# INTERNSHIP REPORT
# ON

## "Financial Statement Analysis of Blue Kite Limited"

[This Internship Report has been submitted for the Partial fulfillment of the Requirements of the Bachelor of Business Administration (BBA) in Finance]


**Supervised By:**

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**Date of Submission: 9th December, 2024**

# LETTER OF SUBMISSION

Date: 9th December, 2024

To
Mr. Md. Anhar Sharif Mollah
Assistant Professor
Department of Business Administration
Daffodil International University

**Subject: Submission of the Internship Report.**

Dear Sir,

It is a great pleasure of mine submitting the Internship Report on the topic of **"Financial Statement Analysis of Blue Kite Limited"** while doing the research, I've given my best to present the Internship Report as per required standard. I hope this Internship Report fulfill your expectation and make you happy. I therefore, hope you would be kind enough to go through this paper for evaluation.

I will always be available for any kind of clarification, modification, rectification of any part of this research paper at your convenience.

Thanking you,

Md. Sayem Hossain

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# STUDENT DECLARATION

I, Md. Sayem Hossain, ID: 202-11-1169, declare that this Internship Report, submitted in fulfillment of the Bachelor of Business Administration (BBA), Daffodil International University is the original work of me. The Internship Report has not been submitted elsewhere for any or degree in qualification any other academic institution.

Thanking you,

Md. Sayem Hossain

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# SUPERVISOR’S DECLARATION

This is to certify that the Internship Report **"Financial Statement Analysis of Blue Kite Limited"** is a bona fide record and has been done by Md. Sayem Hossain, ID: 202-11-1169, under my active supervision and guidance.

In my opinion the Internship Report fulfill the requirements of the nature of the degree.

**Mr. Md. Anhar Sharif Mollah**
Assistant Professor
Department of Business Administration
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# ACKNOWLEDGEMENT

At first, I am grateful to almighty Allah as I have completed this work by his grace in this research work. I have tried to emphasis on **"Financial Statement Analysis of Blue Kite Limited"** Actually speaking, I might not be able to complete this paper work without sincere, constant and wonderful supervision of Mr. Md. Anhar Sharif Mollah, Assistant Professor, Daffodil International University His Inspirations and advices make this paper comes into reality.

I might not have been able to retrieve many important data on many books, international articles and journals, reports, acts, newspaper and website. Finally I express my heartfelt thanks to my friends for their help to accomplish this task.

Thanking you,

Md. Sayem Hossain

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# Executive Summary

This report presents a comprehensive budgetary investigation of Blue Kite Constrained for the long time 2020 to 2023, centering on key monetary measurements to survey the company’s execution, productivity, liquidity, and by and large monetary wellbeing. The examination incorporates liquidity proportions, use proportions, productivity proportions, productivity proportions, and capital ampleness markers, giving profitable experiences into the company’s monetary condition and its capacity to meet its obligations.

Over the five-year period, Blue Kite Constrained has appeared reliable Profit, with net Profit edges remaining solid and steady, reflecting its capacity to create Profits from operations. In any case, the company's liquidity position has declined, as prove by a diminish in the current proportion 0.90 in 2023, demonstrating a diminished capacity to meet short-term liabilities. The company’s dependence on obligation financing has moreover expanded, with the debt-to-equity proportion rising from 9.67 in 13.18 in 2022, in spite of the fact that it marginally made strides to 9.02 in 2023. This tall use increments money related hazard, especially in periods of financial uncertainty.

Efficiency issues have moreover been recognized, with working costs remaining tall in connection to income and moo resource utilization. In any case, the capital ampleness proportion has appeared enhancement, coming to 15.45% in 2023, signaling a more grounded capital base. The company has kept up steady resource quality, but superior administration of advances is required to guarantee long-term money related stability.

Based on these discoveries, a few suggestions are made, counting moving forward liquidity administration, diminishing obligation dependence, improving Profit through fetched control, expanding resource utilization, and reinforcing advance administration. Executing these methodologies will offer assistance Blue Kite Restricted progress its money related wellbeing, decrease chance, and position itself for supported development in the future.

# Table of Contents

# Chapter One-Introduction

## 1.1 Introduction

The financial statement analysis offers deep insights into Blue Kite Limited's economic performance, operational effectiveness, and strategic direction. Blue Kite Ltd. is a thriving company mainly importing necessities and agricultural products from various foreign markets. Crucially, it has established a robust presence in the supply chain, importing several goods along the way, including dates from Saudi Arabia, Egypt, Iraq, and Dubai; citrus fruits, particularly oranges, from India and Bhutan; and grapes, pomegranates, and apples from South Africa and India. Additionally, they import a variety of cooking ingredients, primarily from India and Myanmar, including onions, ginger, garlic, and green chilies.

Blue Kite Limited continues to actively trade ready-made clothing and surplus stock products locally and internationally in addition to its robust import operations, thus diversifying its revenue streams. Because of this, the business is nimble in its pursuit of several domestic and foreign market opportunities. Evaluating Blue Kite Limited's financial accounts is important for determining the company's financial stability and potential for expansion in a cutthroat market. Thus, based on revenue, cost of goods sold, profitability, liquidity, and other important factors, this study aims to present a comprehensive picture of the company's strengths and weaknesses.

To handle its garment trading activities and meet both domestic and foreign demand, this business model requires a significant investment in working capital, particularly for the inventory that must be imported from other nations. It also requires a supportive supply chain network.

The performance of the business will be described in the report that follows, along with a thorough examination of the cash flow, balance sheet, and income statement about Blue Kite Limited's resource management strategies for long-term sustainability, stability, and profitability in the global economy.

## 1.2 Objectives of the Study

The main objective of the study is to analysis financial Statement Analysis of Blue Kite Limited. To achieve the main objective, following specific objective have been covered:

- To highlight the overview of Blue Kite Limited.
- To evaluate the financial performance of Blue Kite Limited.
- To identify some finding involved in the financial performance of Blue Kite Limited.
- To provide some recommendations to overcome those problems involved in financial performance of Blue Kite Limited.

## 1.3 Rationale of the Study

The financial statement analysis of Blue Kite Limited is a crucial assignment that will aid in determining the company's operational effectiveness and financial stability in handling a variety of operations related to the importation of agricultural products and the sale of ready-made clothing. The company operates in a cutthroat industry, juggling local and export clothing sales while relying on imports from nations like Saudi Arabia, Egypt, India, and others.

## 1.4 Scope of the Study

The report highlights the company's two commercial activities: the local and international trade of ready-made clothing and the importation of commodities from Saudi Arabia, Egypt, and India, among other nations. The financial impact of such operations is discussed here, with particular attention to the aspects of working capital, controllable costs, and profit generation.

The study also sheds light on Blue Kite Limited's capacity to adjust to outside difficulties such shifting exchange rates, rivalry in the market, and supply chain dynamics. This study provides a thorough financial analysis for internal decision-making and aids stakeholders in comprehending the company's long-term viability and growth potential.

## 1.5 Methodology of the Study

Certain strategies and methods were utilized to collect information for this report. Collected information and data were arranged prepared and analyzed basically in arrange to make the report instructive. Furthermore sources of date were chosen an viable implies of collecting information significant for this report.

Population and sample of the report:

**Population:** Blue Kite Limited annual report 2020-2023 in the geographical base of Bangladesh.

**Sample Size:** The sample size relies entirely on financial reports, statements, and other published data from Blue Kite Limited for the years 2020 to 2023.

**Data Collection:** Secondary data were used for purpose of the study.

## 1.6 Limitation of the Study

**a) Time Confinement:** The term of our internship program is as it were 3 months. The designated time is not adequate for us to assemble information and to make the consider a total and productive one. It was one of the fundamental compels that influenced covering all viewpoints of the consider.

**b) Information Insufficiency:** The consider moreover endured from insufficiency of information given by Blue Kite Restricted. Auxiliary source of data was not adequate for the completion of the report.

**c) Limitation of the Skill:** Much confidential information was not disclosure by respective personnel of the department.

**d) Financial Limitation:** Due to financial limitation analysis and data collection as well as practical knowledge was not collected.

# Chapter Two-Overview of Blue Kite Limited

## 2.1 Background and History

Blue Kite Constrained is one of the fastest-growing and most broadened trade substances of Bangladesh, started in bringing in rural commodities as well as exchanging readymade articles of clothing. The foundation has risen to be at the epicenter of supplies for expanding request for predominant quality agri-products both locally and abroad, and distinctive sorts of pieces of clothing. Blue Kite Restricted has a solid organize of providers and accomplices to ensure normal supplies of shopper products in the advertise, and endeavors for brilliance in all that it does.

The center trade of the company is the importation of rural things from different nations like India, Saudi Arabia, Egypt, South Africa, and Myanmar. Its item portfolio comprises a wide run of merchandise such as dates, natural products (oranges, apples, and pomegranates), onions, ginger, garlic, green chilies, flavors, and other basic cooking fixings. This wide extend implies that the company can fulfill the distinctive needs of its clients and stay competitive in the market.

Along with imports, Blue Kite Restricted is truly included in the nearby and trade exchanging of readymade pieces of clothing. The company offers overflow stock article of clothing things that cater to a wide number of clients, reflecting its encounters in taking care of supply chains to meet advertise requests. In like manner, this double focus-in agrarian imports and piece of clothing trading-makes Blue Kite Restricted a flexible and versatile organization.

Operating in profoundly competitive and energetic situations, the company has been able to develop with advertise patterns and weights. The key approach by Blue Kite Constrained through sourcing, supply chain, and client Profit has justified its position in the markets.

This chapter offers the foundation and operations of Blue Kite Constrained, as a establishment toward the afterward investigation of the company's money related execution. By scrutinizing the trade operations in this investigate, it may uncover experiences into how such a company oversees worldwide exchanging, oversees its assets toward development and Profit, and overcomes different impediments. The travel of Blue Kite Ltd. to accomplish long victory and supportability is still taking shape through its commitment to quality and advancement..

### 2.2 Mission & Vision

The company's vision is to set up itself as a showcase pioneer in moment exchanging and piece of clothing sends out by keeping up high-quality measures and guaranteeing client fulfillment. Its mission rotates around making economical esteem for partners whereas investigating imaginative approaches to meet advertise needs.

## 2.3 Products and Services

Blue Kite Restricted has a broadened portfolio comprising different items and administrations catering to both residential and universal markets. The primary exercises of the company are gathered into two portions: the purport of rural commodities and readymade article of clothing exchanging, which grandstands the flexibility and commitment of the organization towards assembly diverse advertise demands.

### 2.3.1 Agrarian Commodities

Blue Kite Restricted imports a wide run of agrarian items from different nations to guarantee the best quality for nearby markets. Its run includes:

Dates: From Dubai, Saudi Arabia, Egypt, and Iraq, to meet the request for both regular and social needs.

Fruits: Oranges from India and Bhutan, apples from India and South Africa, pomegranates, and grapes.

Staples: Key fixings of kitchen necessities like onion, ginger, garlic, and green chilies imported from India and Myanmar.

Spices: Assortment of flavors; cumin and dried chilies imported from India upheld by other strength zest items from diverse countries.

These item ranges demonstrate the company's capacity to guarantee clients get new, quality foodstuffs without losing its solid methodologies of sourcing from other universal suppliers.

### 2.3.2 Readymade Articles of clothing Trading

Blue Kite Restricted is included in the nearby and trade exchanging of readymade pieces of clothing, counting overflow stock things. The company offers a wide collection of attire custom-made for different client portions and markets. Its operations include:

Trading stock articles of clothing: assembly universal quality benchmarks to serve abroad buyers;

Neighborhood exchanging: providing high-demand pieces of clothing to the neighborhood markets to guarantee availability for different consumers.

### 2.3.3 Profit Excellence

Apart from the run of items, Blue Kite Restricted guarantees that supply chain administration is of tall quality and involves convenient conveyance and effective taking care of both for imports and exports.

With a wide portfolio covering items and administrations, Blue Kite Constrained has come to position itself as one of the solid and customer-oriented businesses. Its differences not as it were upgrades its competitive preferences but moreover gives adaptability towards flexibility in changing advertise dynamism.

## 2.4 Organizational Structure

The organizational chart for Blue Kite Restricted is arranged, reflecting the organizational instrument required for effectiveness, responsibility, and smooth coordination of a extend of trade exercises; in like manner, it has reflected an various leveled system with clearly discovered parts and obligations whereby consequence and exchanging exercises can successfully be handled.

**Key Components of the Organizational Structure:**

**Board of Directors:**

Apex body with obligation for setting vital bearings, favoring major speculations, and oversight of by and large commerce performance.

Guarantees the application of corporate administration and long-term supportability principles.

**Chief Official Officer (CEO):**

Leads the organization and acts as the contact between the Board of Chiefs and operations teams. Charged with the execution of vital plans, asset administration, and development of business.

**Moment and Acquirement Division:**

Creates worldwide providers for a assortment of rural commodities.

Manages provider connections, quality control, and pricing/contract negotiation.

**Deals and Promoting Division:**

Bargains in neighborhood and universal deals of rural items and garments.

Markets the items, ponders advertise patterns, and produces revenue.

**Fund and Accounts Division:**

Manages the money related wellbeing of the company, counting budgeting, money related announcing, and taken a toll control.

Guarantees compliance with budgetary controls and oversees remote trade exchanges for imports.

**Operations and Supply Chain Management:**

Facilitates coordination's, warehousing, and dispersion of imported goods.

Ensures opportune conveyance and legitimate stock management.

**Human Asset Division:**

Mindful for enlistment, representative advancement, and keeping up a beneficial work environment.

Centers on adjusting workforce capabilities with organizational goals.

**Trade Division:**

Dedicated to overseeing piece of clothing send out exercises, guaranteeing adherence to universal quality guidelines and opportune shipment of products.

**Organizational Culture:**

Blue Kite Restricted sustains a collaborative and performance-driven culture. Its progressive however adaptable structure permits for speedy decision-making whereas empowering advancement and persistent advancement over all departments.

This structure permits Blue Kite Constrained to viably oversee its differentiated operations for feasible development and competitive advantage in a energetic trade environment.

## 2.6 Market Presence and Competitiveness

Blue Kite Constrained has picked up a noteworthy decent footing in both nearby and universal markets through its expanded items and proficient commerce operations. The twin businesses of the company related to agrarian imports and exchanging in readymade articles of clothing have put it as a competitive player in the areas of exchange and commerce of Bangladesh.

Market Presence

Domestic Market:

Blue Kite Restricted is a trusted provider of high-demand agrarian commodities such as dates, onions, garlic, and flavors, guaranteeing reliable accessibility of quality products.

Its inclusion in neighborhood piece of clothing exchanging caters to different buyer portions, upgrading availability to reasonable and high-quality apparel.

Universal Market:

It sources quality items from different providers in nations like India, Saudi Arabia, Egypt, South Africa, and Myanmar to meet the requests of the market.

Its piece of clothing send out exercises serve worldwide buyers, fortifying its nearness in worldwide markets whereas advancing Bangladeshi items abroad.

Competitiveness

Item Diversification:

The company's capability in advertising a wide run of products-from fundamental nourishment things to ready-to-wear garments-gives it a competitive advantage in managing with different customer needs.

Supply Chain Management:

Blue Kite Constrained has an successful supply chain framework to guarantee opportune conveyance and fetched productivity. This will be exceptionally accommodating in taking care of perishable products and assembly the time required for article of clothing exports.

Quality Assurance:

The tall measures of sourcing and exchanging of items construct believe in clients and, subsequently, increment brand loyalty.

Strategic Sourcing:

Worldwide sourcing makes a difference use the best universal costs, along with top-quality crude materials.

Flexibility to Advertise Dynamics:

The company, by centering both on imports and piece of clothing exchanging, can support itself through ups and downs in the showcase, counting request, variances in the esteem of a cash, or disturbances to supply.

The advertise nearness and competitive techniques of Blue Kite Restricted are driven by its commitment to the conveyance of esteem, client fulfillment, and feasible development. It has been a solid and one of the forward-looking commerce substances in the divisions of exchange and commerce.

## 2.7 Supply Chain Management

Blue Kite Restricted has put in put a exceptionally viable and facilitated supply chain administration framework to guarantee the smooth operation of its differentiated commerce exercises. The supply chain of the company begins with the key sourcing of agri-products and articles of clothing from dependable providers from distinctive nations such as India, Saudi Arabia, Egypt, and Myanmar. This approach makes a difference Blue Kite Constrained keep up consistency in item quality and estimating competitiveness. Transportation and coordination's have essential parts in the supply chain of the company to convenient moment perishable things from abroad and securely disseminate those in the household showcase. On stock administration, the company offers secured warehousing offices to agrarian commodities and pieces of clothing, taking extraordinary care in dealing with for slightest wastage. This is accomplished by coordination effective forms in obtainment, transportation, and stock that permit Blue Kite Constrained to meet showcase requests on time, keep up the quality of its items, and support its notoriety as a dependable provider in both neighborhood and universal markets.

### 2.8 Customer Relationship Management

Blue Kite Constrained equitys customer satisfaction highly; this is reflected in their customer relationship management practices. Goods and services of quality over time have allowed the business to sustain the relationships with its customers continuously. The customer-centric approach at Blue Kite Restricted ensures timely responses to the feedback and issues raised by its consumers. It has a dedicated customer service team that ensures all inquiries and concerns are resolved, thereby instilling trust and reliability in the customers. The business also uses CRM software for maintaining customer information, their preferences, and purchase history to enable delivery of Profits tailored to their needs.

### 2.9 Corporate Social Responsibility

Blue Kite Limited always strives to have a constructive effect on the environment and society, conforming to its being a responsible corporate concern. Supporting local communities, reducing impact on the environment, and enhancing the road towards sustainability are the themes behind all CSR programs at the Company. This involves active participation in various community development programs such as disaster relief and educational activities. Additionally, the business focuses on making the operation eco-friendly by minimizing waste, optimizing Assets, and sourcing products in an ethical manner.

## 2.10 Internship Working Experiences

| Week | Activates |
|---|---|
| $1^{st}$ week | Helping supervisor by finding out old forms |
| $2^{nd}$ week | Responding to clients queries in the progress of products. |
| $3^{rd}$ week | Financial Documentation and Reporting |
| $4^{th}$ week | Inventory Management Practices |
| $5^{th}$ week | Sales and Marketing Analysis |
| $6^{th}$ week | Garment Trading Operations |
| $7^{th}$ week | Procurement Practices |
| $8^{th}$ week | Financial Analysis and Budgeting |
| $9^{th}$ week | Review of Operational Challenges |
| $10^{th}$ week | Reporting and Presentation |

# Chapter Three- Theoretical Aspect

## 3.0 Proportion Analysis

Ratio examination is a demonstrative instrument that makes a difference to distinguish issue zones and openings inside a company. Proportion examination is exceptionally critical for each commerce, since by calculating proportion investigation we can get it the commerce position, commerce quality and shortcoming. By knowing this witness, administration can take its fundamental steps to organize their objective. In the report I analyzed the execution of Blue Kite Constrained.

## 3.1 Liquidity Ratios

### 3.1.1 Current ratio

The current extent is a key liquidity degree that surveys a company's capacity to pay off its short-term liabilities with its short-term Resources. A higher current extent prescribes that the company has satisfactory Resources to cover its commitments interior the taking after 12 months, publicizing a buffer against cash related inconvenience. The extent is utilized by budgetary pros, leasers, and financial agents to choose the budgetary prosperity and operational capability of an organization in the brief term.

A current proportion more noteworthy than 1 is by and large considered favorable since it implies. In any case, unreasonably tall proportions seem recommend wasteful aspects in resource utilization, as stores may be tied up in underperforming Assets. On the other hand, a moo proportion may show that the company might confront liquidity issues, which may result in troubles assembly short-term commitments such as bills, compensations, and suppliers' payments.

The current proportion is an fundamental marker for businesses in terms of overseeing cash stream and guaranteeing smooth operations. A adjusted current proportion guarantees  not over-leveraged but moreover not under-utilizing its Assets. An ideal current proportion is industry-specific, as companies in capital-intensive businesses frequently have lower proportions, though those in less capital-intensive businesses might have higher proportions.

## 3.3 Profitability Ratios

### 3.3.1 Net Profit Margin

The net Profit edge is a key productivity proportion that measures the rate of income that remains as Profit after all costs are deducted, counting working costs, intrigued, charges, and other costs. It is a coordinate reflection of how productively a company turns income into genuine profit.

A higher net Profit edge shows  overseeing its costs viably, creating more Profit from each dollar of deals. This proportion is critical for speculators and partners as it appears the company's capacity to produce returns from its operations. Companies with tall net Profit edges frequently have solid fetched controls and a competitive edge in their markets.

On the other hand, a moo net Profit edge may propose battling is confronting estimating weights in the advertise. It can moreover show wasteful aspects in operations or intemperate overheads. For businesses working in low-margin businesses, such as retail or fabricating, a humble net Profit edge may be satisfactory, but for high-margin businesses, a moo net Profit edge might raise concerns.

Net Profit edge is utilized by both speculators and investigators to assess the money related wellbeing of a company and its capacity to produce economical Profits over time. It makes a difference in comparing companies inside the same industry to get it how successfully each one is changing over income into real profit.

### 3.3.2 Net Operating Margin

The net working edge centers particularly on the Profit of a company's center operations, barring non-operating things like intrigued and charges. It is a degree of how proficiently a company creates Profit from its working exercises, and is calculated by partitioning working pay by net sales.

A higher net working edge demonstrates  proficient in controlling its working costs and creating Profit from its center trade. This proportion is particularly critical for businesses that depend on operational productivity, as it gives a clearer see of the execution of the company's essential commerce exercises without the mutilation of non-operating wage or expenses.

This proportion makes a difference to evaluate is making standard commerce some time recently monetary costs and charges are considered. A lower edge might flag potential issues in fetched administration or an excessively complex operational structure, requiring assist examination into the company's taken a toll base or estimating strategy.

For financial specialists and investigators, the net working edge gives important bits of knowledge into the operational productivity and long-term productivity potential of the company. It too permits for comparisons between companies in the same segment to gage which businesses are more compelling at overseeing their center activities.

### 3.3.3 Return on Equity

Return on Equity is one most imperative Profit proportions, as it measures a company's capacity to create Profits from shareholders' equity. It is calculated by partitioning net wage by shareholders' equity. ROE shows how viably a company employments its equity base to produce Profits, advertising knowledge into the company's budgetary execution from the point of view of its shareholders.

A tall ROE demonstrates is successfully equity considerable returns, which is favorable for speculators. This may be the result of solid administration, productive taken a toll controls, or high-margin operations. Companies with tall ROE are regularly seen as great speculations since they create higher returns per dollar of equity invested.

Conversely, a moo ROE may recommend  not viably utilizing its equity to create Profits, or that the company has been wasteful in utilizing its capital. This may be due to destitute administration, tall operational costs, or moo Profit edges. Financial specialists ordinarily see for companies with maintainable and tall ROE to maximize their returns over the long term.

### 3.3.4 Return on Assets

The return on Assets (ROA) measures productively a company produce Profit. It is calculated by separating net salary by add up to Assets. ROA gives a clear picture of how well a company employments its resource base to make equity.

A higher ROA shows proficient in create Profits. This is especially vital for asset-intensive businesses, where the proficient administration of assets and capital is basic to Profit. Companies with tall ROA tend to have moo overheads and tall resource turnover, making the most out of their existing Assets.

On the other hand, a moo ROA proposes that the company may have sit out of gear or underutilized Assets, which can be a sign of wastefulness. For businesses in capital-intensive businesses, making strides ROA by expanding resource utilization or decreasing wasteful aspects can lead to superior money related results. ROA is an imperative marker for speculators, as it appears how viably a company employments its assets to create returns.

## 3.5 Efficiency Ratio

### 3.5.1 Tax Management Ratio

The assess administration effectiveness proportion of a support measures what rate of a fund's profit are misplaced to tax collection. Since the reason of a shared finance is to put cash into your take, assess proficiency is a valuable way to degree the allure of a finance. Reserves that lose a part of cash to charges have moo productivity and are less alluring, whereas those that lose small to charges have a tall assess administration proficiency proportion and more noteworthy allure.

# Chapter Four-Financial Statement analysis

## 4.1 Liquidity Ratio

### 4.1.1 Current Ratio:

Current proportion shows the capacity of Blue Kite Constrained to pay its current liabilities through its current resource. Current proportion appears the quality of Blue Kite Restricted working capital.

Current Ratio $\frac{Current\ Assets}{Current\ Liabitiey}$

| Particulars | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Current Assets | 113977.23 | 132624.07 | 164256.13 | 126277.47 |
| Current Liability | 102061.48 | 120348.78 | 171948.94 | 140563.02 |
| Current Ratio | 1.18 | 1.10 | 0.95 | 0.90 |

(Source: Blue Kite Limited Annual Report 2020-2023)

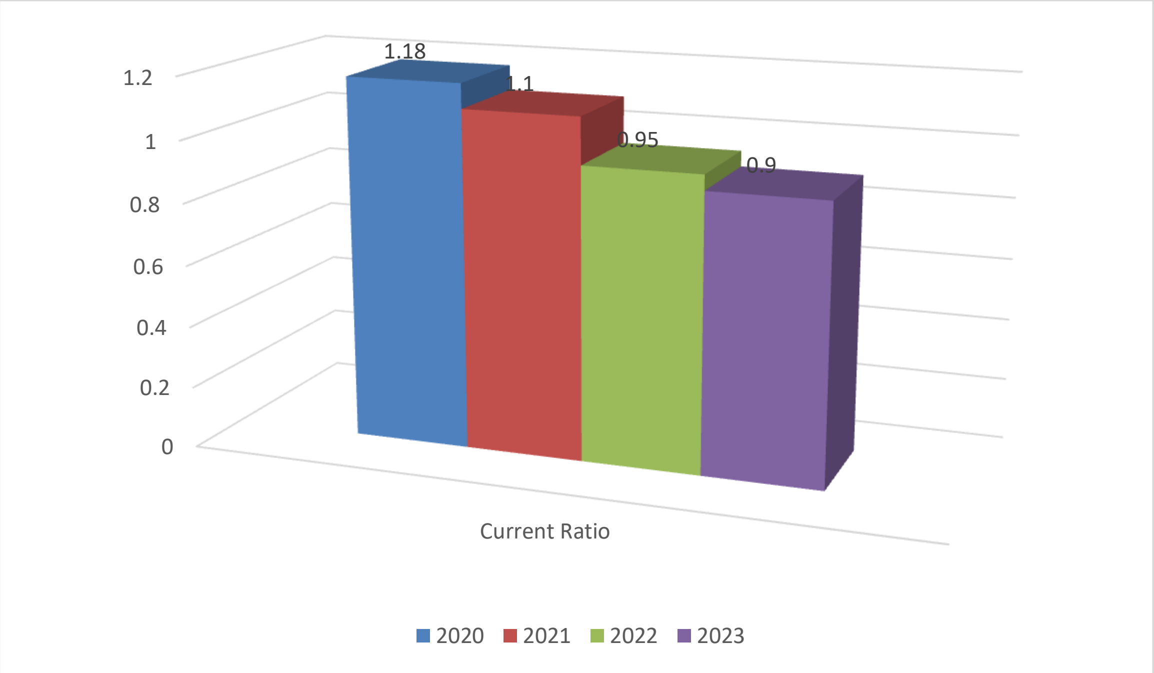


Fig: 1.1 Current Ratio from Year 2020-2023

**Explanation:** Current ratio of Blue Kite Limited 2020 is 1.18, 2021 is 1.1, 2022 is 0.95 and 2023 current ratio is 0.9.

## 4.2 Leverage Position

### 4.2.1 Debt to equity capital ratio:

The obligation to capital proportion is calculated by taking the company's intrigued-bearing obligation, both brief- and long-term liabilities and partitioning it by the add up to capital.

Debt to equity capital Ratio $\frac{Total\ debt}{Total\ equity}$

| Particulars | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Total Debt | 182244.64 | 207305.51 | 226209.64 | 217936.31 |
| total Equity | 15433.37 | 18073.50 | 17160.59 | 24144.70 |
| Debt to equity capital ratio | 11.80 | 11.47 | 13.18 | 9.02 |

(Source: Blue Kite Limited Annual Report 2020-2023)

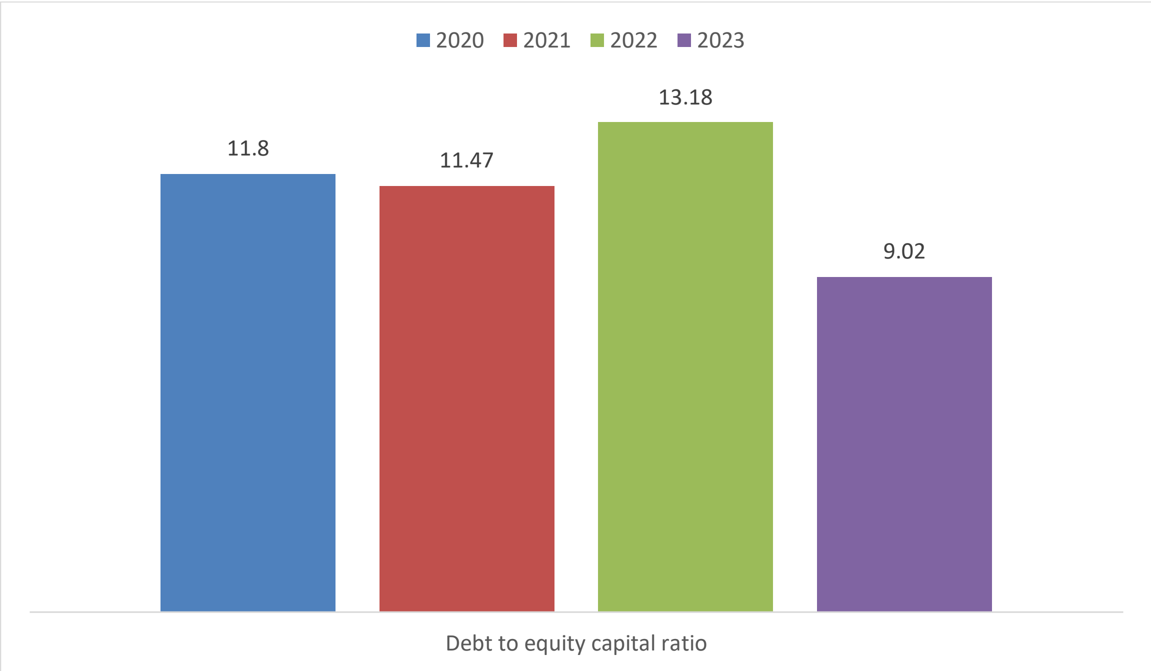


Fig: 1.1 Leverage Ratios from Year 2020-2023

**Explanation:** Leverage ratio of Blue Kite Limited 2020 is 11.8, 2021 is 11.47, 2022 is 13.18 and 2023 current ratio are 9.02.

## 4.3 Profitability Ratio

### 4.3.1 Net Profit Margin:

The net benefit edge measures how much net pay is created as a rate of income.

Net Profit Margin = $\frac{Net\ Income\ Ofter\ Tax}{Total\ Operating\ Revenue}$

| Particulars | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Net Income After Tax | 2022.01 | 2316.69 | 2532.43 | 2653.63 |
| Total Operating Revenue | 8785.99 | 9817.78 | 11439.52 | 10860.70 |
| Net Profit Margin | 23.00 | 23.59 | 22.13 | 24.43 |

(Source: Blue Kite Limited Annual Report 2020-2023)

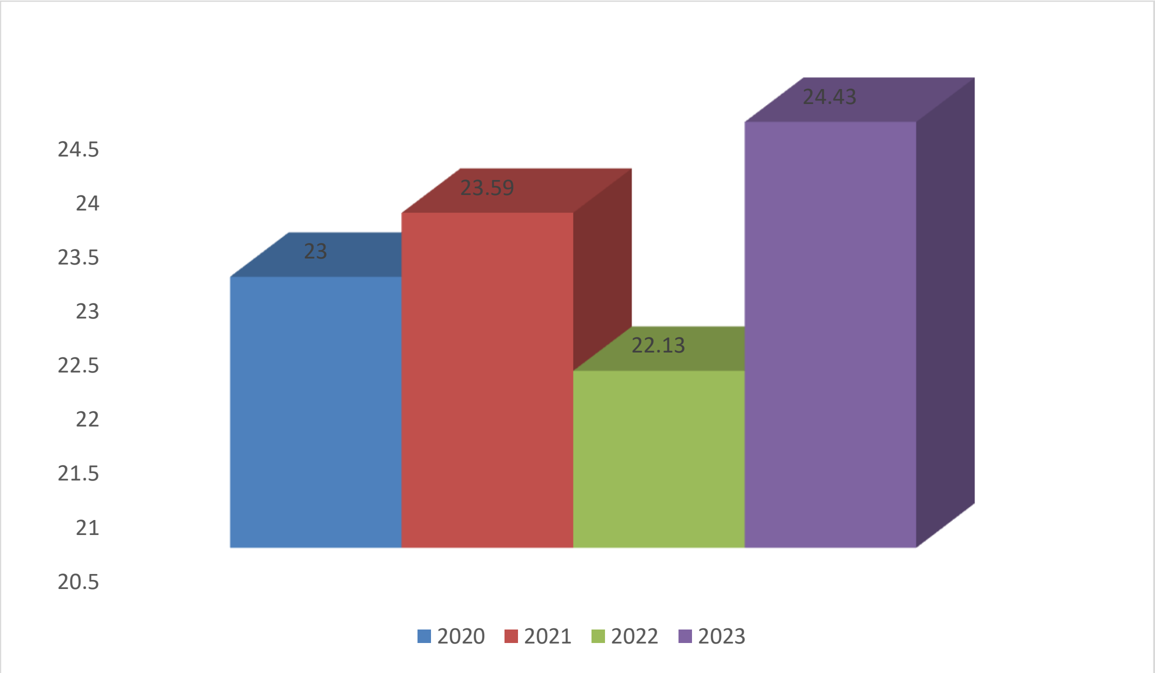


Fig: 1.1 Net Profit Margins from Year 2020-2023

**Explanation:** Net Profit Margin of Blue Kite Limited 2020 is 23.0, 2021 is 23.59, 2022 is 22.13 and 2023 current ratio are 24.43.

### 4.3.2 Net Operating Margin:

The Working edge measures how much benefit a company makes on a Dollar of deals offer paying for variable costs of generation, such as compensation and crude materials but some time recently paying intrigued or charge.

Net Operating Margin = $\frac{Operating\ revenue - Operating\ experce}{Total\ Assets}$

| Particulars | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Total Operating Income | 8785.99 | 9817.78 | 11439.52 | 10860.70 |
| Operating Expense | 4580.55 | 5217.21 | 5628.63 | 5801.79 |
| Total Assets | 197669.20 | 225350.63 | 243266.42 | 241962.13 |
| Net Operating Margin | 2.12 | 2.04 | 2.38 | 2.09 |

(Source: Blue Kite Limited Annual Report 2020-2023)

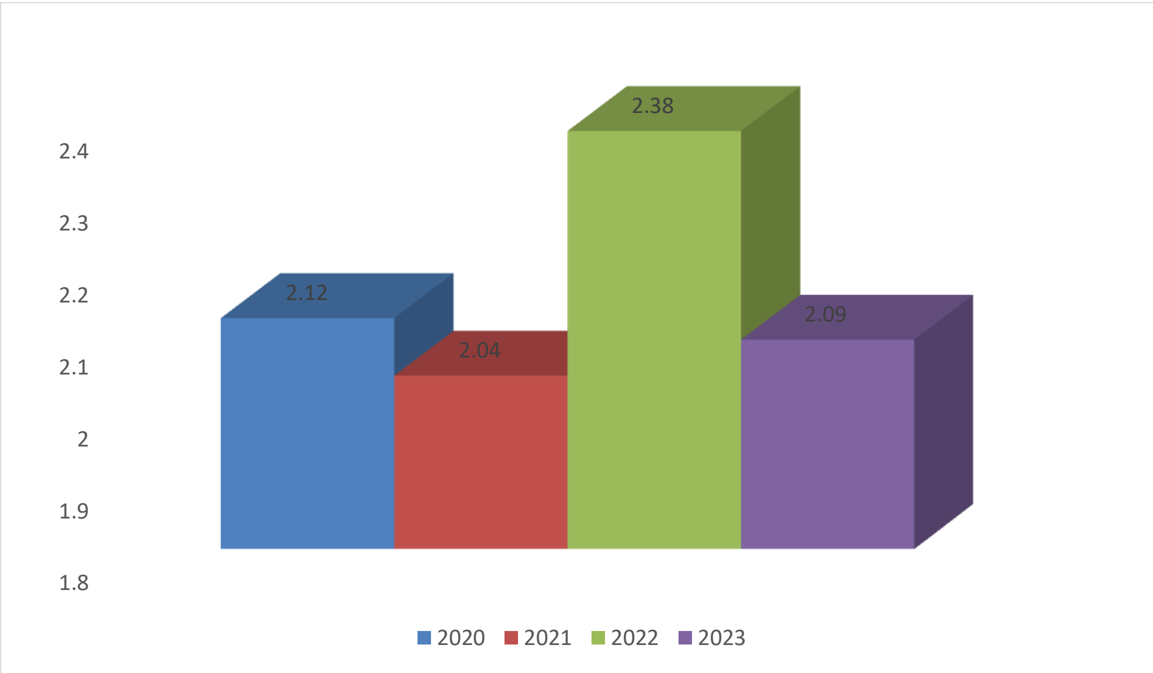


Fig: 1.1 Net Operating Margin from Year 2020-2023

**Explanation:** Net Operating Margin of Blue Kite Limited 2020 is 2.12, 2021 is 2.04, 2022 is 2.38 and 2023 current ratio is 2.09.

### 4.3.3 Return on equity:

The return on value is a degree of the productivity of a trade in connection to the value.

Return on Equity = $\frac{Net\ Income\ After\ Tax}{Total\ Equity}$

| Particulars | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Net Income After Tax | 2022.01 | 2316.69 | 2532.43 | 2653.63 |
| Total Equity | 15433.37 | 18073.50 | 17160.59 | 24144.70 |
| Return on equity | 13.09 | 12.82 | 14.76 | 10.99 |

(Source: Blue Kite Limited Annual Report 2020-2023)

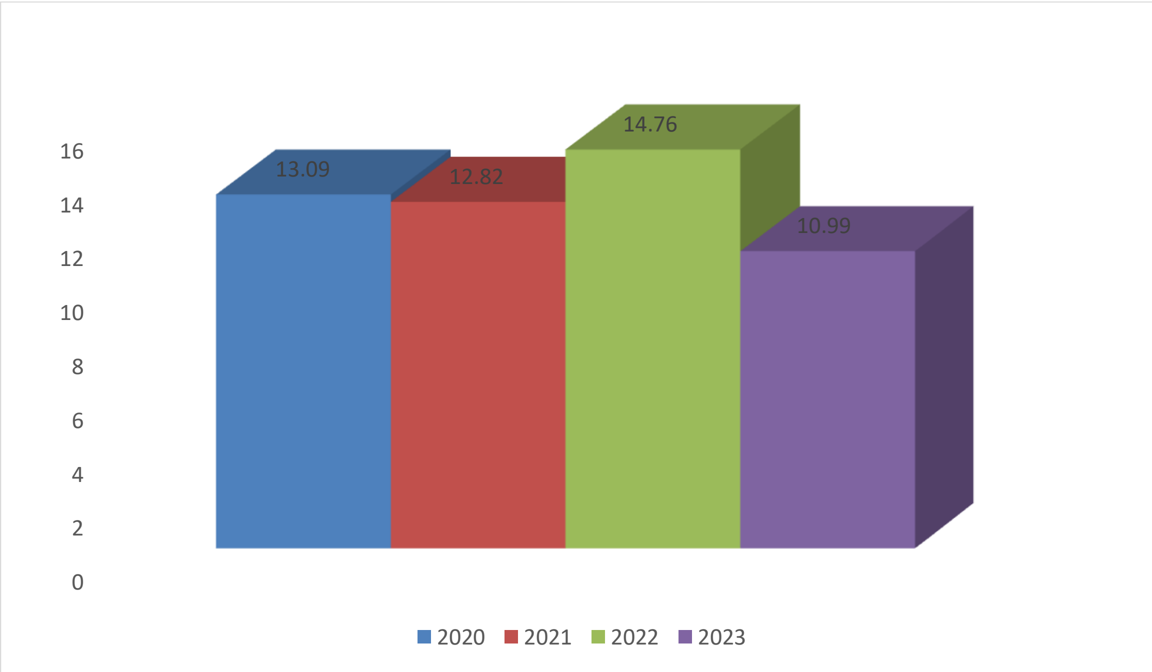


Fig: 1.1 Returns on Equity from Year 2020-2023

**Explanation:** Return on Equity of Blue Kite Limited 2020 is 13.09, 2021 is 12.82, 2022 is 14.96 and 2023 current ratio is 10.99.

#### 4.3.4 Return on Assets:

Return on resources is a productivity proportion that gives how much benefit a company is able to produce from its resources.

Return on Assets = $\frac{Net\ Income\ After\ Tax}{Total\ Assets}$

| Particulars | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Net Income After Tax | 2022.01 | 1876.36 | 2532.43 | 2653.63 |
| Total Assets | 197669.20 | 225350.63 | 243266.42 | 241962.13 |
| Return on Assets | 1.02 | 0.83 | 1.04 | 1.09 |

(Source: Blue Kite Limited Annual Report 2020-2023)

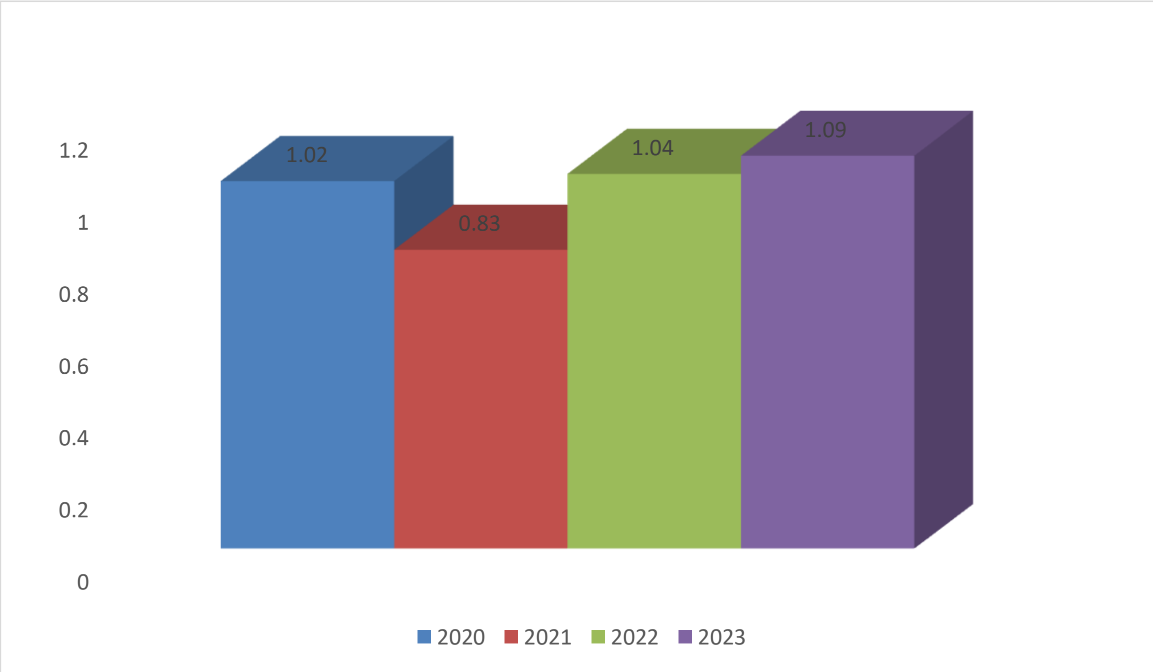


Fig: 1.1 Returns on Assets from Year 2020-2023

**Explanation:** Return on Assets of Blue Kite Limited 2020 is 1.02, 2021 is 0.83, 2022 is 1.04 and 2023 current ratio is 1.09.

## 4.4 Efficiency Ratio

### 4.4.1 Tax Management Ratio:

Assess administration proficiency proportion of a finance measures what rates of a fund's profit are misplaced to tax assessment.

Tax Management Ratio = $\frac{Net\ Income\ After\ Tax}{Net\ Income\ before\ Tax}$

| Particulars | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Net Income After Tax | 2022.01 | 2316.69 | 2532.43 | 2653.63 |
| Net Income before Tax | 3482.42 | 3602.14 | 4713.55 | 4339.44 |
| Tax management Ratio | 0.58 | 0.64 | 0.53 | 0.61 |

(Source: Blue Kite Limited Annual Report 2020-2023)

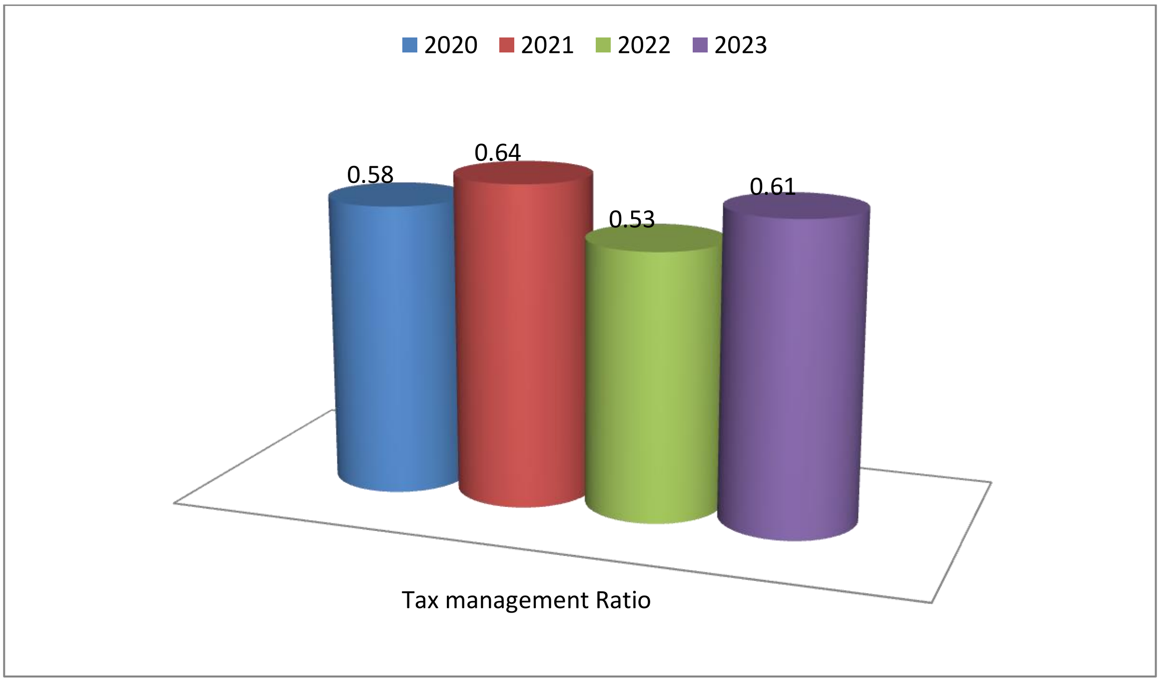


Fig: 1.1 Tax Management Ratios from Year 2020-2023

**Explanation:** Tax Management Ratio of Blue Kite Limited 2020 is 0.58, 2021 is 0.64, 2022 is 0.53 and 2023 current ratio is 0.61.

## 4.5 Adequacy Ratio:

### 4.5.1Capital Adequacy Ratio

Capital Ampleness proportion is moreover known as capital chance resources proportion is the proportion of a Blue Kite Limited's capital to its hazard-

Capital Adequacy Ratio = $\frac{Tire-I\ capital+Tire-II\ capital}{Risk\ weighted\ Asset}$

| Particulars | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Tire-I | 12179.70 | 14472.53 | 15619.98 | 17815.75 |
| Tire-II | 7721.91 | 11940.74 | 10235.48 | 10381.67 |
| Risk weighted Asset | 168137.76 | 194137.86 | 180739.24 | 182410.02 |
| Capital Adequacy Ratio | 11.83 | 13.60 | 14.30 | 15.45 |

(Source: Blue Kite Limited Annual Report 2020-2023)

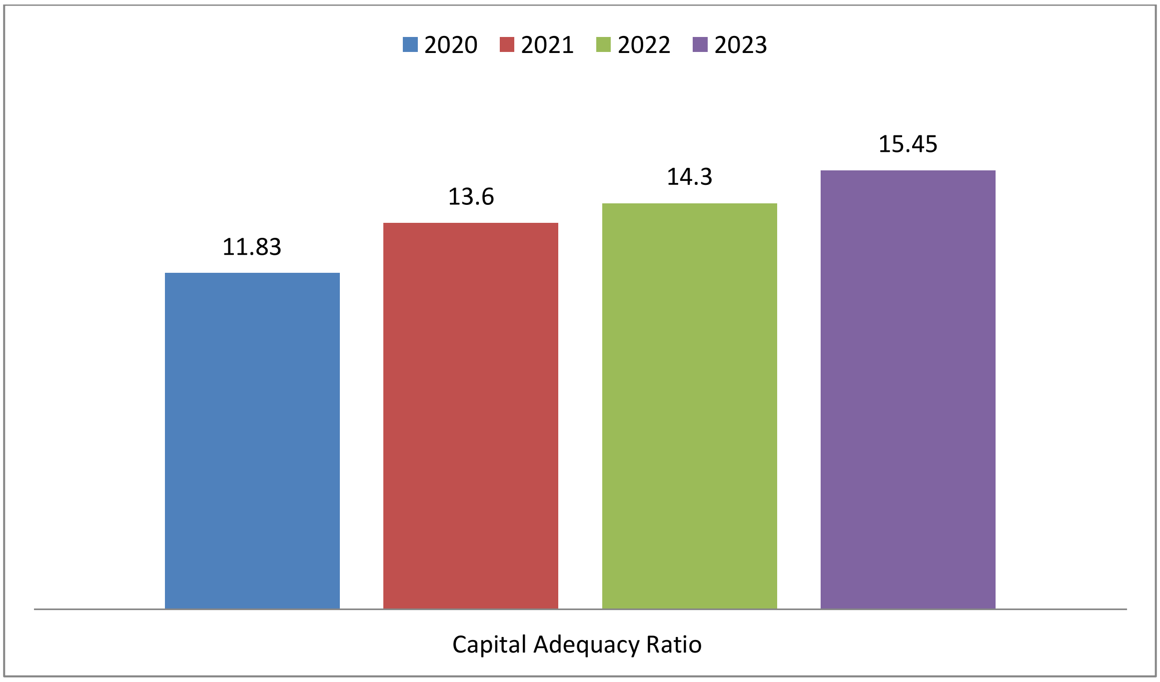


Fig: 1.1 Adequacy Ratio from Year 2020-2023

**Explanation:** Adequacy Ratio of Blue Kite Limited 2020 is 11.83, 2021 is 13.60, 2022 is 14.30 and 2023 current ratio is 15.45.

## 4.7 Common Size Analysis:

Common measure examination is too known as vertical investigation which is utilized by the budgetary supervisor to analys the monetary analysiss. It empower the organization to choose how the organization is performing over year and differentiated with contenders. It moreover allow the organization to see the impact of each detail on the income cash stream, or resource figures for the organization.

**Blue Kite Limited**

Common Size Statement Comparative Balance Sheet

For the years ended December 2020 to 2023

| Particular | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Cash | 5.97% | 5.74% | 5.70% | 4.70% |
| Cash in hand (including foreign currencies) | 0.72% | 0.62% | 0.56% | 0.49% |
| Balance with Bangladesh Blue Kite Limited its agent Blue Kite Limited (including foreign currencies) | 5.25% | 5.13% | 5.14% | 4.21% |
| Balance with other Blue Kite Limited and financial institution | 3.70% | 4.45% | 11.54% | 15.92% |
| In Bangladesh | 3.18% | 4.14% | 10.85% | 15.09% |
| Outside Bangladesh | 0.52% | 0.31% | 0.69% | 0.83% |
| Money at call on short Notice | 0.28% | 0.14% | 0.40% | 0.09% |
| Investments | 36.38% | 36.49% | 25.36% | 20.18% |
| Governments | 32.01% | 32.47% | 21.61% | 12.51% |
| Others | 4.37% | 4.02% | 3.75% | 7.66% |
| Bills Purchased and discounted | 0.83% | 0.59% | 0.40% | 0.32% |
| Fixed assets including premises furniture and fixture | 89.63% | 89.46% | 90.36% | 91.04% |
| other assets | 2.82% | 2.53% | 2.31% | 7.04% |
| None Blu Kite Limiting Assets | 0.00% | 0.00% | 0.00% | 0.05% |
| Total Assets | 100% | 100% | 100% | 100% |
| Liabilities Barrowing from other Blue Kite Limiteds, financial institution | 46.39% | 56.66% | 50.87% | 49.83% |
| Deposit and other accounts | 39.01% | 47.69% | 47.59% | 48.31% |
| Current/Al-wadeeah- Current Accounts and other accounts | 13.12% | 16.02% | 19.14% | 20.43% |
| Bills Payable | 1.20% | 1.47% | 1.32% | 1.29% |
| Other Liabilities | 8.72% | 8.05% | 18.36% | 83.19% |

| | | | | |
|---|---|---|---|---|
| Subordinated Debt | 13.80% | 15.08% | 14.05% | 13.06% |
| Total Liabilities | 100% | 100% | 100% | 100% |
| Capital Shareholders equity/ Paid up Capital | 2.09% | 16.05% | 2.53% | 1.64% |
| Statutor Reserve | 1.70% | 0.75% | 7.33% | 0.55% |
| Other Reserve | 8.02% | 18.36% | 18.96% | 0.53% |
| Retained Earnings | 13.80% | -16.05% | 4.07% | 3.50% |
| Total Shareholder Equity | 100% | 100% | 100% | 100% |

# Chapter Five- Findings, Recommendations and Conclusion

## 5.1 Findings

- Current ratio of Blue Kite Limited 2020 is 1.18, 2021 is 1.1, 2022 is 0.95 and 2023 current ratio is 0.9.
- Leverage ratio of Blue Kite Limited 2020 is 11.8, 2021 is 11.47, 2022 is 13.18 and 2023 current ratio are 9.02.
- Net Profit Margin of Blue Kite Limited 2020 is 23.0, 2021 is 23.59, 2022 is 22.13 and 2023 current ratio are 24.43.
- Net Operating Margin of Blue Kite Limited 2020 is 2.12, 2021 is 2.04, 2022 is 2.38 and 2023 current ratio is 2.09.
- Return on Equity of Blue Kite Limited 2020 is 13.09, 2021 is 12.82, 2022 is 14.96 and 2023 current ratio is 10.99.
- Return on Assets of Blue Kite Limited 2020 is 1.02, 2021 is 0.83, 2022 is 1.04 and 2023 current ratio is 1.09.
- Tax Management Ratio of Blue Kite Limited 2020 is 0.58, 2021 is 0.64, 2022 is 0.53 and 2023 current ratio is 0.61.
- Adequacy Ratio of Blue Kite Limited 2020 is 11.83, 2021 is 13.60, 2022 is 14.30 and 2023 current ratio is 15.45.

## 5.2 Recommendations

- To address the declining current ratio, the company should focus on improving working capital management, such as optimizing inventory levels, speeding up receivables collection, and seeking short-term financing options to meet immediate financial needs.
- To lower the high debt to equity ratio, Blue Kite Limited should work on reducing its debt by raising equity capital or refinancing existing loans to achieve more favorable terms, thereby decreasing financial risk.
- : To improve return on equity and maintain strong profitability, the company should focus on controlling operational costs more effectively and finding ways to boost sales without proportionally increasing expenses.
- To address efficiency issues, Blue Kite Limited should seek ways to improve asset utilization, such as enhancing inventory management, maximizing the productivity of existing assets, and exploring new revenue-generating opportunities without additional capital expenditure.
- Given the relatively high operating expenses, the company should implement cost-reduction strategies, including streamlining operations, renegotiating supplier contracts, and adopting technology to improve efficiency.

## 5.3 Conclusion

In conclusion, Blue Kite Limited has demonstrated consistent profitability and growth over the past five years, but there are key areas requiring attention to ensure its continued success. The company's declining liquidity position, as indicated by the decreasing current ratio, poses a risk to its ability to meet short-term obligations. Additionally, its high reliance on debt, as reflected in the debt-to-equity ratio and total debt-to-total assets ratio, increases financial risk and limits its flexibility. While profitability remains strong, with healthy net profit margins, efficiency issues, such as high operating expenses and low asset utilization, need to be addressed to improve overall performance. However, the company has shown positive trends in capital adequacy, strengthening its capital base, and managing asset quality effectively. By focusing on liquidity improvement, reducing debt, optimizing resource utilization, and controlling costs, Blue Kite Limited can strengthen its financial position and enhance long-term sustainability. These strategic measures will help the company navigate financial challenges and capitalize on growth opportunities in the future.

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# Appendix

## Highlight of Financial analysis 2019-2023

### Balance Sheet

| Particular | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Total Assets | 197669198952 | 225350625509 | 243266422939 | 241962132420 |
| Total Liabilities | 182244643208 | 207305508676 | 226209640068 | 217938306300 |
| Shareholder's Equity | 15424555743 | 18045116830 | 17056782871 | 24023826120 |
| Total Liabilities and shareholder equity | 197669198952 | 225350625509 | 243266422939 | 241962132420 |
| Book equity per share | 10914338305 | 7492256500 | 7047728539 | 4461479087 |
| Paid up capital | 6141193860 | 5441006600 | 6396987131 | 3498349014 |

### Income Statement

| Particular | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Net interest income | 6450715955 | 3769669382 | 6450715955 | 3769669382 |
| Total operating income | 11485864243 | 10903680021 | 11485864243 | 10903680021 |
| Total operating expense | 5628236828 | 5801793634 | 5628627415 | 5801793634 |
| Total Provision | 1143117022 | 762443278 | 762443278 | 1143687102 |
| Profit before tax | 4339443110 | 4339443110 | 4713549726 | 4339443110 |
| Net profit after tax | 2653629623 | 2532432002 | 2653629623 | 2532432023 |

### Cash Flow

| Particular | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Net cash from operating activities | 11495296405 | 15002115930 | 17840294985 | 12827669831 |
| Net cash from investing activities | 2443027296 | 5982870768 | 8450239104 | 12109246125 |
| Net cash from financial activities | 1109210039 | 4240764999 | 826594516 | 712410976 |
| Net increase/(decrease) in cash and cash equivalents | 8073437305 | 4039426643 | 5945005599 | 11225907026 |
| Cash and cash equivalents at beg airing of the year | 3646556027 | 5466580507 | 1511773447 | 5466580507 |
| Cash and cash equivalents at end of the year | 23308551472 | 21551023654 | 19701456542 | 19872384665 |