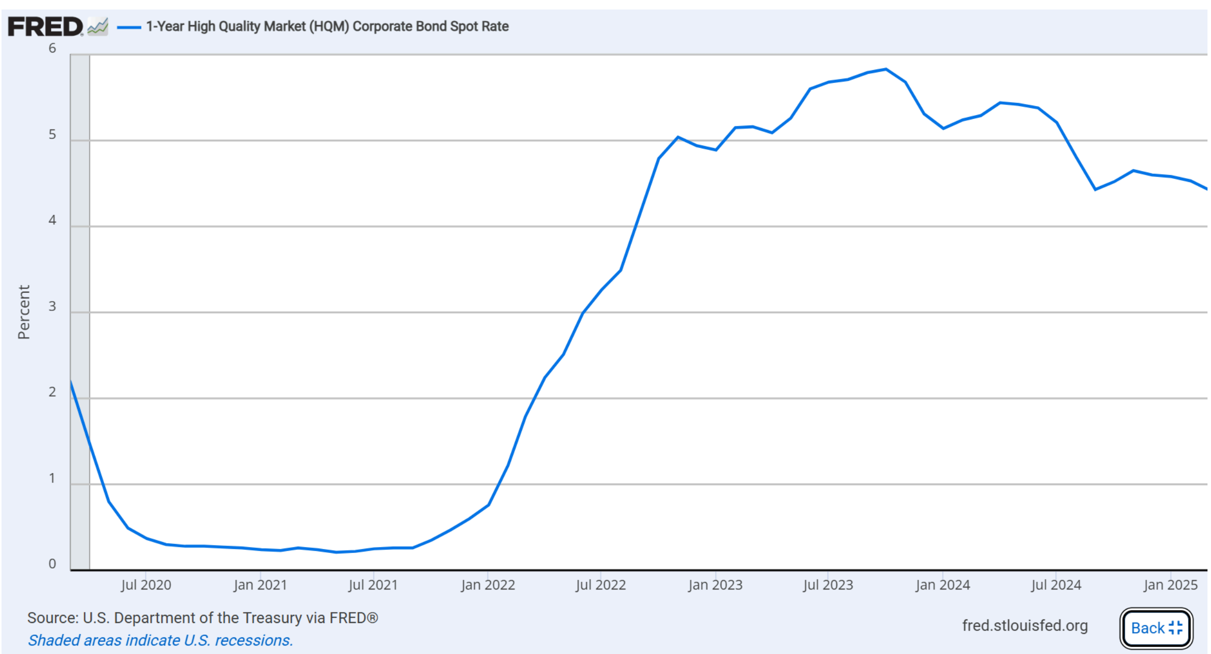
- Inverted curve generally indicates recessions risk or economic slowdown.
- The market expects tight monetary policy in Turkey to dampen economic activity in the near term.
- High short term yields imply very high inflation expectations.
- The Central bank is in a very tight stance.
- As long-term yields decline, the interest rates are believed to fall due to easing inflation or economic pressures.

2. Comparing the yield offered on a T-Bill with the yield offered by another money market security with a similar maturity.

1-Year Treasury Bill Yield



1-Year High Quality Market (HQM) Corporate Bond Yield



- We have compared the yields of two money market securities with similar maturity: 1-Year Treasury Bill and the 1-Year High Quality Market (HQM) Corporate Bond Yield. The graph shown above is plotted with percentage interest rate against the financial year over the same spread of number of years.
- Comparing the two, we see that T-Bill yield(March 2025) is 4.6% and !-Year HQM Corporate Bond Yield(2025) is 5.1% . The HQM Corporate Bond yield is almost 0.5% higher than T-Bill.

Reasons for different yields:

- Reasons for the yield difference is that the T-Bills are considered virtually risk free because they are issued by the RBI on behalf of the central government.HQM Corporate Bond is a type of corporate bond that represents high-grade debt and is issued by top credit rating private corporations.
- T-Bills are liquid and high in demand. Corporate bonds are relatively less liquid and have a higher yield due to not having ready buyers.
- And at times of uncertainty, investors expect a higher premium for corporate than for government securities.

Changes since a year:

- There has been an increase in risk premium shows growing investor caution. It indicates rising uncertainty surrounding corporate credit risk and a possible economic slowdown.
- The changes were mainly because of few macroeconomic factors like rise in inflation in the corporate sectors which led to increased interest rates.
- Economic uncertainty and higher debt levels resulted in increased credit risk.
- Another reason for the high risk premium includes the recovering state of the world economy from the previous Coronavirus pandemic. Apart from this, a global recession has created inflationary conditions and this has seen increased risk premium demands from the investors.

In summary, The 1-Year HQM Corporate Bond offers a higher yield compared to the 1-Year T-Bill due to higher credit risk and lower liquidity.

3. Analysis based on part 1 and 2

Among the three chosen countries Japan (upward curve), Turkey (inverted curve) and Canada (flat curve), Japan appears to be the most attractive to short term fixed-income investors.
Japan's upward yield curve boosts an expectation of economic growth and moderate inflation, which follows the Bank of Japan's policy shift away from negative interest rates and Yield Curve Control. It also indicates that higher returns for longer bonds are expected by investors. Additionally, relatively low and stable current short-term rates provide a predictable environment for money market investments. Furthermore, Japan's A+ credit rating signifies a high degree of creditworthiness. Indicating a low risk of default and a strong capacity to meet financial obligations.
On the contrary, Turkey's inverted yield curve reflects extreme inflation, instability and high short-term interest rates which leads to expectations of economic slowdown. The BB- credit rating reduces its attractiveness to short-term fixed income investors. And Canada's flat curve tells that yields are likely neither low enough to suggest safety nor high enough to compensate for risk.

Impact of inflation expectations rise (over the next 6 months)

Japan: The yield curve may steepen further as long term yields rise to show higher expected inflation and interest rate in future. If the inflation persists, the policies may be gradually tightened leading to short-term yields.

Turkey: The inverted curve may get steeper or flatten. If the banks find a way to combat inflation, long-term yields may rise. Otherwise, if inflation worsens without credit policy action, the inversion could deepen.

Canada: Rising inflation expectations could cause both short- and long-term yields to be pushed up, possibly leading to a steeper yield curve. This would reflect anticipated central bank rate hikes and growing inflation risk premiums.