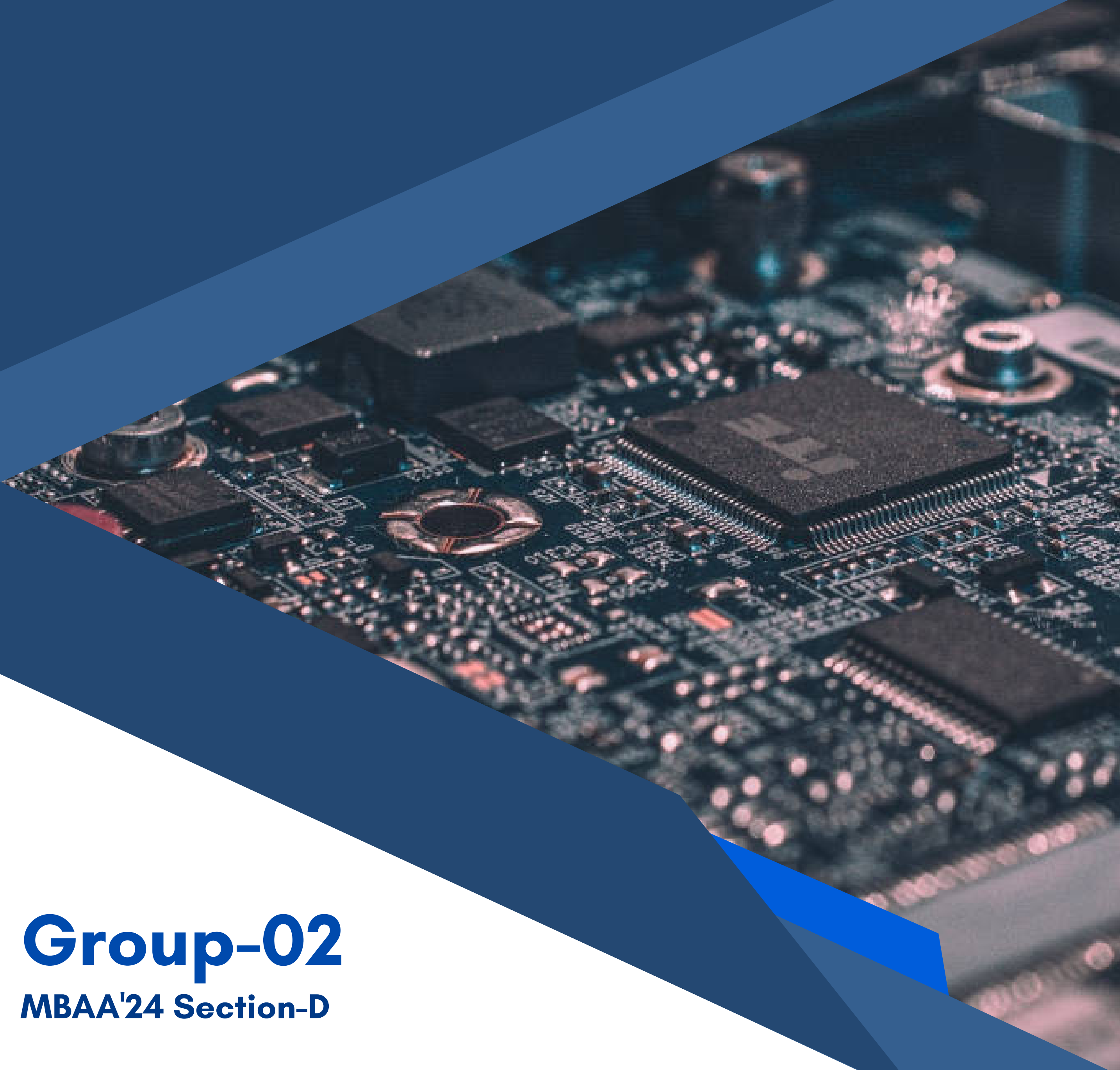

Group-02

MBAA'24 Section-D

FINANCIAL ACCOUNTING

Industry Financial Analysis

Report By:

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AN OVERVIEW

THE MOBILE & ELECTRONICS INDUSTRY

India ranks among the top exporters of IT and BPM services, making up around 56% of the worldwide outsourcing industry. With the exclusion of hardware exports, Indian information technology and IT enabled services (ITeS) exports were valued at US$ 150 billion, representing a 2% increase over FY 2020. The largest portion of the IT & ITeS industry exports in 2020–21, IT services exports were valued at US$ 81 billion, an increase of 2.6% over the previous year. The main export items in this industry are mobile phones, IT hardware, consumer electronics, industrial electronics, and car electronics.

BPM, RPA & ANALYTICS

Exports of business process management (BPM) are now worth US$34 billion, up 2.3% from the previous year. The automation-driven services in finance & accounts and human resources, as well as the rising use of robotic process automation (RPA) and analytics, are the key drivers of this expansion in BPM.

THE PRESENT & FUTURE

From US$6.6 billion in 2013–14 to US$12.4 billion in 2021–22, India's export of electronic goods increased by over 88%. The Ministry of Electronics & IT projects that by 2026, exports from the Indian electronics industry will reach US$ 120 billion.

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BHARAT ELECTRONICS LIMITED

FINANCIAL ANALYSIS FROM 2018 - 2022

The following is the key interpretation made from the financial ratios and analysis derived for the past 5 years:

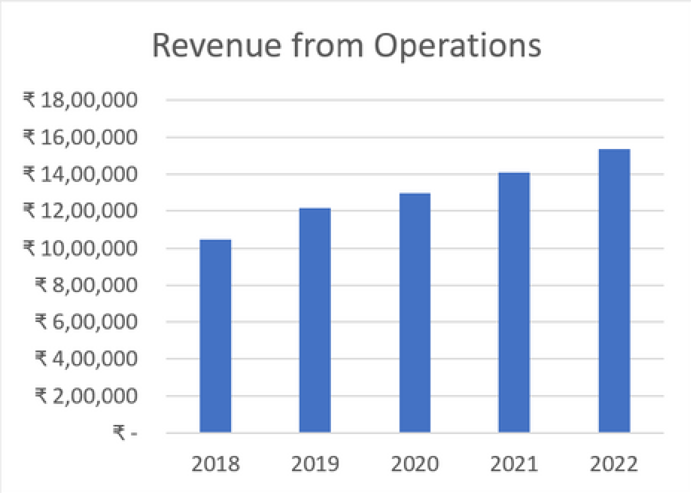
- We can see a steady increase in the Revenue (from Operations) or Sales from 2018 - 2022.
- As the Depreciation and Amortization is increasing subsequently over the years, we can conclude that it has an unhealthy effect on the margins.
- Even though we see an increase in Sales, the Return on Assets (ROA) reduces from the previous year due to increase in Depreciation & Amortization.
- The Net Income for the year ended in 2022 is greater than the previous year, however, we find a decrease in the Return on Equity (ROE). This infers that there was an increase the Equity this year.
- Decrease in Return on capital employed (ROCE) infers that the company could utilize its resources better.
- The Asset Turnover Ratio (ATR) when compared from 2018 to 2022, we can notice a steady fall. This means that the company is not able to utilize it's resources efficiently.
- When a firm's ROA rises over time, it indicates that the company is squeezing more profits out of each dollar it owns in assets. Conversely, a declining ROA suggests a company has made bad investments, is spending too much money and may be headed for trouble.
- The Total Leverage acts as a Magnifier, and helps us understand that the company is using more of liabilities. With an investor point of view, it seems that the company is getting riskier, when compared to the previous years.
- The five-step, or extended, DuPont equation breaks down net profit margin further. From the three-step equation we saw that, in general, rises in the net profit margin, asset turnover and leverage will increase ROE. The five-step equation shows that increases in leverage don't always indicate an increase in ROE.
- The Tax factor helps us understand the part which remains after the tax payment. This gives an overview of the tax payment over the years,
- Under Interest factor, it showcases that the higher the ratio, the better position a company has to repay its interest obligations while lower ratios point to financial instability. Hence, the company is in a very good position to repay the interests
- A rising ROE suggests that a company is increasing its profit generation without needing as much capital. It also indicates how well a company's management deploys shareholder capital. A higher ROE is usually better while a falling ROE may indicate a less efficient usage of equity capital.

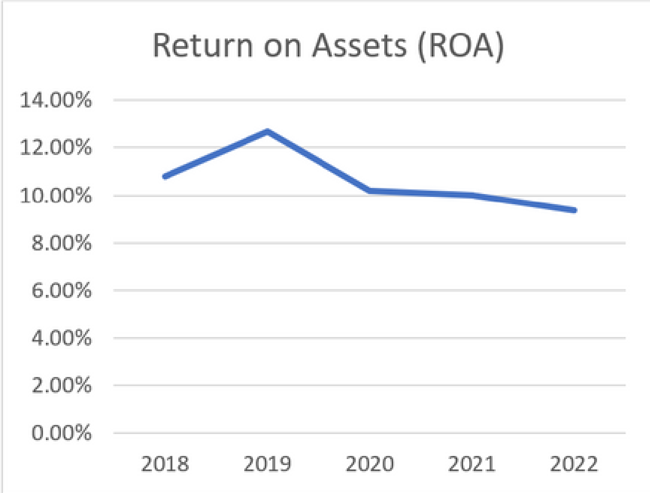
- Non-Current Asset Turnover Ratio helps us understand how much of Sales Revenue is generated per unit of Non-Current Assets. Comparatively the ratio has diminishingly increased from 2018 but however decreased from the previous year.
- PPE is the most Quality Asset of any company. The increase in PPE Utilisation Ratio helps us understand that the company is utilizing its PPE very efficiently.
- Current Asset Turnover Ratio helps us understand how much of Sales Revenue is generated per unit of Current Assets. Comparatively the ratio has decreased from 2018,. Which means that there is decrease in utilization of current assets for generation of sales revenue.
- Equity Turnover Ratio helps us understand how much of Sales Revenue is generated per unit of Non-Current Assets. Comparatively the ratio has diminishingly increased from 2018 but however decreased from the previous year.
- Working Capital Turnover Ratio helps us understand how much surplus liquidity the company has for day to day operations. We can notice a certain decrease in the ration from 2018 to 2022.
- Inventory Turnover Ratio (ITR) helps us understand how much Inventory is utilized for generating the sales revenue. We can notice a certain increase in the ratio from 2018 to 2022. Which means that the company is able to utilize more of its inventory to generate its revenue from operations.
- The Number of Days to convert the Inventory in the Cash Cycle has drastically reduced from 159.41 in 2018 to 132.81 days in 2022. This portrays a positive sign in the working of the company.
- Debtors Turnover Ratio (DTR) indicates the number of times average debtors have been converted into cash during a year. This is also referred to as the efficiency ratio that measures the company's ability to collect revenue. As the ratio has made a significant increase from 2018 to 2022, it showcases a positive sign for the company.
- The Number of Days to convert the Debtors in the Cash Cycle has drastically reduced from 174.55 in 2018 to 145.07 days in 2022. This portrays a positive sign in the working of the company.
- Accounts payable turnover ratio is a measure of your business's liquidity, or ability to pay its debts. The higher the accounts payable turnover ratio, the quicker your business pays its debts. Hence, it seems a negative view for the company as they are taking quite longer to clear their accounts payable.
- Since the number of days have drastically increased from 90.48 in 2018 to 138.22 in 2022, the company portrays a negative outlook in making the payments to the Creditors.
- Cash Cycle (Days) shows How long it takes for the cash cycle to complete. In the past 5 years, the number of days decreased by 100+ days, which is a positive indicator for the company.

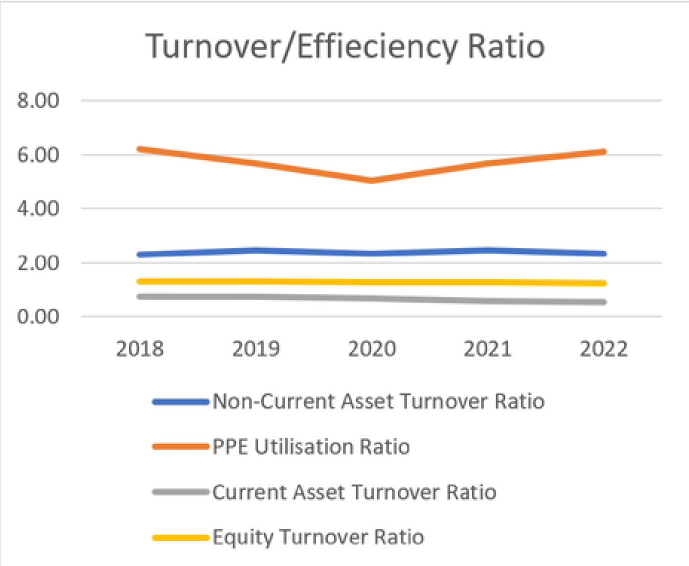
- The Debt Equity Ratio is very less for the company, which showcases that the company is safe and not risky.
- The company's Interest Coverage Ration has drastically decreased from 2018 to 2022, but the number is still huge. This portrays that the company is safe and the investors will be paid.
- The Total Debt Service Ratio has been highly varied for the company over the years as they had no debt for a couple of years in this period. However, still the company has a good Total Debt Service Ratio, which portrays that the company is safe.
- BEL has very good Retention Ratio. Which shows that it is Growth Oriented and we can expect a higher growth of the company.
- The Current Ratio helps us understand the liquidity position of the company.Relatively the ratio has diminishingly reduced from 2018 to 2022, which is quite a negative sign.
- On the contrary, the Quick Ratio has increased from 2018 and remained the same when compared to the previous year. This portrays a positive sign for the business.
- This ratio helps us understand that an investor needs to invest ₹ 10.95 to earn ₹ 1. In general, a high P/E suggests that investors are expecting higher earnings growth in the future compared to companies with a lower Price to Earning Ratio (P/E). A low P/E can indicate either that a company may currently be undervalued or that the company is doing exceptionally well relative to its past trends.
- Traditionally, any value under 1.0 is considered a good Price to Book Value Ratio (P/B) for value investors, indicating a potentially undervalued stock. However, value investors may often consider stocks with a P/B value under 3.0 as their benchmark. Hence, the ratio indicates that to hold ₹1 worth asset in the company he needs to pay ₹ 2.14.
- When a company has "top-line growth," the company is experiencing an increase in gross sales or revenues. The bottom line is a company's net income, or the "bottom" figure on a company's income statement. Hence, we see a drastic decrease in the Top-Line and Bottom Line Growth of the Company. This should be considered as a concerning factor for BEL.
- 8% to 12% can be considered as a good CAGR for sales of a company with more than 10 years of experience into same business. Hence, BEL's CAGR should be considered good for the business.
- The financial ratios and fundamentals do support the Management's Analysis and discussion. Just to highlight a few points, BEL was able to attain its Pre-Pandemic levels in FY 2021-22 and there is a good pick-up in demand and investment of BEL. BEL drives for sustainable growth and performance and sets strategies and targets to achieve its goals and mitigate challenges like shortfall of supply of semi-conductors and other challenges due to the Pandemic and Russia-Ukraine War Crisis.

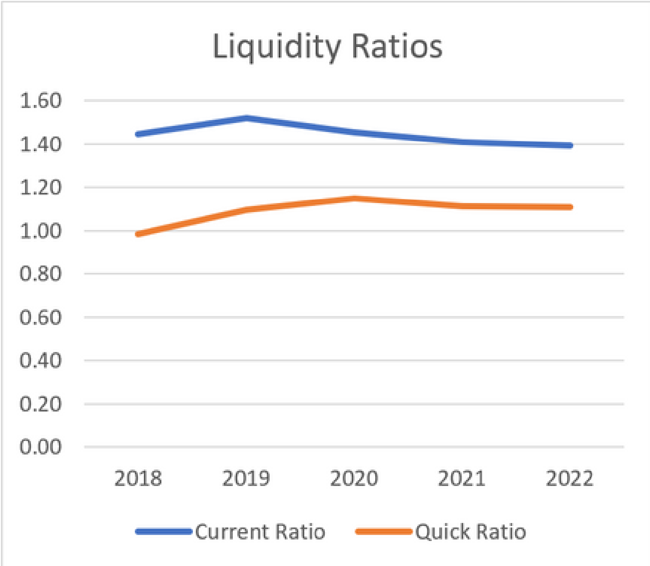
GRAPHICAL REPRESENTATION OF THE FINANCIAL PERFORMANCE FROM 2018-2022

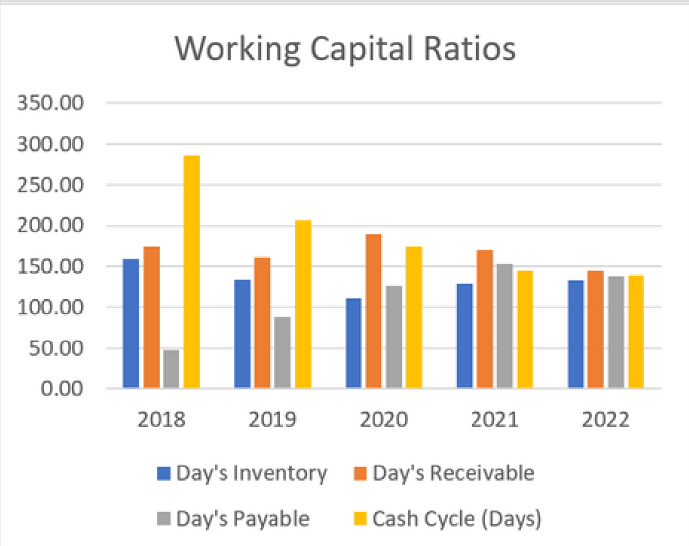
The following is the representation of the financial performance of Bharat Electronics Limited over the past 5 years:

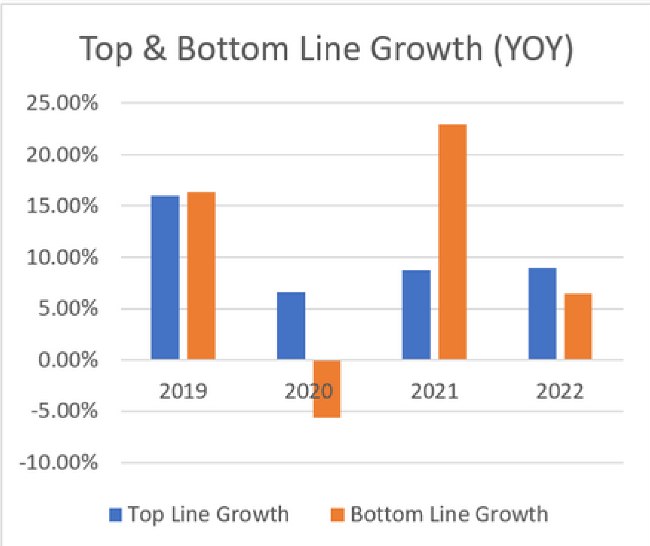




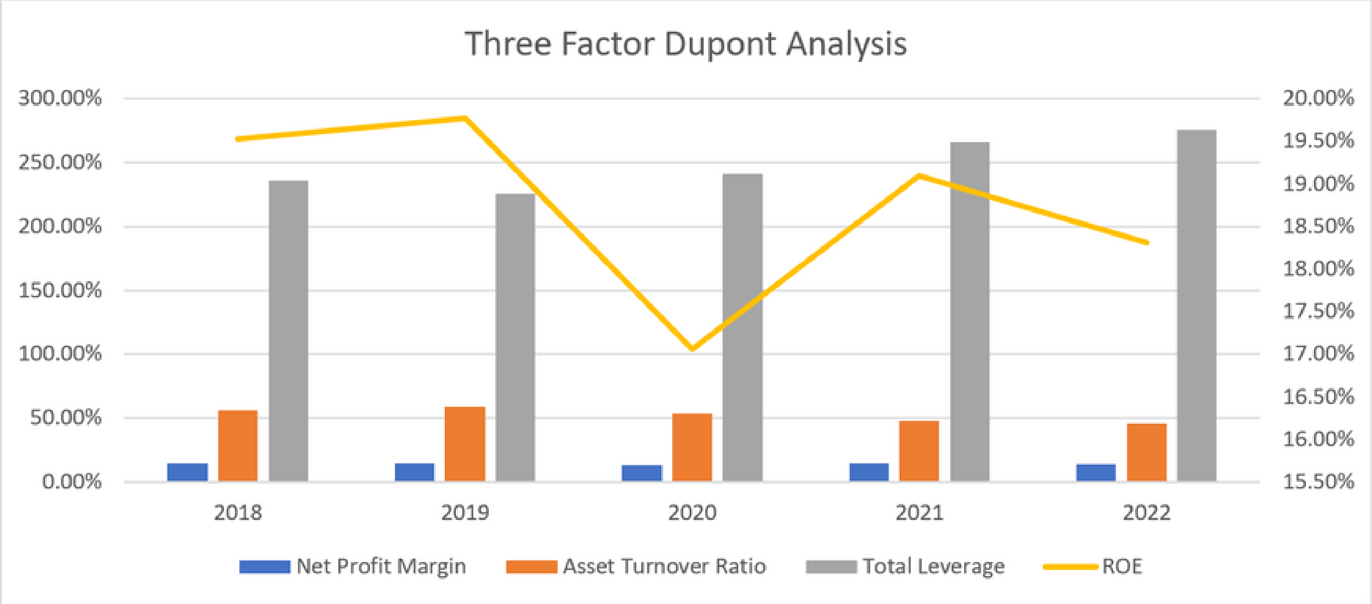


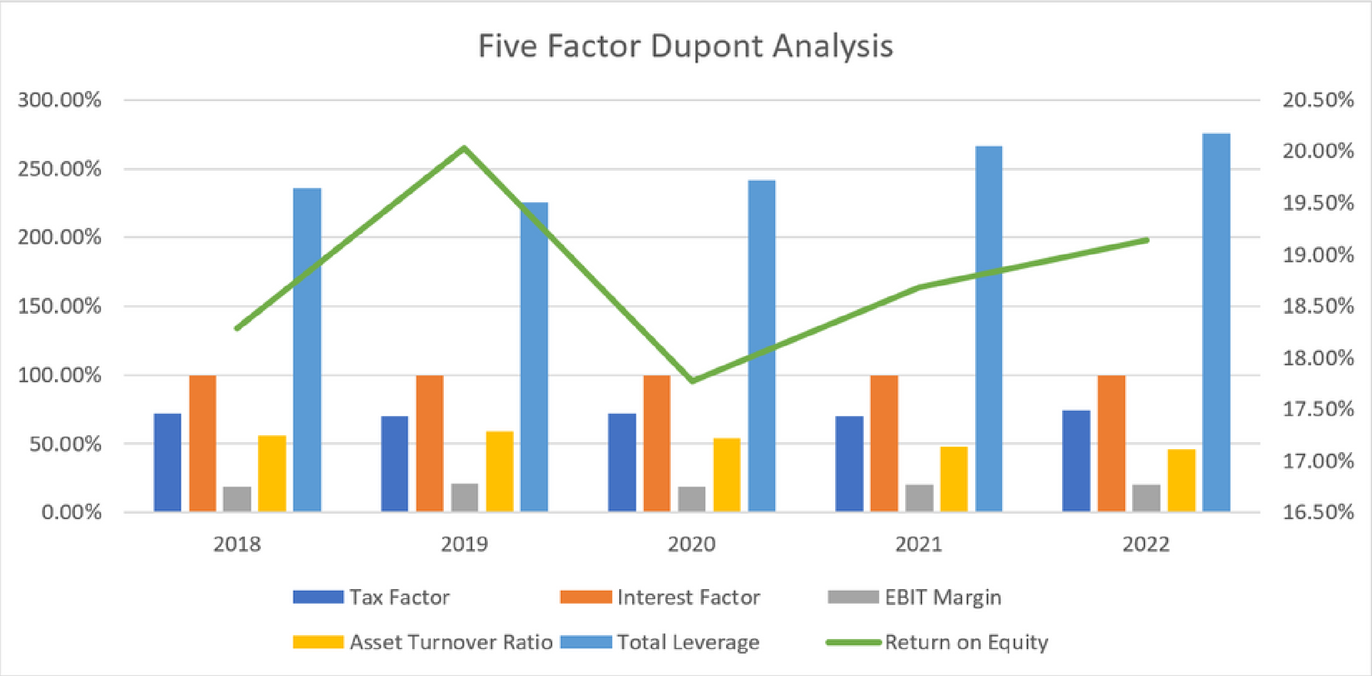






GRAPHICAL REPRESENTATION OF THE FINANCIAL PERFORMANCE FROM 2018-2022





CENTUM ELECTRONICS LIMITED

FINANCIAL ANALYSIS FROM 2018 - 2022

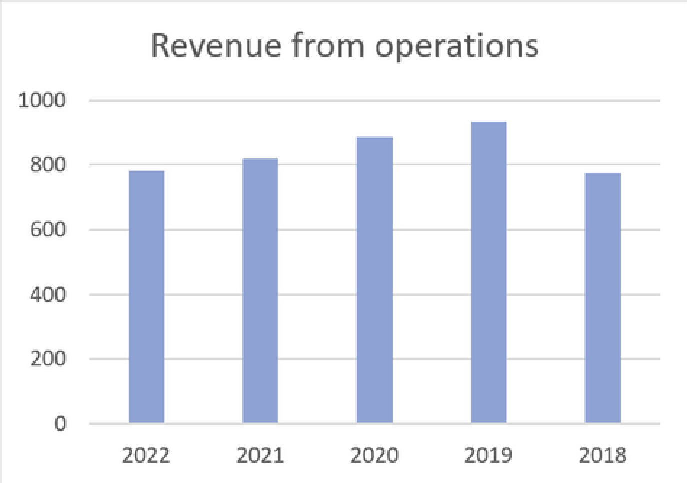
The following is the key interpretation made from the financial ratios and analysis derived for the past 5 years:

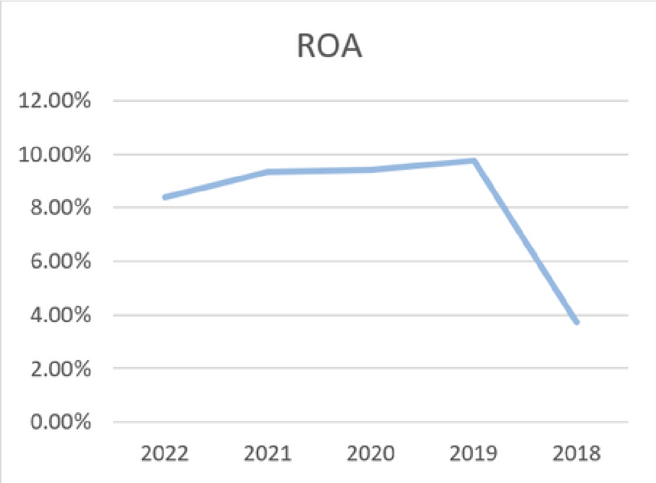
- We can see an increase in the Revenue (from Operations) or Sales from 2018-19 ,then it started reducing from 2020 by year to year.In 2022 sales is reduced by 22% as compare to 2019.
- As the D&A is increasing by approximately 165% from 2018 to 2019 after that it starts reducing but with very small rate, we can conclude that it has an unhealthy effect on the margins.
- ROA has been reduced over the year because sales has been reduced.
- The Net Income for the year ended in 2022 is greater than the previous year, due to which ROE has been increased.
- Fluctuation in ROCE infers that the company could not utilize its resources effectively.
- The ATR is reduced as compared to 2021. This means that the company is not able to utilize it's resources efficiently.
- When a firm's ROA rises over time, it indicates that the company is squeezing more profits out of each dollar it owns in assets. Conversely, a declining ROA suggests a company has made bad investments, is spending too much money and may be headed for trouble.
- As interest factor is reducing from 2019 to 2022 therefore we can conclude that the company is financially unstable.
- The higher Leverage ratio indicates that business has incurred too much of debt,we conclude that company is very risky.
- ROE has increased as compared to last financial year,it indicates that the company is using shareholder capital better as compare to last year .
- The non current asset turnover ratio has been slightly reducing from 2019 to 2022 ,it signifies that company is not efficiently using it assets to generate sales.
- The company is not utilizing its PPE efficiently to generate sales as it reducing year by year.
- This ratio helps us understand how much of Sales Revenue is generated per unit of Current Assets. Comparatively the ratio has decreased from last year. Which means that there is decrease in utilization of current assets for generation of sales revenue.
- Working Capital Turnover Ration helps us understand how much surplus liquidity the company has for day to day operations. We can notice a certain increase in the ration from 2018 to 2021 and then slightly decrease in 2022.

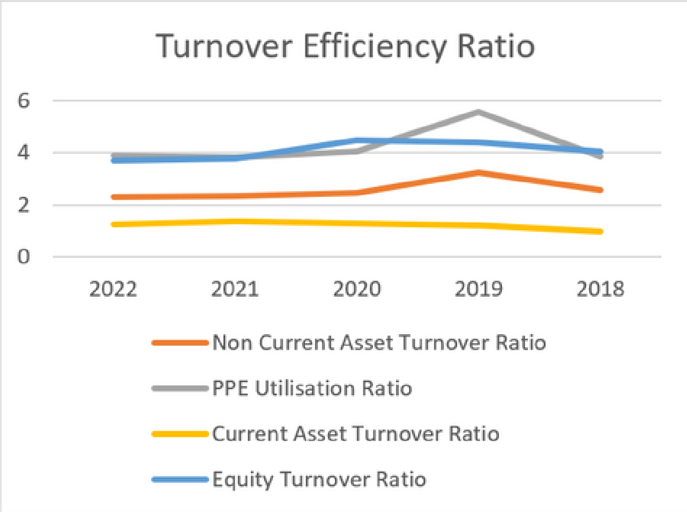
- Inventory Turnover Ratio (ITR) helps us understand how much Inventory is utilized for generating the sales revenue. We can notice a certain increase in the ratio from 2018 to 2021 which means that company was utilizing its inventory well to generate revenue from operations but have seen slightly decrease in the year 2022.
- The Number of Days to convert the Inventory in the Cash Cycle has drastically reduced from 127.545 in 2018 to 108.34 days in 2022. This portrays a positive sign in the working of the company.
- Debetors Turnover Ratio indicates the number of times average debtors have been converted into cash during a year. This is also referred to as the efficiency ratio that measures the company's ability to collect revenue. As the ratio has made a slightly increase from 2018 to 2022, it showcases a positive sign for the company.
- The Number of Days to convert the Debtors in the Cash Cycle has drastically reduced from 113.45 in 2018 to 96.013 days in 2022. This portrays a positive sign in the working of the company.
- Since the number of days have drastically decreases from 88.68 in 2018 to 54.97 in 2022, the company portrays a positive outlook in making the payments to the Creditors.
- The number of days for completion of Cash Cycle have increased from 20121 to 2022, which shows a very bad sign for the company.
- The Debt Equity Ratio is less for the company, which showcases that the company is safe and not risky
- The company's Interest Coverage Ration has drastically decreased from 2019 to 2022, but the number is still huge. This portrays that the company is safe and the investors will be paid.
- The company has very good Retention Ratio. Which shows that it is Growth Oriented and we can expect a higher growth of the company.
- The Current Ratio helps us understand the liquidity position of the company.Relatively the ratio has diminishingly reduced compared to last year ,which is quite a negative sign.
- The quick ratio also reducing which is a negative sign for the company.
- Company has negative P/E ratio signifies that the company has negative earnings or losing money, which is mot healthy for the company.
- Market value of the company 3.07 times higher than face value ,which signifies that company is overvalued.
- The top-line growth rate is decreasing, it signifies that the company is experiencing a decrease in revenue or sales.
- The bottom line growth is increasing which signifies that the company is reducing expenses.

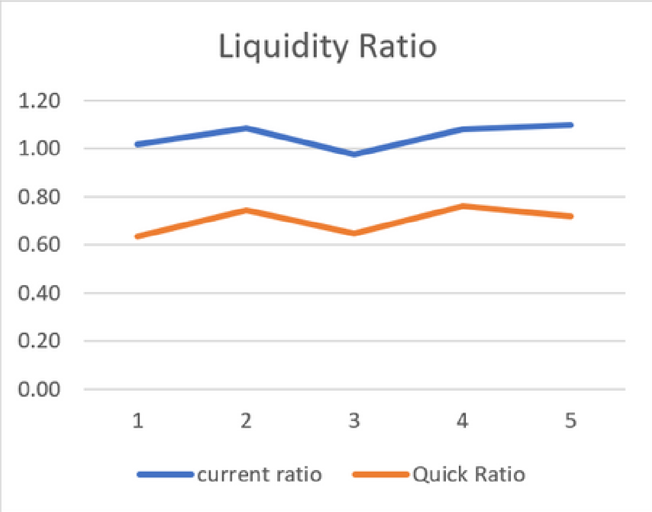
GRAPHICAL REPRESENTATION OF THE FINANCIAL PERFORMANCE FROM 2018-2022

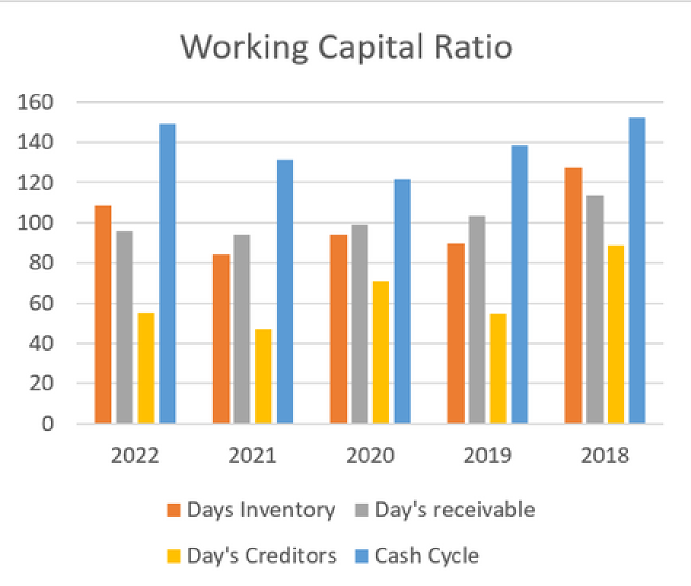
The following is the representation of the financial performance of Centum Electronics Limited over the past 5 years:

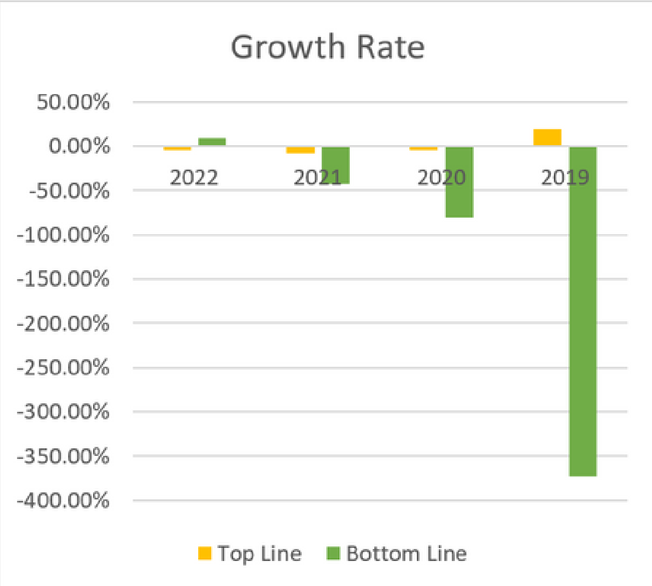




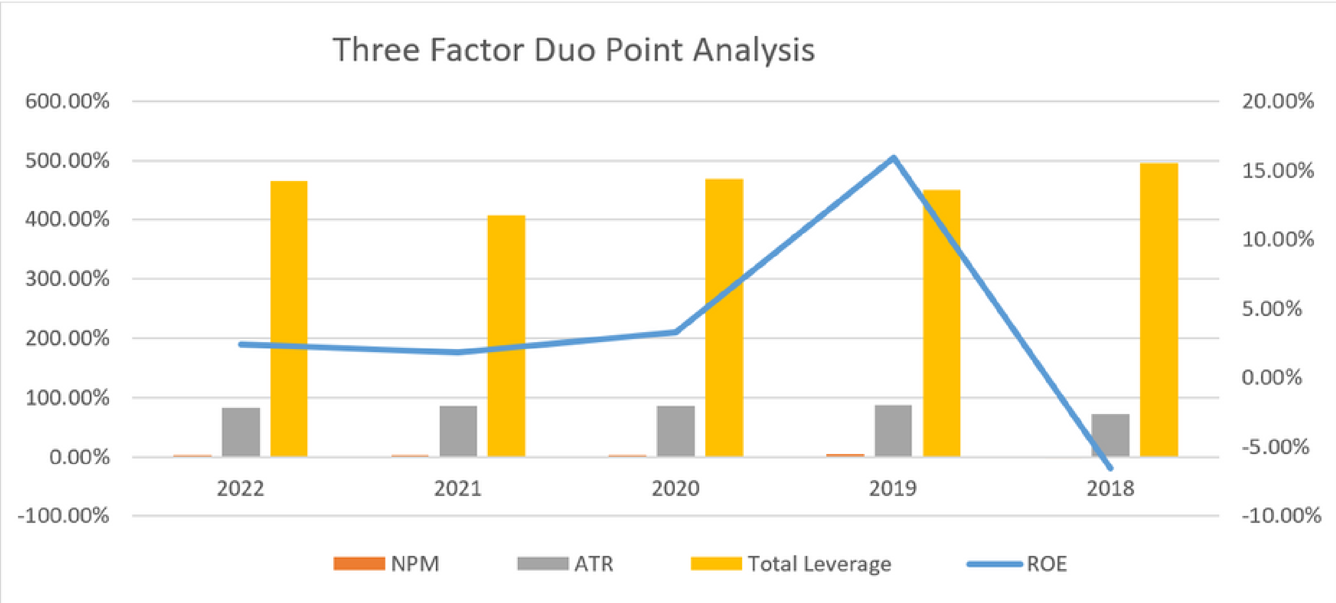


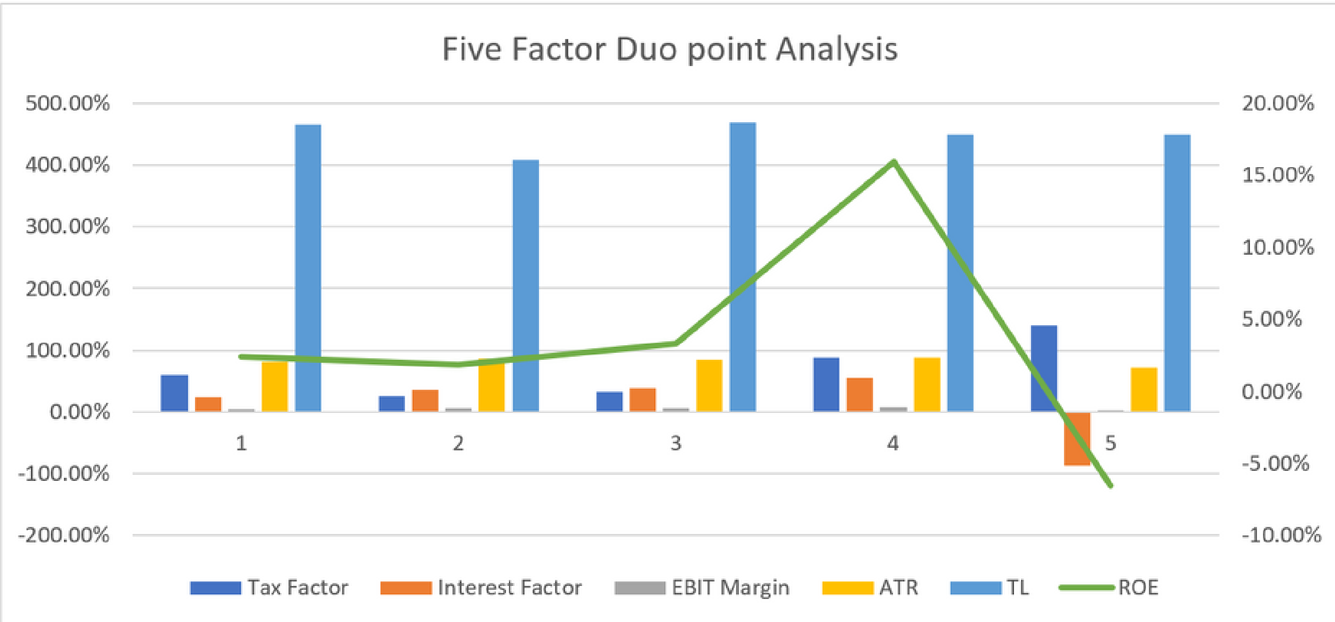






GRAPHICAL REPRESENTATION OF THE FINANCIAL PERFORMANCE FROM 2018-2022





ONE POINT ONE

FINANCIAL ANALYSIS FROM 2018 - 2022

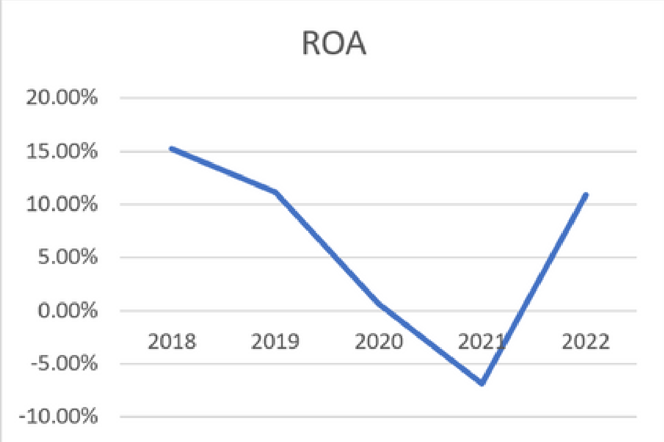
The following is the key interpretation made from the financial ratios and analysis derived for the past 5 years:

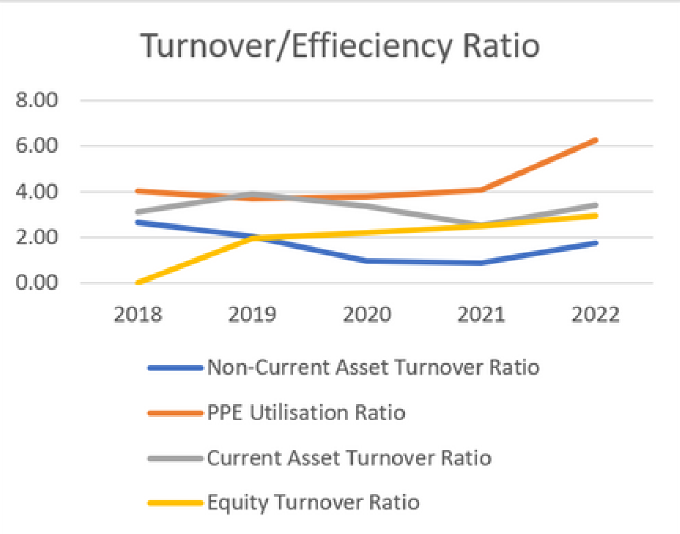
- There is no steady increase in Revenue From Operations from 2018 to 2022.
- As the D&A is not increasing or decreasing subsequently, hence, the effect on margins in healthy in 2021 and 2022 as it is decreasing.
- There is high increase in ROA since the previous year
- The Net Income for the year ended in 2022 is greater than the previous year, however, we find a decrease in the ROE. This infers that there was an increase the Equity this year.
- Decrease in ROCE infers that the company could utilize its resources better
- The ATR when compared from 2018 to 2022, we can notice a steady fall. This means that the company is not able to utilize it's resources efficiently.
- When a firm's ROA rises over time, it indicates that the company is squeezing more profits out of each dollar it owns in assets. Conversely, a declining ROA suggests a company has made bad investments, is spending too much money and may be headed for trouble.
- The Total Leverage acts as a Maginifier, and helps us understand that the company is using more of liabilities.
- The five-step, or extended, DuPont equation breaks down net profit margin further. From the three-step equation we saw that, in general, rises in the net profit margin, asset turnover and leverage will increase ROE. The five-step equation shows that increases in leverage don't always indicate an increase in ROE.
- The Tax factor helps us understand the part which remains after the tax payment. This gives an overview of the tax payment over the years.
- Under Interest factor, it showcases that the higher the ratio, the better position a company has to repay its interest obligations while lower ratios point to financial instability. Hence, the company is in a very good position to repay the interests.
- A rising ROE suggests that a company is increasing its profit generation without needing as much capital. It also indicates how well a company's management deploys shareholder capital. A higher ROE is usually better while a falling ROE may indicate a less efficient usage of equity capital.
- This ratio helps us understand how much of Sales Revenue is generated per unit of Non-Current Assets. Here, it has decreased initially but then increased than the previous year.

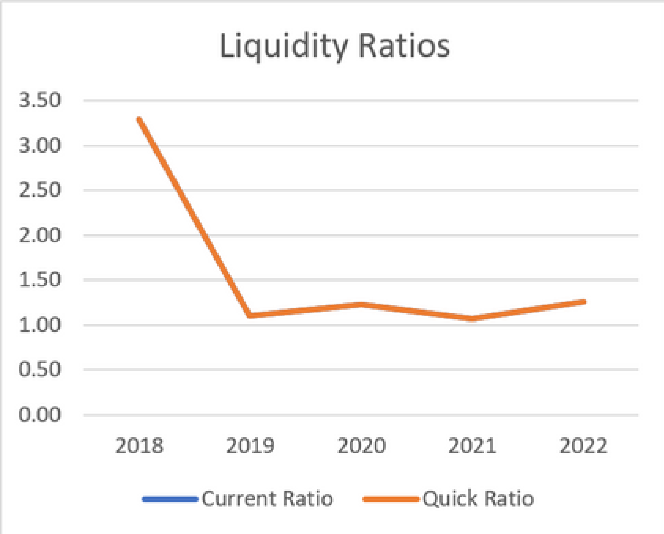
- PPE is the most Quality Asset of any company. The increase in PPE Utilisation Ratio helps us understand that the company is utilizing its PPE very efficiently.
- Current Asset Turnover Ratio helps us understand how much of Sales Revenue is generated per unit of Current Assets. Compartitively the ratio has increased from 2018,. Which means that there is increase in utilization of current assets for generation of sales revenue.
- Equity Turnover Ratio helps us understand how much of Sales Revenue is generated per unti of Non-Current Assets. Compartitively the ratio has increased from 2018.
- Working Capital Turnover Ration helps us understand how much surplus liquidity the company has for day to day operations. We can notice a certain increase in the ration from 2018 to 2022.
- Debtors Turnover Ratio (DTR) indicates the number of times average debtors have been converted into cash during a year. This is also referred to as the efficiency ratio that measures the company's ability to collect revenue. As the ratio has made a significant increase from 2018 to 2022, it showcases a positive sign for the company.
- The Number of Days to convert the Debtors in the Cash Cycle has drastically reduced from 174.55 in 2018 to 145.07 days in 2022. This portrays a positive sign in the working of the company.
- The Debt Equity Ratio is very less for the company, which showcases that the company is safe and not risky.
- The Current Ratio helps us understand the liquidity position of the company.Relatively the ratio has diminishingly reduced from 2018 to 2022, which is quite a negative sign.

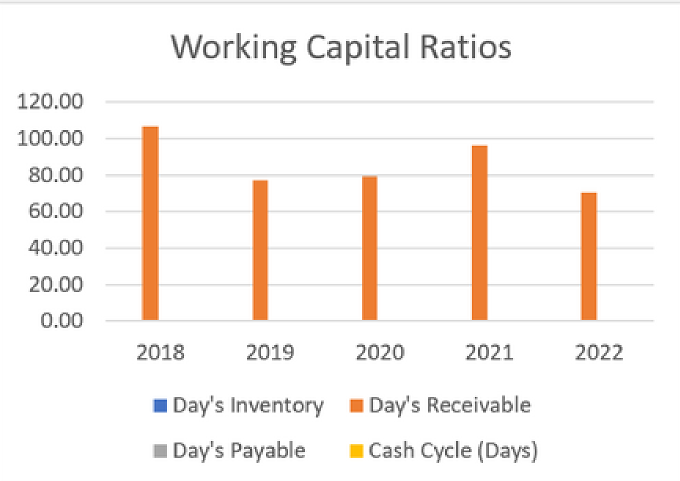
GRAPHICAL REPRESENTATION OF THE FINANCIAL PERFORMANCE FROM 2018-2022

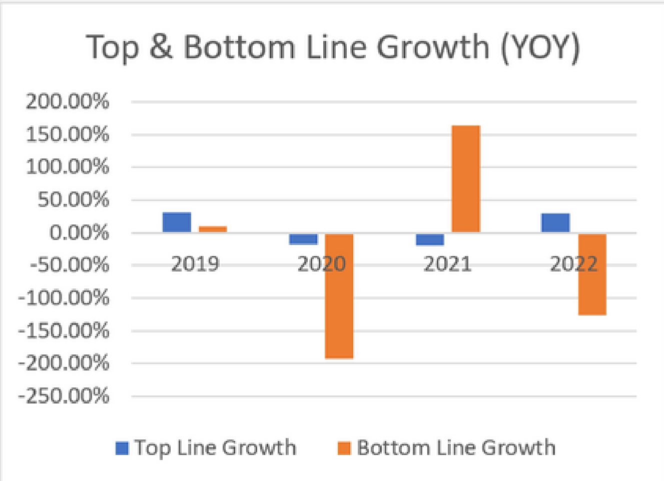
The following is the representation of the financial performance of One Point One over the past 5 years:



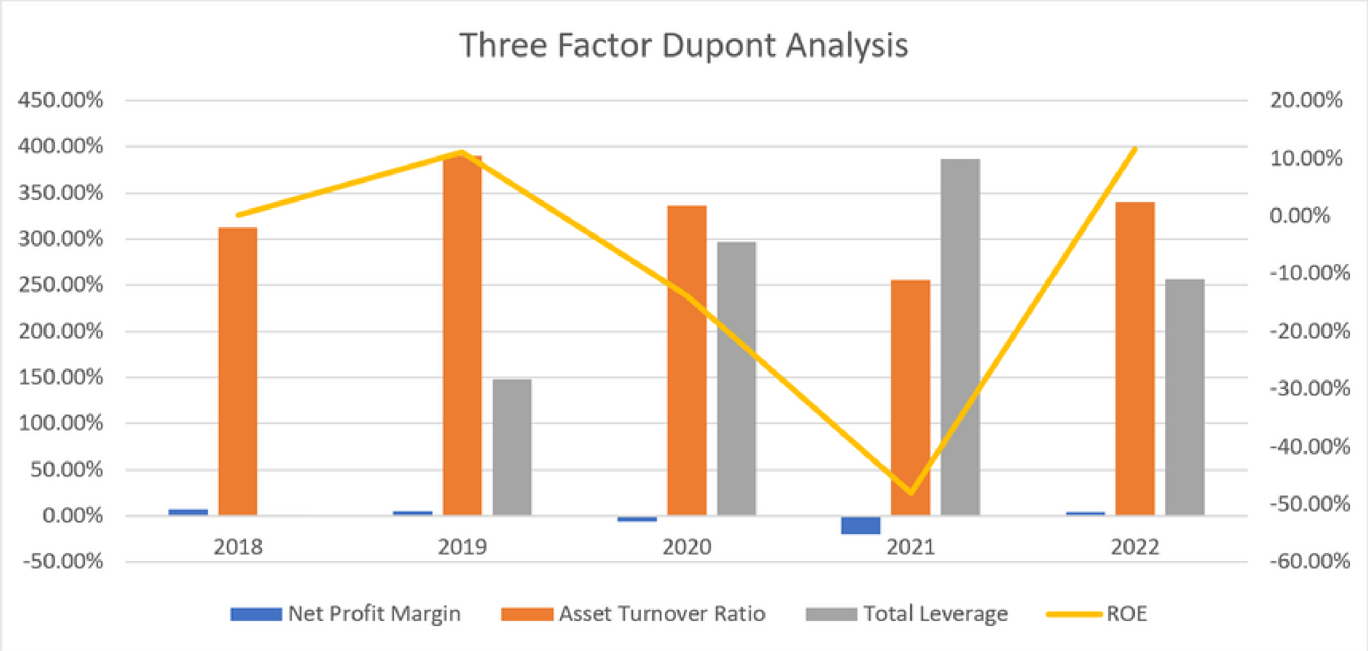


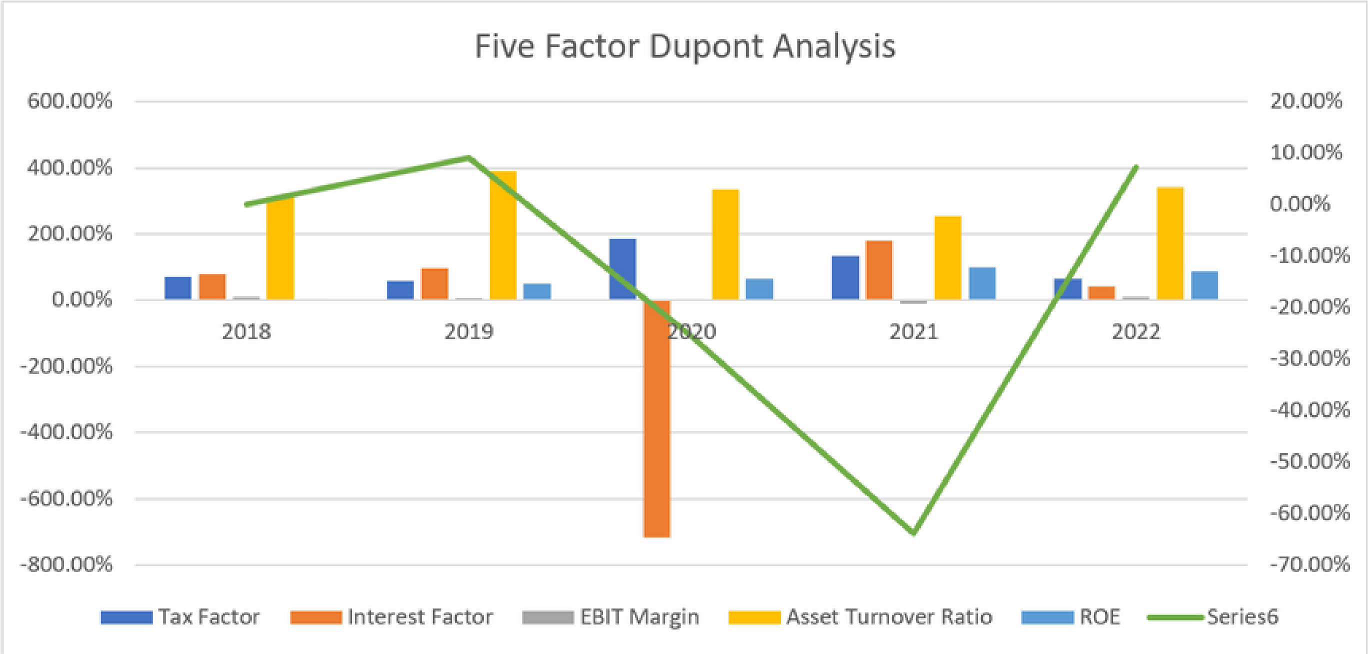






GRAPHICAL REPRESENTATION OF THE FINANCIAL PERFORMANCE FROM 2018-2022





STERLINE TECHNOLOGIES

FINANCIAL ANALYSIS FROM 2018 - 2022

The following is the key interpretation made from the financial ratios and analysis derived for the past 5 years:

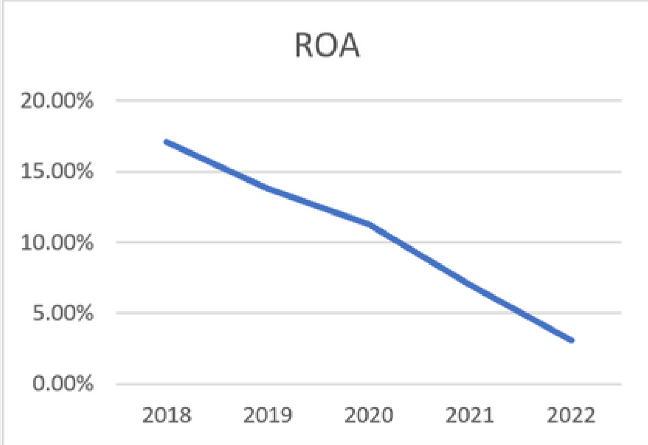
- We can see an increase in the Revenue (from Operations) or Sales from 2018 - 2022 in all years except 2021 where the sales has reduced from the previous years.
- As the D&A is increasing subsequently over the years, we can conclude that it has an unhealthy effect on the margins.
- Even though we see an increase in Sales, the ROA reduces from the previous year due to increase in D&A
- The Net Income for the year ended in 2022 is lesser than the previous year, and, we find a decrease in the ROE. This infers that there was a decrease in the equity this year.
- Decrease in ROCE infers that the company could utilize its resources better
- The ATR when compared from 2018 to 2022, we can notice a steady fall. This means that the company is not able to utilize it's resources efficiently.
- When a firm's ROA rises over time, it indicates that the company is squeezing more profits out of each dollar it owns in assets. Conversely in this case, a declining ROA suggests the company has made bad investments, is spending too much money and may be headed for trouble.
- The Total Leverage acts as a Maginifier, and helps us understand that the company is using more of liabilities. With an investor point of view, it seems that the company is getting riskier, when companred to the previous years.
- The five-step, or extended, DuPont equation breaks down net profit margin further. From the three-step equation we saw that, in general, rises in the net profit margin, asset turnover and leverage will increase ROE. The five-step equation shows that increases in leverage don't always indicate an increase in ROE.
- The Tax factor helps us understand the part which remains after the tax payment. This gives an overview of the tax payment over the years,
- Under Interest factor, it showcases that the higher the ratio, the better position a company has to repay its interest obligations while lower ratios point to financial instability. Hence, the company is in a declining position to repay the interests over the progressing years.
- A decreasing ROE suggests that a company is decreasing its profit generation. It also indicates that the company is unable to deploy shareholder capital. A higher ROE is usually better while a falling ROE may indicate a less efficient usage of equity capital.

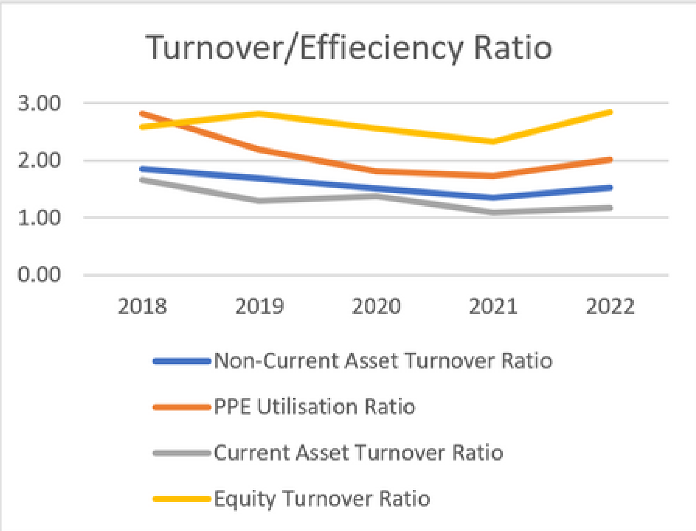
- Non-Current Asset Turnover Ratio helps us understand how much of Sales Revenue is generated per unit of Non-Current Assets. Comparatively the ratio has diminisinghly decreased from 2018 but however increased from the previous year in 2022.
- PPE is the most Quality Asset of any company. The increase in this ratio after a fall from 2019 to 2021 helps us understand that the company is utilizing its PPE efficiently with progressing years.
- Current Asset Turnover Ratio helps us understand how much of Sales Revenue is generated per unit of Current Assets. Compartitively the ratio has decreased from 2018 and we see an unsteady trend. Which means that there is decrease in utilization of current assets for generation of sales revenue
- Equity Turnover Ratio helps us understand how much of Sales Revenue is generated per unit of Non-Current Assets. Compartitively the ratio has diminishingly increased from 2018.
- Working Capital Turnover Ration helps us understand how much surplus liquidity the company has for day to day operations. We can notice a huge decrease in the ratio from 2018 to 2021 and an increase in 2022
- The Number of Days to convert the Inventory in the Cash Cycle has increased from 2018 to 2022. This portrays a negative sign in the working of the company.
- Inventory Turnover Ratio (ITR) helps us understand how much Inventory is utilized for generating the sales revenue. We can notice a certain increase in the ratio from in 2020. Which means that the company is able to utilize more of its inventory to generate its revenue from operations in this particular year. However, the ratio has decreased in the subsequent years.
- This indicates the number of times average debtors have been converted into cash during a year. This is also referred to as the efficiency ratio that measures the company's ability to collect revenue. As the ratio has made a decrease from 2018 to 2022, it showcases a negative sign for the company.
- The Number of Days to convert the Debtors in the Cash Cycle has increased from 98.74 in 2018 to 108.24 days in 2022. This portrays a negative sign in the working of the company.
- Accounts payable turnover ratio is a measure of the business's liquidity, or ability to pay its debts. The higher the accounts payable turnover ratio, the quicker your business pays its debts. Hence, it seems a negative view for the company as they are taking quite longer to clear their accounts payable in the subsequent years.
- Since the number of days have drastically increased from 2019 to 2022, the company portrays a negative outlook in making the payments to the Creditors.

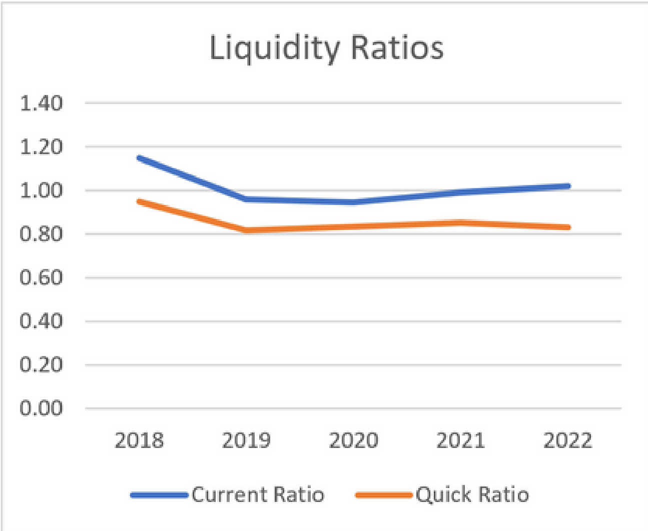
- The Debt Equity Ratio is less for the company, which showcases that the company is safe and not risky but it is mostly in the borderline and needs to perform better in its subsequent years
- The company's Interest Coverage Ration has drastically decreased from 2018 to 2022. This portrays that the company is still safe and the investors can be paid
- The Total Debt Service Ratio has been highly varied for the company over the years.
- Sterlite does not have a good Retention Ratio. Which shows that it is not Growth Oriented and we can not expect a higher growth of the company.
- The Current Ratio helps us understand the liquidity position of the company.Relatively the ratio has diminishingly reduced from 2018 to 2022, which is quite a negative sign
- The Quick Ratio has decreased from 2018 and remained stable when compared to the previous year. This portrays a negative sign for the business,
- This ratio helps us understand that an investor needs to invest ₹ 69.13 to earn ₹ 1. In general, a high P/E suggests that investors are expecting higher earnings growth in the future compared to companies with a lower P/E. A low P/E can indicate either that a company may currently be undervalued or that the company is doing exceptionally well relative to its past trends.
- When a company has "top-line growth," the company is experiencing an increase in gross sales or revenues. The bottom line is a company's net income, or the "bottom" figure on a company's income statement. Hence, we see a drastic decrease in the Top-Line and Bottom Line Growth of the Company. This should be considered as a concerning factor for Sterlite technologies
- 8% to 12% can be considered as a good cagr for sales of a company with more than 10 years of experience into same business. Hence, with 15.75% Sterlite technologie's CAGR should be considered good for the business

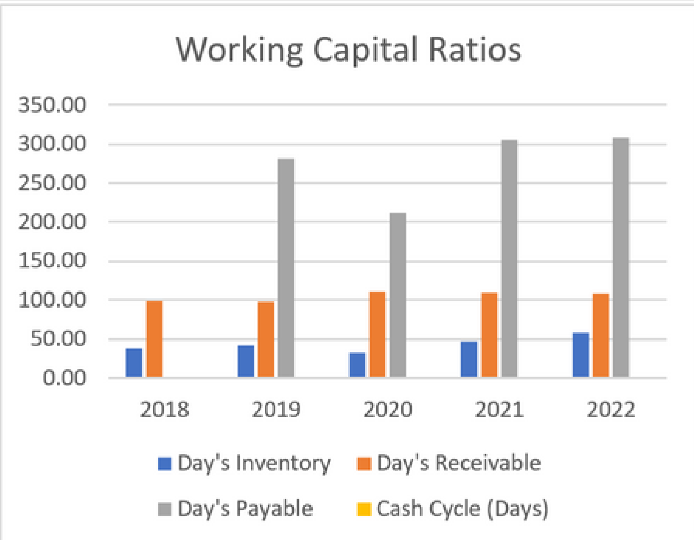
GRAPHICAL REPRESENTATION OF THE FINANCIAL PERFORMANCE FROM 2018-2022

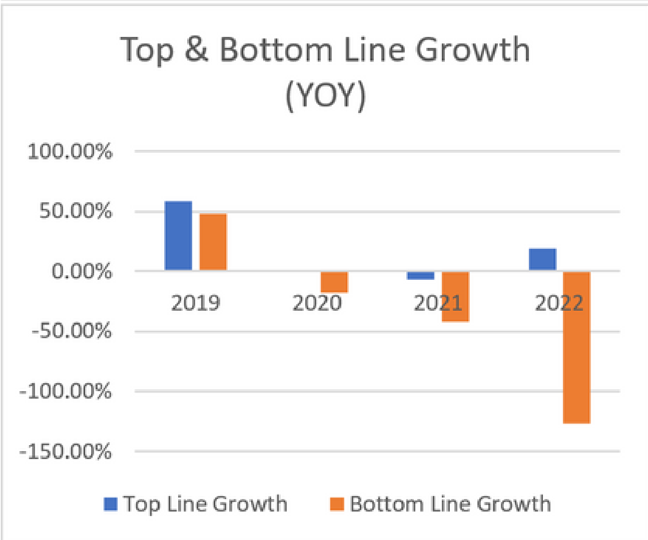
The following is the representation of the financial performance of Sterlite Technologies over the past 5 years:



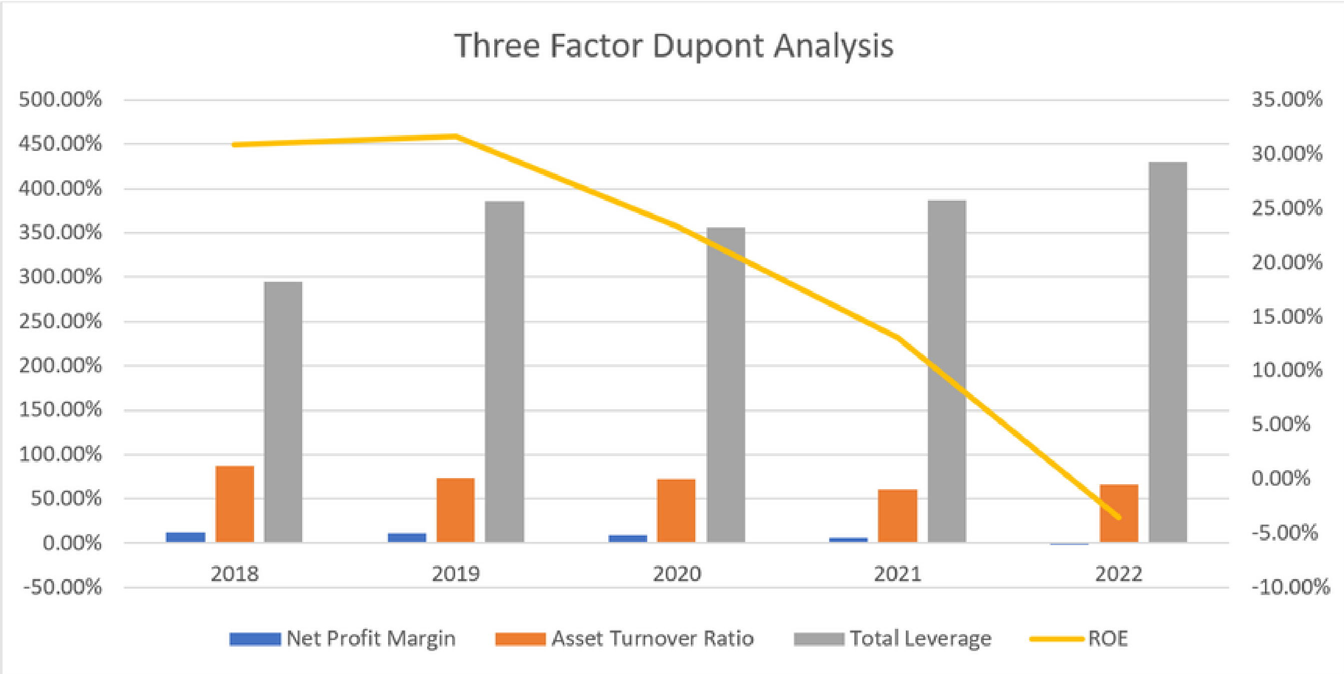


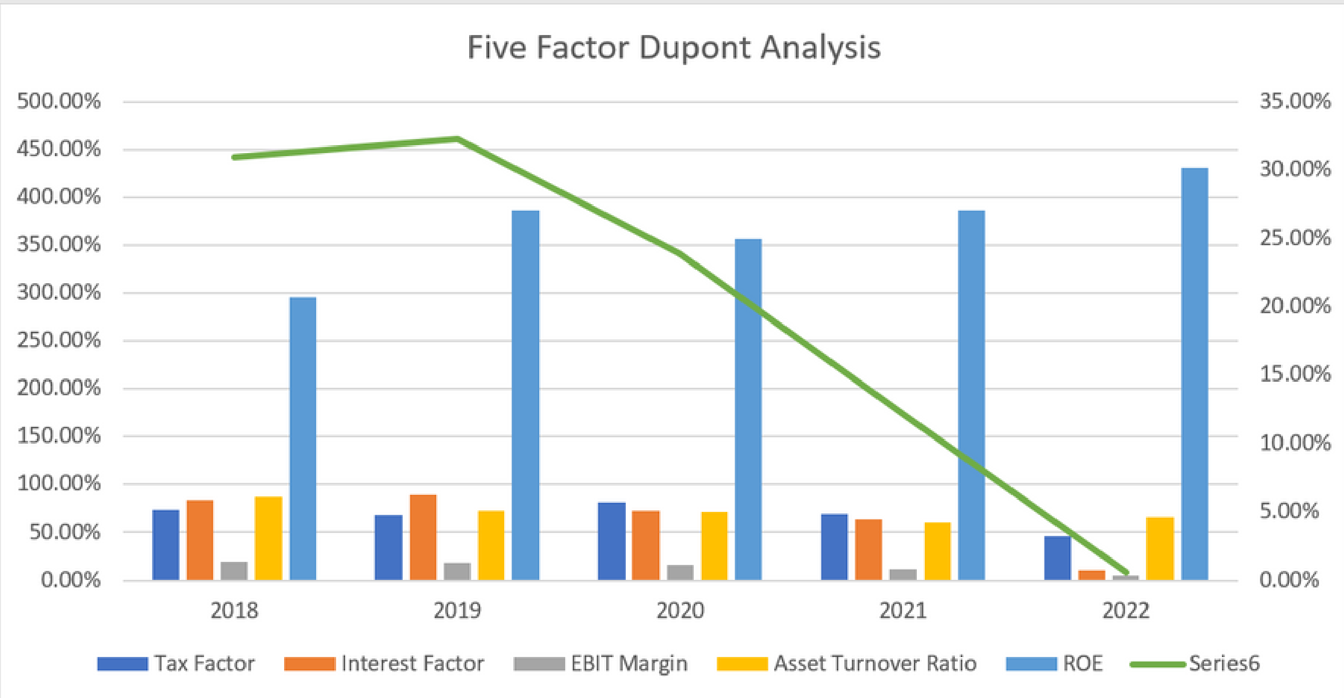






GRAPHICAL REPRESENTATION OF THE FINANCIAL PERFORMANCE FROM 2018-2022





WHIRLPOOL

FINANCIAL ANALYSIS FROM 2018 - 2022

In the late 1980s, Whirlpool (NSE:WHIRLPOOL), as part of its global expansion strategy, entered in the Indian market. It entered in the market through a joint venture with the TVS Group and opened the first Whirlpool production facility for the washing machine category in Pondicherry. Whirlpool entered the refrigerator market when it bought Kelvinator India Limited in 1995. Major shares in the TVS joint venture were also purchased by the business that same year. Later, in 1996, the TVS and Kelvinator acquisitions were combined to become Whirlpool of India Limited. This increased the company's product line in the Indian subcontinent to include air conditioners, microwaves, refrigerators, and washing machines. For the fiscal year that concluded on March 31, 2021, the firm generated revenue from operations of Rs. 5,899.8 crores, a 1.5% decrease from the prior year. The decline in sales was brought on by a covid-induced shutdown in Q1, the busiest quarter for the durable sector, which significantly reduced demand. Due to the accumulated demand, there was a robust rebound in the following quarters, and its emphasis on product innovation, distribution growth, and partnerships with E commerce channel partners helped it gain share in the post-opening up period. Due to shifting consumer preferences, sales of high-end products like Frost Free Refrigerators and Fully Automatic Washing Machines increased more quickly than those of Direct Cool Refrigerators and Semi Automatic Washing Machines, which are considered entry-level products.

On September 10, 2018, Whirlpool of India declared that it has successfully acquired 49% of Elica PB India Private Limited's issued and paid-up share capital. As a result of this deal, Whirlpool of India would own 49% of Elica PB India Private Limited.

In 2019, The social and economic advancement of regional communities surrounding its manufacturing eco-system has been actively supported by Whirlpool of India.

In 2020, The most cutting-edge bottom mount refrigerator in India, Intellifresh Pro, is introduced by the Whirlpool of India company and is driven by cutting-edge Adaptive Intelligence Technology

The following is the key interpretation made from the financial ratios and analysis derived for the past 5 years:

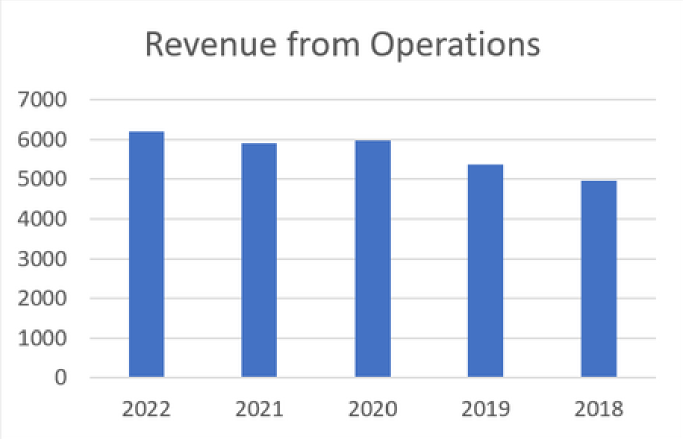
- **Return on total assets (ROTA):** ROTA has decreased from 21.67% to 5.83% in five years. This could be attributed to the increased percentage share of cost of material consumed as a revenue from operations.
- **Return on Equity (ROE):** Over the years company increased its Equity by almost 100% but the net profit of the company has been decreased by 50%. Therefore, the ROE of the company has reduced from 24.41% to 7.75%.

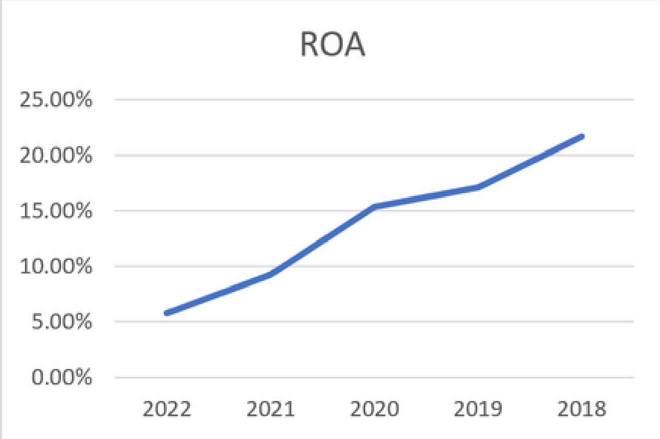
- **Return on capital employed (ROCE)**: ROCE of the company has experienced a downfall of almost 80% over the five years. The EBIT of the company has decreased over a 50% and the current assets has increased by 67% in compare to current liabilities which increased only by 40%. We observe that this happened due to increase in Cash and cash equivalents and Trade payables in recent years.
- **EBIT Margin:** EBIT margin has come down from 15.78% to 7.65% over a five year period. We can observe that the company's total sales have increased during a given period. But the company's cost of material have increased from 43.87% of total sales to 53.62% of total sales.
- **Two factor DuPont Analysis**: Company's total assets has increased by 76% in comparison to total sales increased by only 23% over a five years. This resulted in decrease in asset turnover ratio. Also, there is downward trend of EBIT margin over a given period. Therefore, overall ROA has decreased from 21.67% to 5.83%.
- **Five factor DuPont Analysis:** Tax factor has changed drastically in five years. There is a little change in Interest factor. EBIT Margin decreased due to increase in operating expenses. Asset Turnover Ratio decreased as increase in total assets in comparison to total sales. There is a little change in Total leverage. All of these factors resulted in decrease of ROE from 24.41% to 7.75% over a given period.
- **Net Profit Margin:** Decrease in net profit margin can be attributed to the increased in operating expenses.
- **Inventory turnover ratio:** The company's inventory turnover ratio is declining, which indicates that the company is taking more days to convert its inventory into cash. A increase in inventory can be the reason for the same.
- **Debtors Turnover Ratio (DTR):** Trade receivables have increased over 100% for the given period. Therefore, the debtors turnover ratio has decreased from 21.11 to 14.56, which resulted in increase of average collection period.
- **Day's Cash**: In recent years company's cash and cash equivalents increased drastically, which resulted in increase of Day's Cash ratio.
- **Creditor's Turnover Ratio(CTR):** Over a period of five years Creditors turnover ratio didn't change significantly.
- **Cash Cycle(Days):** The major contributor of increase in cash cycle is Day's cash. Other factors are Average Collection period, Average payment day and day's inventory.
- **Debt/Equity Ratio:** In the financial structure of the company debt portion is very less for all the years. Debt has increased from 12.66 INR Cr to 119.98 INR Cr. But this is just 3% of the company's total equity. And for the same reason company is spending very less finance cost.
- **Interest Coverage Ratio:** For the given period, there is a little change in interest expense. But due to decrease in EBIT over 50%. There is downfall of Interest coverage ratio.

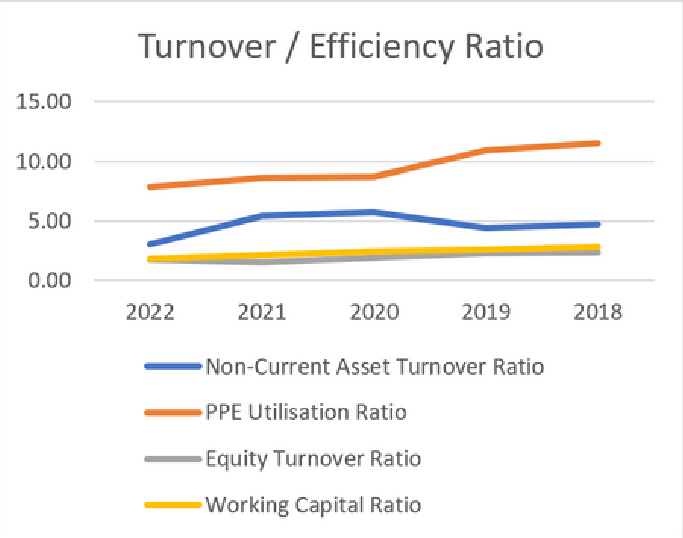
- **Current Ratio:** Current Assets has increased at higher rate than that of current liabilities over a five year period. Therefore, Current ratio has increased from 1.70 to 2.04.
- **Quick Ratio:** During this five years current assets increased by 67% while current liabilities increased by 39%, which resulted in increase of quick ratio from 1.06 to 1.30.
- **Earnings Per Share**: In recent year company earned profit from exceptional items, which resulted in increase of EPS in recent year. Otherwise the company's EPS followed the downturn trend.
- **Price to earnings ratio(P/E):** Market price of the share has increased three times in five years therefore positive change in company's P/E ratio.
- **Price to Book value ratio(P/B):** Book value of the shares have increased almost 100% and Market price of share increased three times over the five years. Therefore, there is positive change in Price to book value ratio.

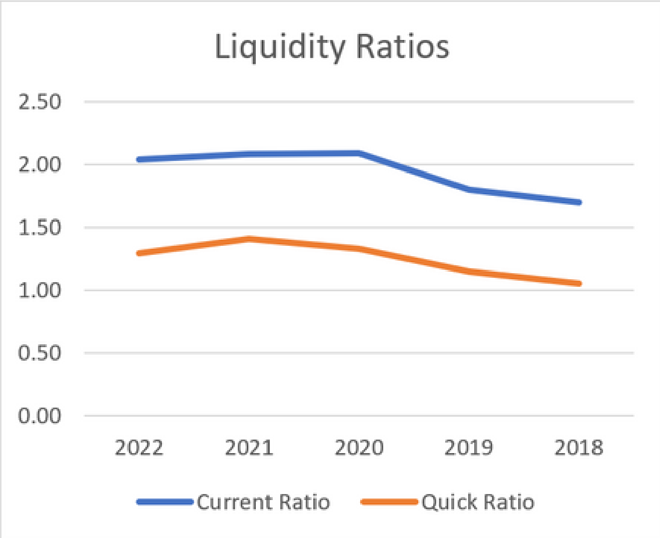
GRAPHICAL REPRESENTATION OF THE FINANCIAL PERFORMANCE FROM 2018-2022

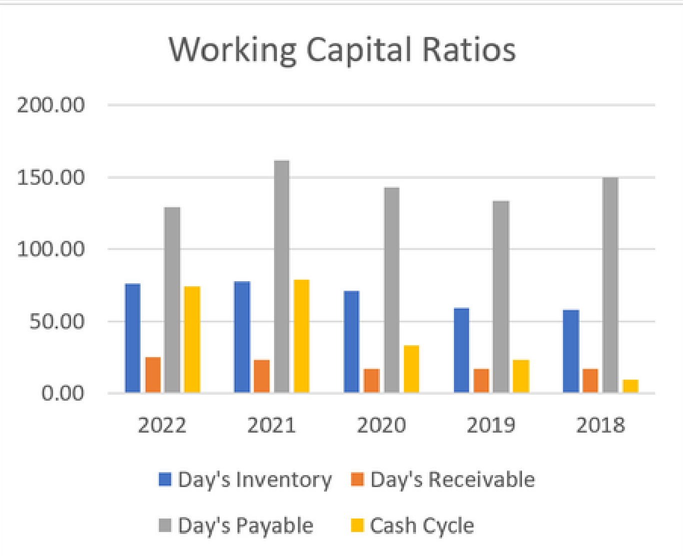
The following is the representation of the financial performance of Whirlpool over the past 5 years:

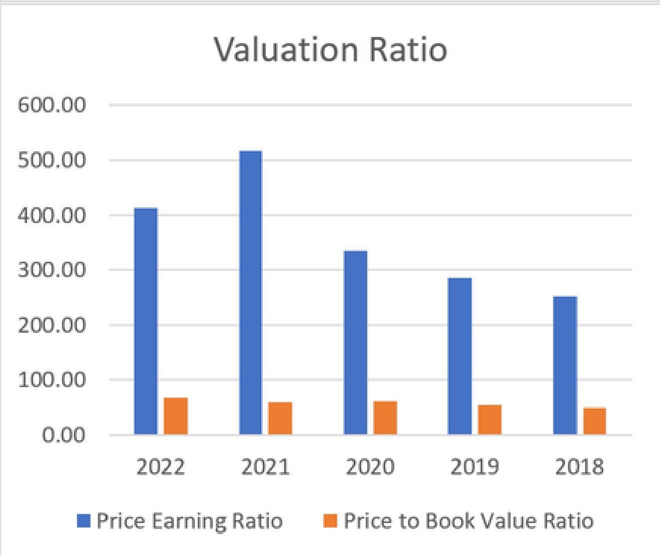




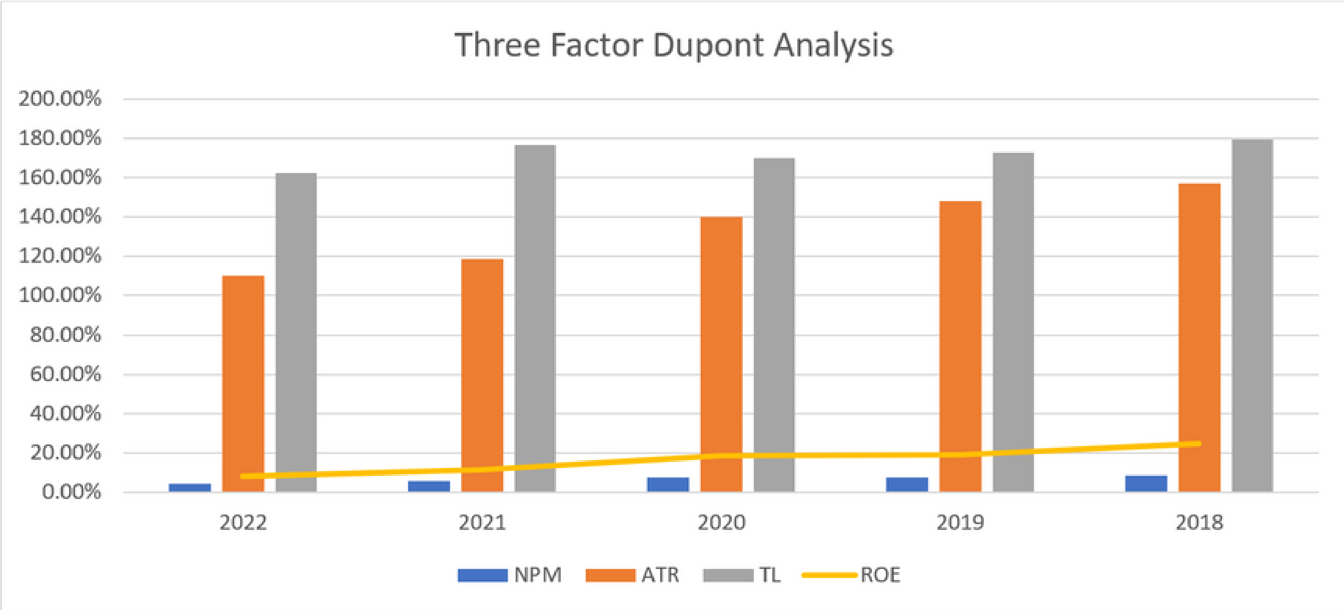


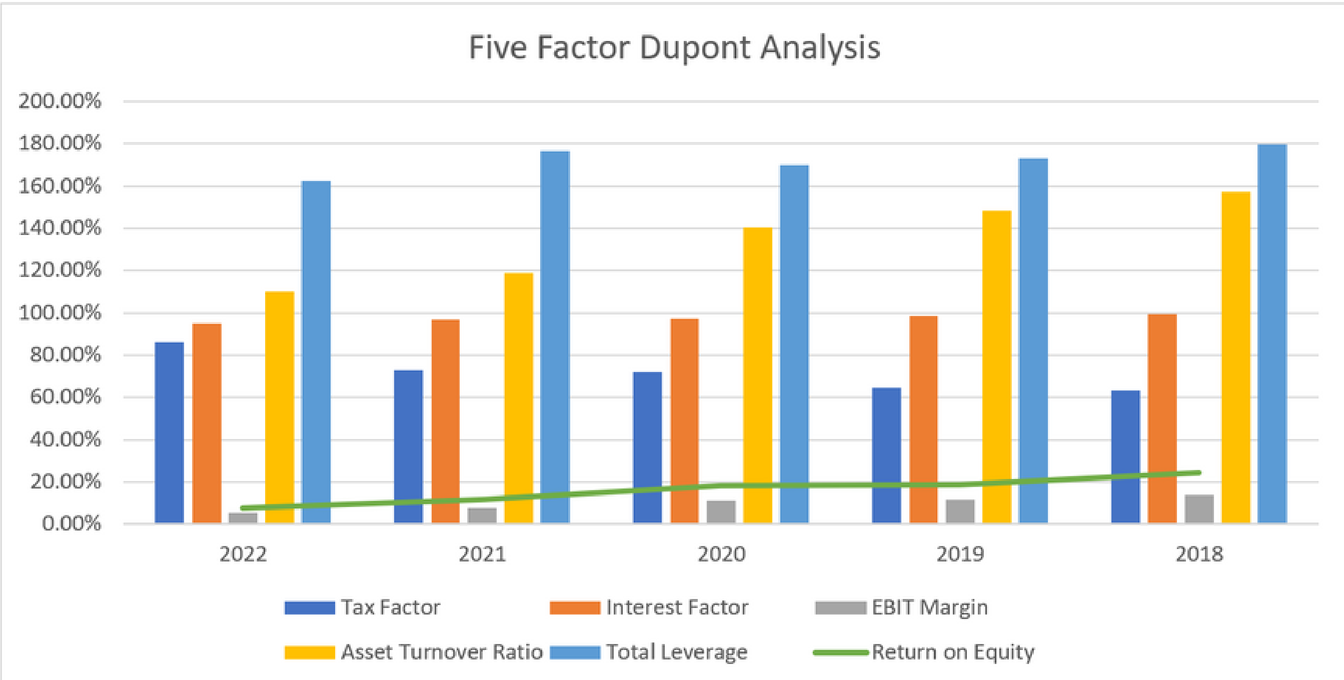






GRAPHICAL REPRESENTATION OF THE FINANCIAL PERFORMANCE FROM 2018-2022





FINANCIAL ANALYSIS OF THE INDUSTRY

On comparison of all the financial ratios and fundamentals, we can infer the following about the industry:

- Amongst the 5 companies, we can find Bharat Electronics Limited to have the strongest fundamentals, followed by One Point One. On the Contrary, we can find Sterlite Technologies to have the weakest fundamentals in the industry.
- Even though Bharat Electronics Limited has stronger fundamentals when compared to One Point One, One point One is better valued and since it has both strong fundamentals and valuation, One Point One can be also termed to be as "Growth Company".
- Bharat Electronics Limited is seen to be an Undervalued Company due to its strong fundamentals but low valuation. On the same grounds, Sterlite Technologies seems to be an Overvalued Company whereas Whirlpool is Undervalued.
- Even though Sterlite Technologies has weak fundamentals, it has the highest Compound Annual Growth Rate (CAGR),i.e, 15.75%, in the industry.
- Amongst the five chosen companies, we can find Whirlpool to have the highest Bottom Line Growth. This shows that revenues are directly translating into profits for the company.
- By analyzing the Total Leverage, we can notice that Centum Technologies has the highest value and Whirlpool has the least value amongst the 5 companies. Since, Total Leverage acts as a magnifier, from the purview of the investors, we can infer Centum Technologies to be highly risky for investors to invest, whereas Whirlpool to be least risky for the companies to invest in.
- On the basis of the Current Ratio, Whirlpool has the best liquidity position in the industry. This means that the company appears to be at paying its annual debts at the best, which is a positive sign in terms of investment as well.
- When we look onto the utilisation of the Plant, Property & Equipment, we can find Whirlpool to highly efficient when compared to all the other companies in the industry.
- From the values of the EBITDA Margin of all the 5 companies, One Point One has the highest value, which means One Point One is utilizing its resources to the best in the industry and is achieving economies of scale as well.
- Analyzing through the fundamentals, valuation and performance of all the 5 companies in the Electronics Industry, at present Whirlpool would be the best company for the investors to invest in, due to its least risk, undervaluation in the market and potential growth.

SUMMARY OF THE FINANCIAL FUNDAMENTALS OF THE ELECTRONIC INDUSTRY

Industry Analysis for the year ended on 2022							
Company Name	**Bharat Electronics Limited**	**Centum Electronics**	**One Point One**	**Sterlite Technologies**	**Whirlpool**	**Highest Fundamental**	**Lowest Fundamental**
ROA/ROTA (Before Tax)	9.35%	3.72%	10.89%	3.05%	5.83%	One Point One	Sterlite Technologies
ROA/ROTA (After Tax)	6.65%	3.27%	10.86%	-8.17%	5.01%	One Point One	Sterlite Technologies
ROE	18.30%	2.44%	11.50%	-3.57%	7.75%	Bharat Electronics Limited	Sterlite Technologies
ROCE (Before Tax)	22.13%	10.23%	14.93%	6.88%	8.43%	Bharat Electronics Limited	Sterlite Technologies
ROCE (After Tax)	15.74%	1.27%	14.88%	-18.40%	6.90%	Bharat Electronics Limited	Sterlite Technologies
EBITDA Margin	22.90%	10.24%	25.38%	10.22%	7.65%	One Point One	Whirlpool
EBIT Margin/OPM	20.33%	4.54%	9.38%	4.62%	5.30%	Bharat Electronics Limited	Centum Electronics
EBT Margin	20.30%	1.06%	3.88%	0.47%	5.04%	Bharat Electronics Limited	Sterlite Technologies
Net Profit Margin	14.44%	0.64%	3.87%	-1.26%	4.34%	Bharat Electronics Limited	Sterlite Technologies
Asset Turnover Ratio	0.46	0.82	1.16	0.66	1.10	One Point One	Bharat Electronics
Total Leverage	2.76	4.64	2.56	4.31	1.62	Centum Electronics	Whirlpool
Tax Factor	74.36%	60.34%	63.46%	45.97%	85.99%	Whirlpool	Sterlite Technologies
Interest Factor	99.84%	23.33%	41.35%	10.16%	95.21%	Bharat Electronics Limited	Sterlite Technologies
Non-Current Asset Turnover Ratio	2.36	0.02	1.76	1.53	2.98	Whirlpool	Centum Electronics
PPE Utilisation Ratio/ Capital Intensity Ratio	6.12	3.88	6.28	2.01	7.85	Whirlpool	Sterlite Technologies
Current Asset Turnover Ratio	0.57	1.26	3.40	1.16	1.74	One Point One	Bharat Electronics
Equity Turnover Ratio	1.27	3.71	2.97	2.85	1.79	Centum Electronics	Bharat Electronics
Working Capital Turnover Ratio	2.02	1.64	16.34	57.74	3.41	Sterlite Technologies	Centum Electronics

Inventory Turnover Ratio (ITR)	2.75	3.36	0.00	6.25	4.77	Sterlite Technologies	One Point One
Day's Inventory	132.81	108.34	0.00	58.37	76.47	Bharat Electronics Limited	One Point One
Debtors Turnover Ratio (DTR)	2.52	3.80	5.20	3.37	14.56	Whirlpool	Bharat Electronics
Day's receivable or Average Collection Period	145.07	96.03	70.25	108.24	25.06	Bharat Electronics Limited	Whirlpool
Creditor Turnover Ratio (CTR)	2.64	6.63	0.00	1.18	101.78	Whirlpool	One Point One
Day's Creditors/Average Payment Period	138.22	54.97	0.00	308.35	2.83	Sterlite Technologies	One Point One
Cash Cycle (Days)	139.66	149.40	0.00	0.00	74.30	Centum Electronics	One Point One
Debt/Equity Ratio	0.43	1.33	0.36	1.74	0.03	Sterlite Technologies	Whirlpool
Debt Ratio /Debt Capitalisation Ratio	0.00	0.57	0.26	0.64	0.03	Sterlite Technologies	Bharat Electronics
Equity Ratio/ Equity Capitalisation Ratio	1.00	0.43	0.74	0.36	0.97	Bharat Electronics Limited	Sterlite Technologies
Interest Coverage Ratio	627.98	1.30	1.70	1.11	20.89	Bharat Electronics Limited	Sterlite Technologies
Total Debt Service Ratio	54.914	11.500	0.540	0.071	2.440	Bharat Electronics Limited	Sterlite Technologies
Dividend Yeild Ratio	1.39%	2.58%	1.39%	1.39%	0.47%	Centum Electronics	Whirlpool
Retention Ratio	84.77%	110.75%	-733.33%	3.85%	99.53%	Centum Electronics	One Point One
Dividend Payout Ratio (D/P Ratio)	0.15	-0.11	833.33	0.96	1.94	One Point One	Centum Electronics
Current Ratio	1.39	1.02	1.26	1.02	2.04	Whirlpool	Centum Electronics
Quick Ratio/ Acid Test Ratio	1.11	0.63	1.26	0.83	1.30	Whirlpool	Centum Electronics
Price Earning Ratio (P/E)	10.95	-20.24	599.17	69.13	412.37	One Point One	Centum Electronics
Price to Book Value Ratio (P/B)	2.14	3.07	86.98	4.38	68.36	One Point One	Bharat Electronics
Top Line Growth (YoY)	8.93%	-4.41%	29.61%	19.25%	-7.91%	One Point One	Whirlpool
Bottom Line Growth	6.46%	9.84%	-125.75%	-126.85%	10.90%	Whirlpool	Sterlite Technologies
Compound Annual Growth Rate (CAGR)	10.03%	0.18%	3.31%	15.75%	-5.40%	Sterlite Technologies	Whirlpool

CASHFLOW INTERPRETATIONS

Company in the year 2022	Net cash flow from operating activities	Net cash inflow or (outflow) from investment activities	Net cash inflow or (outflow) from financing activities	Operating Activities	Investing Activities	Financing Activities	Nature of the Company
Bharat Electronic Limited	₹ 42,072.20	₹ -48,716.70	₹ -10,776.00				CASH RICH COMPANY
Centrum Electronics	₹ 103.49	₹ -14.93	₹ -81.18				CASH RICH COMPANY
One Point One	₹ 4,689.00	₹ -764.00	₹ -2,353.00				CASH RICH COMPANY
Sterlite Technologies	₹ 57,398.00	₹ -47,117.00	₹ 11,525.00				PROFITABLE COMPANY GROWING
Whirlpool	₹ 97.77	₹ -468.93	₹ -88.57				CASH RICH COMPANY

- **Cash Rich Company:** A situation when a corporation has more cash and cash equivalent than working capital is referred to as being cash wealthy or having excess cash. Businesses typically hold onto some extra cash for upcoming needs or to handle risky situations. A company has many alternatives with cash. There are numerous ways for a business to increase its cash on hand. To take on debt is one easy step. Debt interest obligations result from taking on debt to increase cash balance. Selling assets is another option to raise money. The cash balance on the balance sheet will rise as a result of these actions. In our Industry and the companies selected, we have 4 out of 5 companies as Cash Rich Companies. Bharat Electronics Limited, Centum Electronics Limited, One Point One and Whirlpool are the Cash Rich Companies in our Industry as per the Cash flows in 2021-22.
- **Profitable Company Growing:** By maintaining above-average earnings, free cash flow, and investments in R&D, growth corporations create value. Because gains are invested back into the company to increase earnings, growth stocks often pay lower dividends than value stocks. Because of environmental risk and the perception of minimal market risk, growth companies are preferred and frequently beat value equities during bull markets. However, growth companies often do worse than value stocks during bad markets because the growth engine that propels the equities higher, sales growth, is hampered by weak economic activity. In our Industry we only have Sterlite Technologies as a Profitable Company Growing.

FINANCIAL SPREADSHEET MODEL OF THE INDUSTRY

Group-02
Financial Analysis

ANNUAL REPORTS

Bharat Electronics Limited (2018-22)

Centum Electronics Limited (2018-22)

One Point One (2018-22)

Sterlite Technologies (2018-22)

Whirlpool (2018-22)