



KG COLLEGE OF ARTS AND SCIENCE

Autonomous Institution | Affiliated to Bharathiar University

Accredited with A++ Grade by NAAC

ISO 9001:2015 Certified Institution

KGISL Campus, Saravanampatti, Coimbatore - 641 035

A STUDY ON FINANCIAL ANALYSIS OF BoAt IMAGINE MARKETING PRIVATE LIMITED

**A Project Report Submitted to Bharathiar University in partial fulfillment of the requirement of the
degree of Bachelor of Commerce with Professional Accounting**

Submitted by

NAVAN SRI T

(222AK0489)

Under the Guidance of

Mrs.M. JAYANTHI D.Com., M.Com., M.Com (CA),, M.Phil., (Ph.D)

Assistant Professor

Department of Commerce with Professional Accounting

MARCH – 2025

LIST OF CONTENTS

CHAPTER NO	CHAPTER NAME	PAGE NO
I	Introduction of the study	
	1.1 Introduction	1
	1.2 Statement of the problem	4
	1.3 Objective of the study	4
	1.4 Scope of the study	4
	1.5 Research methodology	4
	1.6 Limitation of the study	6
1.7 Chapter scheme	6	
II	Review of literature	7
III	Company profile	
	3.1 Introduction to the company	10
IV	Analysis and interpretation	
	4.1 Ratio analysis- profitability ratio, turnover ratio and solvency ratio	16
	4.11 Comparative balance sheet	39
	4.14 Trend analysis	44
V	Findings, suggestions and conclusion	
	5.1 Findings	52
	5.2 Suggestions	54
	5.3 Conclusion	54
	Bibliography	
	Annexure	

LIST OF TABLES

TABLE NO.	TABLE NAME	PAGE NO.
4.1	Gross profit ratio	19
4.2	Net profit ratio	21
4.3	Return on asset	23
4.4	Return on investment	25
4.5	Owned capital turnover ratio	27
4.6	Working capital turnover ratio	29
4.7	Solvency ratio	31
4.8	Debt equity ratio	33
4.9	Current ratio	35
4.10	Liquid ratio	37
4.11	Comparative balance sheet of 2021 & 2022	41
4.12	Comparative balance sheet of 2022 & 2023	42
4.13	Comparative balance sheet of 2023 & 2024	43
4.14	Trend analysis for the year 2021 - 2024	46

LIST OF CHARTS

FIGURE NO.	TITLE	PAGE NO.
4.1.1	Gross profit ratio	20
4.2.1	Net profit ratio	22
4.3.1	Return on asset	24
4.4.1	Return on investment	26
4.5.1	Owned capital turnover ratio	28
4.6.1	Working capital turnover ratio	30
4.7.1	Solvency ratio	32
4.8.1	Debt equity ratio	34
4.9.1	Current ratio	36
4.10.1	Liquid ratio	38
4.14.1	Trend curve of shareholders fund	47
4.14.2	Trend curve of non-current liabilities	48
4.14.3	Trend curve of current liabilities	49
4.14.4	Trend curve of non-current asset	50
4.14.5	Trend curve of current asset	51

CHAPTER- I

INTRODUCTION TO THE STUDY

CHAPTER - I

INTRODUCTION ABOUT THE STUDY

1.1 INTRODUCTION

Finance involves the management of money, currency, and capital assets, serving as the backbone of any business or economic entity. Effective management of monetary resources is crucial for individuals, organizations, and governments to ensure smooth operations, long-term growth, and profitability. Financial management is often described as the lifeblood of any organization because, without adequate resources, businesses cannot initiate or sustain their activities. For companies to thrive, understanding and managing monetary systems becomes imperative, as it provides a framework for decision-making and measuring performance. Managing monetary assets involves everything from budgeting, saving, investing, and the efficient allocation of resources. At its core are financial statements, which offer critical insights into the economic health of an organization. These documents—comprising the balance sheet, income statement, and cash flow statement—are essential for stakeholders such as investors, managers, creditors, and regulators. They reflect how well a company utilizes its assets to generate income and manage obligations, enabling both internal and external parties to evaluate the business's status.

Analysing these financial documents provides valuable perspectives on the strengths and weaknesses of a company. Several techniques, such as trend analysis, ratio analysis, comparative statements, common-size statements, and cash flow analysis, are commonly used to evaluate an entity's performance. By studying the relationships between various economic elements, analysts can assess profitability, liquidity, solvency, and overall viability. Profitability, in particular, is a key measure, as it indicates how efficiently a company generates income from its resources and whether its strategies are effective in achieving objectives. The discipline of financial management is distinct from economics. While economics studies the broader aspects of production, distribution, and consumption, this field focuses specifically on managing money, investments, and capital. It encompasses various subfields, such as asset management, risk assessment, investment planning, and monetary oversight. Each plays a role in maximizing value and minimizing risks for individuals, organizations, and economies. The primary goal of managing monetary resources is to maximize organizational value by ensuring funds are allocated efficiently,

balancing short-term and long-term goals. Economic performance analysis is a critical tool used by businesses, investors, and policymakers to assess viability, stability, and profitability. Over time, this process has evolved with the development of advanced analytical techniques and theories. For example, financial modelling and advanced mathematical methods have made evaluations more sophisticated, enabling businesses to make well-informed decisions about investments and expenditures. The integration of disciplines such as financial economics, engineering, and technology has further broadened the scope of modern resource management, incorporating data-driven solutions into decision-making processes.

Monetary systems have evolved alongside the development of currency itself. In ancient civilizations, early forms of banking, trade, and accounting laid the groundwork for contemporary practices. The establishment of central banks, the emergence of stock markets, and the introduction of financial instruments such as bonds and shares marked significant milestones in the global economic system. By the late 19th and early 20th centuries, financial studies became recognized as a distinct academic field, and by the mid-20th century, it was firmly established. Post-World War II growth in markets and institutions further solidified its role as a global force shaping economies worldwide.

Assessing a company's economic performance involves understanding how effectively it uses its resources to generate income. This evaluation typically includes analysing profitability, return on assets, and return on investment over specific periods. By comparing key metrics against industry standards or past performance, businesses can identify areas for improvement and refine strategies. Regular assessments help companies stay competitive and ensure financial health. Publicly listed companies are required to disclose their economic performance regularly through filings with regulatory authorities like the Securities and Exchange Commission (SEC) in the U.S. or the Securities and Exchange Board of India (SEBI). These disclosures include key documents such as income statements, balance sheets, and cash flow reports, along with audit certifications verifying their accuracy. Such transparency is vital for stakeholders, including investors and creditors, who rely on this data to make informed decisions. For businesses, understanding these reports and their implications on strategies is essential. Financial documents not only capture historical performance but also serve as tools for forecasting growth and identifying risks. Analysing these statements enables companies to plan effectively, improve resource allocation, and meet long-term objectives.

Among the most effective methods for evaluating economic data is ratio analysis. This technique involves calculating key metrics like the current ratio, quick ratio, return on equity (ROE), and debt-to-equity ratio to assess liquidity, profitability, and overall efficiency. By benchmarking these ratios against industry standards or historical data, analysts gain insights into potential strengths, weaknesses, and areas requiring attention.

Finance remains a cornerstone of the global economy, influencing decisions at individual, organizational, and governmental levels. It serves as a vital tool for resource management, strategic planning, and performance evaluation. Through the ongoing development of financial instruments, analytical methods, and technology integration, the field continues to evolve, fostering economic stability and growth in an increasingly interconnected world.

The consumer electronics sector exemplifies how industries generate and allocate resources to drive growth. This industry thrives on innovation, reinvesting earnings into product development, marketing, and expansion to meet modern consumer demands. BoAt Imagine Marketing Ltd is a standout player in this segment, specializing in audio devices, wearables, and accessories. Established in 2016, the company has risen to prominence through its stylish, affordable products and strong online presence, reflecting its ability to align with market trends and consumer preferences. The role of finance in sustaining BoAt's growth is evident in its ability to attract investments and expand market share. Through strategic funding rounds, the company has raised capital to scale its operations, improve product offerings, and strengthen its brand presence. Its financial management approach ensures that expenditures are aligned with revenue generation, allowing sustainable business expansion. Additionally, with the increasing emphasis on fintech solutions and digital transactions, BoAt has also integrated various financial technologies into its business model, enhancing customer experience and operational efficiency.

As industries continue to evolve, the importance of financial acumen in navigating economic landscapes becomes more pronounced. Companies that master the art of resource allocation, risk management, and financial forecasting will be best positioned to adapt to market changes and sustain long-term growth.

1.2 STATEMENT OF THE PROBLEM

Although the company generates adequate profits to sustain its operations, there are potential inefficiencies that may hinder its liquidity and profitability. These inefficiencies need to be identified and addressed to improve overall financial performance. A detailed financial analysis, specifically through ratio analysis, can help uncover areas of weakness within the company's operations. This study aims to evaluate the company's financial performance, identify problem areas, and provide constructive suggestions to enhance its financial position.

1.3 OBJECTIVES OF THE STUDY

- To assess the financial performance of the organization during the study period.
- To analyse key financial ratios such as liquidity, profitability, and solvency.
- To identify the reasons and factors that have affected the profit and loss.
- To recommend strategies for minimizing losses and improving financial stability.

1.4 SCOPE OF THE STUDY

- This study outlines the current financial position of the company and its overall financial health.
- This study assesses the revenue growth and trends over the analysed period in India.
- Strategies are proposed to mitigate potential losses and enhance operational efficiency.
- The findings aid stakeholders in making informed decisions for sustainable growth and financial stability.

1.5 RESEARCH METHODOLOGY

MEANING:

Research methodology refers to the systematic process of collecting, analyzing, and interpreting data to achieve research objectives. It includes the selection of research design, data collection methods, sampling techniques, and analysis procedures. A well-defined methodology ensures accuracy, reliability, and validity of research findings. It can be

qualitative, quantitative, or a mix of both, depending on the study's nature. The methodology guides researchers in making informed decisions throughout the research process. It plays a crucial role in ensuring that conclusions are based on logical reasoning and empirical evidence.

DEFINITION:

Saunders, Lewis, & Thornhill (2019) – "Research methodology refers to the theory of how research should be undertaken, including the theoretical and philosophical assumptions upon which research is based and the implications of these for the method or methods adopted." (From Research Methods for Business Students)

RESEARCH DESIGN:

Research design is the overall framework or blueprint that outlines how a study will be conducted. It defines the research type, data collection methods, sampling techniques, and analysis procedures. A well-structured research design ensures accuracy, reliability, and logical flow in research. It can be exploratory, descriptive, or experimental, depending on the study's objectives. The design helps in minimizing biases and errors, ensuring valid conclusions. It serves as a roadmap for researchers to systematically investigate a problem and derive meaningful insights.

DATA COLLECTION:

The study is based on secondary data, which has been gathered for the research.

SOURCE OF DATA:

The study is grounded in secondary data.

- Secondary Data: The secondary data for this research was collected from a variety of sources, including books, journals, websites, and the company's records and personal manuals. Information related to the company was obtained from the company's official website and other publicly available resources.

TOOLS USED:

- ✓ Ratio Analysis
- ✓ Trend Analysis

1.6 LIMITATIONS OF THE STUDY

- ✓ The study is dependent on the availability and accuracy of financial data in the public domain.
- ✓ The analysis is limited to five years, which may not capture long-term trends.
- ✓ External factors like economic changes and global disruptions may not be fully accounted for.
- ✓ The study does not include a comparison with competitors, which could provide additional context.

1.7 CHAPTER SCHEME:

This Project is classified into five chapters, the following are those chapters in the study.

Chapter I:

This chapter deals with the introduction, statement of the problem, objective of the study, scope of the study, research methodology and limitation of the study.

Chapter II:

Literature review related to the study was collected from various journals and articles stated under this chapter.

Chapter III:

This chapter deals with Introduction of BoAt Imagine Marketing Private Limited.

Chapter IV:

This chapter contains Ratio analysis, Comparative balance sheet and trend analysis.

Chapter V:

This chapter deals with findings, suggestions and conclusions.

CHAPTER – II
REVIEW OF LITERATURE

CHAPTER II

REVIEW OF LITERATURE

1. Muthu Prakash S. and Dr. C. Lakshmi (2024) Financial Performance Analysis of Shriram Finance Ltd.

This study conducted a financial performance analysis of Shriram Finance Ltd., focusing on profitability and liquidity ratios over five years. The study identified the company's financial strengths and areas for improvement, providing insights into the overall fiscal health of the company.

2. Rao, P.V. (2019) Financial Performance of Indian FMCG Companies through Ratio Analysis

Rao's study on the financial performance of Indian FMCG companies revealed that liquidity and profitability ratios are crucial indicators of operational efficiency. These ratios play a vital role in understanding the financial standing of firms in the FMCG sector.

3. Sundaram, K. & Reddy, V. (2018) Financial Health of Indian Textile Firms

This study focused on the financial health of Indian textile firms, emphasizing the importance of working capital management in maintaining solvency. Effective management of working capital was identified as key to ensuring long-term financial stability in the sector.

4. Ghosh, A. (2017) Financial Structure of Indian SMEs

Ghosh's study investigated the financial structure of Indian SMEs, emphasizing the significance of debt-equity ratios for the growth and sustainability of small and medium enterprises. The study highlighted the need for an optimal balance between debt and equity in promoting financial health.

5. Sheela Christina (2017) Financial Performance of Wheels India Limited

In a study on the financial performance of Wheels India Limited, Chennai, Christina used various financial tools such as ratio analysis, comparative balance sheets, and DuPont analysis. The study revealed a decline in profitability ratios, asset utilization, and working capital management over the last financial year, suggesting a need for strategic adjustments.

6. Harshadeep Chilukuri (2016) Financial Analysis of Ashok Leyland Limited

Chilukuri's analysis of Ashok Leyland Limited's financial statements from 2011-12

to 2015-16 highlighted the company's profitability, solvency, efficiency, and cash position. The study recommended actions to improve liquidity, such as reducing inventory and ensuring prompt collection from customers.

7. Kaur Harpreet (2016) Financial Performance of Maruti Suzuki India Ltd.

Kaur's research on Maruti Suzuki India Ltd. examined the company's financial performance and its impact on market share. The study concluded that Maruti Suzuki had maintained its leadership in the Indian automobile sector, driven by robust financial performance.

8. Moses Joshuva Daniel (2019) Financial Analysis of TATA MOTORS LTD.

Using a variety of financial instruments, this study examined TATA MOTORS LTD's overall financial situation. The research was carried out over a 5-year period, from 2014-2015 to 2018-2019. Various accounting ratios were used to measure financial status in terms of profitability, solvency, operation, and financial stability.

9. Patel Ananya (2020) Financial Performance of Hero MotoCorp Ltd.

Patel's research focused on the financial performance of Hero MotoCorp Ltd. from 2015-2016 to 2019-2020. The study used key financial ratios to assess profitability, liquidity, and operational efficiency. It concluded that Hero MotoCorp maintained a strong market presence due to cost-effective production and brand loyalty.

10. Verma Suresh (2017) Financial Performance of Bajaj Auto Ltd.

Verma analyzed Bajaj Auto Ltd.'s financial performance over five years, emphasizing revenue growth and profitability. The research found that the company had a strong financial foundation, driven by an increase in exports and innovation in two-wheeler manufacturing.

11. Nair Priya (2021) Financial Trends and Risk Management in Ashok Leyland Ltd.

Nair's study on Ashok Leyland Ltd. evaluated the company's financial trends and risk management strategies. Covering data from 2016-2017 to 2020-2021, the research revealed consistent revenue growth and efficient cost management, making the company a competitive player in the commercial vehicle sector.

12. Joshi, H. (2022) Profitability of Indian Pharma Companies

Joshi's study on the profitability of Indian pharma companies highlighted a positive correlation between R&D expenditure and long-term profitability, suggesting that investment in innovation contributes to sustained financial growth in the sector.

13. Bartram, S. M. (2024) The Value of Local Analysts in Financial Markets

Bartram's research into the value of local analysts in financial markets concluded that local analysts possess unique insights about regional markets, which can significantly enhance financial analysis and investment decisions, as compared to global analysts.

14. Wang, L., Zhang, M., & Li, W. (2021) Role of Liquidity Ratios in Predicting Financial Distress

This study examined the role of liquidity ratios in predicting financial distress across global markets. It found that firms with persistently low liquidity ratios are more likely to face insolvency, especially during economic downturns.

15. Nguyen, T., Tran, D., & Vo, P. (2020) Impact of Leverage on Profitability in Developed and Emerging Markets

The study explored the impact of leverage on profitability in developed and emerging markets. It concluded that high leverage boosts profitability in developed markets but increases financial risk in emerging markets due to heightened market volatility.

16. Garcia, E., & Martinez, F. (2022) Impact of Exchange Rate Volatility on Export-Oriented Firms

Garcia and Martinez's research focused on the impact of exchange rate volatility on export-oriented firms. The findings suggested that exchange rate fluctuations significantly affect profitability and liquidity, emphasizing the importance of effective hedging strategies for these firms.

RESEARCH GAP

While several studies have focused on customer satisfaction with BoAt's products, there is a noticeable lack of research evaluating the company's financial health and performance trends. This gap limits stakeholders' understanding of BoAt's financial sustainability and strategic positioning. By conducting a comprehensive financial analysis, this study aims to bridge this gap and provide insights into the company's financial strength.

CHAPTER III

COMPANY PROFILE

CHAPTER III

COMPANY PROFILE

3.1 INTRODUCTION OF THE COMPANY:

BoAt Imagine Marketing Limited, commonly known as BoAt, is an Indian consumer electronics brand that has gained significant recognition in the audio accessories sector. Established in 2016, the company quickly made a name for itself by offering high-quality, affordable audio products, primarily focusing on wireless earphones, headphones, and smart wearables. BoAt has expanded its product range to include a variety of audio devices, such as Bluetooth speakers, soundbars, and more. With its strong market presence and emphasis on trendy, high-performance products, BoAt has become one of India's leading audio accessory brands, catering to a wide range of customers from tech enthusiasts to music lovers.

The brand's appeal lies in its ability to provide premium audio experiences without the premium price tag, attracting a wide demographic of consumers—from tech enthusiasts to casual listeners. With a robust presence in the Indian market, BoAt has expanded its reach internationally, establishing itself as one of the top players in the audio accessory market in India and beyond.



HISTORY:

BoAt was founded by Aman Gupta and Sameer Mehta in 2016 with a vision to provide stylish, high-performance, and affordable audio solutions. The company quickly positioned itself as a leader in the wireless audio space in India. Within a short span, BoAt's products gained massive popularity, and the brand became synonymous with fashionable, durable, and budget-friendly audio gear. By offering products with advanced technology and trendy designs, BoAt has successfully created a loyal customer base and stands out among competitors in the fast-growing Indian market for consumer electronics.

BUSINESS OF THE COMPANY:

BoAt's primary business revolves around the design, manufacture, and sale of consumer electronics, particularly focused on audio products. The company specializes in wireless earphones, Bluetooth headphones, smartwatches, Bluetooth speakers, and other accessories. BoAt has built a strong presence in India by providing stylish, feature-packed audio devices that cater to a wide range of customers. The brand's products are known for their superior sound quality, durability, and modern design. The company's strategic focus on customer-centric innovation and marketing has helped it become one of the leading players in the consumer electronics industry.

BoAt's business model includes both online and offline sales channels. It has established partnerships with leading e-commerce platforms like Amazon and Flipkart, where its products are available for purchase. Additionally, BoAt products are also sold in various physical retail stores across India, contributing to its broad market reach. The company has a strong distribution network and offers after-sales service, ensuring customer satisfaction and brand loyalty.

BoAt's Product Journey Since Its Launch In 2016

2016 - Launched a wide range of wired earphones and headphones, along with mobile accessory products, including indestructible cables.

2017 - Expanded the product lineup by introducing a wide range of wireless headsets and portable speakers.

2018 - Enhanced the marketing strategy by collaborating with sports celebrities and secured investment from Fireside Ventures.

2019 - Expanded the offline channel, launched a diverse range of home audio products, and introduced Alexa-integrated products.

2020 - Established boAt Labs as an in-house R&D team, launched TWS products along with premium-powered TWS, and became the #1 Earwear brand in India (IDC) for FY20.

2021 - Entered the gaming accessory segment with the acquisition of RedGear, launched smartwatches, made in India wireless earphones and neckbands, personal care appliances, and TWS made in India, and introduced the #1 best wireless wearable brand in India, engineered and manufactured domestically.

2021/2022 - Co-founders were appointed as CEO, CFO, and CPO, and the company raised investment from Qualcomm Ventures and South Lake Investment, an affiliate of Warburg Pincus.

2022 - Reached the milestone of 1 million Made in India products, became the #2 smartwatch brand in India within a year of launch, and introduced baby and kids' headphones.

2023 - Manufactured over 50 million 'Made in India' products, with 70-75% of audio and smart wearables produced domestically. Reported net sales of nearly ₹4,000 crore, driven by strong demand and offline expansion.

2024 - Reduced net loss by 47% to ₹53.6 crore, with revenue at ₹3,121.6 crore. Achieved a positive EBITDA of ₹14.04 crore, improving from a loss of ₹50.21 crore in FY23.

OVERVIEW OF BOAT'S PRODUCT RANGE:

Audio Devices:

BoAt Imagine Marketing Ltd. has established itself as a leading player in the audio device market, providing a range of products that cater to different preferences and needs. The company's offerings are well-known for their combination of affordability, high-quality performance, and innovative features. Wireless Earbuds AirDopes series from BoAt is one of its standout products in the wireless audio category. Known for their ergonomic designs, these

earbuds offer features such as Bluetooth 5.0, ensuring seamless connectivity, long battery life, and water resistance, making them ideal for outdoor use and workouts. Models like the AirDopes 141 and AirDopes 441 provide superior sound quality while remaining budget-friendly, making them a top choice for consumers in India who are looking for both performance and value. Wired Headphones for those who prefer a more traditional and wired audio experience, BoAt's BassHeads series offers high-quality earphones with a focus on sound clarity and durability. The BassHeads 100 is known for its punchy bass, while the BassHeads 225 offers a more premium metal finish and tangle-free cables. These models cater to users who prefer wired audio solutions but still want quality sound.

Wearable Devices:

BoAt's entry into the wearable devices market has been a significant success, with its focus on smartwatches and fitness bands that offer both advanced features and affordability. Smartwatches the BoAt Watch series brings feature-rich smartwatches to the market. Models like the Watch Xtend come with a 1.69-inch display, Alexa integration, and multiple sports modes, offering users a versatile and stylish accessory for fitness tracking and everyday use. The Watch Wave Pro takes it further by providing a built-in thermometer and IP68 water resistance, which makes it perfect for fitness enthusiasts and anyone looking for an all-around smartwatch that tracks health metrics while being durable for outdoor use. Fitness Bands BoAt's fitness bands are an excellent choice for consumers looking for health tracking on a budget. These bands offer essential features such as heart rate monitoring, SpO2 measurement, and sleep analysis, catering to health-conscious individuals who want to monitor their well-being without the high price tag of more expensive smartwatches. These bands are lightweight and user-friendly, making them ideal for people new to wearable technology.

Home Audio Systems:

BoAt has extended its product line into home audio systems, offering soundbars that enhance the entertainment experience at home. Bluetooth Speakers BoAt's Stone series of Bluetooth speakers is designed for portability, making them a popular choice for consumers who enjoy music on the go. Models like the Stone 1200 and Stone 650 provide excellent sound quality, long battery life, and are built to withstand the rigors of outdoor use, with features like IPX7 waterproofing. These speakers have a rugged design, making them perfect for outdoor enthusiasts or people who enjoy having music during their outdoor activities. Soundbars the

Aavante Bar series offers premium audio solutions with a sleek design and excellent sound output. The Aavante Bar 2050 delivers 160W sound output with Bluetooth connectivity, making it a perfect fit for users who want to elevate their TV watching experience. The Aavante Bar 4000DA is another high-end option, featuring Dolby Atmos technology for an immersive surround sound experience. These soundbars cater to customers seeking high-quality audio for their home theater setups.

Mobile Accessories:

BoAt has built a reputation not only for its audio products but also for providing a variety of essential mobile accessories that enhance the user experience. Charging Cables BoAt's range of charging cables is designed to cater to different devices. The Type-C cables are compatible with modern Android smartphones, the Lightning cables are ideal for Apple products, and the Micro-USB cables are suitable for older Android devices. These cables are built for durability and high-speed charging, providing reliable performance for a variety of gadgets. Chargers along with charging cables, BoAt offers wall chargers and power banks that ensure users can keep their devices charged, no matter where they are. The power banks are particularly popular among people who need a portable charging solution while on the go, ensuring they don't run out of battery during busy days. Cases & Covers BoAt provides protective cases and covers designed for its audio products like headphones and earbuds. These accessories ensure that the devices are safe during transport, preventing damage while also enhancing their portability. The cases are designed to be compact and lightweight, making it easy to carry BoAt products without worrying about wear and tear.

Gaming Accessories:

BoAt has ventured into the growing gaming accessories sector with its high-performance gaming headphones. Gaming Headphones the Immortal series of gaming headphones caters to gamers looking for immersive audio experiences. These headphones are equipped with features like virtual surround sound and RGB lighting, offering a visually appealing and high-performance gaming accessory. The high-quality audio and comfort make these headphones an excellent choice for gamers who need an edge during their gaming sessions.



Lifestyle Merchandise:

Expanding its brand presence beyond electronics, BoAt offers a limited range of lifestyle merchandise, including branded accessories like backpacks and apparel. BoAt-Branded Backpacks & Apparel BoAt's lifestyle merchandise line allows fans of the brand to show off their passion for the company. The backpacks and apparel collection is designed with a modern, trendy appeal, making it possible for consumers to embrace the BoAt lifestyle. BoAt's broad range of products—from audio devices and wearables to mobile accessories and lifestyle merchandise—has contributed to its rapid rise in India's consumer electronics market. By combining innovation, quality, and style, the company has built a loyal customer base that continues to drive its growth in India.

Future Growth & Expansion Plans

As BoAt continues to grow, it aims to expand its presence in international markets, particularly in Southeast Asia and the Middle East. The company is also exploring newer product categories, including home automation and IoT-based devices. With a strong foundation in innovation, affordability, and customer engagement, BoAt is poised to remain a dominant player in India's consumer electronics market while expanding its global footprint. By continuously evolving its product lineup and adopting cutting-edge technology, BoAt has positioned itself as a leader in the consumer electronics industry, ensuring long-term growth and customer satisfaction.

CHAPTER IV

ANALYSIS AND INTERPETATION

CHAPTER IV

ANALYSIS AND INTERPETATION

Ratio Analysis:

Ratio analysis is a quantitative technique used to evaluate a company's liquidity, operational efficiency, and profitability by examining its financial statements, such as the balance sheet and income statement. It serves as a fundamental tool in equity analysis.

Objectives of Ratio Analysis:

- Simplifies complex accounting data for better understanding.
- Assesses liquidity, including short-term and long-term solvency. Short-term solvency refers to a firm's ability to meet its short-term obligations, whereas long-term solvency evaluates its capacity to fulfill long-term liabilities.
- Evaluates the efficiency of business operations.
- Measures the profitability of the business.
- Facilitates inter-firm and intra-firm comparisons to identify performance trends.

Advantages of Ratio Analysis:

Ratio analysis is essential for assessing financial performance. Some of its key benefits include:

- A valuable tool for financial statement analysis.
- Simplifies financial information for easy interpretation.
- Assists in evaluating operational efficiency.
- Aids in forecasting future financial performance.
- Identifies weaknesses in business operations.
- Enables effective inter-firm and intra-firm comparisons.

Classification of Ratios by Purpose/Function:

Ratios are classified based on their purpose, primarily to evaluate profitability, operational efficiency, or financial stability. The main categories include profitability ratios, turnover ratios, and solvency ratios.

(A) Profitability Ratios:

Profit generation is the primary goal of any business. Every organization aims to maximize profits both in absolute terms and in relation to the capital invested and risk undertaken. The ability to generate optimal profits through effective resource utilization is termed "profitability." Profit is an absolute measure of earnings, influenced by sales, costs, and resource allocation. Profitability analysis involves examining various factors, including sales, cost of goods sold, gross margin, operating expenses, and operating profit. Several ratios are used to analyze profitability. The following are various ratios used to analyze profitability.

- Return on Investment (or) Return on capital employed
- Return on shareholder's fund
- Return on total assets
- Gross profit ratio
- Net profit ratio

(B) Turnover Ratios (Activity Ratios):

Also referred to as performance ratios, activity ratios assess a business's operational efficiency. Operational efficiency entails the effective, profitable, and strategic use of available resources. These ratios help determine the extent to which financial policies contribute to efficient resource utilization. Turnover ratios are typically calculated in relation to sales or cost of sales and are expressed as the number of times a resource is turned over. These ratios indicate the pace at which business activities are conducted and are sometimes referred to as velocity ratios. Various activity ratios are used to assess performance.

Therefore, they are also called velocities. Following are various activity ratios.

- Working capital turnover ratio
- Fixed assets turnover ratio
- Owned capital turnover ratio

(C) Solvency Ratios (Financial Ratios):

Solvency ratios, also known as financial ratios, reflect a company's financial stability. These ratios are derived from balance sheet data and are used to assess the financial health of

a business from different stakeholders' perspectives, including creditors, banks, management, investors, and auditors. Financial position generally refers to the short-term and long-term solvency of a business, ensuring the security of various stakeholders. These ratios also help determine the optimal use of financial resources. Solvency ratios are further categorized into short-term solvency ratios and long-term solvency ratios. The significant financial ratios are classified as short-term solvency ratios and long-term solvency ratios.

Therefore, financial ratios are as under:

(1) Overall solvency

(2) Short-term solvency (or) Liquidity ratios

- Current ratio
- Liquid ratio
- Cash position ratio

(3) Long-term solvency ratios

- Fixed assets ratio
- Debt equity ratio
- Proprietary ratio

PROFITABILITY RATIO

Gross profit:

The Gross Profit Ratio (also called the Gross Profit Margin) is a profitability ratio that measures how much gross profit a company earns relative to its revenue. It indicates the efficiency of a company's production and pricing strategies. A higher Gross Profit Ratio means the company is earning more profit per unit of sales after covering production costs. A lower ratio may indicate high production costs, pricing issues, or inefficiencies.

$$\text{Gross profit ratio} = \frac{\text{Gross profit}}{\text{Net sales}} \times 100$$

TABLE NO:4.1

TABLE SHOWING GROSS PROFIT RATIO

YEAR	GROSS PROFIT (Rs.in.million)	NET SALES (Rs.in.million)	RATIO
2020-2021	2,929.66	13,138.03	22.29
2021-2022	5,050.34	28,729.01	17.58
2022-2023	7,533.38	32,584.04	23.12
2023-2024	8,080.14	31,037.78	26.04

(Source: Secondary data)

Interpretation:

The gross profit ratio indicates the company's profitability by showing the percentage of gross profit earned on net sales. In 2020-2021, the ratio was 22.29%, but it dropped to 17.58% in 2021-2022, suggesting higher costs or lower pricing strategies. However, in 2022-2023, the ratio rebounded to 23.12%, showing improved cost management or increased efficiency. The positive trend continued in 2023-2024, reaching 26.04%, the highest in four years. This suggests that the company has strengthened its profitability, possibly due to better pricing strategies, cost control, or increased sales of high-margin products.

PROFITABILITY RATIO

Gross profit:

The Gross Profit Ratio (also called the Gross Profit Margin) is a profitability ratio that measures how much gross profit a company earns relative to its revenue. It indicates the efficiency of a company's production and pricing strategies. A higher Gross Profit Ratio means the company is earning more profit per unit of sales after covering production costs. A lower ratio may indicate high production costs, pricing issues, or inefficiencies.

$$\text{Gross profit ratio} = \frac{\text{Gross profit}}{\text{Net sales}} \times 100$$

TABLE NO:4.1

TABLE SHOWING GROSS PROFIT RATIO

YEAR	GROSS PROFIT (Rs.in.million)	NET SALES (Rs.in.million)	RATIO
2020-2021	2,929.66	13,138.03	22.29
2021-2022	5,050.34	28,729.01	17.58
2022-2023	7,533.38	32,584.04	23.12
2023-2024	8,080.14	31,037.78	26.04

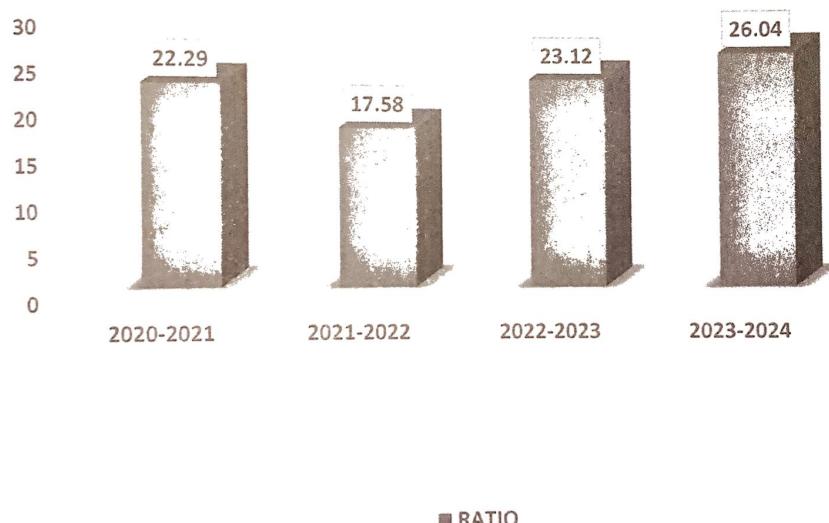
(Source: Secondary data)

Interpretation:

The gross profit ratio indicates the company's profitability by showing the percentage of gross profit earned on net sales. In 2020-2021, the ratio was 22.29%, but it dropped to 17.58% in 2021-2022, suggesting higher costs or lower pricing strategies. However, in 2022-2023, the ratio rebounded to 23.12%, showing improved cost management or increased efficiency. The positive trend continued in 2023-2024, reaching 26.04%, the highest in four years. This suggests that the company has strengthened its profitability, possibly due to better pricing strategies, cost control, or increased sales of high-margin products.

CHART NO: 4.1.1

CHART SHOWING GROSS PROFIT RATIO



Net profit:

Net profit ratio, also known as net profit margin, measures a company's financial performance or profitability after taxes. It helps measure the company's profit to the total amount of money invested in the business. This helps in finding out how efficiently a company is spending their money. By tracking the net profit margin, a company can evaluate whether the current practices are working properly or not.

$$\text{Net profit ratio} = \frac{\text{Net profit}}{\text{Net sales}} \times 100$$

TABLE NO:4.2
TABLE SHOWING NET PROFIT RATIO

YEAR	NET PROFIT (Rs.in.million)	NET SALES (Rs.in.million)	RATIO
2020-2021	858.69	13,138.03	6.54
2021-2022	788.20	28,729.01	2.74
2022-2023	-1,011.46	32,584.04	-3.08
2023-2024	-535.93	31,037.78	-1.72

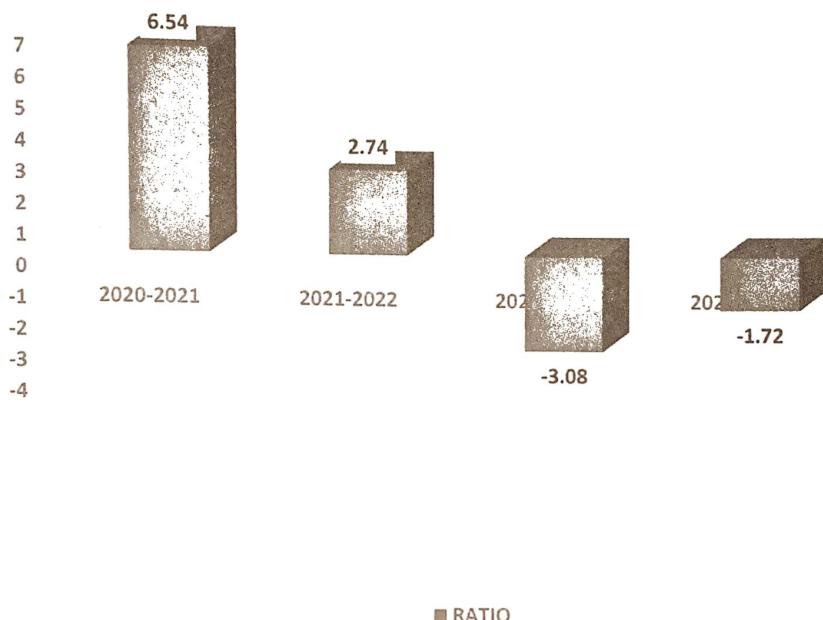
(Source: Secondary data)

Interpretation:

The net profit ratio reflects the company's overall profitability after deducting all expenses, including operating costs, interest, and taxes. In 2020-2021, the ratio was 6.54%, indicating a healthy profit margin. However, in 2021-2022, it dropped significantly to 2.74%, suggesting rising costs or lower operational efficiency. The situation worsened in 2022-2023, where the company reported a net loss of ₹1,011.46 crore, resulting in a negative ratio of -3.08%. Although the loss reduced in 2023-2024 to ₹535.93 crore, the net profit ratio remained negative at -1.72%, indicating ongoing financial struggles. This downward trend suggests increased expenses, lower pricing power, or inefficiencies impacting overall profitability, requiring strategic measures for recovery.

CHART NO: 4.2.1

CHART SHOWING NET PROFIT RATIO



Return on Asset:

Return on Assets (ROA) is a type of return on investment (ROI) metric that measures the profitability of a business in relation to its total assets. This ratio indicates how well a company is performing by comparing the profit (net income) it's generating to the capital it's invested in assets. The higher the return, the more productive and efficient management is in utilizing economic resources.

$$\text{ROA} = \frac{\text{Net profit (loss) after tax}}{\text{Total asset}} \times 100$$

TABLE NO: 4.3

TABLE SHOWING RETURN ON ASSET

YEAR	NET PROFIT (Rs.in.million)	TOATL ASSET (Rs.in.million)	RATIO
2020-2021	858.69	6,784.27	12.66
2021-2022	788.20	18,742.01	4.21
2022-2023	-1,011.46	21,034.45	-4.81
2023-2024	-535.93	17,654,36	-3.04

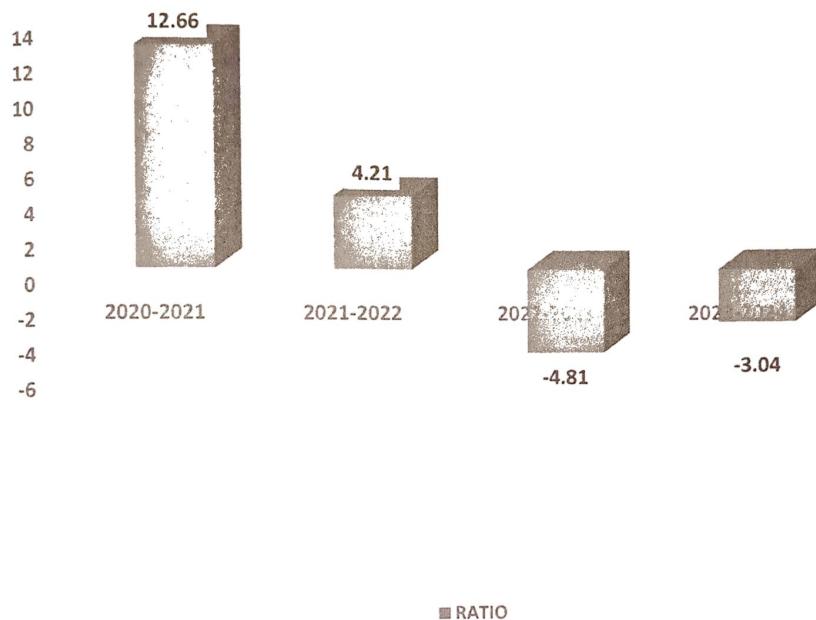
(Source: Secondary data)

Interpretation:

The return on assets (ROA) ratio shows how effectively a company generates profit from its assets. In 2020-2021, a 12.66% ROA indicated strong profitability and efficient asset use. However, in 2021-2022, the ratio dropped to 4.21%, suggesting declining profitability despite asset growth. By 2022-2023, the company reported losses, resulting in a -4.81% ROA, meaning assets were not generating returns but instead contributing to financial strain. Although losses decreased in 2023-2024, the -3.04% ROA still reflects ongoing financial challenges. This trend suggests that rising costs, poor asset utilization, or ineffective investments may be affecting overall profitability.

CHART NO:4.3.1

CHART SHOWING RETURN ON ASSET



Return on investment:

Return on investment (ROI) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment, relative to the investment's cost.

$$ROI = \frac{\text{Net profit (loss) after tax}}{\text{Total equity}} \times 100$$

TABLE NO: 4.4

TABLE SHOWING RETURN ON INVESTMENT

YEAR	NET PROFIT (Rs.in.million)	TOATL EQUITY (Rs.in.million)	RATIO
2020-2021	858.69	4,641.68	18.50
2021-2022	788.20	6,101.50	12.92
2022-2023	-1,011.46	5,129.78	-19.72
2023-2024	-535.93	4,715.47	-11.37

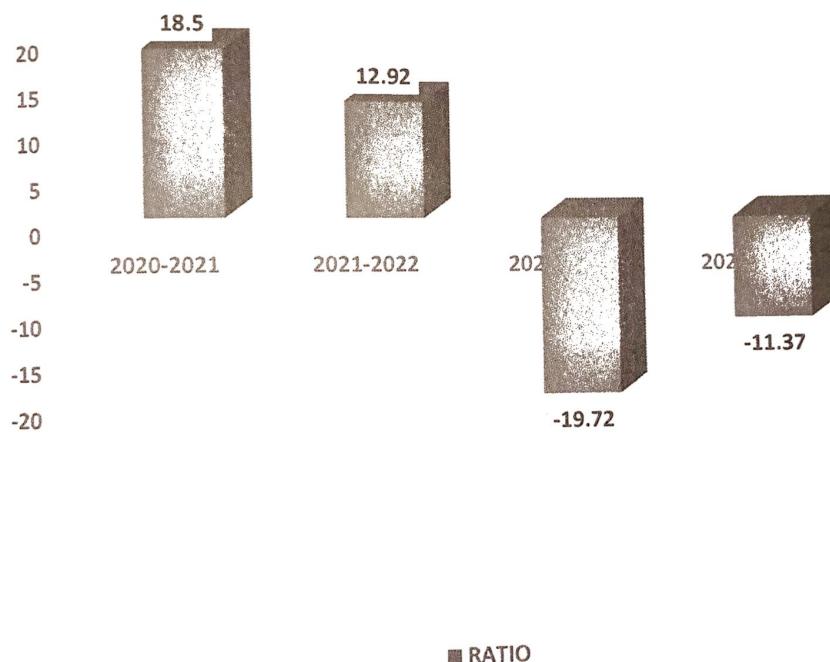
(Source: Secondary data)

Interpretation:

The return on investment (ROI) ratio measures the profitability of a company relative to its equity. In 2020-2021, the ROI ratio was 18.50%, reflecting strong returns for shareholders. However, in 2021-2022, it dropped to 12.92%, signalling a decline in profitability despite equity growth. In 2022-2023, the company experienced a net loss, leading to a negative ROI of -19.72%, indicating that the company was losing value for its shareholders. Although losses were reduced in 2023-2024, the ROI remained negative at -11.37%, showing continued difficulty in generating positive returns. The decline in ROI could be attributed to increased operating costs, poor investment decisions, or inefficiencies in utilizing equity, possibly linked to market conditions, higher debt, or ineffective capital management strategies.

CHART NO: 4.4.1

CHART SHOWING RETURN ON INVESTMENT



TURNOVER RATIO OR ACTIVITY RATIO:

Owned capital turnover ratio:

"Owned capital turnover ratio" refers to a financial metric that measures how effectively a company utilizes its shareholder equity (the capital owned by its shareholders) to generate sales, essentially indicating how much revenue a company can produce per dollar of shareholder investment.

$$\text{Owned capital turnover ratio} = \frac{\text{Net sales}}{\text{Shareholders fund}}$$

TABLE NO: 4.5

TABLE SHOWING OWNED CAPITAL TURNOVER RATIO

YEAR	NET SALES (Rs.in.million)	SHAREHOLDERS FUND (Rs.in.million)	RATIO
2020-2021	13,138.03	4,641.68	2.83
2021-2022	28,729.01	6,101.50	4.71
2022-2023	32,584.04	5,129.78	6.36
2023-2024	31,037.78	4,715.47	6.58

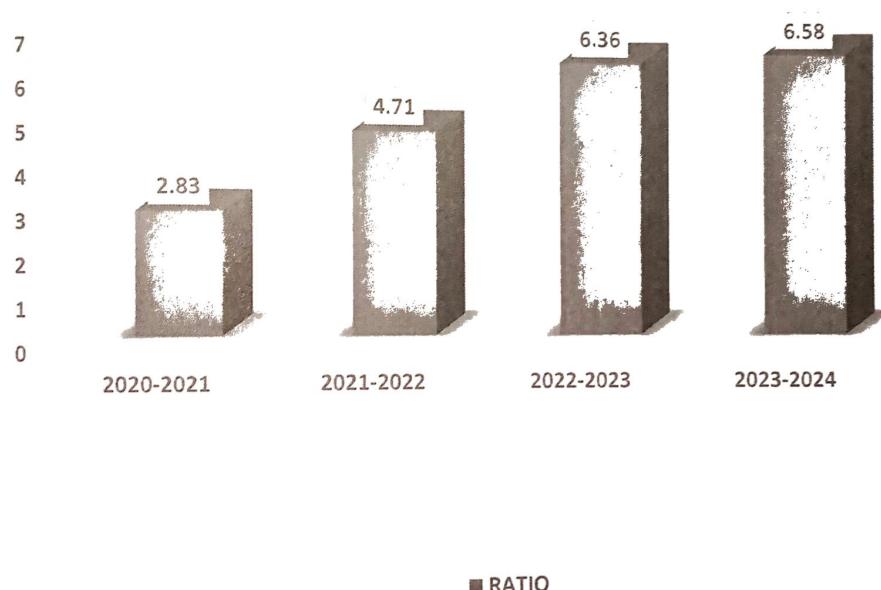
(Source: Secondary data)

Interpretation:

The Owned Capital Turnover Ratio indicates how efficiently a company uses shareholders' funds to generate sales. It improved from 2.83 in 2020-2021 to 4.71 in 2021-2022, reflecting better equity utilization. The ratio continued rising to 6.36 in 2022-2023 and 6.58 in 2023-2024, showing enhanced efficiency in leveraging shareholder funds. This upward trend highlights the company's ability to drive higher sales using equity, though fluctuating sales and equity levels suggest a focus on optimizing capital deployment for sustained growth.

CHART NO:4.5.1

CHART SHOWING OWNED CAPITAL RATIO



Working capital turnover ratio:

Working capital turnover is a ratio that measures how efficiently a company is using its working capital to support sales and growth. It's also known as net sales to working capital. A higher working capital turnover ratio is better because it indicates that a company can generate a larger number of sales.

$$\text{working capital turnover ratio} = \frac{\text{Net sales}}{\text{Net working capital}}$$

TABLE NO:4.6

TABLE SHOWING WORKING CAPITAL TURNOVER RATIO

YEAR	NET SALES (Rs.in.million)	NET WORKING CAPITAL (Rs.in.million)	RATIO
2020-2021	13,138.03	4489.05	2.93
2021-2022	28,729.01	3299.97	8.70
2022-2023	32,584.04	5,832.16	5.59
2023-2024	31,037.78	5012.21	6.19

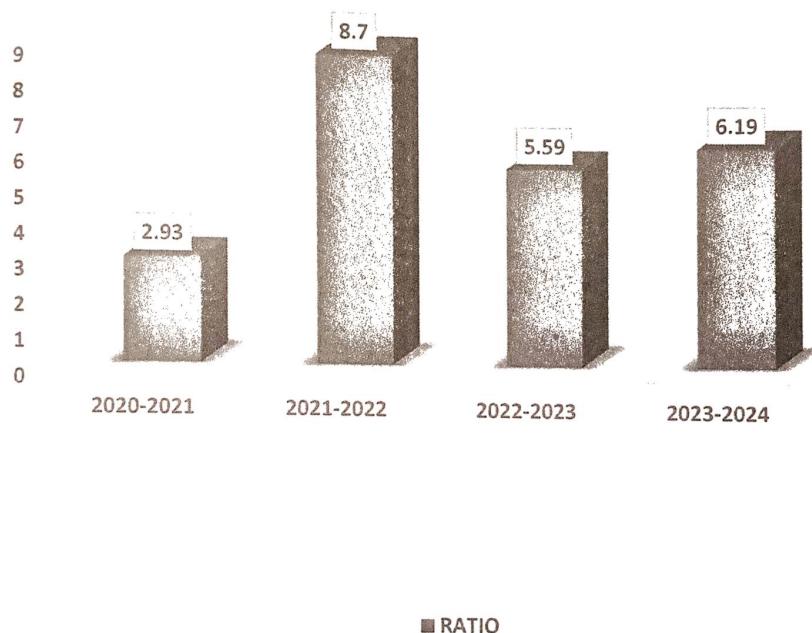
(Source: Secondary data)

Interpretation:

The Working Capital Turnover Ratio measures how efficiently a company utilizes its working capital to generate sales. The ratio was 2.93 in 2020-2021, surged to 8.70 in 2021-2022, indicating improved efficiency, then declined to 5.59 in 2022-2023. In 2023-2024, it slightly improved to 6.19 but remained lower than its peak. The 2021-2022 surge suggests better utilization of short-term assets, while the decline in later years may reflect market shifts or increased working capital needs. Despite fluctuations, efficiency remained higher than in 2020-2021.

CHART NO: 4.6.1

CHART SHOWING WORKING CAPITAL RATIO



SOLVENCY RATIO:

A solvency ratio is a key metric used to measure an enterprise's ability to meet its long-term debt obligations and is used often by prospective business lenders. A solvency ratio indicates whether a company's cash flow is sufficient to meet its long-term liabilities and thus is a measure of its financial health.

$$\text{Solvency ratio} = \frac{\text{Total debt}}{\text{Total asset}}$$

TABLE NO:4.7

TABLE SHOWING SOLVENCY RATIO

YEAR	TOTAL DEBT (Rs.in.million)	TOTAL ASSET (Rs.in.million)	RATIO
2020-2021	517.15	6,784.27	0.08
2021-2022	9346.98	18742.01	0.50
2022-2023	12,487.66	21,034.45	0.59
2023-2024	8,809.96	17,054.36	0.52

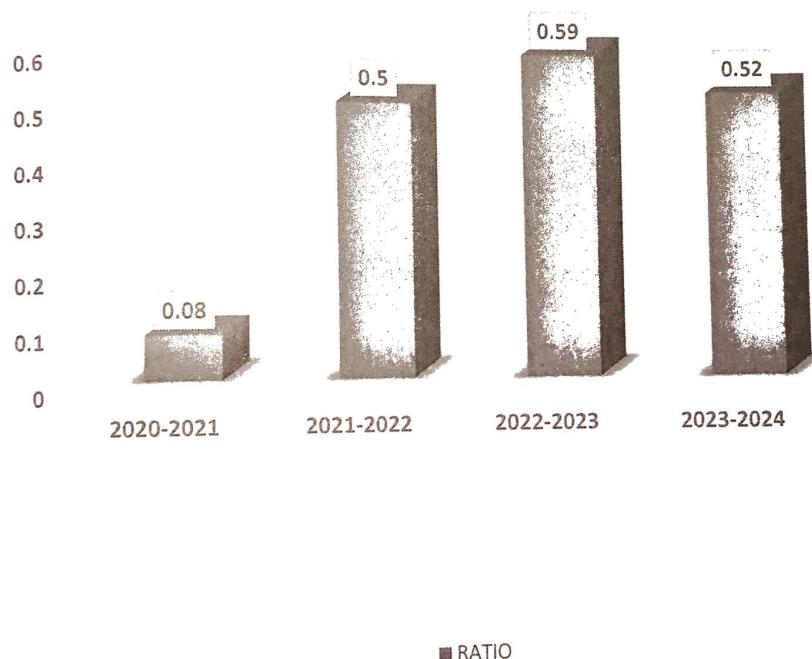
(Source: Secondary data)

Interpretation:

The solvency ratio measures a company's ability to meet long-term debt obligations. In 2020-2021, it was 0.08, indicating low debt and strong financial stability. However, it surged to 0.50 in 2021-2022, suggesting increased leverage for operations or investments. The ratio further rose to 0.59 in 2022-2023, reflecting continued debt growth. By 2023-2024, it slightly declined to 0.52, showing a minor reduction in debt. Despite this, the company remains highly leveraged. A higher solvency ratio signals greater financial risk, potentially impacting debt repayment in adverse conditions.

CHART NO: 4.7.1

CHART SHOWING SOLVENCY RATIO



Debt Equity ratio:

A "debt-to-equity ratio" is a financial metric that indicates how much of a company's funding comes from debt compared to shareholder equity, essentially measuring the proportion of borrowed money a company uses relative to its own capital, giving insight into its financial leverage and potential risk level.

$$\text{Debt Equity ratio} = \frac{\text{Total debts}}{\text{Total equity}}$$

TABLE NO:4.8
TABLE SHOWING DEBT EQUITY RATIO

YEAR	TOTAL DEBT (Rs.in.million)	TOTAL EQUITY (Rs.in.million)	RATIO
2020-2021	517.15	4,641.68	0.11
2021-2022	9346.98	6,101.50	1.53
2022-2023	12,487.66	5,129.78	2.43
2023-2024	8,809.96	4,715.47	1.87

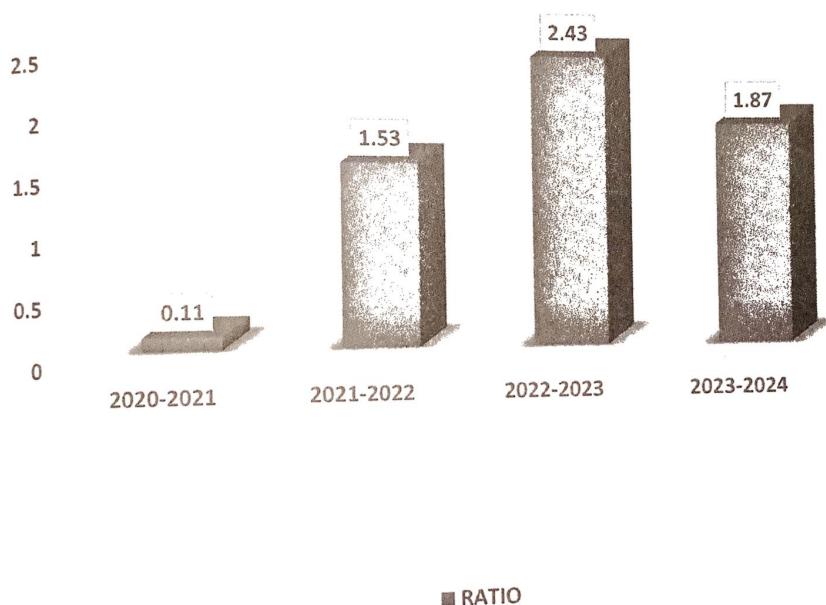
(Source: Secondary data)

Interpretation:

The debt-equity ratio measures a company's debt relative to its equity. In 2020-2021, it was 0.11, indicating low debt and minimal financial risk. However, it surged to 1.53 in 2021-2022 and further to 2.43 in 2022-2023, reflecting increased reliance on borrowing, likely for expansion or investments. By 2023-2024, it declined to 1.87, suggesting efforts to reduce debt or improve equity. The rising ratio indicates aggressive borrowing, while the slight decline signals attempts at financial stability through debt reduction or equity growth.

CHART NO: 4.8.1

CHART SHOWING DEBT EQUITY RATIO



Liquidity ratio

Current ratio:

The current ratio is a financial metric that measures a company's ability to pay off its short-term debts using its short-term assets. It's also called the working capital ratio. A high current ratio indicates that a company has a strong liquidity position and can more easily cover its short-term debts.

$$\text{Current ratio} = \frac{\text{Current Asset}}{\text{Current Liability}}$$

TABLE NO:4.9

TABLE SHOWING CURRENT RATIO

YEAR	CURRENT ASSET (Rs.in.million)	CURRENT LIABILITY (Rs.in.million)	RATIO
2020-2021	6,552.57	2,063.52	3.18
2021-2022	15,940.48	12,539.87	1.27
2022-2023	16579.03	10,746.87	1.54
2023-2024	12103.06	7,090.85	1.71

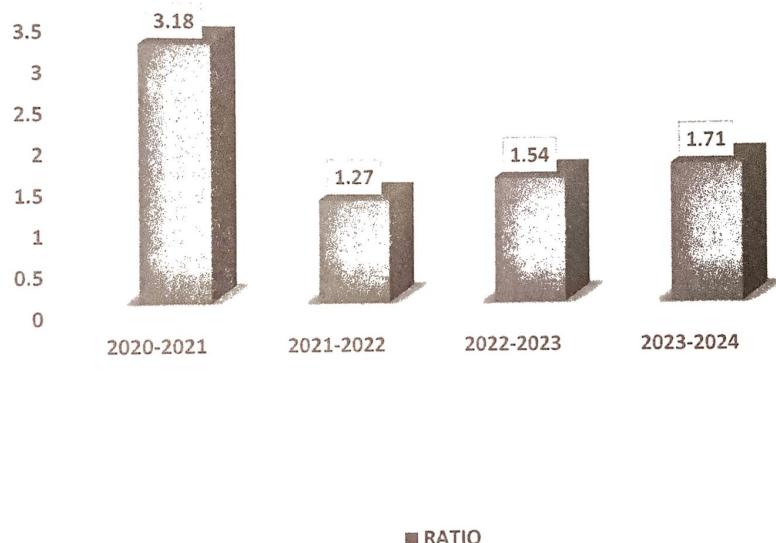
(Source: Secondary data)

Interpretation:

The current ratio assesses a company's ability to meet short-term liabilities with short-term assets. It was 3.18 in 2020-2021, indicating strong liquidity, but dropped to 1.27 in 2021-2022, reflecting a decline, possibly due to higher liabilities or lower cash reserves. The ratio improved to 1.54 in 2022-2023 and 1.71 in 2023-2024, suggesting better liquidity management. This improvement may be due to reduced liabilities, increased assets, or more efficient working capital management.

CHART NO: 4.9.1

CHART SHOWING CURRENT RATIO



Liquid ratio:

A liquidity ratio is a financial metric that measures a company's ability to pay its short-term debts. It's calculated by dividing a company's current assets by its current liabilities. Liquidity ratios help creditors determine how likely a company is to pay its debts. A company with a strong liquidity ratio can more easily obtain loans and investments.

$$\text{Liquid ratio} = \frac{\text{liquid Asset}}{\text{Current Liability}}$$

TABLE NO:4.10

TABLE SHOWING LIQUID RATIO

YEAR	LIQUID ASSET (Rs.in.million)	CURRENT LIABILITY (Rs.in.million)	RATIO
2020-2021	3,464.34	2,063.52	1.68
2021-2022	10,483.14	12,539.87	0.84
2022-2023	11962.55	10,746.87	1.11
2023-2024	7809.83	7,090.85	1.10

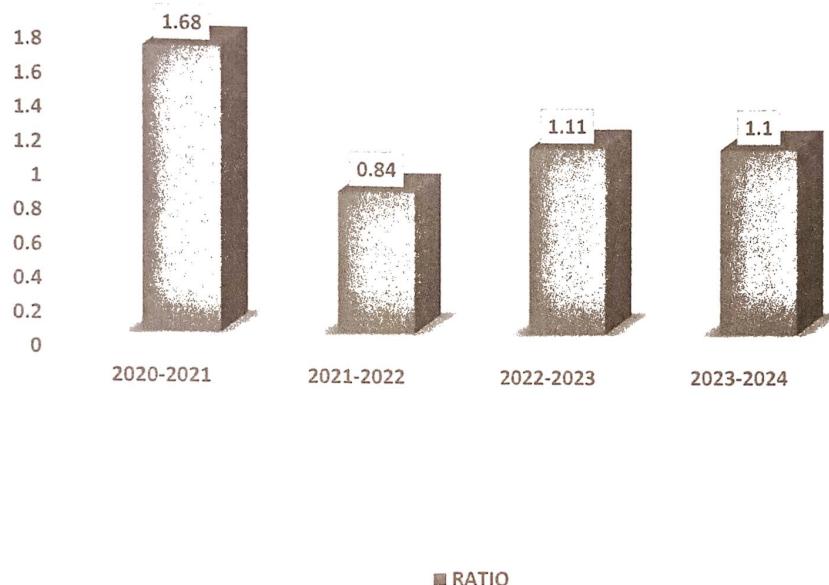
(Source: Secondary data)

Interpretation:

The liquid asset ratio indicates a company's ability to meet short-term liabilities with cash and receivables. It was 1.68 in 2020-2021, showing strong liquidity, but dropped to 0.84 in 2021-2022, raising concerns about short-term financial stability. The ratio improved to 1.11 in 2022-2023 and slightly declined to 1.10 in 2023-2024, reflecting better liquidity than in 2021-2022 but still lower than 2020-2021. The decline suggests a higher reliance on non-liquid assets or increased short-term liabilities, while the improvement indicates better cash management and liability control.

CHART NO: 4.10.1

CHART SHOWING LIQUID RATIO



Comparative statement:

Comparative Financial Statements display the financial data of a company for multiple years, making it easier to compare the company's performance over time. These statements present financial positions for two or more periods, enabling a comparison of financial performance from one year to the next. This format helps analysts, investors, and business managers assess the company's revenue-related expenses, balance sheet changes, and cash flow movements across different periods. Such statements can be used for decision-making, forecasting, and strategic planning. They are commonly used in financial analysis and reporting. This tool is vital for internal and external financial assessments.

These statements are essential for evaluating how well a company or organization is performing in relation to its financial goals. They also serve as a foundation for financial analysis, offering insights into cost management and profitability. Additionally, comparative statements can highlight areas where efficiencies can be made or costs reduced. The comparison helps in setting realistic targets and identifying potential risks or opportunities. Overall, they are a vital tool for tracking and assessing financial performance over time.

Importance of preparing comparative statements:

- **Trend Analysis:** Helps identify trends in financial performance over multiple periods, assisting in understanding growth or decline patterns.
- **Decision-Making:** Provides crucial data for management and stakeholders to make informed business decisions and strategic plans.
- **Performance Evaluation:** Enables comparison of financial performance across different periods or departments, highlighting areas of improvement or concern.
- **Forecasting:** Facilitates more accurate forecasting by analysing past data and projecting future financial outcomes.
- **Financial Health Assessment:** Helps in assessing the overall financial health of a company, indicating whether it is on track to meet its goals.
- **Budgeting and Planning:** Aids in setting realistic budgets and financial targets by providing a benchmark for expected performance.

Advantages of comparative balance sheet:

- **Increase/Decrease Tracking:** Highlights the increase or decrease in various balance sheet items over multiple periods, offering insights into financial shifts.
- **Insightful Comparison:** Focuses on changes in financial variables, offering more detailed insights compared to a single-year balance sheet.
- **Change Analysis:** Enables the study of the nature, size, and direction of changes in balance sheet items, aiding in understanding financial dynamics.
- **Linking P&L and Balance Sheet:** Serves as a link between the Profit and Loss statement and the Balance Sheet, illustrating the impact of business operations on assets.
- **Trend Identification:** Helps identify trends in financial performance and operational efficiency, allowing better strategic planning.

TABLE NO: 4.11**TABLE SHOWING COMPARATIVE BALANCE SHEET**

Particulars	2021	2022	Increase/Decrease	Percentage
Total shareholders fund	4641.68	6101.50	1459.82	31.45%
Total non-current liabilities	79.07	100.64	21.57	27.28%
Total current liabilities	2063.52	12539.87	10476.35	507.69%
Total capital & liabilities	6784.27	18742.01	11957.74	176.26%
Total non-current asset	231.70	2801.53	2569.83	1109.12%
Total current asset	6552.57	15940.48	9387.91	143.27%
Total asset	6784.27	18742.01	11957.74	176.26%

(Source: Secondary data)

Interpretation:

The financial data shows a significant expansion in the company's balance sheet between 2021 and 2022. The **total shareholders' fund** increased by **31.45%**, indicating strong equity growth. **Non-current liabilities** rose by **27.28%**, suggesting a moderate increase in long-term obligations. However, **current liabilities** surged by **507.69%**, possibly due to higher short-term borrowings or payables. **Total capital & liabilities** expanded by **176.26%**, reflecting increased financing. On the asset side, **non-current assets** saw a remarkable **1109.12%** rise, likely due to major investments. **Current assets** grew by **143.27%**, showing improved liquidity. Overall, the **total assets** matched total liabilities, confirming a balanced expansion.

TABLE NO: 4.12**TABLE SHOWING COMPARATIVE BALANCE SHEET**

Particulars	2022	2023	Increase/Decrease	Percentage
Total shareholders fund	6101.50	5129.78	-971.72	-15.93%
Total non-current liabilities	100.64	5157.80	5057.16	5025.00%
Total current liabilities	12539.87	10746.87	-1793	-14.30%
Total capital & liabilities	18742.01	21034.45	2292.44	12.23%
Total non-current asset	2801.53	4455.42	1653.89	59.04%
Total current asset	15940.48	16579.03	638.55	4.01%
Total asset	18742.01	21034.45	2292.44	12.23%

(Source: Secondary data)

Interpretation:

The financial data from 2022 to 2023 indicates notable shifts. **Total shareholders' funds** declined by **15.93%**, possibly due to losses, dividend payouts, or share buybacks. **Non-current liabilities** surged **5025%**, suggesting heavy long-term borrowing or new debt issuance. **Current liabilities** dropped by **14.30%**, implying reduced short-term obligations or repayments. **Total capital & liabilities** grew **12.23%**, reflecting increased funding. On the asset side, **non-current assets** rose **59.04%**, likely due to capital investments. **Current assets** saw a **4.01%** increase, indicating stable liquidity. **Total assets** aligned with liabilities, ensuring balance. The overall changes suggest a strategic shift towards long-term financing and investments.

TABLE NO: 4.13**TABLE SHOWING COMPARATIVE BALANCE SHEET**

Particulars	2023	2024	Increase/Decrease	Percentage
Total shareholders fund	5129.78	4715.47	-414.31	-8.08%
Total non-current liabilities	5157.80	5248.04	90.24	1.75%
Total current liabilities	10746.87	7090.85	-3656.02	-34.02%
Total capital & liabilities	21034.45	17054.36	-3980.09	-18.92%
Total non-current asset	4455.42	4951.30	495.88	11.13%
Total current asset	16579.03	12103.06	-4475.97	-27.00%
Total asset	21034.45	17054.36	-3980.09	-18.92%

(Source: Secondary data)

Interpretation:

The financial data from 2023 to 2024 reflects a contraction in the company's balance sheet. **Total shareholders' funds** declined by **8.08%**, possibly due to losses or dividend distributions. **Non-current liabilities** saw a slight **1.75%** increase, indicating stable long-term borrowing. **Current liabilities** dropped significantly by **34.02%**, suggesting debt repayment or reduced short-term obligations. **Total capital & liabilities** decreased by **18.92%**, mirroring the overall downsizing. On the asset side, **non-current assets** grew **11.13%**, indicating continued capital investment. However, **current assets** declined by **27%**, possibly due to lower cash reserves or inventory reduction. **Total assets** shrank proportionally, aligning with liabilities. The changes suggest a strategic shift towards debt reduction and asset restructuring.

TREND ANALYSIS

Trend analysis is a method of evaluating data over a period of time to identify patterns, tendencies, or movements that can help predict future outcomes. It is widely used in finance, economics, business, and various other fields to analyze past performance and make informed decisions. By examining historical data, trend analysis helps in understanding whether a variable, such as revenue, expenses, stock prices, or customer demand, is increasing, decreasing, or remaining stable. This technique is essential for strategic planning, as it allows organizations to recognize strengths, weaknesses, opportunities, and potential risks. In financial analysis, trend analysis is commonly applied to financial statements, where key metrics like revenue growth, profitability ratios, and cost trends are compared over multiple years to assess a company's performance and financial health.

It helps in identifying patterns such as steady growth, fluctuations, or financial distress. In technical analysis of stocks, trend analysis is used to study price movements and trading volumes to forecast future price directions based on historical trends. Businesses use trend analysis to track consumer preferences, market demand, and industry developments, enabling them to adjust their strategies accordingly. Economists rely on trend analysis to study macroeconomic indicators such as inflation rates, GDP growth, and employment levels to predict economic trends. The method can be performed using different approaches, such as graphical analysis, statistical methods, or mathematical modeling, depending on the complexity of the data and the purpose of the analysis.

Types of Trend analysis:

- **Upward Trend:** Indicates consistent growth in financial metrics like revenue, profit, or stock price, reflecting positive business performance.
- **Downward Trend:** Shows a decline in key financial indicators, signalling potential financial distress or inefficiencies.
- **Sideward Trend:** Represents stability with minimal fluctuations, indicating a period of consolidation or market indecision.

Functions of Trend Analysis:

- **Monitors Revenue Growth:** Tracks revenue patterns over time, identifying seasonal fluctuations and ensuring sustained business expansion.
- **Analyses Cost Behaviour:** Examines trends in operating costs and overheads to detect inefficiencies and implement cost-control measures.
- **Evaluates Capital Structure:** Analyses debt and equity trends to determine financial leverage and optimize funding sources.
- **Measures Efficiency in Asset Utilization:** Assesses asset usage through ROA and asset turnover, identifying inefficiencies that require adjustments.
- **Tracks Dividend and Shareholder Returns:** Monitors trends in dividend payouts, EPS, and ROE to gauge shareholder value and investor confidence.
- **Forecasts Future Financial Performance:** Uses historical trends to predict cash flow, anticipate market changes, and support strategic planning.

Importance of Trend Analysis:

- **Identifies Financial Patterns:** Detects revenue, expense, and profitability trends, enabling businesses to forecast future conditions and make proactive decisions.
- **Assesses Profitability Trends:** Evaluates net profit, gross profit, and operating margins over time, helping in cost control and maintaining profitability.
- **Evaluates Liquidity and Solvency:** Analyzes liquidity ratios (current and quick ratio) to assess short-term financial health and solvency trends for long-term stability.
- **Detects Financial Risks:** Examines debt-equity and interest coverage ratios to identify rising financial risks and optimize capital structure.
- **Supports Investment Decisions:** Helps investors assess growth potential by analyzing ROI and EPS trends, enhancing confidence in financial stability.
- **Aids in Strategic Planning:** Assists businesses in setting financial goals, adapting to market changes, and ensuring long-term success.

TABLE NO:4.14**SHOWING THE TREND ANALYSIS OF THE YEAR 2021-2024**

Particulars	Year-end (Rs.in.million)				Trend percentage			
	2021	2022	2023	2024	2021	2022	2023	2024
Total shareholders fund	4641.68	6101.50	5129.78	4715.47	100	131	111	102
Total non-current liabilities	79.07	100.64	5157.80	5248.04	100	127	6523	6637
Total current liabilities	2063.52	12539.87	10746.87	7090.85	100	608	521	344
Total non-current asset	231.70	2801.53	4455.42	4951.30	100	1209	1923	2137
Total current asset	6552.57	15940.48	16579.03	12103.06	100	243	253	185

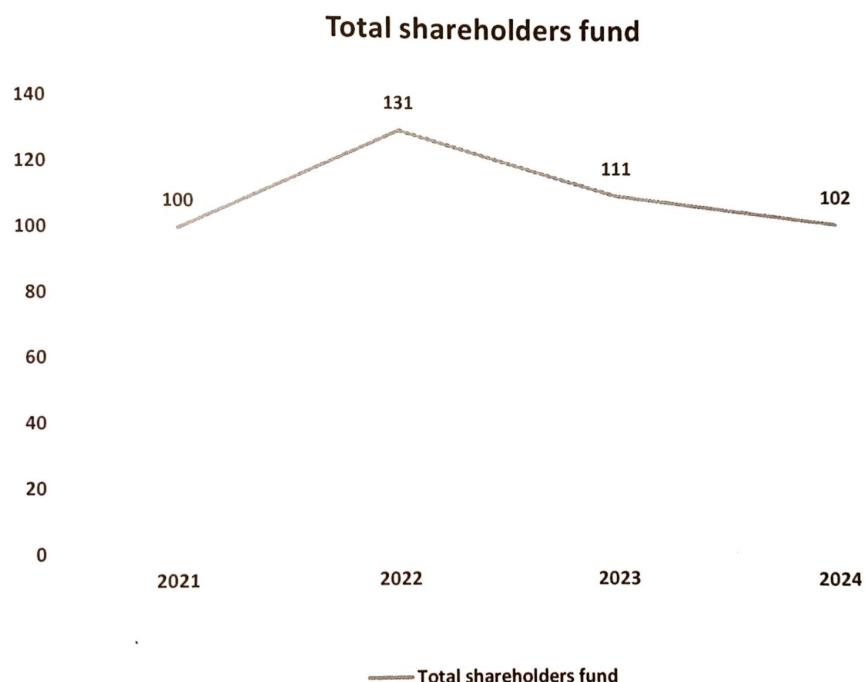
Interpretation:

The company's shareholders' fund grew in 2022 but declined in 2023 and 2024, indicating financial strain. Non-current liabilities surged over 6,500% by 2023, reflecting heavy borrowings, while current liabilities peaked in 2022 before gradually declining, showing improved debt management. Non-current assets expanded significantly, highlighting major investments, while current assets peaked in 2023 but dropped in 2024, possibly due to reduced cash reserves or receivables. The company's debt reliance suggests a shift from aggressive expansion to financial stabilization, with liquidity improving as liabilities decrease.

TOTAL SHARHOLDERS FUND:

CHART NO: 4.14(1)

SHOWING THE TREND CURVE OF SHAREHOLDERS FUND

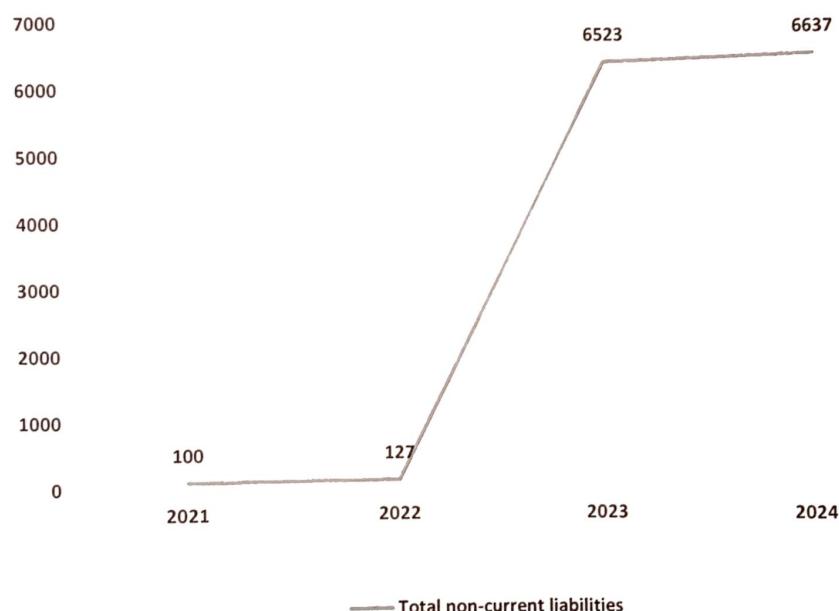


TOTAL NON-CURRENT LIABILITIES:

CHART NO: 4.14(2)

SHOWING THE TREND CURVE OF NON-CURRENT LIABILITIES

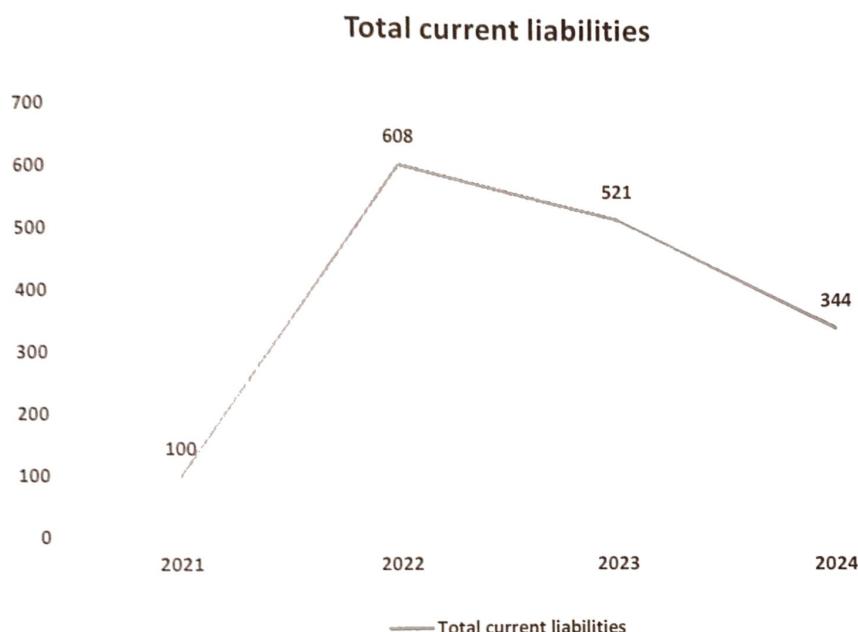
Total non-current liabilities



TOTAL CURRENT LIABILITIES:

CHART NO: 4.14(3)

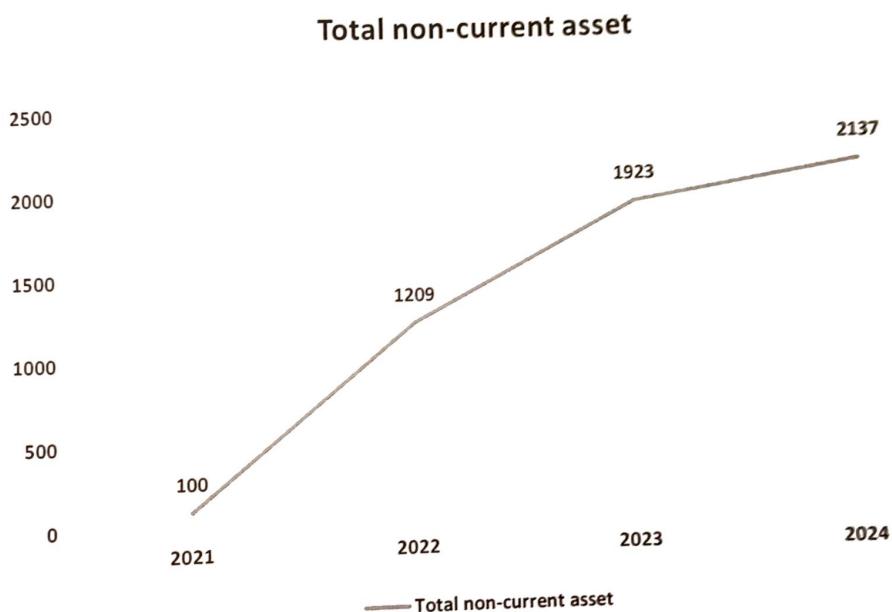
SHOWING THE TREND CURVE OF CURRENT LIABILITIES



TOTAL NON-CURRENT ASSET:

CHART NO: 4.14(4)

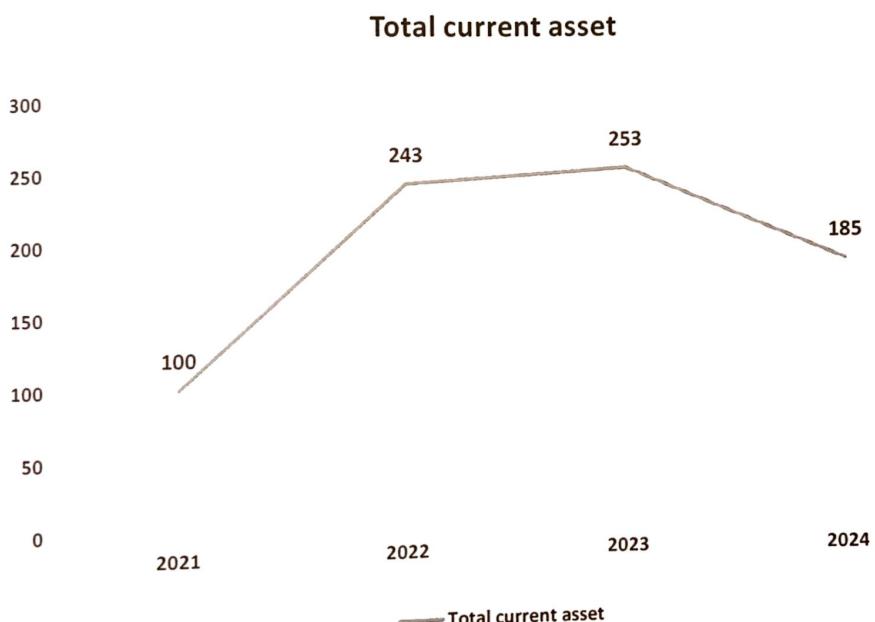
SHOWING THE TREND CURVE OF NON-CURRENT ASSET



TOTAL CURRENT ASSET:

CHART NO: 4.14(5)

SHOWING THE TREND CURVE OF CURRENT ASSET



CHAPTER V

FINDINGS, SUGGESTIONS AND CONCLUSION

CHAPTER V

FINDINGS, SUGGESTION AND CONCLUSION

5.1 Findings:

- The gross profit ratio shows an improvement, rebounding from a decline of 17.58% in 2021-2022 to 23.12% in 2022-2023 and further rising to 26.04% in 2023-2024. This indicates enhanced cost management, pricing strategies, and product mix, reaching the highest level in four years.
- The net profit ratio dropped significantly from 6.54% in 2020-2021 to 2.74% in 2021-2022 and worsened further to a negative ratio of -3.08% in 2022-2023, reflecting a net loss of ₹10,114.6 million. Although the loss reduced to ₹5,359.3 million in 2023-2024, the ratio remained negative at -1.72%, suggesting ongoing financial struggles due to rising expenses, inefficiencies, or reduced pricing power.
- The return on assets (ROA) ratio declined from 12.66% in 2020-2021 to 4.21% in 2021-2022, and then turned negative at -4.81% in 2022-2023, showing poor asset utilization. While the loss decreased in 2023-2024, the ratio remained negative at -3.04%, highlighting challenges in utilizing assets effectively.
- The return on investment (ROI) dropped from 18.50% in 2020-2021 to 12.92% in 2021-2022 and then reported a negative ROI of -19.72% in 2022-2023, reflecting significant shareholder value loss. Although losses decreased in 2023-2024, the ROI remained negative at -11.37%, suggesting continued difficulty in generating positive returns due to inefficiencies and high operating costs.
- The owned capital turnover ratio rose from 2.83 in 2020-2021 to 6.58 in 2023-2024, reflecting the company's improved efficiency in using shareholder equity to generate sales.
- The working capital turnover ratio surged from 2.93 in 2020-2021 to 8.70 in 2021-2022, showing better utilization of working capital to drive sales. However, it decreased to 5.59 in 2022-2023 before slightly improving to 6.19 in 2023-2024, indicating a slight decline in efficiency compared to the peak in 2021-2022.
- The debt-equity ratio surged from 0.11 in 2020-2021 to 1.53 in 2021-2022, reflecting an increase in debt to fund expansion. This rose further to 2.43 in 2022-2023 before

slightly decreasing to 1.87 in 2023-2024, suggesting efforts to manage debt more prudently despite the initial increase.

- The current ratio dropped from 3.18 in 2020-2021 to 1.27 in 2021-2022, signaling reduced liquidity. However, it improved to 1.54 in 2022-2023 and further to 1.71 in 2023-2024, reflecting better management of short-term obligations and an improvement in liquidity.
- The liquid asset ratio decreased from 1.68 in 2020-2021 to 0.84 in 2021-2022, indicating liquidity concerns. Although it improved to 1.11 in 2022-2023 and slightly declined to 1.10 in 2023-2024, it remained lower than the 2020-2021 level, suggesting ongoing challenges in managing liquid assets effectively.
- **Reason for the loss on year 2023 and 2024:** Wearables revenue declined nearly 40% from ₹9,106 million in FY23 to ₹5,503 million in FY24 due to intense competition from OnePlus and Xiaomi, limiting BoAt's market share.
- Overseas revenue plummeted by 89% from ₹1,215 million in FY23 to ₹138 million in FY24, reflecting struggles in global markets due to competition and scalability challenges.
- Growing competition from brands like JBL, Sony, and Noise led to pricing pressures, reducing revenue and margins in both audio and wearables.
- Advertising expenses, though reduced by 14% in FY24 to ₹3.657 million, remained high, straining profitability despite optimization efforts.
- Heavy R&D and marketing investments in smartwatches, particularly Storm Call 3, contributed to short-term losses.
- The audio segment saw a 5% revenue increase to ₹24,592 million in FY24, but market share declined due to shifting consumer preferences.
- High setup costs for domestic manufacturing under "Make in India" increased expenses, impacting FY24 financials despite long-term savings potential.
- While equity and working capital efficiency improved, profitability and liquidity challenges persist, highlighting the need for strategic cost management.

5.2 Suggestions:

- Focus on Cost Efficiency: The company should prioritize cost-cutting measures, especially in areas with high expenses, such as advertising and procurement. By optimizing operating expenses, it can help improve profitability and move towards positive net profit margins.
- Enhance Asset Utilization: The continued negative return on assets (ROA) suggests that the company should focus on improving asset efficiency. This could involve reviewing its asset base, reducing underperforming assets, and investing in more profitable assets that generate higher returns.
- Diversify Revenue Streams: BoAt should focus on expanding its product offerings beyond wearables and audio products. Exploring new product categories or enhancing its existing portfolio with innovative features can help reduce reliance on a single segment, especially with the declining wearables sales.
- Strategic Debt Management: While the company has reduced its debt-to-equity ratio slightly, it should continue focusing on managing its debt more efficiently. This can be achieved by prioritizing debt reduction, securing better terms for future borrowings, and ensuring that debt levels remain sustainable to avoid financial strain.

5.3 Conclusion:

Finance plays a crucial role in determining the health and sustainability of any business. If not managed effectively, it can lead to significant challenges and hinder long-term growth. Therefore, acquiring and utilizing finance efficiently is of utmost importance.

- The financial analysis of BoAt imagines marketing Ltd has provided valuable insights into the company's financial position and performance. Through this analysis, key areas such as profitability, liquidity, and asset utilization have been examined, offering a clear view of the company's strengths and weaknesses.
- BoAt has improved its gross profit and working capital turnover but still faces profitability and liquidity challenges. Cost optimization and better asset utilization are essential for stability. Revenue diversification can help mitigate risks. While efforts to reduce losses are commendable, further strategic measures are needed. With the right approach, financial performance can strengthen.