

# Financial Analysis of Voltas and Blue Star

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## Abstract

Technology is making progress day by day. Life is becoming easier day by day due to this growth in technology. One of the biggest parts of technology is electronics. Voltas is one of the largest air conditioning companies in India and Blue Star is one of its rivals. In this project, we have done the financial analysis of both the companies i.e., Voltas and Blue Star. We have showcased the Balance Sheet of both companies. We have also shown various bar diagrams showing the sales and other financial activities of the companies. Here, we have compared both companies on many bases such as Sales, profit margin, customer loyalty, etc. We have done the data analysis of both companies and displayed their Balance Sheets, Cash Flow Statements, Income, and other financial statements. The main objective of this research is to compare the financial activities of both companies.

**Key Words:** Voltas, Blue Star, Financial Analysis, Ratio Analysis, Balance sheet Analysis

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## I. Introduction

Voltas and Blue Star are the biggest players in Home Electronics appliances. Both companies are listed in Indian Stock Market.

Voltas Ltd. was founded in 1954 as a joint venture between Tata Sons and Volkart Brothers. Mr. Noel N. Tata currently serves as chairman, while Mr. Pradeep Bakshi serves as CEO.

The company is well-known for its Unitary product line, which includes air conditioners, air coolers, commercial refrigerators, water treatment ROs, water coolers, and water dispensers. Other goods include Mining and Construction Machinery, as well as Textile machinery. In India, the company is regarded as a market leader in the room air conditioning sector. The Projects division is the other division of the company. This includes both domestic and international projects in the electromechanical and electricity distribution sectors.

Mr. Mohan T. Advani launched Blue Star Ltd. in 1943, and it is now India's largest Central Air Conditioning company. The Advani (promoter) family runs the corporation. The company is divided into two operating segments: 'Electro-Mechanical Projects & Packaged Air Conditioning Systems' and 'Unitary Products'. The company's third segment, 'Professional Electronics & Industrial Services', was moved to a fully owned subsidiary.

Blue Star is also the largest after-sales service provider for air conditioning and commercial refrigeration. Because of this skill, Blue Star entered the water purifier market, which necessitates regular after-sales servicing.

In this research project, I analyzed the balance sheets of both companies and compare them with each other by calculating different ratios and discussed the history and financial condition of the companies.

## II. Literature Review

Acharekar Sachin Vilas Vijaya (2013), a percentage exam is specialized of presenting inner and external events influencing the enterprise exchanges figuring out with its sports, operating outcomes, and achievement of pre-decided targets and areas of a business company to sum things up and rundown shape. Percentage analysis is a method for discovering and presenting the connection of components or the accumulation of factors in financial analyses. In examination, a smooth surrender is drawn by establishing a quantitative connection between at the very least financial reviews. Outside gatherings, for example, speculators, consumers, banks, and so on, demand information regarding the worry's cash-related adequacy or shortfall.

Akshita Jain (2015) conducted a study on the presentation of 20 Indian IT companies based on ten

financial indicators. The system incorporates organizations that exhibit related execution but do not resemble distinct groupings. Moreover, the report explored the corporation's bunch examination and investigated the example of the group.

Abib M., Catapan E.A., Catapan A., Catapan D.C., and da Veiga C.P (2015) has given an overview on financial statement analysis is a first step towards short-, medium-, and long-term planning of the company's activities. The financial reporting indicators system is comprised of four criteria: relevance, dependability, comparability, and clarity.

Anthony R. and Rees J. (2001) has mentioned different aspects of financial reporting. Financial reporting gives information about the past to help users forecast and make decisions about a business entity's future financial state and asset movement.

Casta, J., Ramond, O. (2016) stated that the purpose of financial statements, its significance and value is to facilitate the possibility of multicriteria evaluation of the effectiveness of the performance of companies.

#### **OBJECTIVES OF RESEARCH**

1. To understand the financial status and stability of Blue Star and Voltas.
2. To compare the annual profit of both companies.
3. To compare the financial growth of Blue Star and Voltas in the market.
4. To understand what financial strategy both companies followed.
5. To observe the reason for the growth and loss of both companies.

#### **DATA COLLECTION**

This research is conducted on the basis of Secondary data.

The Researcher made extensive use of the internet to obtain Secondary data. Data from a number of research journals, dissertations, project reports, Academic Books, handbooks, government reports, newspapers, and websites.

#### **RESEARCH METHODOLOGY**

This study is quantitative in nature meaning it primarily deals with the budget of Voltas and Blue Star. This study is based on secondary data which is taken from companies' respective websites, magazines, journals, newspapers, and annual reports. The information is examined by the ratio analysis and thus the performance of both companies is clearly defined for the study period.

To conduct this research, the existing literature review was studied & a clear understanding was taken for better research and understanding of financial factors.

#### **COMPANY PROFILE**



History and growth of Voltas:

Voltas Limited is India's largest air-con company and one of the world's premier engineering solutions providers and project specialists. Voltas Limited is a component of the Tata Group and additionally to Air Conditioners Air Coolers Water Dispensers Water Coolers and Commercial Refrigeration products; Voltas offers engineering solutions for a good spectrum of industries in areas like heating ventilation and air-con refrigeration electro-mechanical projects electrification water management & treatment cold chain solutions building management systems indoor air quality textile machinery and mining and construction equipment. Voltas is the market leader in room air conditioners in India with a market share of quite 25% (as per the newest published reports for FY19). Voltas' operations are organized into three independent business-specific clusters viz. Electro-Mechanical Projects & Services Engineering Products & Services and Unitary Cooling

Products. The company's manufacturing units are located at Thane Maharashtra, Dadra a Union Territory and Pantnagar in Uttaranchal. The corporate has overseas offices in UAE (Abu Dhabi, Dubai), Bahrain, Qatar (Doha), Kingdom of Saudi Arabia (Jeddah) and Singapore. Voltas Limited was incorporated on 6th September of the year 1954 under the Tata group. For the manufacture of machine tools, the corporate promoted Scottish Indian Machines Ltd during the year 1963 together with Scottish Machine Tool Corporation of Glasgow. During the year 1964, the corporate made a collaboration agreement with Eaton Yale and Towns U.S.A. for the manufacture of Yale forklift trucks. Also, within the same year, Voltas had joined the Mine Safety Appliances Co. U.S.A. and Associated Battery Makers (Eastern) Ltd. Calcutta within the promotion of Mine Safety Appliances Ltd. Calcutta a venture for the manufacture of miners' electric safety cap lamps and other sorts of safety and protective equipment, appliances, detection and measuring devices. A replacement division, the Agro-Industrial Products Division was added in the year 1966. With effect from 1st July of the year 1979, Tata-Merlin & Gerin Ltd (TMG) and therefore the National Electrical Industries Ltd (NEI) were amalgamated with the corporate. Voltas had entered into an agreement with May & Christof West Germany within the year 1982 for the manufacture of dry type transformers of cast-resin design. The machine division of the corporate made an agreement with Fanuc of Japan within the year 1988 for the technical collaboration to supply CNC drilling centers. With effect from 1st March of the year, 1989, Volrho Ltd was amalgamated with the corporate as per the order of BIFR. The machine tools division of the corporate introduced Fanuc CNC drilling centers within the period of 1990. During the year 1991, the appliances business division of the corporate launched the ductable split air-conditioner specifically needed for outlets, showrooms, and general office areas. Also, within the same year, an agreement was signed for updating technology and for the manufacture of the latest models of P&H hydraulic cranes. During the year 1992, the corporate restructured its operations into product groups comprising refrigerators, pharmaceuticals, and consumer products and beverages while product group I (A) includes textile machinery. Product group II consisted of machine tools, handling facility, industrial machinery, air-conditioning pumps and projects. Group III comprised of chemicals plant, chemicals division and agro-industrial products. The cooling appliances business of the corporate launched four new products within the year 1993 viz. water coolers crammed with purifiers, ductible and slim-line 3 tons air-conditioners, ceiling mounted split in 1.5- and three-ton capacities and a couple of tons room split units. Also, within the same year, the pharmaceutical and consumer products division was closed and had also withdrawn from the beverages business.

The business areas of the company:

#### **Electro-Mechanical Projects & Services**

- ❖ Electrical, Mechanical & Refrigeration Solutions
- ❖ Electrical & Mechanical Solutions (international)
- ❖ Water Management & Treatment Engineering Products & Services
- ❖ Textile Machinery
- ❖ Mining & Construction Equipment
- ❖ Materials Handling Equipment

#### **Unitary Cooling Products**

- ❖ Air Conditioners
- ❖ Commercial Refrigeration
- ❖ Water Coolers & Dispensers

#### **Subsidiaries**

- ❖ Rohini Industrial Electricals
- ❖ Universal Comfort Products
- ❖ Weathermaker
- ❖ Saudi Ensas Company
- ❖ Metrovol FZE
- ❖ VI Overseas Enterprises BV

#### **Achievements:**

- ❖ Voltas leads in aircon projects in India.

- ❖ Voltas is India's largest exporter within the field of electro-mechanical projects.
- ❖ Voltas manufactures one of India's leading air conditioning brands.
- ❖ Voltas is one of India's most trusted names in the supply, service and support of mining and construction equipment.
- ❖ Voltas leads in sourcing, installing, and servicing state-of-the-art textile machinery in India.
- ❖ Voltas may be a leader in forklift trucks, manufactured to in-house design.

**Awards:**

- ❖ 2008–2009: Top industry honors at UAE and Silver LEED certification.
- ❖ 2006–2007: Export Excellence Award and Project Export Promotion Council (PEPC).
- ❖ 2005–2006: Maximum exchange earned and repatriated to India from overseas construction and engineering projects and second place within the category of 'maximum turnover in overseas construction and engineering projects.
- ❖ 2004–2005: Maximum foreign business attempted.
- ❖ 2003–2004: Maximum foreign works secured in new areas and second-best performance within the category of maximum turnover from overseas construction contracts.
- ❖ 2002–2003: Maximum exchange earned & repatriated to India from overseas construction contracts and second-best performance within the category of maximum turnover from overseas construction contracts.
- ❖ 2001–2002: Maximum overseas construction contracts secured and second-best performance within the category of maximum exchange earned and repatriated to India from overseas construction contracts.
- ❖ 1999–2000: Second-best performance within the category of maximum exchange earned and repatriated to India from overseas construction projects.
- ❖ 1998–1999: Maximum turnover in overseas construction projects.
- ❖ 1997–1998: Second-best performance within the category of exchange earned and repatriated to India from overseas construction contracts.



**BLUESTAR**

**History**

Blue Star was founded in 1943 by Mohan T Advani as a reconditioning company. Soon after its inception, Blue Star ventured into the manufacturing of ice cream machines and bottle coolers and commenced the planning and execution of central air-con projects, followed by the manufacturing of water coolers. The corporate later expanded into new product lines and commenced exporting to Dubai. It went public in 1969 with an initial public offering, listing on the Bombay stock market. Within the late 2000s, Blue Star ventured into the electrical, plumbing, and fire-fighting contracting businesses, offering customers an integrated mechanical, electrical, and plumbing (MEP) solution. It then forayed into the residential air-con segment a couple of years later, alongside entering the water and air purification segments also because of the engineering facility management (EFM) space recently. Blue Star's other businesses include marketing and maintenance of imported professional electronics and industrial products and systems, which is handled by an entirely owned subsidiary of the corporate called Blue Star Engineering & Electronics Ltd. The corporate fulfills the cooling requirements of an outsized number of corporate, commercial also as residential customers. Blue Star has also forayed into the

residential water purifiers business with a trendy and differentiated range including India's first RO+UV Hot & Cold-

water purifier; also because of the air purifiers and air coolers businesses. The corporate also offers expertise in allied contracting activities like electrical, plumbing, fire-fighting, and industrial projects, so as to supply turnkey solutions, aside from the execution of specialized industrial projects.

The Company has manufacturing facilities at Dadra, Himachal, Wada, and Ahmedabad, which use modern, state-of-the-

art manufacturing equipment to make sure that the products have consistent quality and reliability. The corporate features a manufacturing footprint of about 11 lakh sq m, with the mainstay of development and R&D being energy efficiency, including eco-friendly and sustainable products.

### Manufacturing and Operations

Blue Star has four manufacturing plants, which are located in Dadra, Kala Amb, Wada, and Ahmedabad. Additionally, the corporate is currently in the process of fixing a plant in Sri City. Blue Star features a presence in 18 countries within the Middle East, Africa, SAARC, and ASEAN regions. Blue Star has three Joint Ventures in Oman, Qatar, and Malaysia. The corporate has subsidiaries in UAE, Qatar and India. The corporate serves the center East market via its UAE subsidiary. The company's subsidiary in India is named Blue Star Engineering & Electronics Ltd.

### Services

- ❖ Equipment and System Maintenance Services
- ❖ Commissioning Services
- ❖ Spare Parts Management
- ❖ Energy Management Services
- ❖ Air and Water Management Services
- ❖ Product Upgrades and Enhancements
- ❖ Service Training

### Some of the distinguished international projects executed by Blue Star are:

- ❖ Qatar University, Qatar
- ❖ State Bank of Mauritius, Mauritius
- ❖ AMCORP Trade Centre, Malaysia
- ❖ Ebene Cyber City, Mauritius
- ❖ Kuala Lumpur Grand Hyatt, Malaysia
- ❖ Civil Aviation Headquarters, Oman • New District Hospital, Qatar.

### Comparative Points

#### 1. Shareholding Pattern

In Voltas Ltd., the promoters are holding ~30% of the entire shareholding, while the Institutional holding is ~48% & Non-Institutional holding is ~22%. Whereas, in Blue Star Ltd, promoters are holding ~39% and the rest is controlled by both the Institutions & Non-Institutions with ~31% of the shares each. Amongst the promoters, Vistara ITCL is holding ~20% of shares (ITCL, was formerly the ILFST Trust Company Ltd, which was taken over by Vistara, a foreign Company).

2. Segments

Voltas Ltd	
<b>Segment 1</b>	<b>Electro Mechanical Projects &amp; Services</b>
	Engineering project for Building, Infrastructure & Industry
	Infrastructure Development
	Water Treatment
	Rural Electricity Distribution
<b>Segment 2</b>	<b>Unitary Products</b>
	Room AC's
	Commercial Refrigerators
	Air Coolers
	Water Coolers
	Water Dispensers
	Water Purifiers
<b>Segment 3</b>	<b>Engineering Products &amp; Services</b>
	Textile Machineries
	Mining & Construction Equipments
Blue Star Ltd	
<b>Segment 1</b>	<b>Electro Mechanical Projects &amp; Packaged Air Conditioning System</b>
	Design, Manufacturing, Installation, Commissioning & Maintenance of Central AC
	Packaged/ Ducted system
	Variable Refrigerant Flow
	Electrification
	Plumbing
	Fire Fighting
<b>Segment 2</b>	<b>Unitary Products</b>
	Room AC's (both Residential & Commercial)
	Commercial Refrigerators
	Air Coolers
	Water Coolers
	Water Dispensers
	Water & Air Purifiers
	Mortuary Chambers
<b>Segment 3</b>	<b>Professional Electronics &amp; Industrial Systems</b>
	Data Security instruments
	Healthcare etc

3. Manufacturing Facilities

Voltas has currently 3 manufacturing facilities. The company has recently announced its Tirupati facility, while the Sanand facility shall be used to manufacture Voltas Beko products, which are presently being sourced from China, Thailand & Turkey; except for the Twin Tub washing machine that are sourced from domestic OEM's. The facility was expected to be ready by Mid-2019.

Blue Star had earlier announced its plans to launch 2 additional facilities in Jammu & Sri city (Andhra Pradesh), but owing to infeasibility Jammu facility plan was cancelled.

Voltas	Blue Star
Dadra (Dadra & Nagar Haveli)	Dadra (Dadra & Nagar Haveli)
Thane (Maharashtra)	Kala Amb – (Himachal 2 facilities)
Pantnagar (Uttarakhand)	Wada (Maharashtra)
	Ahmedabad (Gujarat)

1. Market Share

Voltas is the market leader in the room AC business and has been able to maintain its leadership since 2012. More so the company is the III largest players in the Air Cooler category. The company's market Share in room AC as at end of March 2018 was around 22.1% (as per the secondary sales volume); the company reported an increased market share to 24% in the 2nd Quarter of the financial year 2019. Apart from this, the company enjoys a dominant market share in its Commercial refrigeration & water cooler business.

On the other hand, Blue Star is a more premium player, it is the market leader in the Ducted AC system with a 35% market share. In the Variable Refrigerant Flow (VRF) category the company has a market share of 16%, and the company is aiming to increase this to 20%. Further, in the Chiller category, Blue Star has 14% market share and in order to become the 2nd largest player in the category it is focusing at 20% share of the market. In the room AC market, the company has about 12.8% market share currently, while at the end of March 2018, it was around 11%. In its newly launched Water Purifier segment, Blue Star had a ~1% share at the end of March 2018, which it increased to ~2.5%.

2. Sales

The Net Sales of Voltas are 1.35 times the sales of Blue Star as on 31 March 2018. The sales of Voltas have grown at a CAGR of 3% in the past 5 years, while that of Blue Star has grown at around 10% CAGR.

But if we consider the previous 3-year CAGR performance, then Voltas grew at ~7% and Blue Star grew at ~14%. Blue Star's 50% of the sales is from South India, followed by both North & West India at the same levels & at last by the Eastern region. Following is the chart of the Net Sales of both the companies (Rs cr.)

3. Segment Revenue

In Blue Star Ltd., segment 1 which is largely based on projects & commercial Air conditioning business contributes the maximum to the Revenue, followed by segment 2 that is engaged in the manufacturing of Unitary products, followed by the 3rd segment of Professional Electronics.

On the other hand, in Voltas, segment 1 involved in the project & air conditioning business contributes around 45% towards the total turnover, while the major chunk comes from segment 2 involved in the Unitary products, lastly, 5% of the turnover is from Engineering products & services. Voltas's primary reason for huge revenue from Segment 2 is its strong presence in the Top 8 Metro cities of India, which contribute around 68% of its sales.

In order to improve their respective performances in the Projects segment, both companies have decided on to be selective on projects as well as in choosing the sites, so as to not to erode the margins.

4. Advertisement Expenditure

Blue Star has over the years increased its expenditure on Advertisement, at present it is spending ~3% of its total turnover on maintaining & improving its brand recall. While on the other hand, Voltas's expenditure on Advertisement is quite less and is around 1% of the total turnover.

III. DATA ANALYSIS

Balance Sheet

EQUITY SHARE DATA				
		BLUESTAR	VOLTAS	BLUESTAR/
		Mar-20	Mar-20	VOLTAS
High	Rs	843	741	113.80%
Low	Rs	507	449	112.90%
Sales per share (Unadj.)	Rs	543.5	231.4	234.80%

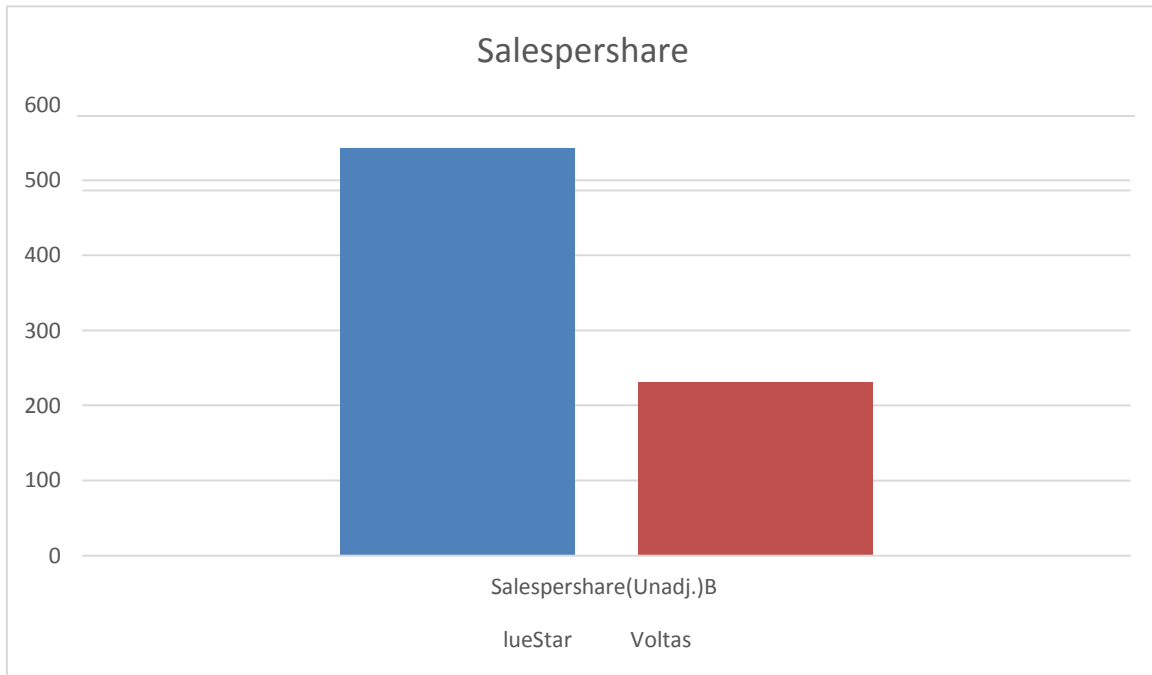
Earnings per share (Unadj.)	Rs	19.7	15.7	125.30%
Cash flow per share (Unadj.)	Rs	27.5	16.7	164.60%
Dividend per share (Unadj.)	Rs	10	4	250.00%
Dividend yield (eoy)	%	1.5	0.7	220.30%
Book value per share (Unadj.)	Rs	90.7	129.4	70.10%
Shares outstanding (eoy)	m	96.31	330.88	29.10%
Bonus/Rights/Conversions		ESOP	-	-
Price/Sales ratio	x	1.2	2.6	48.30%
Avg P/E ratio	x	34.2	37.8	90.50%
P/CF ratio (eoy)	x	24.5	35.6	68.90%
Price/Book Value ratio	x	7.4	4.6	161.90%
Dividend payout	%	50.7	25.4	199.50%
Avg Mkt Cap	Rsm	65,000	1,96,824	33.00%
No. of employees	'000	2.8	8.8	31.90%
Total wages/salary	Rsm	4,215	6,717	62.70%
Avg. sales/employee	RsTh	18,616.10	8,681.60	214.40%
Avg. wages/employee	RsTh	1,498.90	761.5	196.80%
Avg. net profit/employee	RsTh	675.9	590.7	114.40%
<b>INCOME DATA</b>				
Net Sales	Rsm	52,348	76,581	68.40%
Other income	Rsm	247	2,306	10.70%
Total revenues	Rsm	52,595	78,887	66.70%
Gross profit	Rsm	3,465	6,867	50.50%
Depreciation	Rsm	749	320	234.40%
Interest	Rsm	479	211	226.90%
Profit before tax	Rsm	2,485	8,642	28.80%
Minority interest	Rsm	-3	-687	0.50%
Prior period items	Rsm	-188	0	-
Extraordinary Inc (Exp)	Rsm	27	-512	-5.20%
Tax	Rsm	420	2,233	18.80%
Profit after tax	Rsm	1,901	5,211	36.50%
Gross profit margin	%	6.6	9	73.80%
Effective tax rate	%	16.9	25.8	65.40%

Net profit margin	%	3.6	6.8	53.40%
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Analysis:

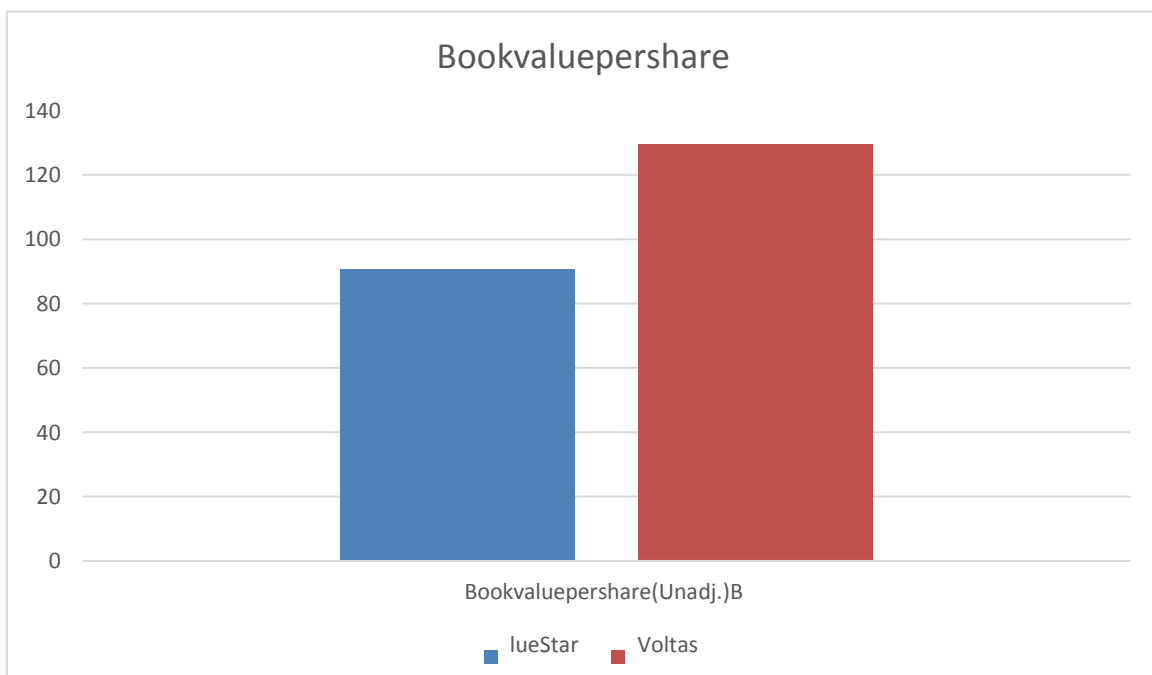
	Blue Star	Voltas
Sales per share (Unadj.)	543.5	231.4





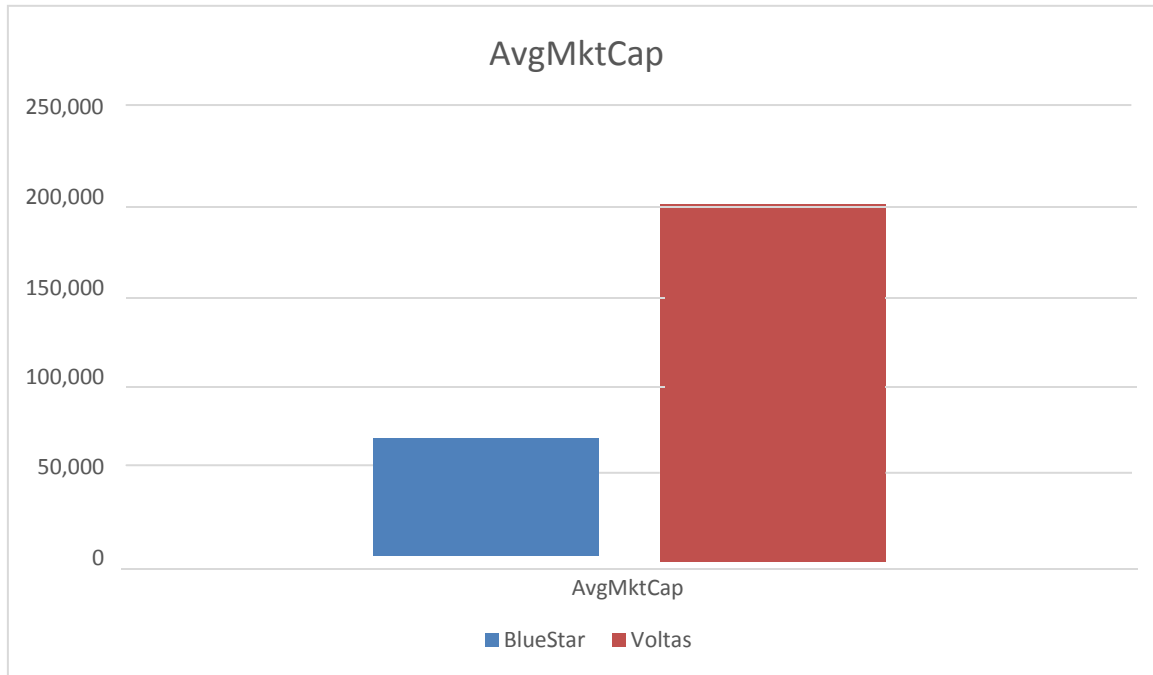
BlueStar has shown 543.5 sales per share in the analyzed financial year whereas Voltas has shown 231.4 sales per share. This helps us understand the difference between sales per share value of both companies where BlueStar has 2.34 times sales per share of Voltas.

	BlueStar	Voltas
Book value per share (Unadj.)	90.7	129.4



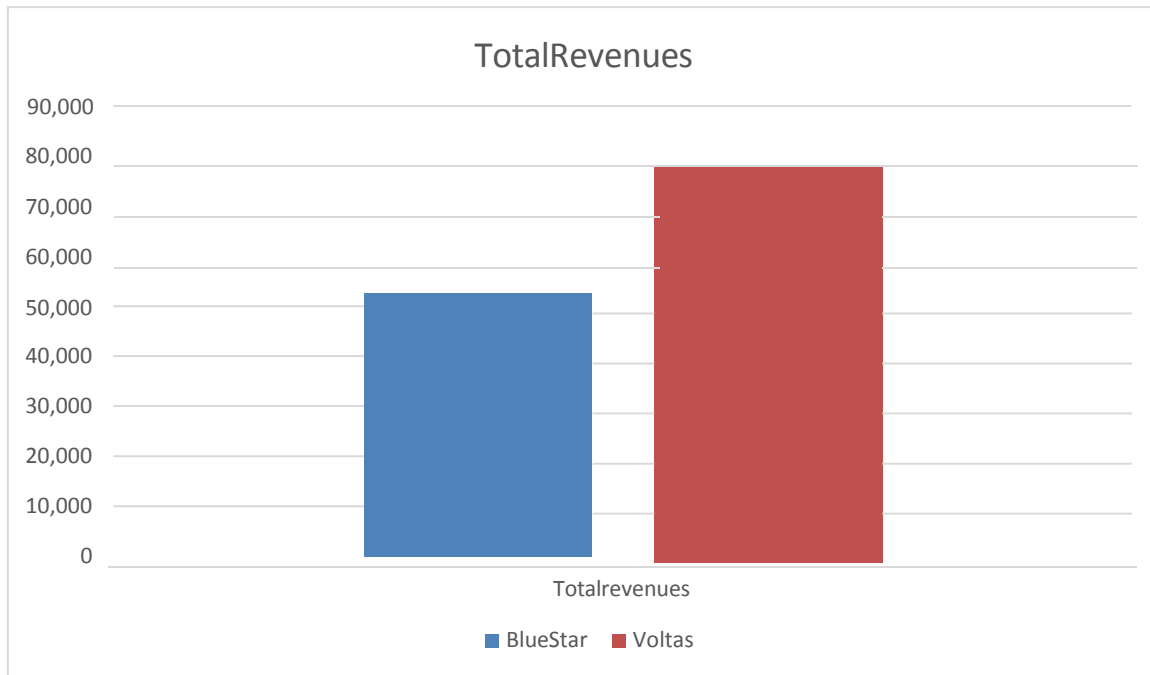
Voltas has recorded 129.4 book value per share compared to 90.7 book value per share of BlueStar. This helps us understand that Voltas has a 0.7% higher book value per share than BlueStar.

	BlueStar	Voltas
Avg.MktCap	65,000	1,96,824



Voltas registered an average market capitalization of 1,96,824 whereas BlueStar registered an average market capitalization of 65,000. This helps us understand that Voltas has 3 times the average market capitalization as compared to BlueStar.

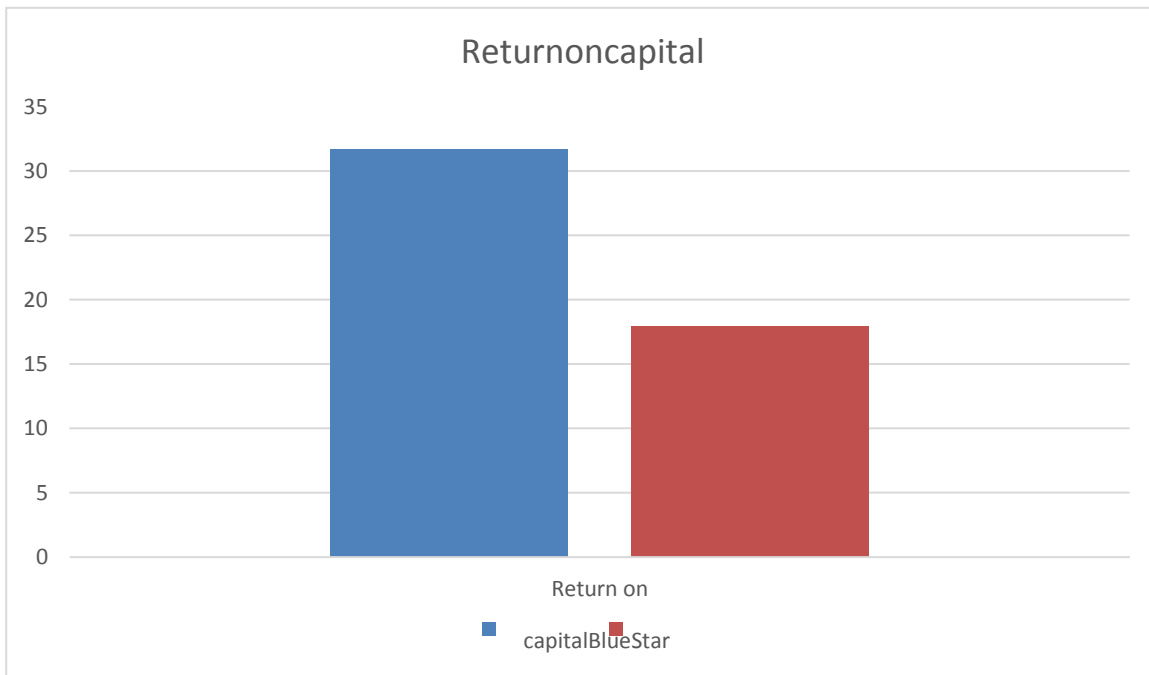
	BlueStar	Voltas
Total revenues	52,595	78,887



Voltas has shown Rs. 78,887 in millions as compared to Rs. 52,595 in millions of BlueStar. Voltas has 1.6 times more revenue generation as compared to BlueStar.

BALANCE SHEET DATA				
		BLUESTAR	VOLTAS	BLUESTAR /
		Mar-20	Mar-20	VOLTAS
Current assets	Rsm	26,606	55,784	47.70%
Current liabilities	Rsm	24,489	37,318	65.60%
Net working capital sales	%	4	24.1	16.80%
Current ratio	x	1.1	1.5	72.70%
Inventory Days	Days	61	70	86.60%
Debtors Days	Days	78	87	89.00%
Net fixed assets	Rsm	4,561	3,249	140.40%
Share capital	Rsm	193	331	58.20%
"Free" reserves	Rsm	8,538	42,471	20.10%
Net worth	Rsm	8,731	42,802	20.40%
Long term debt	Rsm	87	54	159.90%
Total assets	Rsm	33,510	81,561	41.10%
Interest coverage	x	6.2	42	14.80%
Debt to equity ratio	x	0	0	783.90%
Sales to assets ratio	x	1.6	0.9	166.40%

Return on assets	%	7.1	6.6	106.80%
Return on equity	%	21.8	12.2	178.80%
Return on capital	%	31.7	17.9	177.80%
Exports to sales	%	0	0	-
Imports to sales	%	0	18.3	0.00%
Exports (fob)	Rsm	NA	NA	-
Imports (cif)	Rsm	NA	14,034	0.00%
Fx inflow	Rsm	2,270	1,776	127.90%
Fx outflow	Rsm	12,721	14,048	90.60%
Net fx	Rsm	-10,450	-12,272	85.20%
		BlueStar	Voltas	
Return on Capital		31.7	17.9	



BlueStar has shown Rs. 31.7 in millions return on capital in comparison to Rs. 17.9 million return on capital shown by Voltas. BlueStar return on capital is 2 times return on capital of Voltas.

CASHFLOW				
		BLUESTAR	VOLTAS	BLUESTAR
		Mar-20	Mar-20	/ VOLTAS
From Operations	Rsm	2,634	4,625	56.90%
From Investments	Rsm	-698	-2,105	33.20%
From Financial Activity	Rsm	-1,808	-2,937	61.60%
Net Cashflow	Rsm	128	-417	-30.60%
<b>SHAREHOLDING</b>				

Indian Promoters	%	39.1	30.2	129.50%
Foreign collaborators	%	0.6	0	-
Indian inst/Mut Fund	%	19.1	25.4	75.10%
FII's	%	6.8	18.6	36.30%
ADR/GDR	%	0	0	-
Free float	%	34.5	25.9	133.20%
Shareholders		22,490	1,34,810	16.70%
Pledged promoter(s) holding	%	1.7	0	-

INCOME DATA					
Net Sales	Rs m	52,348	76,581	68.4%	
Other income	Rs m	247	2,306	10.7%	
Total revenues	Rs m	52,595	78,887	66.7%	
Gross profit	Rs m	3,465	6,867	50.5%	
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Profit after tax	Rs m	1,901	5,211	36.5%	
Gross profit margin	%	6.6	9.0	73.8%	
Effective tax rate	%	16.9	25.8	65.4%	
Net profit margin	%	3.6	6.8	53.4%	

#### IV. Limitations

- We could not get much financial information to compare both the companies.
- There were a lot of differences in data on different websites which caused a lot of confusion.
- A lot of information of the companies was confidential and due to this we could not access it.

#### V. Conclusion

##### Findings of the study

- After this research, we came to know that people prefer Voltas over Blue Star as it is owned by one of the biggest groups in India, i.e., TATA Group.
- Blue Star is trying hard to overcome Voltas but Voltas, due to its goodwill, is still the apple of people's eye.
- Voltas provides better service than Blue Star.

- Voltas and Blue Star are giving tough competition to all the international brands and making a good place in the market.
- Most of the households whose Voltas and Blue Star products are satisfied with the products and services provided by the company.
- Blue Star is more pocket-friendly compared to Voltas as its products are cheaper than Voltas.
- Undoubtedly, Voltas and Blue Star are winning the hearts of their customers and they have captured a lot of loyal customers.
- Both companies are making huge profits through Voltas and is much ahead in making profits as compared to Blue Star.

## VI. Recommendations:

- Blue Star should work hard if they want to overcome Voltas.
- Voltas should look after the prices of their products. They should decrease the prices as the price is the primary element which affects the purchasing habit of the consumers.
- Blue Star needs to improve its service standards so that customers can rely on them.
- Voltas and Blue Star need to focus on international brands in the Indian Market. They need to overcome them.

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