Internship Report on
Financial Performance Analysis of Kabir Toy Garden Ltd

Submitted To

Dr.MD.Abdur Rouf

Associate Professor & Director

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Submitted By

TASLIMA AKTER RIA

ID: 213-14-363

Program: MBA

Major in Finance

Department of Business Administration

Daffodil International University

Submitted of Date: 18-05-2024

Letter of Transmittal

To,
Dr.MD.Abdur Rouf
Associate Professor & Director
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Subject: Submission of Internship Report on **"Financial Performance Analysis of Kabir Toy Garden (KTG) Ltd."**

Dear Sir,
After completing my internship, I am pleased to submit my work report on financial analysis for Kabir Toy Garden (KTG) Ltd. I have made the best choice to abide by all of Kabir Toy Garden (KTG) Ltd.'s terms and conditions. To what extent am I capable? I will gladly heed your counsel and adhere to your schedule. During the interview, I was informed about each of these topics.
This internship document's entire contents are available for viewing. Please help me as much as you can, and please accept my appreciation. This greatly aids in accurately preparing the report. I appreciate your thoughtfulness.

Sincerely yours,
TASLIMA AKTER RIA
ID: 213-14-363
Program: MBA
Major in Finance
Department of Business Administration
Daffodil International University

Approval of Internship Report

This is to notify you that, **Taslima Akter Ria, ID 213-14-363**, has prepared this internship report entitled "Financial Performance Analysis of Kabir Toy Garden Ltd "under my guidance, I hereby approve this internship report. This is to partially fulfill an MBA degree major in Finance under the Department of Business Administration of Daffodil International University.

I wish him every moral success in life.

29.04.24

Professor Dr. Md Abdur Rouf

Professor in Accounting

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Prof. Dr. Md. Abdur Rouf
Professor in Accounting
Department of Business Administration
Daffodil International University

Certificate of Supervisor

This is to certify that **Taslima Akter Ria** , ID:213-14-363 MBA, Department of Business Administration ,Daffodil International University has done the internship report on "**Financial Performance Analysis of Kabir Toy Garden (KTG) Ltd. "at Ashulia Branch"** as a partial requirement of MBA Program. During the preparation of this report, he followed all of my guidelines.

I have gone through the whole report and I found it well and understandable. He has completed this report by his own effort. I wish his all success.

…………………………………

Dr. MD. Abdur Rouf
Associate Professor & Director
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Students Declaration

The undersigned hereby certifies that they have completed the internship report titled "Financial Performance Analysis of Kabir Toy Garden (KTG) Ltd" in order to fulfill the requirements for their MBA degree from Daffodil International University's Head of Department of Business Administration, Faculty of Business & Entrepreneurship. Additionally, it is stated that this paper was written exclusively for academic purposes and has not been submitted, nor will it be, anywhere else for any other reason.

TASLIMA AKTER RIA
ID: 213-14-363
Program: MBA
Major in Finance
Department of Business Administration
Daffodil International University

Acknowledgement

Thanks to Almighty Allah for enabling me to complete this internship report. I am also grateful to my family for their support during the preparation of the recipe.
Then I would like to thanks my supervisor,

Dr.MD.Abdur Rouf
Associate Professor and Director

I am grateful to the Department of Business Administration for their invaluable guidance, which has made the completion of my report effortless. It goes without saying that without their cooperation, this would not have been possible. Additionally, I am grateful to Soiyod Nazmul Huda, the Managing Director of Kabir Toy Garden Ltd., who has been a great help in teaching me about organization activities. In addition, I am grateful to all the employees of the organization who have worked with me to understand how they actually operate. Lastly, I would like to express my gratitude to my older siblings for their advice on how to properly complete my paper. Ultimately, I will always remember these wonderful people for their excellent cooperation.

Executive Summary

There are six chapters in this report. The first chapter of this report covers the introduction. In the first chapter, the study's introduction, history, goal, methodology, and limitations are covered.

The general profile of Kabir Toy Garden was covered in the second chapter. This chapter includes a summary of Kabir Toy Garden's core values, vision, and mission, as well as company information.

Financial performance analysis is included in the report's fourth and most important chapter. It involves performing ratio analysis (Liquidity, Activity, Debt, Profitability), common size income statement, and trend analysis (revenue, operational profit, profit after tax, total assets, and liabilities). The analysis yielded a quite satisfactory outcome.
Based on a review of financial performance, the fifth chapter

The final five or six analysis-based results include some recommendations or suggestions for raising financial performance. In this chapter, general conclusions are presented.

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Chapter -1

Introduction

1.1 Introduction

An essential component of the MBA curriculum is the internship program. In order to compete in the future MBA program, I need to acquire practical knowledge and abilities. Theory can be productive with the right exposure. For this reason, a practical perspective is a good thing in the working world. In this sense, an integral component of the two-year MBA Program is the significance of real-world experience and three months of insightful exposure. In light of these circumstances, the current report attempts to analyze the practical orientation experiences associated with an evaluation of Kabir Toy Garden.

1.2 Origin of the Study

Every student, but especially MBA students, should participate in the internship program since it gives them a better understanding of real-world situations. Participating for three months in a real-world work setting is an essential component of the Daffodil International University MBA program after completing all needed courses. In light of this, I have finished my three-month internship at Kabir Toy Garden, which has enabled me to better comprehend and learn about the actual circumstances facing the company.

After enrolling in the Kabir Toy Garden internship program, I was given the assignment "Financial Performance Analysis: A Study on Kabir Toy Garden." I had a fantastic opportunity to gain in-depth understanding of all the financial flows that Kabir Toy Garden practices when I was drafting this report. It also enabled me to gain firsthand knowledge of a top DGDP-listed company in Bangladesh. It is also important to remember that the information provided here is proprietary and cannot be utilized in whole or in part by anybody.

The report was initiated as an audit of the bookkeeping of Kabir Toy Garden Limited as one of the interests of the temporary work required for the completion of the MBA Program at Daffodil International University. According to the MBA study plan, this participation was given to me under the supervision of **Dr. MD. Abdur Rouf , Associate Professor & Director** Daffodil International University of Permanent Campus. The Association Secretary of Kabir Toy Garden Limited and approved by the practice is to provide an open hand for learning and the opportunity for the interpretation of historical thinking in the real situation. Understudies put into undertakings, organizations, and research perspectives as well as development projects. Then, this report is organized after completion of 3 months hierarchical link at Kabir Toy Garden Limited

1.3 Objective of the Study

The objective of the study is to case categories into two types:

- General Objective
- Specific Objective

1. General Objective:

This study's main goal is to present "Financial Performance Analysis: A Study on Kabir Toy Garden."

2. Specific Objectives:

- to evaluate Kabir Toy Garden Limited's liquidity condition.
- to evaluate Kabir Toy Garden Limited's profitability situation.
- To disclose issues regarding the financial performance Kabir Toy Garden along with some possible recommendation.

1.4 Nature of the Study

Descriptive in nature, the study will outline certain courses of action for the many activities in Kabir's toy garden as well as the function of financial performance analysis. After consulting with the academic supervisor, the report was written using the direction and training given by the organizational supervisors.

The main goal of this study is to familiarize students with the real-world business environment and to provide them with practical knowledge regarding the financial performance analysis of Kabir Toy Garden. These skills are crucial for preparing students for the ever-increasing challenges that face the labor market. The management will find the report's conclusions useful as they work to enhance all cash flows and market the business's offerings to clients. Therefore, the study will assist upper management in raising customer satisfaction levels. Additionally, it would be a fantastic chance to gain firsthand experience in a variety of activity domains. Therefore, this study is very important to me and the organization.

1.5 Scope of the Study

The analysis of Kabir Toy Garden's financial performance has been the main topic of this study. To make the study and assessment of the credit performance easier, however, I have focused on other organizational areas. In every section where I wished to delve in order to gather information, I have collaborated with the respective organization's management.

1.6 Limitation of the Study

To make the Report realistic and properly accepted, this Report has been conducted. However, many problems appeared in the way of achieving the study. All the given information needs to be completed. Some of the data is a company secret and vital and only provided to some persons to know about it. However, I tried my best to settle and passed up the Report before the due date and hoped it was satisfactory. The study considers the following limitations:

- Lack of in-depth knowledge and analytical ability for writing such a Report.
- Another limitation of this study is the bank's policy of not disclosing some data and information for obvious reasons, which could be very useful.
- There was very little secondary information available in the case of the secondary data collection. There were few supporting books, reports, journals etc.
- Lack of experience in analyzing data.
- As the duration of the internship program is three months, and the process of this program is job rotation, I did "t get sufficient time in each department to understand their activities.
- Gathering information about the banking performance took a lot of work. That is why I have to follow more on secondary data like annual Reports, websites and some banking documents.
- My report is limited by my lack of knowledge in the broad field of banking.

Chapter-02

Organization Overview

2.1 Company Profile

Kabir Toy Garden Ltd. joined under the organization's demonstration of 1994 on 9 December 2015. The task is situated at Bangabandhu Road, Gouripur, Ashulia, Savar, and Dhaka. The area of the task appreciates all modern infrastructural offices including an astounding correspondence organization. Kabir Toy Garden appropriately enlisted with the recorder of Joint Stock Companies and Firms. The organization produces over 150 sorts of youngsters' toys. The organization imports its crude material and apparatus from China, Thailand, India, UAE, and Taiwan.

The Managing Director is the CEO of the organization and he is liable for the general administration of the task under the immediate management of the top managerial staff. The administration body has sufficient experience concerning this line of business. The general administration interaction of the venture is vested in the governing body. Around 800 people work in Kabir Toy Garden Ltd.

2.2 Brand of HARK group

Kabir Toy Garden

2.3 Mission of Kabir Toy Garden Ltd

To create, assembling, and market top-notch items for kids that are charming for the kid, have instructive advantages for the youngster, and are a decent incentive for the buyer. Our central goal to sell toys that form a profound worth and association between each youngster and parent, and yet is engaging, fun, and harmless to the ecosystem. It accepts that the best toys fueled by the inventiveness and innovative play and endeavors to stock toys that are valued and appreciated for some, numerous years to come. We search out change and consistently prepared to grow new pathways.

2.4 Vision of Kabir Toy Garden Ltd

The mission of Kabir Toy Garden Ltd. is to provide the best educational toys out there.

- Sustain performance.
- Families in the core of their own home while being aware of things to come of their reality as well as that of their kids' as well.
- Achieving excellence in process and technology.
- To help give you a play-shelter for youngsters
- To placed delight in children's souls and a grin on parent's countenances. .
- Leveraging through competent people.
- Trust in new product design

2.5 Goal of Kabir Toy Garden Ltd

Making the greatest recreational and educational toys for children of all ages has been Kabir Toy Garden Ltd's mission since the company's founding in 2015. Our primary focus lies on the potential of our goods to support children's early development.

2.6 Core Objective of Kabir Toy Garden Ltd

- Develop their people
- Produce and ship good quality goods on time every time
- Keep factory technically and socially compliant.
- Achieve yearly sales target with minimum specified margin/CM.

2.7 Core Value of Kabir Toy Garden Ltd

- Lead through service excellence.
- Maximum resource utilization.
- Maintain global presence & standards economically.
- Develop intellect to build human capital.

2.8 SAFETY RULES OF KABIR TOY GARDEN is following the safety rules:

- As you can see, every tool needed for the task is available, and they are in good physical shape.
- Wear shoes when performing any installation or electrical work.
- When working in high-voltage regions, provide extra time to finish tasks and use meters.
- Taking extra precautions to avoid spillage on the floor is necessary when handling big machinery.
- It is important to ensure that ladders are securely positioned on the floor when working with them.
- Put up a warning notice outside the installation site while it's being installed.
- Be alert for snatchers when leaving the office carrying a toolbox.
- When handling chemicals or batteries, take care to prevent cracks. If there are any such divergences, wash the affected area of the body multiple times with water right away, and if any apparent skin strains, report them to the doctor.
- Call the office right away for assistance if there are any injuries or safety concerns.
- When doing electrical work on any location, exercise extreme caution.

Chapter 3:

Theoretical analysis

The quantitative evaluation of a company's financial performance is known as ratio analysis. As the financial accounts show, it offers important details regarding the organization's profitability, solvency, operational effectiveness, and liquidity positions.

3.1 Liquidity Ratio

Maintaining liquidity is crucial for a firm. Liquidity is necessary for a business to settle its immediate debts. Liquidity ratios measure a company's capacity to pay down its short-term debt.
A company's liquidity ratio indicates how quickly its assets can be converted and used to settle existing debts. The higher the proportion, the easier it is to pay off debt and avoid default.
Before providing the business with short-term loans, lenders confirm this crucial prerequisite. The creditworthiness and credit rating of a business are impacted when payments are not made on time.

Types of Liquidity Ratio

- Current Ratio or Working Capital Ratio
- The quick Ratio, also known as Acid Test Ratio
- Cash Ratio, also known as Cash Asset Ratio or Absolute Liquidity Ratio
- Net Working Capital Ratio

Current Ratio

A company's current ratio indicates how likely it is to pay off its debt in a year. Creditors use this ratio to determine if a company is qualified for short-term loans. It provides information on the business's operational cycle as well. The Working Capital Ratio is another popular term for it. It can be computed by dividing the current assets by the current liabilities.
This is how the current ratio can be found:
Current Ratio = Current Assets / Current Liabilities
For most businesses, a current ratio of two or above is ideal, but a result of less than one (1) suggests that a company is having trouble paying its current liabilities.

Quick Ratio

The quick ratio, also known as the acid test ratio, determines whether a company has enough liquid assets on hand to cover its immediate short-term liabilities. To calculate, divide the current liquid assets by the current liabilities.

It is represented as

Quick Ratio = (Cash + Marketable securities + Accounts receivable) / Current liabilities

A financially stable company's ideal quick Ratio should be one (1).

Cash Ratio

The ability of a business to pay off debt using liquid assets—that is, cash and cash equivalents like marketable securities—is measured by the cash ratio. Creditors use it to determine how readily a company can settle short-term debt.

By dividing current commitments by cash and cash equivalents, it is calculated.

Cash ratio = Cash and equivalent / Current liabilities

Net Working Capital Ratio

The ability of a business to maintain operations with adequate cash flow is assessed by looking at its net working capital ratio. By deducting the current liabilities from the current assets, it is computed.

Net Working Capital Ratio = Current Assets – Current Liabilities

Liquidity Ratio Formula

- Current Ratio Current Assets / Current Liabilities
- Quick Ratio (Cash + Marketable securities + Accounts receivable) / Current liabilities
- Cash Ratio Cash and equivalent / Current liabilities
- Net Working Capital Ratio Current Assets – Current Liabilities

3.2 Profitability Ratios

The profitability ratio is one type of accounting ratio that may be used to evaluate a business's financial performance at the end of an accounting period. The profitability ratios of a business show how profitable its activities can be.

Let's now discuss the many types of profitability ratios.

Types of Profitability Ratios

According to the revised CBSE syllabus, the following kinds of profitability ratios are covered for Class 12 Accountancy students:

- Gross Profit Ratio
- Operating Ratio
- Operating Profit Ratio
- Net Profit Ratio
- Return on Investment (ROI)
- Return on Net Worth
- Earnings per share
- Book Value per share
- Dividend Payout Ratio
- Price Earnings Ratio

Gross Profit Ratio

The gross profit ratio, a profitability ratio, quantifies the relationship between gross profit and net sales revenue. In percentage terms, it is also known as the gross profit margin.

For the Gross Profit ratio, the formula is:

Gross Profit Ratio = Gross Profit/Net Revenue of Operations × 100

A variable gross profit ratio is a sign of subpar goods or subpar operations.

Operating Ratio

In relation to the revenue generated by the operations, the operating ratio is computed to ascertain the cost of operation.

The following is the formula for the operating ratio.

Operating Ratio = (Cost of Revenue from Operations + Operating Expenses)/

Net Revenue from Operations ×100

Operating Profit Ratio

The operational profit ratio is one type of profitability ratio that is used to determine operating profit and net revenue from operations. It expresses itself as a percentage.

The following formula can be used to calculate the operational profit ratio:

Operating Profit Ratio = Operating Profit/ Revenue from Operations × 100

Or Operating Profit Ratio = 100 – Operating ratio

Net Profit Ratio

The net profit ratio is a crucial profitability metric that shows how net sales and net profit, or profit after taxes, are related. It is known as the net profit margin when expressed as a percentage.

This is how the net profit ratio is calculated:

Net Profit Ratio = Net Profit after tax ÷ Net sales

Or

Net Profit Ratio = Net profit/Revenue from Operations × 100

It assists investors in assessing how successfully operating and administrative costs are controlled, as well as if the company's management can turn a profit from sales.

Return on Capital Employed (ROCE) or Return on Investment (ROI)

A profitability ratio known as return on investment (ROI) or return on capital employed (ROCE) measures how well a company can use its capital to generate a profit. This important ratio is mostly used by investors when choosing which firms to invest in.

The formula for calculating return on capital employed is as follows:

ROCE or ROI = EBIT ÷ Capital Employed × 100

Where EBIT = Earnings before interest and taxes or Profit before interest and taxes
Capital Employed = Total Assets – Current Liabilities

Return on Net Worth

This is used to determine if shareholder investments have the ability to provide profitable returns. It is also known as the return on shareholder funds.
It must always exceed the return on investment, as failure to do so would suggest improper use of corporate capital.
The following formula is used to determine return on net worth:
Return on Shareholders' Fund = Profit after Tax / Shareholders' Funds × 100
Or Return on Net Worth = Profit after Tax / Shareholders' Funds × 100

Earnings per Share (EPS)
One profitability measurement that shows how much a company makes is called earnings per share, or EPS. The computation involves dividing the net profit by the total number of outstanding shares.
To compute EPS, use the following formula:
Earnings per share = Net Profit ÷ Total no. of shares outstanding
Having higher EPS translates into more profitability for the company.

Book Value per Share
The book value per share is calculated by dividing the total number of outstanding shares by the equity that is available to common shareholders.
One method to compute equity is:
Equity funds consist of preference share capital plus shareholder money.
The following formula can be used to get book value per share:
Book Value per Share = (Shareholders' Equity – Preferred Equity) / Total Outstanding Common Shares.

Dividend Payout Ratio

The amount distributed as dividends to shareholders based on the net income the company makes is determined by the dividend payout ratio.

The calculation for it is as follows:

Dividend Payout Ratio (DPR): Dividends per share / Earnings per share

Price Earnings Ratio

This is also known as the P/E Ratio. It establishes a connection between a company's share price and earnings per share. Investors will benefit from this since they will be more interested in learning whether the company can support its claims and how profitable it will be in the future.

The P/E ratio is calculated as follows:

P/E Ratio = Market value per share ÷ Earnings per share

It shows if the company's stock is overvalued or undervalued.

Efficiency Ratios

Efficiency ratios are a type of metric used to evaluate how successfully a company generates revenue using its capital and assets. By comparing costs to revenues, the ratios indicate the potential profit or return on revenue that a company can make from the money it spends running its operations.

Accounts Receivable Turnover

The outstanding debt The effectiveness of your company's credit policies is gauged by turnover. Low rates of receivable turnover could indicate that your business struggles to promptly provide credit or collect unpaid debts from clients. If all else is equal, a high account turnover rate is advised.

Accounts Receivable Turnover = Revenue / (Average Accounts Receivable)

Inventory Turnover

You can assess how effectively you manage the inventory levels in your business by looking at inventory turnover. If the number is excessively low, you may be overstocking your goods, overbuilding, or in need of assistance in boosting customer sales. Therefore, the better your inventory management policy is, the higher the inventory turnover. The following is how it is measured:

Inventory Turnover = (Cost of Sales) / (Average Inventory)

Accounts Payable Turnover

This ratio assesses if the business has enough cash on hand to cover its short-term obligations. If the number is high, the business must negotiate favorable conditions for supplier payments. This is how it is measured.

Accounts Payable Turnover = (Cost of Sales) / (Average Accounts Payable)

3.3 TREND ANALYSIS OF Kabir Toy Garden.

Analyzing trends in ratios, as well as their absolute levels, is significant. The study of patterns provides clues as to whether the financial position of a business is likely to change or deteriorate. A base year is chosen for trend analysis, and a weight of 100 per cent is applied to the amounts appearing on the financial statements of the base years. Comparisons are then rendered to the base year by presenting the total of the other years as a percentage of the amounts of the base years. Trend analysis helps compare financial statements over many years as they show the trends that occur over time so that the management can clearly see the outcome they need.

Income Statement	2019	2020	2021	2022
Sales and Revenue	20,102.22	18,981.41	20,622.01	19,847.93
Sales Growth	3.84%	10.95%	8.31%	10.09%
Cost of Goods Sold (COGS) Inc. D&A	14,338.77	17,166.16	16,588.71	14,872.77
COGS Excluding D&A	21,510.12	21,038.07	10,143.77	13,444.98
Depreciation & Amortization Expense	8,316.78	7,151.74	5,798.21	5,565.87
Depreciation	1,970	2,028	1,998	1,766
COGS Growth	2.23%	10.07%	9.83%	8.79%
Gross Income	21,140	20.001	17,862	26,569
Profit before Tax and Provision	4,725.20	4,539.91	6,822.39	10,553.13
Profit after Tax	1,578.91	2,116.63	2,660.29	5,567.87

Balance Sheet

Balance Sheet	2019	2020	2021	2022
Authorized Capital	17,500.00	17,500.00	17,500.00	30,000
Paid-up Capital	14,196.03	15,615.51	18,177.21	19,753.28
Reserve Fund & Surplus	9,179.03	10,196.64	12,448.29	17,390.77
Total Share Holders' Equity	23,374.19	24,929.64	27,963.95	37.204.88
Deposits	258,334.74	293,642.97	303,298.18	305,429.76
Investments	227,169.79	251,098.98	202,776.16	209,342.65
Investment Growth	20.59%	59.03%	7.68%	86.02%
Total Account Receivable	7,886	5,655	5,426	2,707
Other Receivables Gross	39.45%	4.22%	100.42%	33.61%
Inventories	5,982	4,899	4,965	4,082
Finished Goods	2,134	1,630	1,701	1,301
Raw Materials	2,587	2,141	1,938	1,784
Progress Payments & Other	924	854	1,067	762
Other Current Asset	952	853	1,070	762
Prepaid Expense	495	48	243	50

Total Asset	47,384	38,412	28,442	23,176
Net Property, Plant & Equipment	20,874	20,854	20,565	19,324
Buildings	9,744	9,105	8,421	7,909
Land & Improvements	5,771	5,405	4,784	4,024
Machinery & Equipment	15,154	14,733	14,314	13,300
Construction in Progress	1,240	1,102	1,078	895
Leased	121	121	-	-
Transportation Equipment	2,667	2,467	2,185	1,990
Other Property , Plant & Equipment	3,658	5,725	5,090	4,732

Chapter 4

Financial Statement Analysis

Ratio Analysis

Ratio analysis is a crucial technique for determining the potential and issue areas of a business or organization. Every firm needs to use ratio analysis because it helps us identify the company's strengths and weaknesses as well as its profitability position.

Included is the ratio analysis, which is necessary to determine the potential and issue areas of a business or organization. A thorough evaluation of the company's performance is achieved by the use of several ratio analyses, such as the debt ratio, profitability ratio, liquidity ratio, efficiency ratio, and activity ratio.

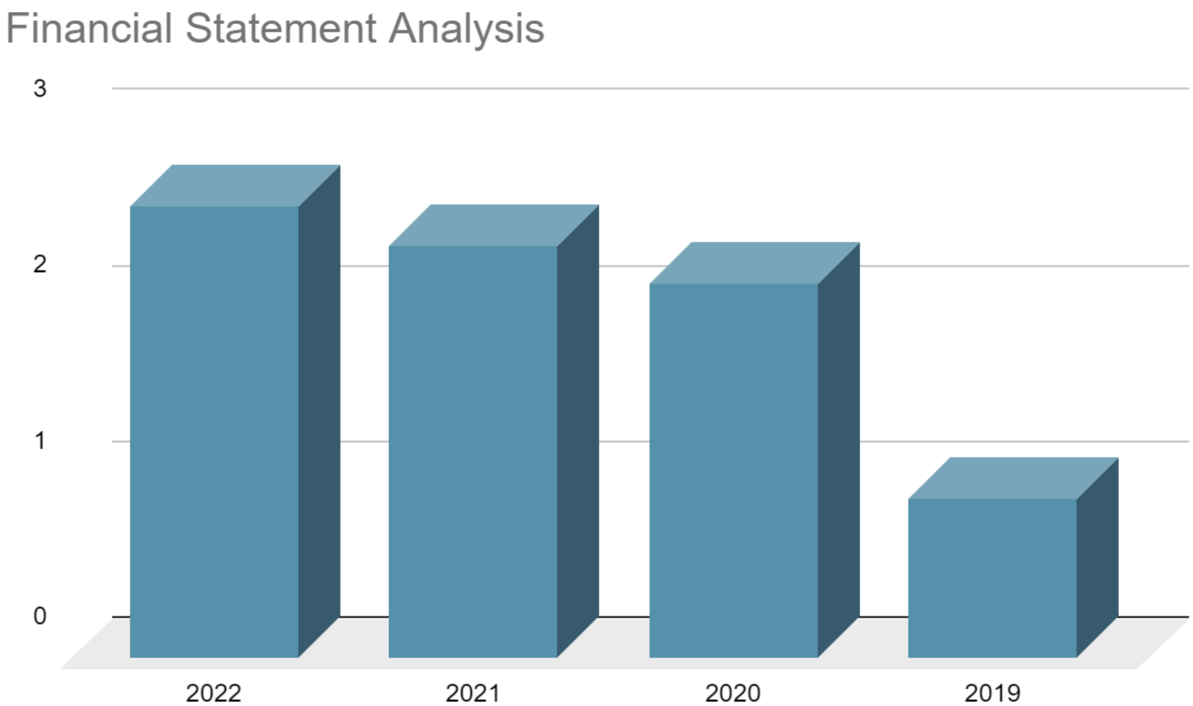
Liquidity ratios

Liquidity ratios are financial measures that evaluate a debtor's ability to settle debts without needing to find new sources of money. The current ratio, quick ratio, and operating cash flow ratio are among the indicators used by liquidity ratios to evaluate a company's margin of safety and ability to satisfy its financial obligations.

- **Current Ratio**

One well-known indication of liquidity is the current ratio. It displays if the business can use its current assets to meet debts that are due in the upcoming year.

Year	2022	2021	2020	2019
CURRENT RATIO	2.57	2.35	2.13	0.91


Financial Statement Analysis
3
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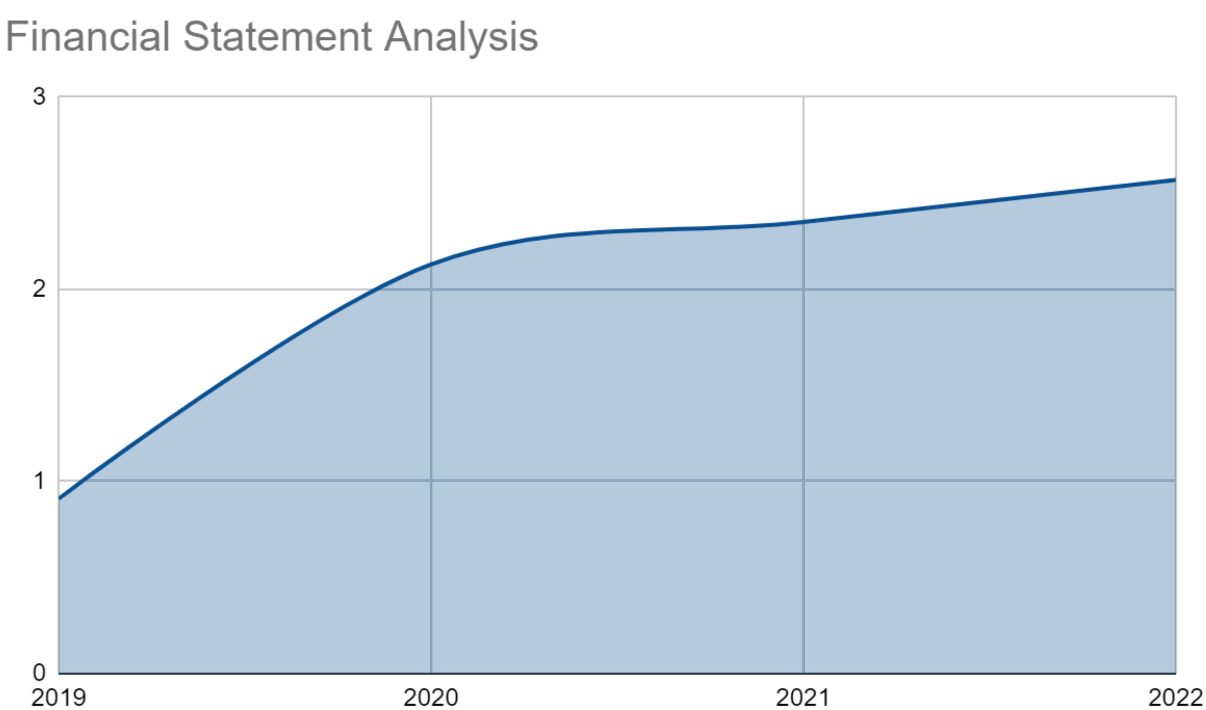
2022
2021
2020
2019


Financial Statement Analysis
3
2
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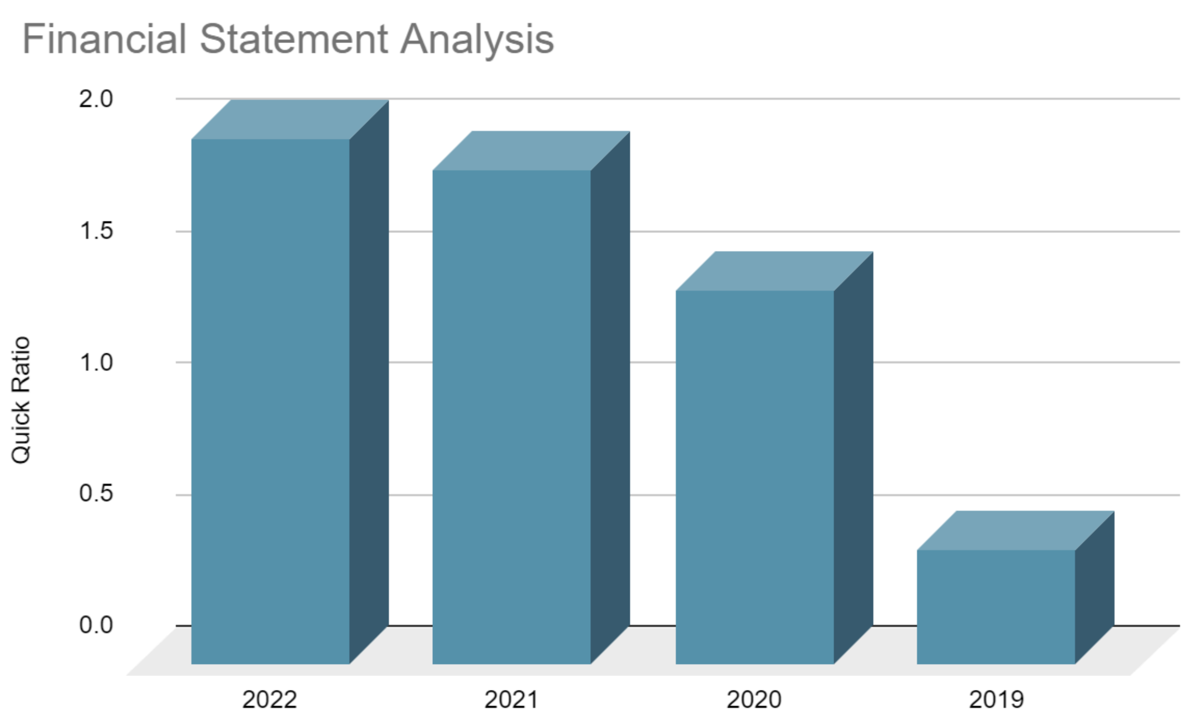
2019
2020
2021
2022

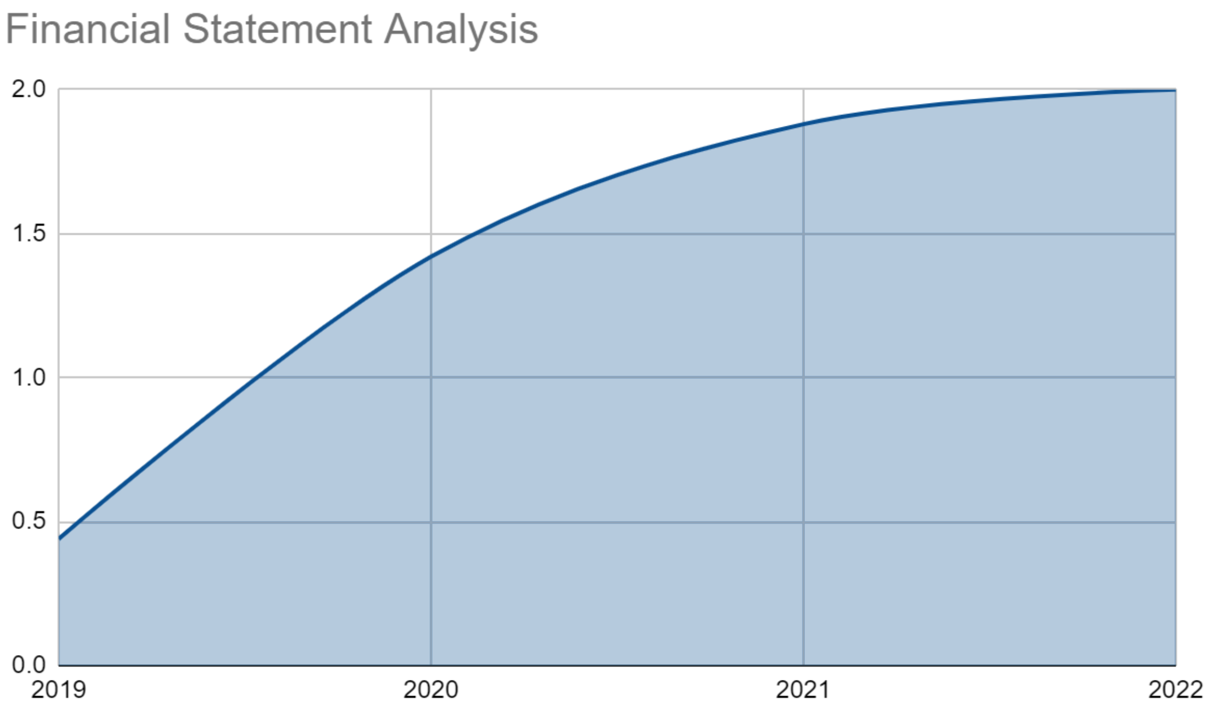
Between 2019 and 2020, Kabir Toy Garden's current ratio improved. A corporation is 'expanding into' its capacity if its current ratio is rising. It's also critical to keep in mind that a company's current ratio—which dropped from 2020 to 2022—can be abruptly and unpredictably impacted by substantial investments made in anticipation of future growth or the sale of unnecessary assets. In 2020, their present ratio is the best compared to prior years.

- **Quick Ratio**

A measure of a company's capacity to pay short-term debts with its most liquid assets is called the quick ratio.

	2022	2021	2020	2019
QUICK RATIO	2.00	1.88	1.42	0.440



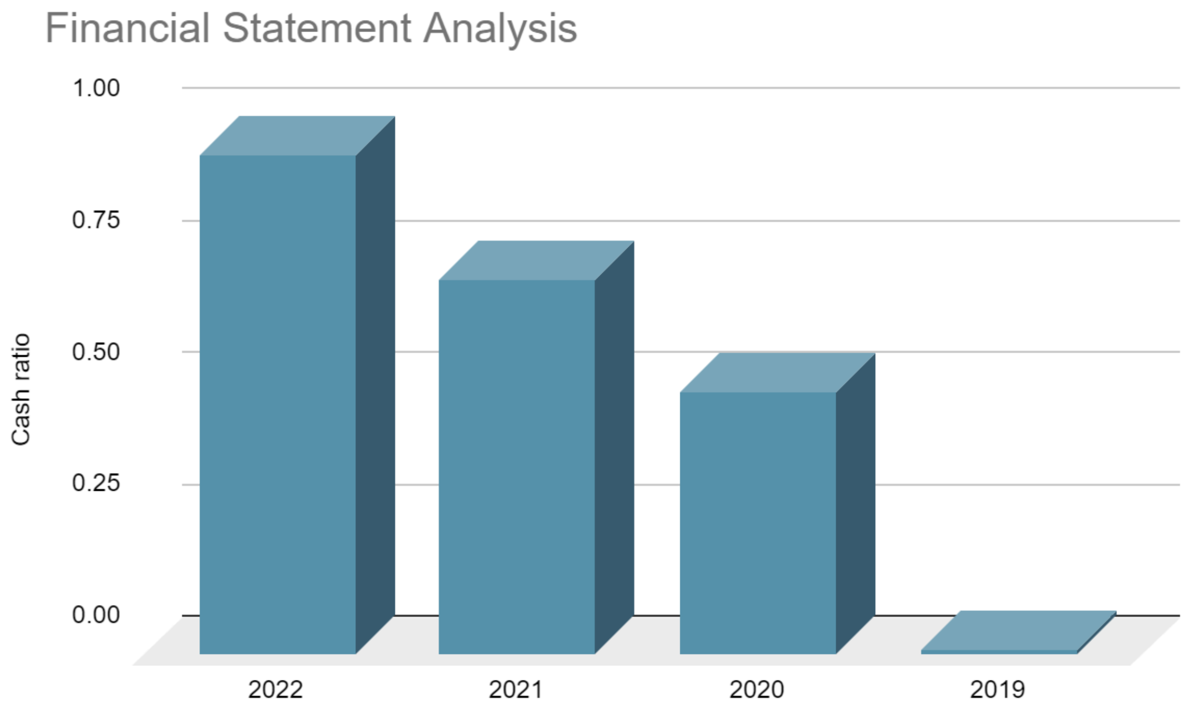


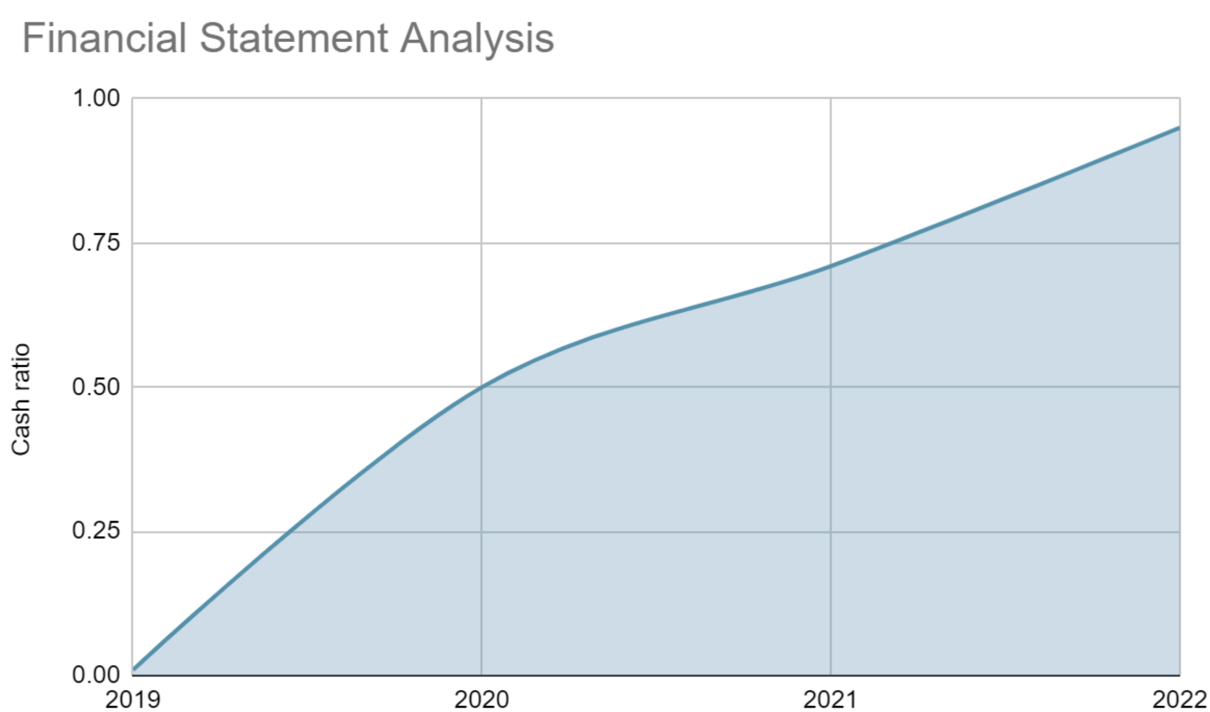
Compared to 2019, the Kabir Toy Garden quick ratio increased to 2022. A corporation is 'expanding into' its capacity if its current ratio is rising. It's also critical to keep in mind that a company's current ratio, which has not changed from 2019 to 2022, might be adversely affected swiftly and unpredictably by significant investments made in anticipation of future expansion or by the sale of unnecessary assets. In 2022, their current ratio is the best compared to previous years.

- **Cash ratio**

The method most frequently employed to determine a company's liquidity. This indicator demonstrates the company's capacity to pay off all outstanding debts without having to sell any further assets or liquidate any cash.

	2022	2021	2020	2019
CASH RATIO	0.95	0.71	0.50	0.01


Financial Statement Analysis
1.00
0.75
0.50
0.25
0.00
Cash ratio
2022
2021
2020
2019


Financial Statement Analysis
1.00
0.75
0.50
0.25
0.00
Cash ratio
2019
2020
2021
2022

Due to supplier payment demands, Kabir Toy Gardens' cash ratio improved from 2019 to 2020. However, KTG should aim to maintain a higher cash position. Additionally, a company might reduce its immediate liabilities.

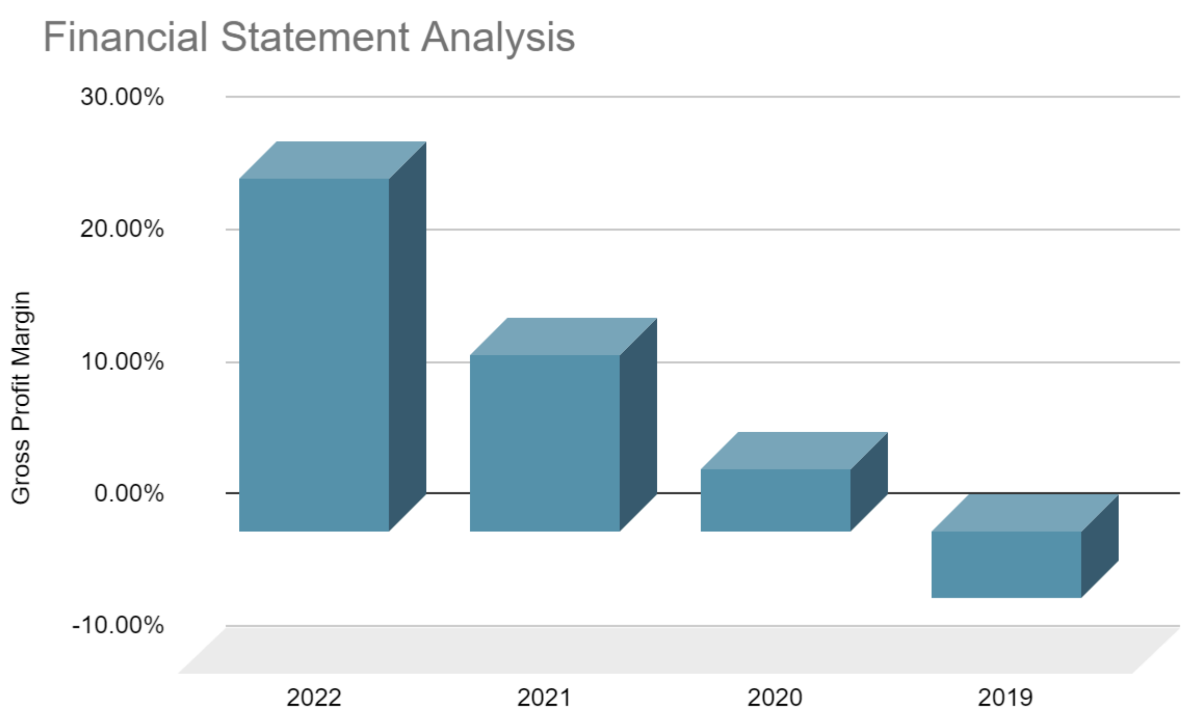
- **Profitability ratio**

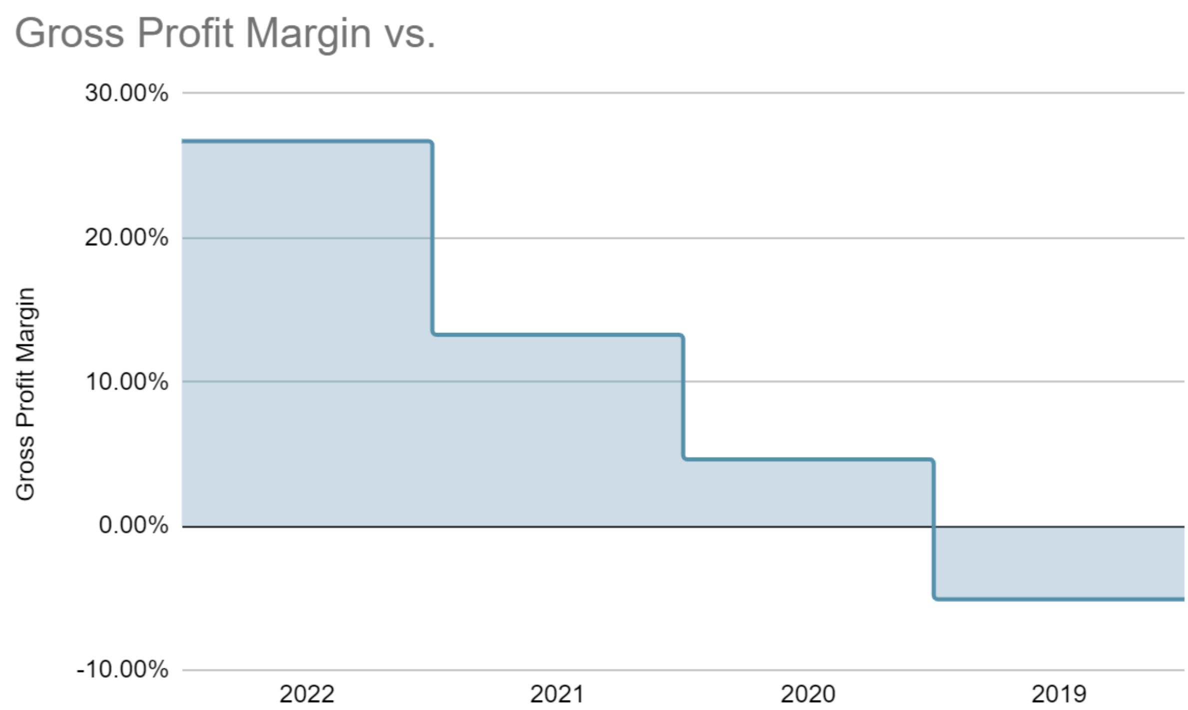
Profitability ratios are a set of financial metrics that assess a company's ability to turn a profit over time relative to revenue, operational costs, balance sheet assets, or shareholders' equity based on data collected at a specific moment in time.

- **Gross Profit Margin**

Before deducting any expenses, the profit is shown in the gross profit margin.

	2022	2021	2020	2019
GP MARGIN	26.71%	13.27%	4.63%	-5.09



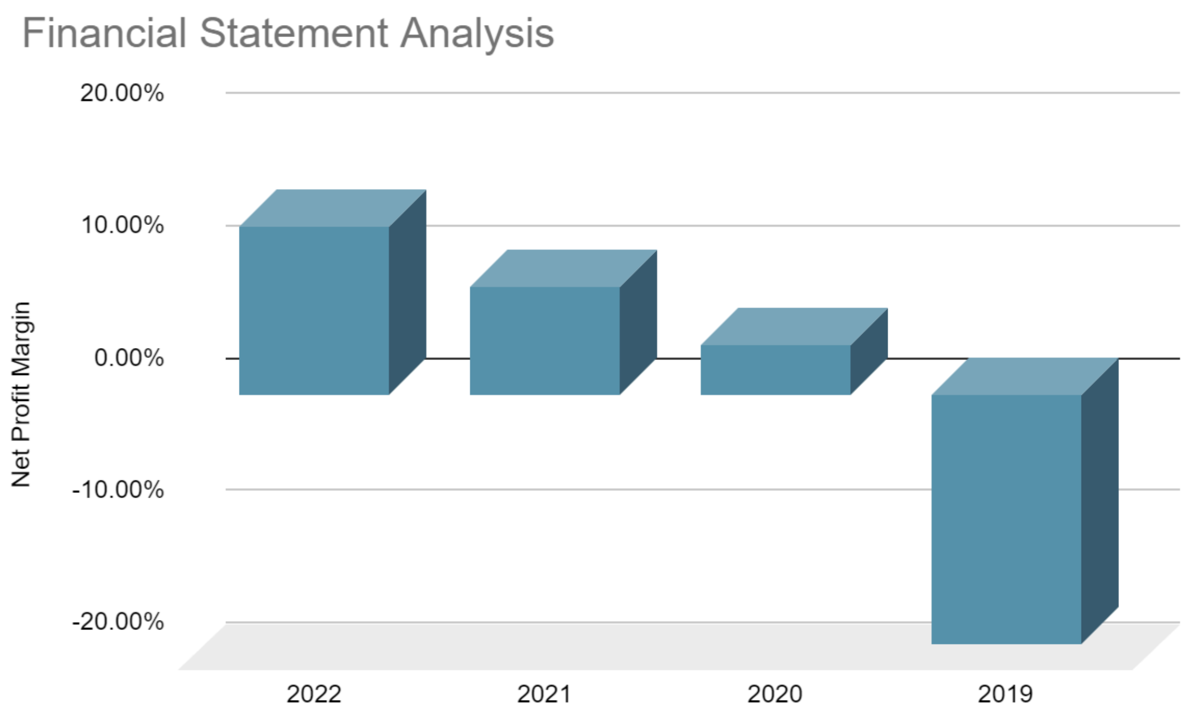


The bigger the margin, the more adept the management of the organization is at turning a profit on each dollar invested. Divide the period's total revenue by the cost of sales to determine the gross profit margin. It increased dramatically between 2019 and 2022.

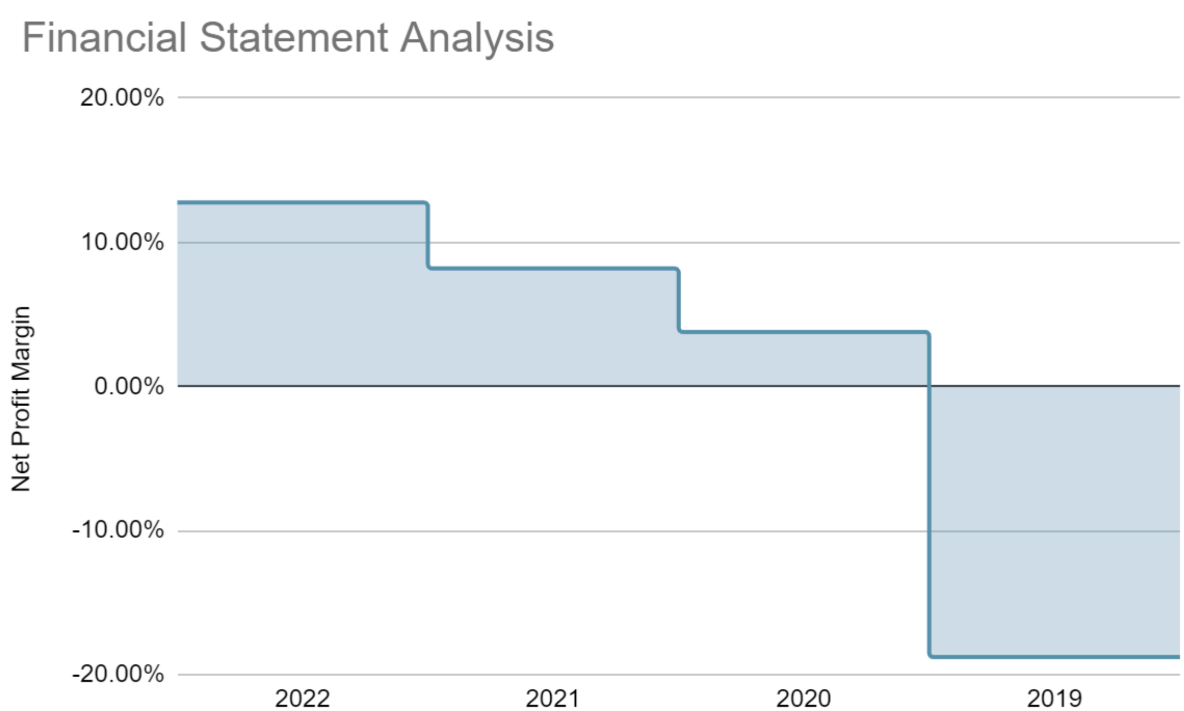
- **Net Profit Margin**

The amount of profit or net income created is shown by the net profit margin, which is expressed as a percentage of sales. It is the ratio of net profits to revenues for a corporation or business segment.

	2022	2021	2020	2019
NP MARGIN	12.76%	8.18%	3.78%	-18.79%



Financial Statement Analysis
20.00%
10.00%
0.00%
-10.00%
-20.00%
Net Profit Margin
2022
2021
2020
2019



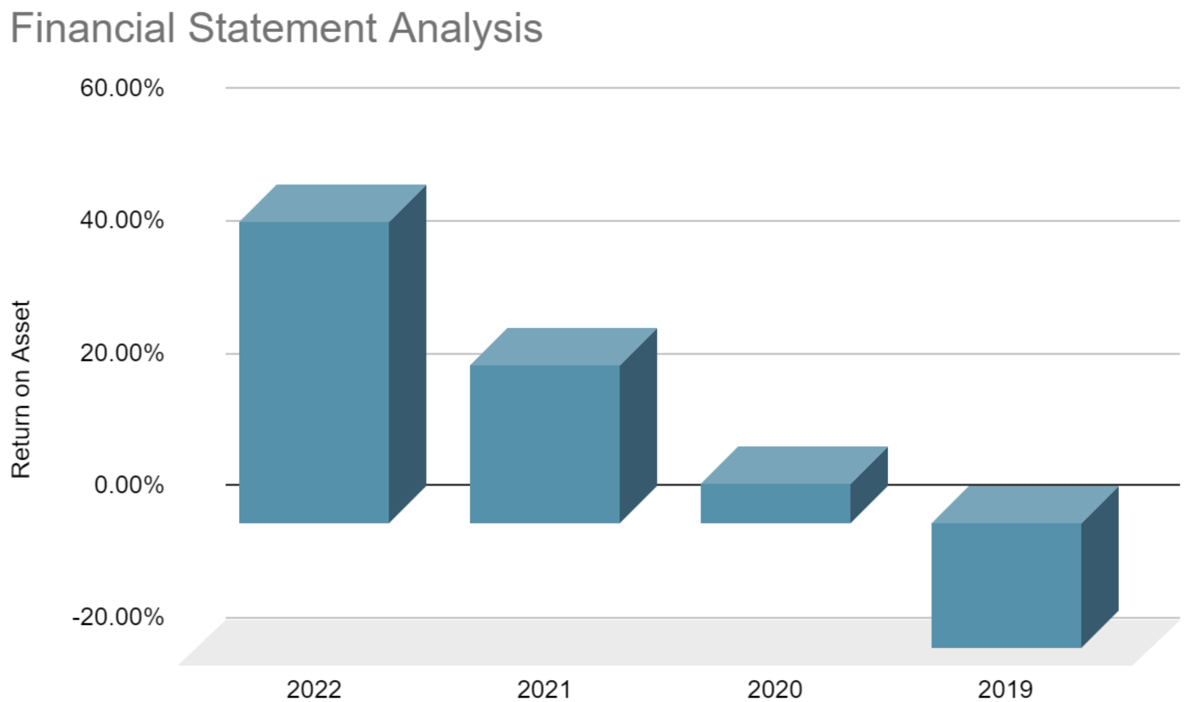
Financial Statement Analysis
20.00%
10.00%
0.00%
-10.00%
-20.00%
Net Profit Margin
2022
2021
2020
2019

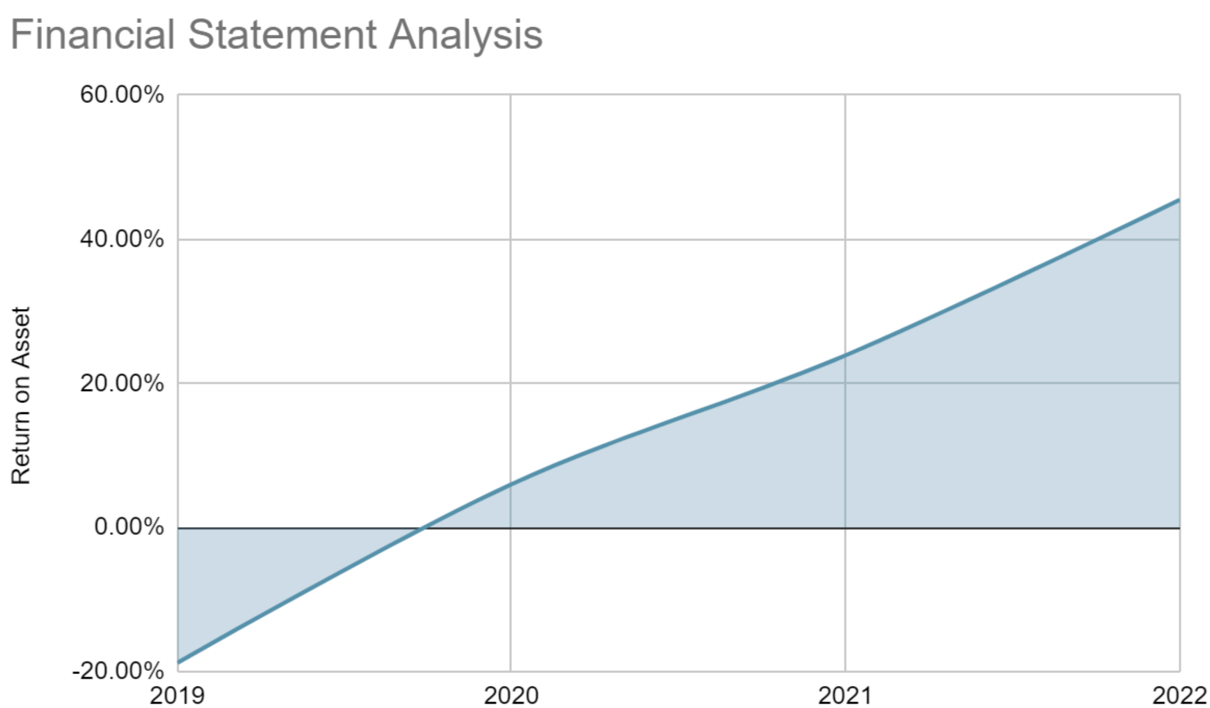
A corporation that has a high net profit margin is likely adept at controlling expenses and/or maximizing sales of its products or services. Accordingly, a high ratio may result from the following: Efficiency of management. The cost is minimal. Over the last four years, Kabir Toy Garden Ltd. has shown a steady dedication to both financial growth and stability with a noteworthy trajectory in its profit margins. The firm's strategic efforts and resilience in navigating market dynamics are shown in the favorable trend from a difficult -18.79% in 2019 to a strong 12.76% in 2022. The notable increase in profitability not only demonstrates the efficacy of the management techniques in place, but also displays the adaptability of the organization in the face of competition. The increasing pattern reflects Kabir Toy Garden Ltd.'s

- **Return on Asset**

A statistic used to evaluate a company's profitability to its total assets is called return on assets, or ROA.

	2022	2021	2020	2019
ROA	45.49%	23.91%	6.00%	-7.13%


Financial Statement Analysis
60.00%
40.00%
20.00%
0.00%
-20.00%
Return on Asset
2022
2021
2020
2019

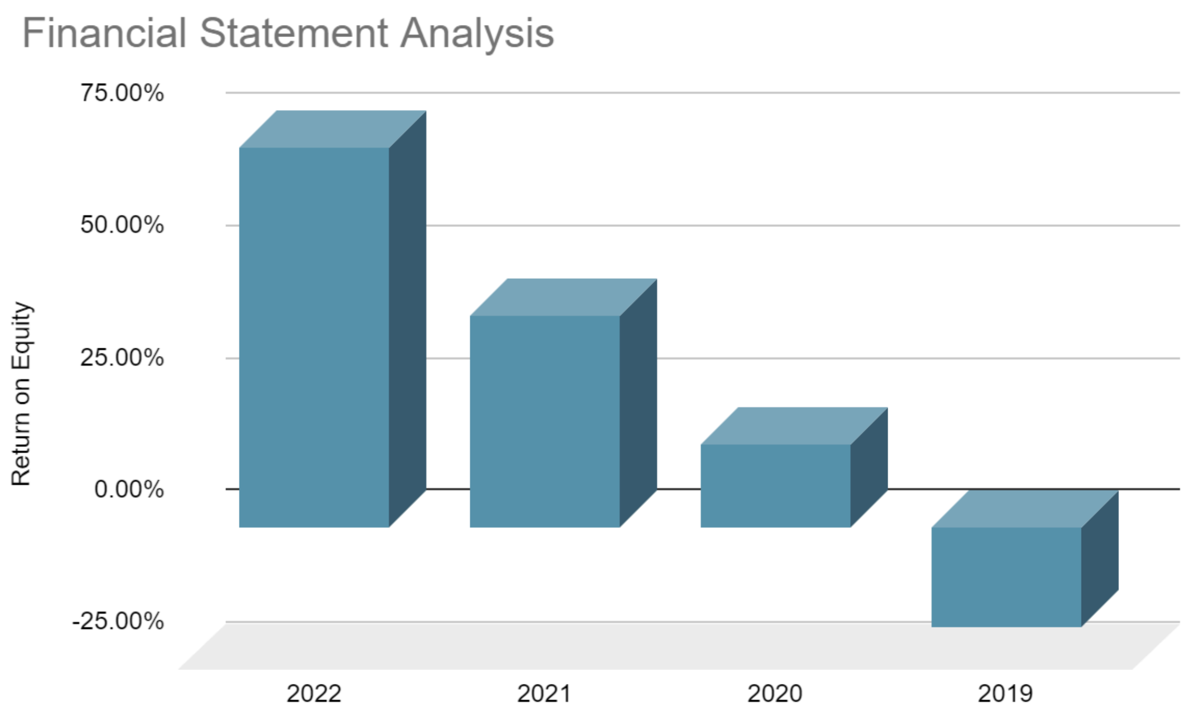

Financial Statement Analysis
60.00%
40.00%
20.00%
0.00%
-20.00%
Return on Asset
2019
2020
2021
2022

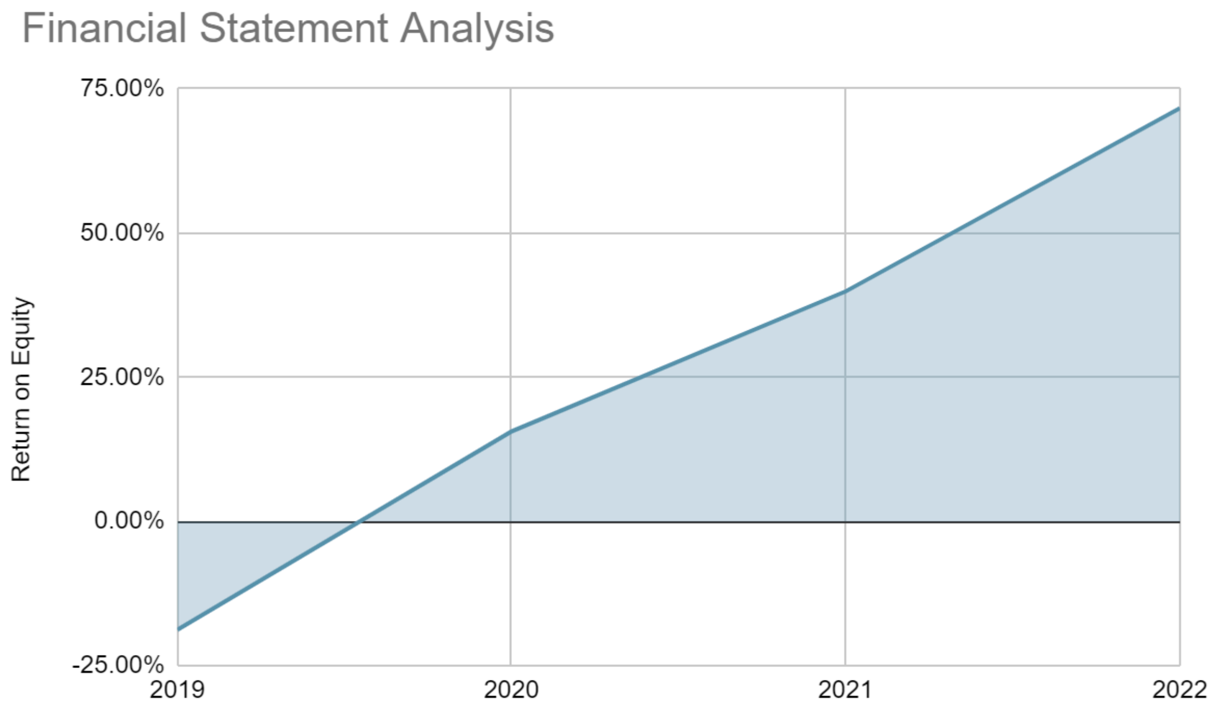
Eons Group's return on assets (ROA) increased from 2019 to 2022 compared to previous years. KTG is overspending, has made bad investment choices, and may be in danger if the ROA is dropping.

- **Return on Equity**

An increasing ROE indicates that an Eon business is producing greater profits with lower investment. It also demonstrates how well upper management spends shareholder funds.

	2022	2021	2020	2019
ROE	71.64%	39.88%	15.58%	-20.19%



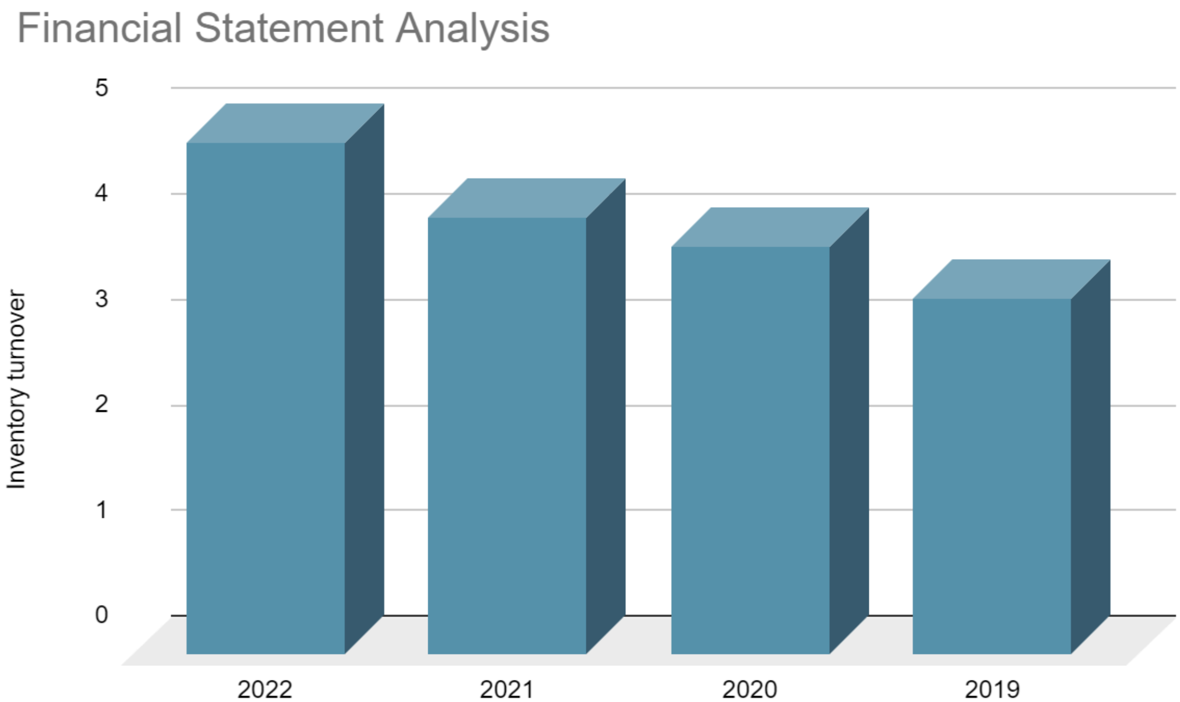


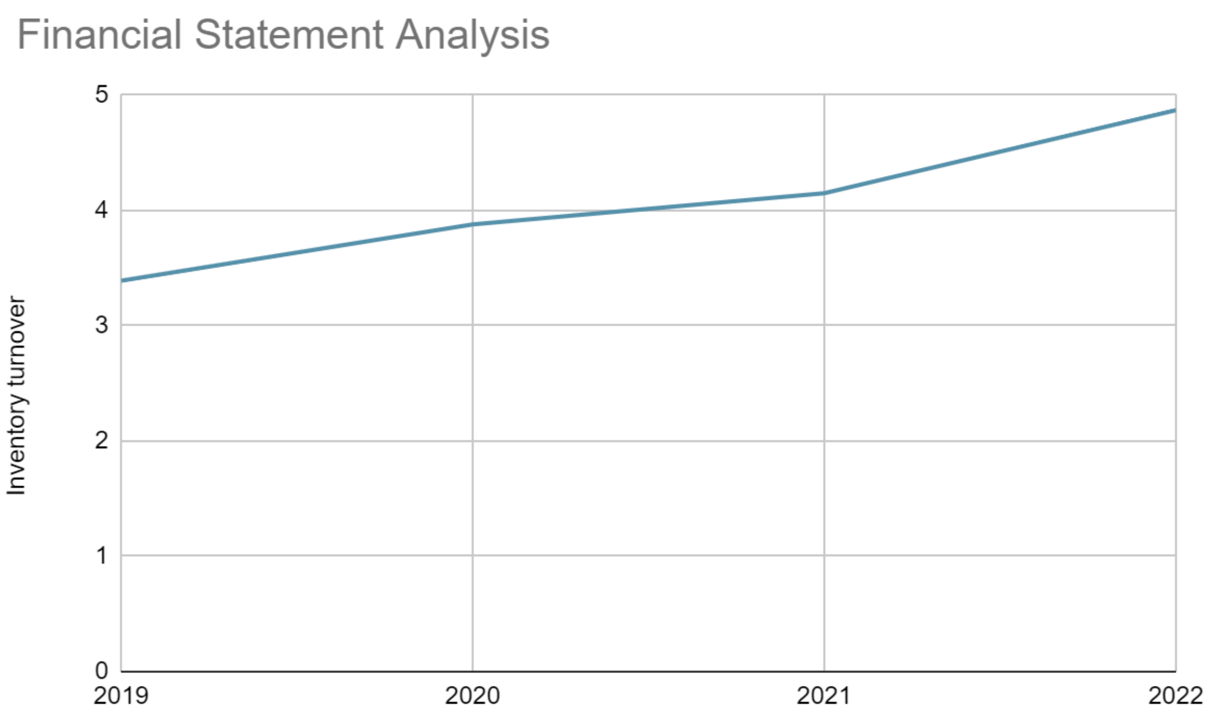
It is evident that KTG was less efficient than other companies in 2019 and 2020 when comparing their ROE to that of other businesses. Nonetheless, it increased from 2020 to 2022 as a result of the company's increased revenue without requiring as much funding.

Inventory turnover

The frequency with which a company sells and replenishes its inventory over time is shown by this financial ratio.

	2022	2021	2020	2019
INVENTORY TURNOVER	4.87	4.15	3.88	3.39


Financial Statement Analysis
Inventory turnover
5
4
3
2
1
0
2022
2021
2020
2019

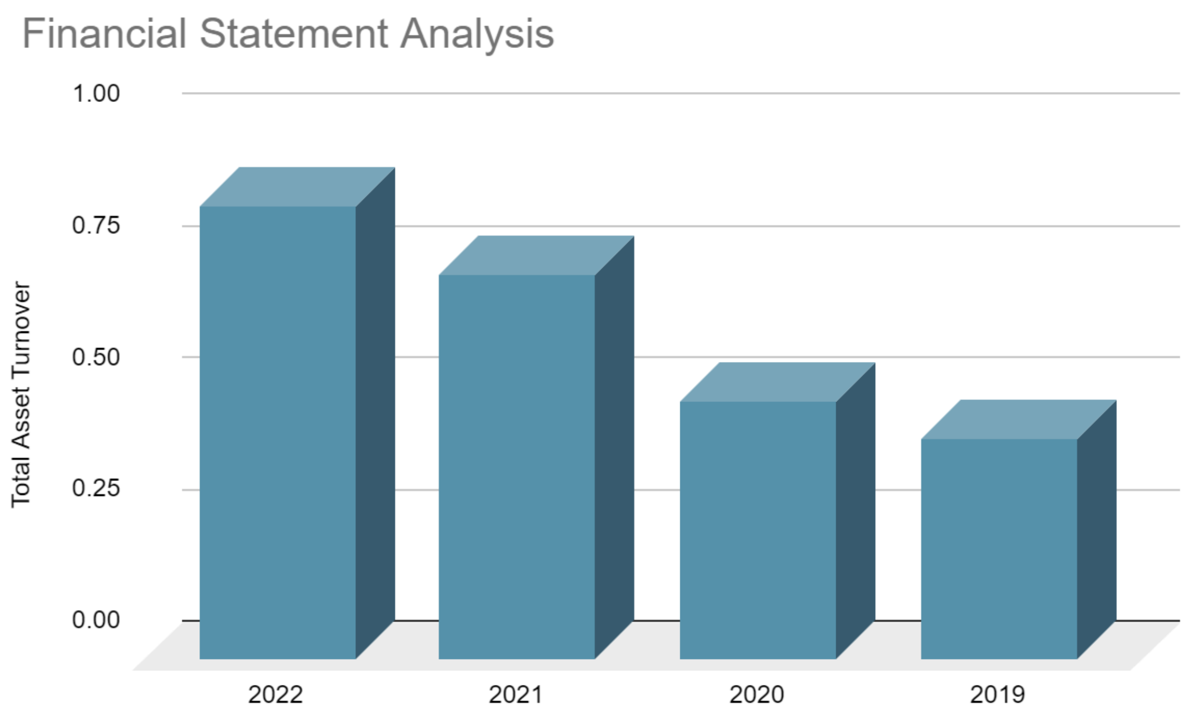

Financial Statement Analysis
Inventory turnover
5
4
3
2
1
0
2019
2020
2021
2022

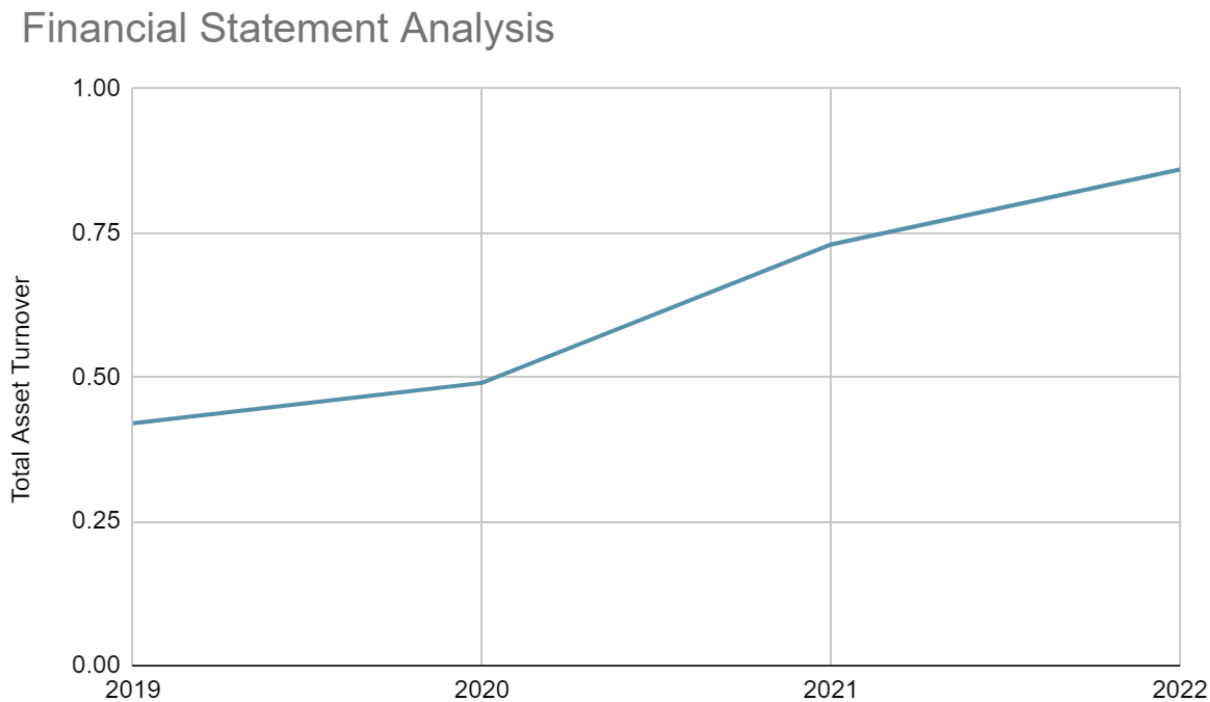
The stock turnover rate of Kabir Toy Garden has declined from 2019 to 2022. This suggests that a business with a low ratio of inventory turnover may be experiencing issues with failed sales, excess inventory, overstocking, and even obsolescence.

Total Asset Turnover

The asset turnover ratio is used to compare a company's sales or revenues to the value of its assets. To determine how well a company uses its assets to generate revenue, look at its asset turnover ratio.

Total Asset Turnover	2022	2021	2020	2019
TOTAL ASSET TURNOVER	0.86	0.73	0.49	0.42





Debt ratio

The debt ratio is a financial metric used to assess a company's level of debt. It refers to the entire amount of debt used to finance a company's assets.

Debt to Equity Ratio

The ratio displays the proportion of debt to equity utilized to purchase a company's assets.

	2022	2021	2020	2019
D/E RATIO	2.26	2.30	2.53	2.55

The KTG's high debt-to-equity ratio, which has gotten worse between 2019 and 2022, will be present in 2020. This indicates that lenders consider it to be risky. However, KTG's debt to equity ratio decreased from 2020 to 2022, making it the year with the lowest ratio.

4.5 Efficiency ratio

This ratio evaluates an organization's internal usage of its assets and liabilities.

Debtor's collection period in days

The duration of the debtor collection period indicates how long it takes an owner to get all of the money that is owed to them; the business benefits from having enough cash on hand as soon as this occurs.

	2022	2021	2020	2019
DEBTORS COLLECTIONPERIOD	59.66	95.86	137.21	143.68

The average time it takes to collect from Kabir Toy Garden debtors increased from 66 days to 74 days between 2019 and 2022. This indicates that the average time it takes to collect can increase due to any of the following: laxer lending policies, a faltering economy, or fewer efforts to collect.

Creditor's collection period in days

The amount of days that a company needs to pay its trade suppliers is known as its creditor days. The ratio is a helpful measure for assessing a company's liquidity. A corporation should pay its invoices as late as possible if it wants to maximize its cash flow.

	2022	2021	2020	2019
CREDITORS COLLECTION PERIOD	329.67	222.33	445.00	550.10

2019 and 2020 have excellent creditor collection periods since they pay their debts on schedule. But in 2021, it increased from three to twenty-two days, which is detrimental to the organization as the supplier can decide not to work with them. All payments are paid within a month, although from 2021 to 2022, it decreased from 22 days to 15 days, which is beneficial in comparison to previous years.

Activity ratio

This ratio assesses how well a company turns its balance sheet assets into cash and revenue.

Cash Conversion Cycle (CCC):

It is characterized as the interval of time between the purchase of raw materials financed and their completion and sale.

Cash Conversion Cycle = Inventory Conversion Period + Days Sales Outstanding - Days Payable Deferred Period

ICP calculations

Inventory Turnover Period = Inventory / (Sales/365)

detail	2022	2021	2020	2019
inventory	220596904	140389400	114744417	73210221
sales	1838419480.00	1329697324.00	941697832.00	764225790.00
ICP	43.79	38.53	44.47	34.96

The mean duration required to create something from nothing, complete it, and market it. It is the amount of time a product is kept in stock during manufacturing.

DSO calculations

Accounts receivable / (Sales/365) = Days Sales Outstanding.

detail	2022	2021	2020	2019
account receivable	137698436.00	174888796.00	257991462.00	372857190.00
sales	764225790.00	941697832.00	1329697324.00	1838419480.00
DSO	143.68	137.21	95.86	59.66

Days Sales Outstanding: The typical time elapsed before a business receives the money it is due.

DPO calculations

Payable Deferral Period = Payables / (Cost of goods sold/365)

detail	2019	2020	2021	2022
account payable	4216923.00	4727569.00	64639363.00	55530160.00
cogs	639800916.00	769992904.00	1082153852.00	1512026485.00
DPO	550.10	445	222.33	329.67

The period of time between purchasing supplies and making supplier payments is known as the payable deferral period.

Cash conversion cycle

detail	2017	2018	2019	2020
Cash conversion cycle	956.52	772.79	348.80	609.68

It is evident that between 2019 and 2020, the duration increased from 98.30 days to 11.05 days, a significant increase that could result in the closure of the business. It decreased from 110.50 days in 2020 to 87.50 days in 2021, indicating that the corporation had more cash on hand to make more purchases or settle debt. It increased from 87.50 days to 105 days in 2022 compared to 2021.

Chapter – 05

Financial Performance Analysis

Ratio Analysis of Kabir Toy Garden Limited

a set of financial indicators that show how well a company is able to pay back its immediate debt. Generally speaking, a greater ratio indicates a larger margin of security the business has to pay down short-term debt.

Revenue

Particulars	2022	2021	2020	2019
Revenue	10,683,600	12,318,723,	14,566,843	15,882,424

Interpretation: During the four years (2019-2022) of study, their total income earned by Kabir Toy Garden Limited increased. From the table above, there are significant changes in their earnings each year. As of this point, is the foundation year, so the change in earnings is increasing from 2021 to 2019. In 2019 the highest, which is 18.25% in earnings made compared to other years but in 2019, the change reduced their earnings. Is 9.03% compared to 2019.Just reaming 2021, there is clearly an increase in the conversion of their earnings. In other words, every year the revenue of the company increases which leads to full sales.

Operating Profit

Particulars	2022	2021	2020	2019
Operating Profit	1,445,703,276	1,611,234,471	1,785,232,330	1,363,473,880

Interpretation:

During the four years (2019-2022) of the survey, the overall increase in operating profit decreased. From the table above, there have been significant changes in operating income each year. As here, 2022 As the base year, hence there were less fluctuations in operational profit from 1,611,234,471 BDT to 1,445,703,276 BDT, respectively, from 2021 to 2022. And the reduced amount was 165,531,195 BDT.

Profit after Tax

Particulars	2022	2021	2020	2019
Profit after tax	3,159,315,586	3,18,35,31,914	95,07,13,609	764,187,906

Interpretation:

During the four years of research (2019-2022) Kabir Toy Garden Ltd total profit after tax growth fluctuated. There is a significant change in after-tax profit every year. Since 2019 to 2020 amounting to BDT 186,525,703. In 2021 profit after tax experienced a slight increase from the preceding year but in 2022, the change in profit after tax decreased marginally in contrast to 2021 and experienced a decrease in BDT by 24,216,328. As a result, the company's profit after taxes grows annually, enabling it to increase shareholder dividend payments and invest more capital for its operations.

D. Total Assets

Particulars	2022	2021	2020	2019
Total Assets	23,106,676,129	19,358,574,511	15,526,192,783	14,693,912,974

Interpretation:

During the four academic years (2019-2022), Kabir Toy Garden Ltd total assets have increased. There is a noticeable change in the balance sheet totals every year. As here, the change in the total balance sheet increased from 2019 to 2022. In 2022, the largest increase in the total balance sheet was 26.08%.

Total liabilities

Particulars	2022	2021	2020	2019
Total Liabilities	21.47%	32.89%	16.45%	11.49%

Interpretation:

Over the four years of the study (2019–2022), the overall increase in Kabir Toy Garden Ltd liability was the opposite. Every commitment changes a lot every year. In 2019, that rate reached 11.49 percent. In 2019 and 2020, total liabilities increased compared to 2021, but in 2022, the change in total liabilities increased significantly by 33.89% compared to 2021. As a result, the company's total liabilities increase year on year, ensuring adequate creditworthiness.

Chapter-06

Findings, Recommendation

&

Conclusion

6.1 FINDINGS OF THE STUDY

After reading and evaluating the study, I discovered both the advantages and disadvantages of Kabir Toy Garden (KTG).. The findings are as follows:

- Sales and Revenue Growth: The analysis of the four-year financial data reveals fluctuations in sales and revenue. The most significant growth was observed in 2020, with a 10.95% increase. While there were variations in other years, the company maintained relatively stable revenue streams.

- Gross Income Improvement: The gross income of the company exhibited fluctuations but showed a significant increase in 2022, reaching a peak of 26,569. This suggests that the company effectively managed its cost of goods sold and achieved higher gross profit.

- Profitability Trends: The profitability of the company, as indicated by the "Profit before Tax and Provision," demonstrated consistent growth over the four years, with the highest value recorded in 2022 (10,553.13). This trend suggests the company's ability to generate higher profits before accounting for taxes and provisions.

- Working Capital Management: The analysis of liquidity and working capital management indicates that the Current Ratio and Quick Ratio exhibited fluctuations during the period, with the highest values observed in 2020. This implies that the company had periods of stronger short-term liquidity.

- Efficient Cash Management: The company's cash ratios showed improvement in 2022, suggesting that it managed its cash resources more effectively. This is important because cash is needed for short-term obligations and to seize strategic possibilities.

- Inventory Turnover: Inventory turnover improved over the four-year period, with the highest ratio observed in 2022 (4.38 times). This suggests better management of inventory levels and potentially reduced carrying costs.

6.2 RECOMMENDATIONS OF THE STUDY:

The overall performance of Kabir Toy Garden Ltd shows a satisfactory position in the given period. It is not easy to recommend some suggestion to boost the performance level of the organization much better than the existing point.Based on the financial ratios for the years 2019 to 2020, there are notable trends and improvements that should guide your strategic decisions:

Liquidity Improvement: Over this four-year period, the Current Ratio has seen a positive trajectory, increasing from 0.91 in 2019 to 2.57 in 2022. This signifies an enhancement in short-term liquidity. It is advisable to continue monitoring and maintaining this liquidity to ensure that the company can meet its immediate monetary commitments.

Profitability Enhancement: The Gross Profit Margin and Net Profit Margin have exhibited substantial growth. In 2019, the Gross Profit Margin was -5.09%, but by 2022, it had surged to 26.71%. Likewise, the Net Profit Margin showed significant improvement, increasing from -18.79% in 2019 to 12.76% in 2022. This demonstrates commendable cost management and enhanced profitability. It is recommended to sustain these gains by optimizing operational efficiency and cost control measures.

Focus on Quick Assets: The Quick Ratio and Cash Ratio have seen positive growth. The Quick Ratio increased from 0.44 in 2019 to 2.00 in 2022, and the Cash Ratio improved from 0.01 in 2017 to 0.95 in 2020. This indicates an improved ability to cover immediate liabilities with more liquid assets. It is advisable to continue emphasizing the maintenance of these quick assets to ensure financial stability.

Continuous Monitoring: The positive trends in these ratios are promising. However, it is crucial to continually monitor financial ratios, compare them to industry benchmarks, and adjust strategies accordingly. Regular assessment ensures that the company remains competitive and adaptive to changing market conditions.

With today's free market operations and worldwide competition, Kabir Toy Garden Ltd. needs to train and retain motivated employees and provide them with the newest tools and technology.

CONCLUSION

Bangladesh is an over-populated South Asian region. It's packed with natural resources. But the economic situation is fragile, and another strain on the growth of our country is the unemployed population rate. Building new job opportunities in our country through large-scale capital investment is vital. KABIR TOY GARDEN. Plays a critical role in our national economy. KABIR TOY GARDEN is a well-respected house for purchasing apparel with higher quality goods at a fair price. In the financial year 2022, KABIR TOY GARDEN is very sound. The company's net profit declined in 2020 due to higher raw material costs, increased operating expenses and unprofessional management. But by taking the necessary steps, they have conquered it.

Regarding quality & social responsibility management framework, KABIR TOY GARDEN has a good status with clear foreign quality certificates that would suit all customers. This would improve the company's marketing power to reach new markets and professionally grow its business. Finally, from the study and discussion, KABIR TOY GARDEN is a developing industry because of its highly satisfactory areas, fractural growth, production potential, human resources and other activities.

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