

Financial Performance Analysis of Kabir Toy Garden (KTG) Limited





Daffodil
International
University

Internship Report on
“Financial Performance Analysis of
Kabir Toy Garden (KTG) Limited”

Submitted To

Dr. Md. Abdur Rouf

Associate Professor

Department of Business Administration

Daffodil International University

Submitted By

Kh. Mushfiqul Hassan Shihab

ID: 212-14-306

Major in Finance

Department of Business Administration (MBA)

Daffodil International University

Submitted Date:

Letter of Transmittal

Dr. Md. Abdur Rouf

Associate Professor & Director MBA Program

Department of Business Administration

Daffodil International University

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

Dear Sir,

It is my pleasure to submit my financial analysis work report of Kabir Toy Garden (KTG) Ltd after completing my internship. It is my best decision to follow all terms and conditions of Kabir Toy Garden (KTG) ltd. How far can I go? It is my blessing to follow your advice and schedule. All of these areas were mentioned that were mentioned to me during the interview.

All content related to this internship document is visible. I would like to express my gratitude to you; to support me as much as possible. This helps a lot in preparing the report correctly. Thanks for your consideration.

Sincerely yours,

Kh. Mushfiqul Hassan Shihab

ID: 212-14-306

Major in Finance

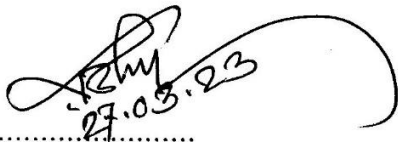
Department of Business Administration (MBA)

Daffodil International University

Supervisor's Approval

It gives me immense pleasure to certify that the projected report titled has been completed by Kh.Mushfiqul Hassan Shihab ID: 212-14-306, student of MBA program, Faculty of Business & Entrepreneurship, Daffodil International University, under my supervision and guidance. As far as I know, this is an original work, which has not been published in any journal or submitted to any institution or department for any degree or diploma.

I do hereby accept a fully recommend Internship report for evaluation.



.....
Dr. Md. Abdur Rouf
Associate Professor
Department of Business Administration
Daffodil International University

Students Declaration

I, the undersigned, hereby declare that the Internship Report “Financial Performance Analysis of Kabir Toy Garden (KTG) Ltd” has been prepared by me as a requirement for the accomplishment of MBA degree from the Head of Department of Business Administration, Faculty of Business & Entrepreneurship, and Daffodil International University. It is also declared that, this report has been prepared for academic purpose only and has not been/will not be submitted elsewhere for any other purpose.

Shihab
.....27/03/23.....

Kh.Mushfiqul Hassan Shihab

ID: 212-14-306

Major in Finance

Department of Business Administration (MBA)

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 thank my supervisor Associate Professor, Dr. Md. Abdur Rouf Department of Business Administration for his valuable guideline which assists me to complete easily my report. It may concern to say that without his cooperation it was impossible to complete.

Moreover, I also thank to Soiyod Nazmul Huda Managing Director of Kabir Toy Garden Ltd. who helps me a lot to learn about organization activities. Not only has that I also thanked to all employees of the organization who collaborates with me to learn about how they actually work.

It is my pleasure to thank all my older siblings who advise me to complete my paper in an appropriate manner.

I thank all these wonderful people for their good cooperation; this will be remembered by me in my life.

Executive Summary

The report is prepared to determine the analysis of the financial performance of Kabir Toy Garden Limited. Kabir Toy Garden Limited has a strong and efficient Product service. Therefore, it is good to evaluate the analysis of the financial performance of Kabir Toy Garden Limited. Through this report, a clear idea is generated about the financial performance of the company, the organization's vision towards its necessity and its contribution to the organization. Three months is a very short time to know the detailed information of the finance department. But I did my best to find out as big as possible.

So, I can draw a sharp line on this issue to its impact on the total and overall Financial Performance of Kabir Toy Garden Limited's financing and standard methods.

Here I tried my best to compare the financial results of the company from 2020 to 2022 in addition to which I have completed a 90-day internship in Kabir Toy Garden Limited.

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Chapter- 01

Introduction

1.1 Introduction

Financial information is the basis for analyzing financial results and making decisions. Financial performance is essential for forecasting, evaluating and comparing a company's financial capabilities. Financial performance analysis is a tool or process to measure how a company can use or using its financial assets and generate revenues.

1.2 Origin of the Study

This short work report is intended for students of Daffodil International University with additional credits. To complete the MBA, all students must complete programs from time to time. Students are sent on various scholarships to further their careers. After completing a 3-credit program to accomplish an impermanent position report, each understudy needs to keep up a timetable with school executive.

The student makes agreements about this with the teacher. This report starts with all the important information about the organization in question.

1.3 Objective of the Study

- ✓ To assess the earning capacity or profitability of Kabir Toy Garden
- ✓ To identify the reasons for change in profitability and financial position of Kabir Toy Garden
- ✓ To give recommendations on the findings which will arise at the end of the report.

1.4 Scope of the study

With this report, I tried to give an idea whether the company is stable, solvent or profitable enough to warrant or issue a monetary investment. This analysis works like a mirror of the financial performance of the company and the present or the future investors, customers as well as the management can get an idea about it which will help them to take short- and long-term decisions.

1.5 Methodology of the Study

The idea given by the method of doing something and the process used to complete the action. In addition, it concludes with the strategies used to conduct the study. In this particular case, research strategy refers to the methods used by the researcher to answer the research question (Kothari, 2006)

Method of Collecting Secondary Data:

- ✚ Financial statement of KTG
- ✚ Annual report of KTG Group.
- ✚ KTG website, internet, Various book articles and journal.

1.6 Limitation of the Study

- Due to time shortage in the entrance level position, it is hard to communicate with others.
- Due to time shortage and lack of certainty, a couple of decisions are made on assumption.
- Due to privacy issue all of the financial information is not disclosed by the authority.
- Due to heavy work load the officials are not obliged to answer of every request.

Chapter-02

Company Profile

2.1 About Kabir Toy Garden Ltd

HARK group is a manufacturing-focused private company based in Bangladesh, since 2015. We manufacture and supply a variety of educational and recreational toys for kids of all ages. Our growing E-Commerce wing provides shoppers with a broad online selection of interactive and unique toys, baby products and all types of consumer products. We are committed to serving our community as a concerned and reputable provider through our dedicated products and services to consumers of all ages.

When it comes to pursuing new business opportunities, the Hark Group believes in being proactive. To ensure that we produce the finest results possible, we always aim to develop and put into action the plans required for recognizing business requirements.

At Hark, we've put in a lot of effort to create a reporting and analytic solution that will find opportunities and abnormalities in the data our company has. You will gain a deeper understanding of your company, its market, and its clients thanks to the reporting and analytic solutions we offer.

2.2 Brand of HARK group

I. Kabir Toy Garden



II. FFK Enterprise Ltd



III. Kabir Fish & Diary Firm



2.3 Mission of Kabir Toy Garden Ltd

We succeed more when kids use our toys to teach them fundamental skills. Hark will be recognized as a company whose primary goal is to empower kids and improve their playing options. With such motivation, highly skilled professionals are working tirelessly towards it.

2.4 Vision of Kabir Toy Garden Ltd

Kabir Toy Garden Ltd Vision to make the highest quality educational toys available.

2.5 Goal of Kabir Toy Garden Ltd

Since its inception in the Year 2015, Kabir Toy Garden Ltd goal was to make the best educational and recreational toys possible for kids of all ages. We primarily focus on how our products will assist in the early development of children.

2.6 Technical Aspects:

The proposal provides for the establishment of a factory for the manufacture of various toys and electronic switches under the name and style of Kabir Toy Garden Ltd at Bangobundhu Road, Gazipur, Ashulia, Savar, Dhaka. The project is well planned, given the growing local demand for various types of toys and electronic devices. The project is built on the basis of local raw materials, except for industrial machinery. The main machine will be received from the known country. The project also requires local tools and materials. All local experts and manufacturers with the cooperation of foreign experts will install the machines. The project takes 300 days a year and 2 (two) working days. According to the existing provisions of the proposed plan, the business must operate at 60% of its installed capacity in Year 1, which has been increased to 70% in Year 2 75% in the 3rd year and the following years of use.

2.7 Technology and Manufacturing process:

The proponents of design work pick machines from factories in China and India that have cutting-edge technology, top-notch gear, smart processes, a restrictive quality assurance system,

and great after-sales support. Modern machines were used to develop and construct the production line for toys and coins.

2.8 The Process of Producing Injection Molds:

Granular plastic is treated during injection molding by gravity from the box into the heated box. The plastic is put into a heating device called VAT where it melts as the pellets are lifted by a screw that cannot be removed. The seals state that the seat nozzle presses the plastic liquid against the mold, allowing it to enter the mold hole through the entry and sprinter. When the mold is complete, the area is heated to a high enough level that the plastic will resemble cement.

Infusion Molding Cycle:

The sequence of events that occur during the sorting of plastic parts is known as the investment forming cycle. The cycle begins when the mold is closed, followed by absorption of the polymer into the mold cavity. When the cavity is filled, the pressure is kept constant to compensate for the shrinkage of the material. In the next step, the screw rotates, it is brought down to screw forward. This makes the screw out, as the shot below is available. When the part has cooled sufficiently, the mold is opened and the investment shaped part is removed. Trim organizations typically use the following formula to determine the duration of the infusion molding process.

Interaction Cycle:

The interaction cycle for making an infusion is very short, usually between 2 seconds and 2 minutes, and comprises four phases:

- **Clamping:** The cutting unit must first correctly close the two sections of the image before injecting the substance into the paper. The infusion molding machine is attached to each 50% sheet, and the other half is then let to flow. When the media is fed, the cinching power control unit holds the pieces of media together and applies adequate pressure to effectively seal the paper. Depending on the machine, larger (and more powerful) machines may take longer to record and preserve the image. This period of time can be calculated using the machine's drying time.

- **Injection:** Raw plastic, usually in granular form, is fed into an injection molding machine and is shaped like an injection machine. During this cycle, the material moves through factors of heat and compression. As soon as the liquid plastic enters the mold, compression factors start to form, defining, and holding the product. The machine received the appropriate amount of the infused substance. Due to the excess and frequent changing of the plastic liquid in the mold, it is challenging to estimate the precise infusion time. The injection amount, manometer, and infusion force can all affect how long an infusion lasts, though.
- **Cooling:** Once bonded to the interior of the glass, the plastic liquid in the container starts to cool. The plastic hardens to its optimal state as it cools. However, there will be some shrinkage during the colder months. More information can flow into the paper and shrinkage can be decreased by pressing the product during the brewing step. The cooling-off period will not end until this form is opened. Some thermodynamic characteristics of the plastic and the increased thickness of the distribution are used to calculate the cooling time.
- **Ejection:** After sufficient time had elapsed, the cooled part was ejected from the mold by means of an unloading frame which was connected to the back of the mold. At the time the mold was being opened, the component was being used to push the part out of the mold. Energy must be used to discharge the part, because during cooling the part is processed and retains its shape. To help unload the section, the mold unloader may spray the surfaces of the mold cavity prior to pouring the material. The time required to open the mold and run the part can be estimated from the dry run time of the machine and should include the time before the part drops out of the mold. After the part is ejected, the mold can be closed to allow the next batch to be poured. After the infusion molding cycle, some post-treatment is usually required. During cooling, the material in the mold channels will adhere to the part. This excess material, together with any resulting flash, should be controlled from the part, usually with milling cutters. For certain types of materials, such as thermoplastics, the lump material resulting from such processing can be processed by placing it in a plastic processor, also called regrinding machines or granulators, which regrinds the bulk material into granules. Due to some distortion of the

properties of the material, regrinding is mixed with raw materials of a permitted grinding grade for reuse in infusion-molding activities.

Chapter-03

Financial Performance Analysis

3.1 Financial Performance

According to “StudySmarter” an online education portal, financial performance is a measure of how well a company uses assets and generates revenue. In other words, financial performance is the indicator of financial health of a company.

Now comes financial performance analysis, financial performance analysis is an approach to understand a company’s financial performance. It is a process of identifying a company’s financial records, statements, tools and processes.

3.2 Steps of Financial Performance Analysis

There are some steps or specifically four steps of analyzing the financial performance of a company. The steps are:

1. Analyze the balance sheet: A balance sheet defines a company’s assets, liabilities and owners’ equity at a specific period of time. To understand the balance sheet from beginning to end is the basic of analyzing it.
2. Analyze the income statement: The income statement is a financial statement in which a company’s profit or loss is showed over a period of time. This profit or loss is determined by taking all revenues and subtracting all expenses from both operating and non-operating activities.
3. Analyze the cash flow statement: A cash flow statement is a tool which is used to manage the cash inflow and outflow of a company.
4. Financial Ratio analysis: Ratio analysis refers to the analysis of various pieces of financial information in the financial statements of a business. They are mainly used by external analysts to determine various aspects of a business, such as its profitability, liquidity, and solvency.

3.3 Balance sheet of Kabir Toy Garden

Because of privacy issue and heavy work load it was unable to collect four- or five-year's balance sheet. I collected 3 years balance sheet successfully which are 2020,2021 and 2022.

The balance sheet of year **2020 to 2021** is given bellow

CAPITAL & LIABILITIES	Amount 30-06-2021	Amount 30-06-2020
<u>AUTHORIZED CAPITAL:</u>		
3,00,000 Ordinary Shares of Tk. 100/- each	30,000,000	30,000,000
<u>SHARE CAPITAL:</u>		
20,000 Ordinary Shares of Tk. 100/- each	2,000,000	2,000,000
Regained Earnings	(160,517,868)	(164,461,507)
<u>CURRENT LIABILITIES:</u>		
Accounts Payable	3,612,382	3,612,382
Short Term Loan	58,827,341	63,344,899
Accrual Expenses and Provision	7,524,557	6,646,143
<u>NON-CURRENT LIABILITIES:</u>		
UPAS LC Liability (United Commercial Bank Ltd.)	6,938,084	19,913,472
Other Long-Term Liabilities	53,401,862	48,212,232
Long-Term Liabilities	265,949,096	260,974,979
Amount Due to Directors	5,669,288	4,648,913
	243,404,741	244,891,513
<u>PROPERTY AND ASSETS</u>		
<u>NON-CURRENT ASSETS:</u>		
Property, Plant & Equipment	175,082,294	177,017,240
<u>CURRENT ASSETS:</u>		
Goods in Transit	-	2,060,038
Advance Income Tax	8,566,999	6,722,140

Accounts Receivable	4,380,099	3,799,149
Inventories	44,713,826	44,713,826
Work-in Progress	5,526,744	5,526,744
Security Deposit	700,000	700,000
Preliminary Expenses	200,000	200,000
Cash & Cash Equivalent	4,234,780	4,152,376
	243,404,741	244,891,513

Interpretation: From this balance sheet we can see how much liabilities this company has gained compared to their asset and equity in the year 2020 to 2021. From this balance sheet we can see that the liabilities of have decreased in 2021 than 2020 which is a positive sign for any company. The current liabilities have decreased which can be changed throughout the year. The most promising side is that the non-current or fixed liabilities have also decreased in 2021 from 2020.

On the other hand, though the non-current assets or fixed assets have decreased in 2021 from 2020 which could be a negative sign for a company but the current assets have increased significantly. Because of that the overall asset of the company have increased in 2021.

The balance sheet of year **2021 to 2022** is given bellow

Particulars	Amount In Taka	
	30.06.2022	30.06.2021
<u>Property & Assets</u>		
Non-Current Assets:		
Property Plant & Equipment	180,564,699	183,805,427
Preliminary Expenses	200,000	200,000
Current Assets:	74,475,835	49,015,827
Accounts Receivable	3,799,149	3,799,149
Security Deposit	700,000	700,000
Goods in Transit	1,858,970	-
Advance Income Tax	12,473,173	8,640,391
Inventories	32,241,897	32,731,923
Work in Progress	23,213,879	2,909,584
Cash & Cash Equivalents	188,768	234,780
Total Assets	255,240,535	233,021,253
<u>Capital & Liabilities</u>		
Capital & Reserve	(155,342,865)	(158,760,612)
Issued, Subscribed & Paid-up Capital	2,000,000	2,000,000
Retained Earnings	(157,342,865)	(160,760,612)
Non-Current Liabilities	346,160,582	322,610,784
UPAS Loan	50,809,150	6,938,085
Other Long-Term Liability	33,425,000	42,213,921
Long Term Loan	249,568,126	265,949,096
Amount Due to Directors- Mr. Hakkani	12,358,306	7,509,683
Current Liabilities:	64,422,818	69,171,081

Accounts Payable	3,612,382	3,612,382
Accrual Expenses & Provision	6,731,358	6,731,358
Short Term Loan	54,079,078	58,827,341
Total Liabilities	255,240,535	233,021,253

Interpretation: From this balance sheet we can see how much liabilities this company has gained compared to their asset and equity in the year 2021 to 2022. From this balance sheet we can see that the liabilities of have increased in 2022 than 2021 which is not very promising sign for any company. The current liabilities have decreased but the negative side is that the non-current or fixed liabilities have increased in 2022 from 2021.

On the other hand, the asset section throughout the current and fixed asset has increased from 2021 to 2022 which is a promising sign for the company.

3.4 Income statement of Kabir Toy Garden

Here I collected three years income statement of Kabir toy garden which are 2020, 2021 and 2022.

First let's take a look at the income statement of **2020 to 2021:**

PARTICULARS	Amount 30-06-2021	Amount 30-06-2020
Revenue (Inclusive VAT)	146,402,286	92,013,746
Cost of Goods Sold	(122,026,496)	(76,997,268)
Gross Profit	24,375,790	15,016,478
Administrative Expenses	(8,322,544)	(5,975,427)
Marketing & Distribution Expenses	(9,425,776)	(8,965,641)
Financial Expenses	(785,043)	(633,758)
Results from Operating Activities	5,842,428	(558,348)
Other Comprehensive Income	-	-
Profit/Loss before Income Tax Expenses	5,842,428	(558,348)
Income Tax Payable	(1,898,789)	(552,082)
Loss for the year	3,943,639	(1,110,431)

Interpretation: From this statement we can see that the all over revenue of 2021 has increased significantly from 2020. With that the other aspects of the income statement have been much higher than the previous year. The gross profit of 2021 is almost double from the 2020's one. In 2020 the company faced a pretty big amount of loss but in 2021 it recovered from that loss pretty handsomely.

Then we move on to the income statement of **2021 to 2022**

Particulars	Amount In Taka	
	30.06.2022	30.06.2021
Revenue	146,534,149	146,402,286
Less: Cost of Goods Sold	116,492,360	117,730,957
Gross Profit	30,041,789	28,671,329
Less: Operating Expenses		
Administrative Expenses	12,648,937	9,530,394
Marketing & Distribution Expenses	11,074,052	12,674,502
Financial Expenses	1,279,321	1,156,141
Net Operating Profit	5,039,479	5,310,292
Add: Income from Bank Interest	886	13,221.00
Net Profit/(Loss) Before tax	5,040,365	5,323,513
Less: Provision for Tax	1,622,619	1,622,619
Net Profit/(Loss) After tax	3,417,747	3,700,895

Interpretation: From this statement we can see that in 2021 gross profit and net profit is good enough but in 2022 both gross and net profit have increased. In 2022 the company has handled their expenses smartly and as their gross profit have increased than the last year the company has more space to deal with the expenses and taxes.

3.5 Cash flow statement of Kabir Toy Garden

In the internship process I have collected only two years cash flow statement of Kabir toy garden which are 2021 and 2022.

Firstly, let's take a look at the cash flow statement of **2021:**

Particulars	Amount In Taka
	30.06.2021
<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>	
Net Profit during the year	3,943,639
Depreciation during the year	17,806,653
<u>Change in Working Capital:</u>	
Increase/(Decrease) in Accounts Payable	-
Increase/(Decrease) in Security Deposit	-
Increase/(Decrease) in Accrual Expenses and Provision	878,414
Increase/(Decrease) in Other Long-Term Liabilities	5,189,630
Increase/(Decrease) in Long Term Liabilities	4,974,117
Increase/(Decrease) in Amount Due to Directors	1,020,375
Increase/(Decrease) in Goods in Transit	2,060,038
Increase/(Decrease) in Accounts Receivable	(580,950)
Increase/(Decrease) in Inventories	-
Increase/(Decrease) in Work-in Progress	-
Increase/(Decrease) in Advance Income Tax	(1,844,859)
Increase/(Decrease) Preliminary Expenses	-
Net Increase/(Decrease) in Operating Activities:	33,447,056
<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>	
Fixed Assets Addition	(15,871,707)
Sale of Fixed Assets	-
Net Increase/(Decrease) in Investing Activities:	(15,871,707)
<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>	
Increase/(Decrease) in Short Term Loan	(4,517,558)
UPAS LC Liability (United Commercial Bank Ltd.)	(12,975,387)
Net Increase/(Decrease) in Financing Activities:	(17,492,946)
Total Cash Increase/ (Decrease) (A+B+C)	82,404
Opening Cash & Bank Balance	4,152,376
Closing Cash & Bank Balance	4,234,780

Now let's see the cash flow statement of **2022**:

Particulars	Amount In Taka
	30.06.2021
<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>	
Net Profit during the year	3,417,747
Depreciation during the year	17,860,045
	21,277,792
<u>Change in Working Capital:</u>	
Increase/(Decrease) in Accounts Payable	-
Increase/(Decrease) in Security Deposit	-
Increase/(Decrease) in Accrual Expenses and Provision	-
Increase/(Decrease) in Other Long-Term Liabilities	(8,788,921)
Increase/(Decrease) in Long Term Liabilities	(16,380,970)
Increase/(Decrease) in Amount Due to Directors	4,848,623
Increase/(Decrease) in Goods in Transit	(1,858,970)
Increase/(Decrease) in Accounts Receivable	-
Increase/(Decrease) in Inventories	490,026
Increase/(Decrease) in Work-in Progress	(20,304,295)
Increase/(Decrease) in Advance Income Tax	(3,832,782)
Increase/(Decrease) Preliminary Expenses	-
Net Increase/(Decrease) in Operating Activities:	(45,827,289)
<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>	
Fixed Assets Addition	(14,619,318)
Sale of Fixed Assets	-
Net Increase/(Decrease) in Investing Activities:	(14,619,318)
<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>	
Increase/(Decrease) in Short Term Loan	43,871,066
UPAS LC Liability (United Commercial Bank Ltd.)	(4,748,263)
Net Increase/(Decrease) in Financing Activities:	39,122,803
Total Cash Increase/ (Decrease) (A+B+C)	(46,011)
Opening Cash & Bank Balance	234,780
Closing Cash & Bank Balance	188,768

Interpretation: In year 2021 we can see that the closing cash balance is 42,34,780 and in 2022 it is 188,786. So, we can clearly see that the total closing cash balance has decreased dramatically. It can be a result of not controlling unexpected expenses and doing overhead expenses. Another factor can be that the company is not earning profit as expected. This is a matter of thinking for the authority.

3.6 Assessing the earning capacity or profitability of Kabir Toy Garden

The earning capacity of any company can be assessed by analyzing the financial statement of the company through profitability ratios. A collection of indicators called profitability ratios is used to assess a company's capacity to generate profits. When these ratios increase over a trend line or are comparatively better than the outcomes of competitors, they are seen as positive.

There are five major profitability ratios, which are:

- **Gross Profit Margin:** The gross profit margin indicates how much money the company made after deducting its direct operating expenses, which may include paying for labor, materials, and other direct manufacturing costs.

$$\text{Gross profit margin} = \frac{\text{Net Sales} - \text{Cost of Goods Sold}}{\text{Net Sales}}$$

$$\text{In 2020 the GPM of Kabir Toy Garden is} = \frac{92,013,746 - 76,997,268}{92,013,746} = 0.1631 \text{ or } 16.31\%$$

$$\text{In 2021 the GPM of Kabir Toy Garden is} = \frac{146,402,286 - 122,026,496}{146,402,286} = 0.1958 \text{ or } 19.58\%$$

$$\text{In 2022 the GPM of Kabir Toy Garden is} = \frac{146,534,149 - 116,492,360}{146,534,149} = 0.2050 \text{ or } 20.50\%$$

Reasons for changes in Gross Profit Margin: we can see that the gross profit margin has increased throughout the time from 2020 to 2022. The basic reason behind is that the net sales has increased in big margin through the time.

- **Operating Profit Margin:** A company's operating profit margin, often known as a profitability or performance ratio, measures the portion of profit generated by its operations before deducting taxes and interest costs.

$$\text{Operating Profit Margin} = \frac{\text{Operating income}}{\text{Net Sales Revenue}}$$

$$\text{In 2020 the OPM of Kabir Toy Garden is} = \frac{558348}{92,013,746} = 0.006 \text{ or } 0.6\%$$

$$\text{In 2021 the OPM of Kabir Toy Garden is} = \frac{5310292}{146,402,286} = 0.036 \text{ or } 3.60\%$$

$$\text{In 2022 the OPM of Kabir Toy Garden is} = \frac{5039479}{146,534,149} = 0.034 \text{ or } 3.40\%$$

Reasons for changes in Operating Profit Margin: Here we can see the operating profit margin has increased from 2020 to 2021. The reasons can be applying better management control and becoming more efficient in use of resources. But in 2022 it has again decreased because of decrease in net sales.

- **Net Profit Margin:** The amount of net income or profit generated as a percentage of revenue is expressed as the net profit margin, or simply net margin. It is the proportion of a company's or business segment's net profits to revenues.

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Total Revenue}} \times 100$$

$$\text{In 2020 the NPM of Kabir Toy Garden is} = \frac{1110431}{92,013,746} = 1.21\% \text{ (Loss)}$$

$$\text{In 2021 the NPM of Kabir Toy Garden is} = \frac{3700895}{146,402,286} = 2.53\%$$

$$\text{In 2022 the NPM of Kabir Toy Garden is} = \frac{3417747}{146,534,149} = 2.33\%$$

Reasons for changes in Net Profit Margin: In 2020 the company faced loss and the margin is also on the negative or loss portion. But in 2021 it has gained profit and has achieved more profit margin than 2022 because of better net profit or income.

- **Return on Asset:** A financial ratio known as return on assets (ROA) measures a company's profitability in relation to its total assets. ROA can be used by corporate management, analysts, and investors to assess how effectively a company uses its resources to make a profit.

$$\text{Return on Asset} = \frac{\text{Net Income}}{\text{Total Asset}}$$

$$\text{In 2020 the ROA of Kabir Toy Garden is} = \frac{1110431}{244891513} = 0.0045 \text{ or } 0.45\% \text{ (Loss)}$$

$$\text{In 2021 the ROA of Kabir Toy Garden is} = \frac{3700895}{233021253} = 0.0158 \text{ or } 1.58\%$$

$$\text{In 2022 the ROA of Kabir Toy Garden is} = \frac{3417747}{255240535} = 0.0133 \text{ or } 1.34\%$$

Reasons for changes in Return on Asset: Because of the increase of net income in 2021 the return on asset has increased than 2022.

- **Return on Equity:** The Return on Equity ratio effectively calculates the rate of profit that holders of a company's common stock make on their investments. The company's ability to generate returns on the investments it has received from its shareholders is measured by its return on equity.

$$\text{Return on Equity} = \frac{\text{Net Income}}{\text{Shareholder}^F\text{s}}$$

$$\text{In 2020 the ROE of Kabir Toy Garden is} = \frac{1110431}{48430006} = 0.0229 \text{ or } 2.29\% \text{ (Loss)}$$

$$\text{In 2021 the ROE of Kabir Toy Garden is} = \frac{3700895}{40503385} = 0.0914 \text{ or } 9.14\%$$

$$\text{In 2022 the ROE of Kabir Toy Garden is} = \frac{3417747}{97897670} = 0.0349 \text{ or } 3.49\%$$

Reasons for changes in Return on Equity: Just like the return on asset, the reason behind the high return on equity is the large amount of net income in 2021.

Chapter-04

Findings & Recommendations

Findings

In internship period and report making process I found out some findings which I will try to discuss here:

1. The gross profit margin for Kabir Toy Garden in 2020, 2021, and 2022 is 16.31%, 19.58%, and 20.50%, respectively, which is regarded as average or not in a great position.
2. The operating profit margin of Kabir Toy Garden is 0.60%, 3.60%, and 3.40% in 2020, 2021, and 2022, consecutively, which is regarded as average position.
3. Kabir Toy Garden's net profit margin for 2020, 2021, and 2022 is 1.21%, 2.53%, and 2.33%, respectfully, and is seen as being below average.
4. In 2020, 2021, and 2022, Kabir Toy Garden has a return on assets of 0.45%, 1.58%, and 1.34%, respectively. A good return on asset is one that is greater than 5% and that's why it is not a good position to be in.
5. Kabir Toy Garden's return on equity for 2020, 2021, and 2022 is 2.29, 9.14%, and 3.49%, respectively, which is not a very satisfying position to be in knowing that a reasonable return on equity is regarded as being between 15% and 20%.

Recommendations

It is not unexpected to have problems in an organization. There must be organizational management problems. The following recommendations can be suggested to solve the above problems:

1. The company should decrease their cost of goods sold to increase the gross profit margin. The cost of items supplied can be decreased through locating more affordable suppliers, purchasing cheaper raw materials, utilizing labor-saving technology, and outsourcing.
2. The operating profit margin of Kabir Toy Garden should be increased through improved pricing, enhanced pricing controls, and greater marketing effectiveness.
3. The net profit margin of Kabir Toy Garden can be increased through either increasing revenue or reducing costs which can be reduced.
4. The company can increase their return on asset by boosting their profit margin or using their assets efficiently to increase sales and profit.
5. The return on equity can be increased if the management of Kabir toy garden focus on increasing the net income.

Conclusion

It's well known that unless your crystal-eyed, long-term business planning is just a fantasy, and growing a successful business is damn hard work, greed is half the battle. I tried to centrally study the special angles of the organization (economics and accounting). I lack viable skills, information and experience. Therefore, the suggestions I have made may be out of date compared to any other expert report. Working in an association like Kabir Toy Garden Ltd (KTG) was a real test, for obvious reasons. The organization is not sold in the market and also develops. It takes a long time to reach a level of development. It still runs a decent business and contributes to the development of the country, which is a good sign. As a freshman, this is my first business venture. I tried to use my hypothetical skills and knowledge in this work. I could relate many speculations to reality. Various speculations were in vain. Be that as it may, this is only a short period. I gathered and experienced my skills and discovered about the workplace, morals and standards of the company. I will continue this experience as an important reference for me in my future life experience.

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