

Warren Buffett: How To Analyze a BALANCE SHEET

<https://www.youtube.com/watch?v=As1a2VgbdWg>

	Balance Sheet Metric:	Formula:	Rule Of Thumb:
1	Cash vs. Debt	Cash & Equivalents > Debt	More Cash Than Debt
2	Debt to Equity	$\frac{\text{Total Liabilities}}{\text{Shareholder's Equity}}$	<0.80
3	Preferred Stock	Preferred Stock = 0	None!
4	Retained Earnings Growth	$\frac{\text{Year 2 Retained Earnings}}{\text{Year 1 Retained Earnings}}$	Recession Proof Growth
5	Treasury Stock	Treasury Stock > 0	They Have Some

1. As of recent reports, Brightcom Group's financial health shows a strong equity position and negligible debt. The company has no outstanding short-term or long-term borrowings, as seen in its financial statements for FY 2024. This reflects a debt-free balance sheet, supported by retained earnings and equity. On the cash side, Brightcom Group held over ₹1,200 crore in cash and short-term investments at the end of FY 2024, providing it with substantial liquidity. This combination of a debt-free position and strong cash reserves indicates a healthy financial footing. However, investors should also consider operational performance and regulatory challenges affecting the company for a comprehensive analysis.
2. Brightcom Group currently has a **debt-to-equity ratio of 0** as it is a debt-free company. The company has reported no short-term or long-term borrowings in its financial statements for FY 2024. Its equity base is strong, with retained earnings contributing significantly to its financial stability.
3. Brightcom Group Ltd does not currently have any known preferred stock issued as part of its financial structure. The company's equity primarily consists of common shares, with significant promoter and institutional shareholdings noted. Its equity capital rose substantially in recent years due to expansion efforts and business developments, but there has been no indication of preferred stock being part of the balance sheet or recent corporate actions.
4. Brightcom Group's retained earnings have been growing in line with the company's overall financial performance. For the financial year 2022-23, Brightcom Group reported significant growth with consolidated revenues increasing by 47.36% year-over-year and profits after tax (PAT) rising by 50.30%. This robust performance is driven by its growing presence in digital advertising markets, strategic client relationships, and new product innovations in its AdTech business. Additionally, Brightcom Group focuses on maintaining a strong equity position and has been reinvesting earnings to enhance operational capacity and expand its market reach. Their reported return on equity (ROE) of approximately 19.58% also highlights efficient utilization of retained earnings in generating shareholder value.
5. Currently, there is no clear evidence or public information indicating that Brightcom Group holds treasury stock, which typically refers to a company holding its own shares that were repurchased. Brightcom Group has been under regulatory scrutiny by SEBI (Securities and Exchange Board of India) for issues related to share issuance and financial disclosures, but there is no direct mention of treasury stock in recent updates or reports.

Note: This is for learning purposes only and not a recommendation to buy or sell.