

The Indian public listing company that I have chosen as part of Creating Corporate Value Assignment is **Voltas Ltd.**

About Voltas :

Voltas is the undisputed market leader, with more than 22% of Market share in Room Air Conditioners, manufacturing and marketing India's No.1 brand of Air Conditioners, with a substantial lead over numerous multi-national competitors. Voltas is amongst the top 10 companies within the Tata Group. The company is regarded as a pioneer and leader in the engineering and air-conditioning segment. Its operations are divided into three independent business clusters – Unitary Cooling Products, Electro-mechanical Projects & Services and Engineering Products & Services.

Map **Voltas** along with its competitors on the Value Drivers Framework as shown below, for Annual Report Appreciation and Financial Analysis

Some of the Value drivers we consider between competitors for Financial Analysis are :

BV (Book Value) is the amount at which an item appears in the financial statement / Balance sheet of a company. It is the net asset value of a company calculated as Total assets – [(intangible assets (like patents, goodwill etc.,) + liabilities)]

EPS (Earnings per Share) = Net profit earned by a company / Number of its issued ordinary shares
Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock.

$EPS = (\text{Net Income} - \text{Dividends on Preferred Stock}) / \text{Average Outstanding Shares}$

So, Earnings per share (EPS) is generally considered to be the single most important variable in determining any company's share's price.

	Share Price	BV (Book Value)	P/BV	EPS	P/EPS
Voltas Ltd	412.10	99.96	4.12	15.64	26.35
Symphony Limited	1529.15	66.48	22.93	23.77	64.12
Whirlpool Of India Ltd.	1221.70	116.90	10.47	24.47	50.01
Sharp India Ltd.	89.75	-0.26	-345.01	-5.28	0
BPL Ltd.	73.40	25.09	2.93	10.86	6.76

The EPS (Earnings per share) value serves as an indicator of a company's profitability

$P/E \text{ Ratio} = \text{Market Value per Share} / \text{Earnings per Share (EPS)}$

By looking at the P/E ratio, an investor can understand the fair market value of a stock in terms of what the market is willing to pay based on a company's current earnings.

Two companies could generate the same EPS number, but one could do so with less equity (investment) - that company would be more efficient at using its capital to generate income and, all other things being equal, would be a "better" company.

Suppose, in subsequent year, if Voltas Ltd. Company's total earnings were to increase to Rs. 6200 Crores to Rs. 6500 then this might seem like great news to an investors until they consider the fact that the company's total shares outstanding increased to Rs. 20000 crores, only when the EPS value (which is a key value driver) would have gone up to 17.25 from 15.60.

Profitability = Revenue - Cost of Goods Sold.

Revenue = Revenue is calculated by multiplying the price at which goods or services are sold by the number of units or amount sold. Revenue is also known as sales on the income statement.

Peer Comparison	Market Cap (R Cr)	Revenue (R Cr)	Net Profit (R Cr)	Growth	Risk Appetite	Overall Score
Voltas	20,362.65	6,607.85	573.70	High	Moderate	1+ve
Symphony	7,450.42	636.27	163.91	Low	moderate	0
Whirlpool	21,981.18	5,026.50	381.76	High	High	2 +ve

References:

<https://www.valueresearchonline.com/>

https://www.bseindia.com/corporates/List_Scrips.aspx?expandable=1

<https://www.investopedia.com/>