Internship Report on
Financial Performance Analysis of
Whirlpool Bangladesh Limited

SUPERVISED BY

Professor Dr. Mostafa Kamal
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

SUBMITTED BY

Tanvir Ahammed Khan
ID: 232-14-037
Major: Finance
Program: MBA
Department of Business Administration
Faculty of Business & Entrepreneurship

Date of Submission 27th September 2025

Letter of Transmittal

Date: 9th September 2025

To

Professor Dr. Mostafa Kamal

Department of Business Administration

Daffodil International University

Daffodil Smart City, Bangladesh

Subject: Submission of Internship Report on "**Financial Performance Analysis of Whirlpool Bangladesh"**

Dear Sir,

I am pleased to submit my internship report on **"Financial Performance Analysis of Whirlpool Bangladesh Limited."** This report is part of the MBA in Finance program requirements at Daffodil International University.

During my internship at Whirlpool Bangladesh Limited, I had the chance to gain practical knowledge of financial operations and connect it with what I learned in my academic courses. I tried to present both the data and my own observations in this report as clearly as possible.

I sincerely thank you for your continuous guidance and support throughout this work. Your advice helped me a lot in preparing this report. I would be grateful to receive your valuable feedback, which will help me improve further.

Sincerely,

....

Tanvir Ahammed Khan

ID: 232-14-037

MBA in Finance

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Letter of Certification

Whirlpool Bangladesh Limited

Whirlpool Bangladesh Limited
Wakil Tower
6th and 8th Floor
Ta-131, Middle Badda Link Road
Gulshan, Dhaka-1212, Bangladesh.

Date: July 29, 2025

TO WHOM IT MAY CONCERN

This is to certify that Tanvir Ahammed Khan (ID: WBLPS0057) has been working at Whirlpool Bangladesh Limited (through offrole agency Peoplescape) as Regional Sales Officer since December 2024. He is currently preparing his MBA internship report using non confidential data and experience gained during his tenure, with our permission for academic use.

This certificate is used at his request to support his internship report submission. We wish him success in his academic and professional pursuits.

TANVEER AHMED
HEAD OF HUMAN RESOURCES
WHIRLPOOL BANGLADESH LTD.

Wakil Tower (6 th & 8th Floor), Ta 131, Gulshan Badda Link Road, Dhaka 1212

Student's Declaration

I, **Tanvir Ahammed Khan**, declare that the internship report titled **"Financial Performance Analysis of Whirlpool Bangladesh Limited"** has been prepared to fulfill a requirement of my MBA program at Daffodil International University.

This report is completely based on my own work and the experience I gathered during my internship at **Whirlpool Bangladesh Limited.** I confirm that it has not been submitted anywhere else for academic or professional purposes.

I have tried to prepare the report honestly, and all sources of information used have been properly acknowledged.

…………………………

Tanvir Ahammed Khan

ID: 232-14-037

Program: MBA

Mojo: Finance

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Approval Certificate

This is to certify that the internship report titled **"Financial Performance Analysis of Whirlpool Bangladesh"** has been submitted by **Tanvir Ahammed Khan**, bearing ID **232-14-037**, in partial fulfillment of the requirements for the degree of **Master of Business Administration (MBA) in Finance** under the Faculty of Business & Entrepreneurship, **Daffodil International University**.

Tanvir Ahammed Khan has completed his internship at **Whirlpool Bangladesh** and has prepared the report under my supervision. I have reviewed the report and found it to be in a suitable form and standard for submission. To the best of my knowledge, the report is the result of the student's own effort and has not been submitted elsewhere for any other degree or diploma.

I wish him all the best in his future endeavors.

....

Professor Dr. Mostafa Kamal
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Acknowledgement

At the very beginning, I would like to thank the Almighty for giving me the strength and opportunity to complete my internship and prepare this report.

I am especially grateful to my internship supervisor, **Professor Dr. Mostafa Kamal**, for his guidance, valuable suggestions, and encouragement during the preparation of this report.

I would like to express my sincere gratitude to the management and colleagues at **Whirlpool Bangladesh Limited,** where I completed my internship. Their cooperation and support were invaluable in helping me gather the necessary information and gain practical experience for this study.

I am also thankful to the Department of Business Administration at **Daffodil International University** for organizing this internship program, which provided me with valuable real-world exposure.

Finally, I sincerely appreciate the encouragement and support of my family and friends throughout this journey.

...

Tanvir Ahammed Khan

ID: 232-14-037

MBA in Finance

Department of Business and Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Executive Summary

This report is based on my **internship experience at Whirlpool Bangladesh Limited** and focuses on evaluating the company's **financial performance**. During my internship, I had the opportunity to review the company's financial data and observe its operations in a **competitive market environment**.

The main objective of this study was to assess the financial condition of **Whirlpool Bangladesh** using common financial tools such as **ratio analysis** and **trend analysis**. I worked with the company's financial statements and gathered additional information through **discussions with staff** and **secondary sources**.

From the analysis, I found that **Whirlpool Bangladesh** has maintained a **fair position in terms of sales growth and liquidity**. However, the company continues to face challenges in **cost management, expense control, and efficient resource utilization**, which have impacted overall profitability.

I also observed market-related challenges, including **rising operational costs, fluctuations in foreign exchange rates, and intense competition** in the home appliance industry. Despite these difficulties, **Whirlpool Bangladesh** continues to grow, supported by its **strong brand, customer service, and well-established distribution channels**.

Overall, preparing this report has provided me with **practical experience in financial analysis** within a real corporate setting. It allowed me to connect my **academic knowledge with real-world practices** and enhanced my understanding of **finance, communication, and decision-making**.

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Chapter 1

Introduction

1.1 Introduction

Financial performance analysis is basically about checking how well a company uses its resources to earn revenue and manage its operations. It is often used to measure the overall condition of a business and to compare it with others in the same industry. Such analysis is important because it shows the strengths and weaknesses of a company in terms of profit, cash flow, and efficiency.

This report, **"Financial Performance Analysis of Whirlpool Bangladesh Limited,"** has been prepared based on my internship experience. The primary objective is to evaluate the company's financial position and identify areas of strength as well as aspects that require improvement.

In this report, I focused on key aspects such as profitability, liquidity, solvency, and efficiency, using financial ratios and other analytical tools. I also aimed to illustrate how these financial results relate to the company's overall business strategy.

During my internship at **Whirlpool Bangladesh**, I had the opportunity to observe various financial activities, including budgeting, reporting, and data analysis. This experience provided a practical understanding of how financial performance directly supports decision-making and long-term planning in a corporate environment.

1.2 Background of the study

In today's fast-paced business environment, competition is intensifying, and companies must have a clear understanding of their **financial condition** to survive and grow. **Financial performance analysis** provides insights into profitability, expenses, and overall financial health, offering valuable guidance for **future planning and decision-making**.

As part of my MBA program in Finance at **Daffodil International University**, students are required to complete an internship to gain practical experience. I had the opportunity to work at **Whirlpool Bangladesh Limited**, a key player in the country's home appliance sector. This internship allowed me to observe financial activities firsthand and connect them with my academic knowledge.

Since **Whirlpool Bangladesh** is a multinational brand with a growing presence in the local market, studying its financial performance is both **relevant and insightful**. By examining its financial statements and analyzing key indicators such as **profitability, liquidity, solvency, and efficiency**, I was able to gain a clearer understanding of the company's strengths and weaknesses**.**

This background explains why I selected this topic and highlights how the study can help **students, researchers, and professionals** understand the financial practices of a large company operating in Bangladesh.

1.3 Objectives of the study

Board Objective

The primary objective of this study is to evaluate the financial performance of **Whirlpool Bangladesh** based on selected financial indicators. More specifically, the objectives are:

Specific Objectives

- To assess the company's profitability, liquidity, solvency, and operational efficiency using financial ratios.
- To analyze trends in the company's financial data over a specific period.
- To understand how effectively the company utilizes its resources to generate revenue.
- To identify the strengths and weaknesses in the financial structure of Whirlpool Bangladesh.
- To provide practical recommendations for enhancing financial performance and long-term sustainability.
- To bridge the gap between academic knowledge and practical financial applications through real-world exposure.

1.4 Methodology of the study

The methodology used in this study is designed to provide a thorough analysis of the financial performance of **Whirlpool Bangladesh**. The approach includes both qualitative and quantitative methods to collect, analyze, and interpret relevant financial data. Below are the key components of the methodology:

1. Data Collection:

The data for this study was primarily obtained from the following sources:

- ❖ **Primary Data:**
  - ➢ Financial statements, including the income statement, balance sheet, and cash flow statement, were provided by **Whirlpool Bangladesh** for the relevant period.
  - ➢ Interviews and discussions with the company's finance team and department heads were conducted to gain deeper insights into the company's financial operations and strategies.
  - ➢ My observations and hands-on experience during the internship contributed to understanding the company's financial management practices.

- ❖ **Secondary Data:**
  - ➢ Industry reports, financial journals, and online resources were used to supplement the analysis and provide comparative data from the broader home appliance industry in Bangladesh.
  - ➢ Publicly available financial reports of Whirlpool Corporation, as well as market data from financial databases, were referenced to understand global industry trends.

2. Financial Ratio Analysis:

To evaluate the financial performance of Whirlpool Bangladesh, several key financial ratios and metrics were examined:

- **Profitability Ratios:** Measures such as gross profit margin, net profit margin, and return on equity (ROE) were analyzed to assess how efficiently the company generates profit relative to its revenue, assets, and shareholders' equity.
- **Liquidity Ratios:** The current ratio and quick ratio were calculated to evaluate the company's ability to meet its short-term financial obligations.
- **Solvency Ratios:** The debt-to-equity ratio and interest coverage ratio were analyzed to assess the company's long-term financial stability and leverage.

- Efficiency Ratios: Ratios such as inventory turnover, asset turnover, and receivables turnover were used to evaluate how effectively the company manages its resources and operations.

3. Trend Analysis

Financial data spanning **3–5 years** was analyzed to identify trends in **profitability, liquidity, and operational efficiency**. This examination provides insights into whether the financial condition of Whirlpool Bangladesh has been **improving or deteriorating** over time.

4. Comparative Analysis

Where relevant, **Whirlpool Bangladesh's financial performance** was compared with **industry standards and peer companies** in the home appliance sector. This benchmarking provides valuable context to better understand the company's **financial position**.

1.5 Literature Review

Analyzing financial performance is a fundamental aspect of finance, as it helps assess a company's **health, profitability, and operational efficiency**. Both researchers and scholars have provided theoretical frameworks and practical insights to understand financial data and support effective decision-making.

According to **Gitman and Zutter (2012)**, financial analysis involves evaluating financial statements to understand a firm's performance and make forecasts, using tools such as **ratio, trend, and comparative analyses**. **Brigham and Houston (2016)** highlight that financial ratios offer valuable insights into **liquidity, profitability, operational efficiency, and solvency**, helping identify a company's strengths and weaknesses.

Fraser and Ormiston (2013) emphasize that ratio analysis is important not only for accountants but also for **managers, investors, and creditors**, and that ratios should be compared across periods and against benchmarks. **Khan and Jain (2007)** stress that profitability ratios, including **gross profit margin, net profit margin, and ROE**, are key indicators of a company's ability to generate earnings relative to **sales, assets, and equity**.

Horrigan (1968), an early contributor to ratio theory, noted that interpreting financial ratios requires context, including **industry type, company size, and market conditions**. In emerging markets like Bangladesh, **Rahman and Ahmed (2009)** emphasize that financial performance analysis is particularly useful for firms navigating rapid economic changes, improving internal decision-making, and enhancing transparency for stakeholders.

This literature provides the foundation for this study, which applies **ratio analysis** to assess the financial performance of **Whirlpool Bangladesh Limited**, combining practical data with academic concepts to deliver a meaningful evaluation of the company's financial health.

1.6 Scope and Limitations of the Study

Scope:

This study focuses on the financial performance of **Whirlpool Bangladesh**, using data obtained during the internship period. The analysis includes key financial statements such as the income statement, balance sheet, and cash flow statement. Various financial ratios and tools are used to evaluate the company's performance within a defined timeframe. The report also draws on relevant literature, financial theory, and practical observations made during the internship.

Limitations:

1. The study is limited to the data and documents provided by Whirlpool Bangladesh, which may not cover every aspect of financial operations.
2. Due to confidentiality concerns, access to certain sensitive financial data was restricted.
3. The time frame for the internship was limited, which constrained in-depth analysis of long-term trends.
4. The report focuses only on internal financial performance and does not include a comprehensive analysis of market or competitor dynamics.
5. Some of the interpretations and conclusions are based on personal observations and may involve subjective judgment

Chapter 2

Overview of Whirlpool Bangladesh Limited

2.1 Background of Whirlpool Bangladesh

A. History

Whirlpool Corporation began its journey in the USA in 1911 and has grown into one of the world's leading home appliance companies, offering products such as **refrigerators, washing machines, air conditioners, and kitchen appliances**.

The company officially entered **Bangladesh in April 2022**, responding to the growing demand for quality home appliances and leveraging its strong global brand reputation. Since then, **Whirlpool Bangladesh** has focused on providing **modern, energy-efficient products** tailored to the needs of local households.

B. Corporatization

Whirlpool Bangladesh operates as a subsidiary of **Whirlpool Corporation**, following the global structure and standards of its parent company. The subsidiary was established to manufacture and distribute Whirlpool products locally while maintaining the same high standards of quality and service.

From its inception, Whirlpool Bangladesh has emphasized **innovation, customer care, and sustainable practices**. Leveraging the expertise of its parent company, it has developed strong supply chain systems and successfully adapted them to the local market.

C. Product Diversification

Whirlpool Bangladesh does not rely on a single product line; instead, it offers a **diverse range of appliances** to meet customer needs. Its major product categories include:

- **Refrigerators and Freezers**: Ranging from basic to advanced models with frost-free technology and digital controls.
- **Washing Machines**: Both top-load and front-load models with different features for energy savings and convenience.
- **Kitchen Appliances**: Microwave ovens, cooktops, and dishwashers designed for easy and modern cooking.
- **Air Conditioners**: Energy-efficient models suitable for the Bangladeshi climate, for both homes and businesses.

This product variety helps the company reach more customers and build a stronger brand in the market.

2.2 Whirlpool Bangladesh at a glance

Whirlpool Bangladesh started operations in 2022 through a joint venture with **Transcom Group**. Its first factory was set up near Dhaka with modern facilities to ensure high-quality production.

The company currently runs with a relatively small but effective workforce and offers appliances such as refrigerators, washing machines, air conditioners, and microwave ovens. These products are marketed with advanced technologies like 6th SENSE, Intellifresh, and Magicook, which are already popular among consumers.

Whirlpool Bangladesh follows the global brand motto of *"Every Day Care"*, which reflects its focus on making home life easier for customers through reliable and innovative products.

2.3 Mission of Whirlpool Bangladesh

The mission of Whirlpool Bangladesh is **"to earn trust and create demand for our brand in a digital world."** The company wants to achieve this by offering dependable products, strong after-sales service, and modern digital engagement with customers.

2.4 VISION of Whirlpool Bangladesh

The company's vision is **"to be the best kitchen and Laundry Company, in constant pursuit of improving life at home."** Whirlpool Bangladesh plans to reach this vision by offering products that are innovative, durable, and designed to make everyday life more comfortable.

2.5 Whirlpool Bangladesh Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

Particular	**2024**	**2023**
Revenue	1354436081	543203239
Cost of sales	(1310129924)	(567511198)
Gross profit	**(44306157)**	**(24307960)**
General and administrative expenses	(129070404)	(114553941)

Selling and distribution expenses	(276932202)	(34219936)
Operating profit/(loss)	**(112696449)**	**(173081836)**
Other income		668
Finance expenses	(3848243)	(1736468)
Profit before tax	**(116544692)**	**(174817636)**
Income tax expense	(21623100)	(4384457)
Profit/(loss) for the year	**(138167792)**	**(179202093)**
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	**(138167792)**	**(179202093)**

Table 2.1: Statement of profit or loss and other comprehensive income

Revenue Growth

Revenue increased by 149%, from Tk. 543.20 million (2023) to Tk. 1,354.44 million (2024), showing strong sales performance.

Gross Loss Continued

Despite higher revenue, cost of sales exceeded revenue, resulting in gross losses both years.

High Operating Expenses

Selling and administrative expenses rose significantly, widening operating losses.

Net Loss Still High

Net losses stood at Tk. 138.17 million in 2024, slightly better than 2023 but still critical.

Rising Finance Cost

Finance expenses more than doubled, indicating increased debt pressure.

2.6 Whirlpool Bangladesh Limited

Balance Sheet

For the year ended 30 June 2024

Particulars	**2024**	**2023**

ASSETS		
non-Current Assets		
Property, Plant & Equipment	6,713,969	4,426,345
Intangible Assets	4,545,837	6,013,576
Right-of-Use Assets	23,810,899	39,069,863
Deferred Tax Asset	898,731	356,382
Total Non-Current Assets	**35,969,436**	**49,866,166**
Current Assets		
Inventory	169,526,746	116,034,196
Trade & Other Receivables	810,068,295	382,512,961
Advances, Deposits & Prepayments	122,298,349	63,861,495
Cash and Cash Equivalents	-	45,011,880
Total Current Assets	**1,101,893,390**	**607,420,531**
Total Assets	**1,137,862,826**	**657,286,697**
EQUITY AND LIABILITIES		
Equity		
Share Capital	634,014,990	634,014,990
Share Money Deposit	9	9
Retained Earnings	(330,204,346)	(192,036,554)
Total Equity	**303,810,653**	**441,978,445**

Non-Current Liabilities		
Lease Liabilities	10,636,766	26,958,606
Total Non-Current Liabilities	**10,636,766**	**26,958,606**
Current Liabilities		
Lease Liabilities	16,321,839	13,498,767
Bank Overdraft	45,517,403	-
Loan from Bank	30,795,416	24,025,572
Trade and Other Payables	642,690,830	113,053,963
Provisions	88,089,919	37,771,343
Total Current Liabilities	**823,415,407**	188,349,646
Total Liabilities	**834,052,173**	**215,308,252**
Total Equity and Liabilities	**1,137,862,826**	**657,286,697**

Table 2.2: Balance Sheet of Whirlpool Bangladesh Limited

1. **Asset Growth:** Total assets grew by approximately 73%, driven mainly by a surge in trade receivables and inventory, indicating higher business volume or credit extension.
2. **Equity Decline:** Retained earnings have fallen due to back-to-back net losses, decreasing shareholders' equity.
3. **Increased Liabilities:** Current liabilities have increased sharply, especially trade payables, which might reflect delayed payments or credit dependence.
4. **Liquidity Stress:** Cash and equivalents show a negative trend, and a bank overdraft was recorded in 2024, pointing to liquidity challenges.

2.7 Whirlpool Bangladesh Limited

Statement of changes in equity

For the year ended 30 June 2024

Particulars	Share capital	Share money deposit	Retained earnings	Total equity
Balance as at 1 July 2022	42,860,000	88,155,668	(12,999,468)	118,016,200
Share money deposit received	591,154,990	(88,155,659)	-	502,999,331
Profit/(loss) for the year	-	-	(179,202,093)	(179,202,093)
Adjustment for previous year expenses	-	-	165.008	165,008
Balance as at 30 June 2023	634,014,990	9	(192,036,554)	441,978445
Balance as at 1 July 2023	634,014,990	9	(192,036,554)	441,978445
Profit/loss) for the year	-	-	(138.167.792)	(138.167.792)
Adjustment for previous year expenses				
Balance as at 30 June 2024	634,014,990	9	(330,204,346)	303,810,653

Table 2.3: Statement of changes in equity of Whirlpool Bangladesh Limited

2.8 Whirlpool Bangladesh Limited

Statement of cash flows

For the year ended 30 June 2024

Particular	2024	2023
Cash flows from operating activities	(116,544,692)	(174,817,636)
Net profit (loss) before tax		
Adjustments for non-cash items		
Depreciation-right-of-use assets	15.258.964	6,580,074

Depreciation-property, plant and equipment	1,652,429	565,017
Amortization intangible asset	1,467,739	1,325,118
Finance expense	3,848,243	1,736 468
Changes in working capital		
(increase)/Decrease in inventory	(53,492,551)	(108,324,283)
(Increases/Decrease in trade and other receivables	(427,555,334)	(382,512,961)
(Increase)/Decrease in advances, deposits and prepayments	(41,003,059)	(53,140,494)
(Increase)/(Decrease) in trace and other payables	529,536,867	91,527,319
(Increase)/(Decrease) in provisions	33,243,449	28,941,705
Interest paid	(2,987,001)	(1.736,468)
Income tax paid	(22.524,117)	(4.848.563)
Net cash flows from operating activities	**(78,999,063)**	**(594,704,805)**
Cash flows from Investing activities:		
Purchase of capital work in-progress	-	-
Purchase of property, plant and equipment	13,940.0641	(3.822.586)
Purchase of intangible asset	-	(782,200)
Net cash flows from investing activities	**(3,940,054)**	**(4.609 786)**
Cash flows from financing activities		
Share money deposit	-	(88,155,659)
Share capital	-	591 154,990
Loan from bank	5,908,602	24,025,572

Payment of lease liability	(13,498,767)	(5,211,539)
Net cash flows from financing activities	**(7,590,165)**	**521,813,364**
Net increase in cash and cash equivalents	(90,529,282)	(77,501,228)
Cash and cash equivalents at beginning of the year	45,011,880	122,513.107
Cash and cash equivalents at end of the year	(45,517,403)	45,011,880

Table 2.4: Statement of Cash Flow of Whirlpool Bangladesh Limited

Operating Cash Outflow

The company faced a significant cash outflow from operations (Tk. 78.99 million in 2024), driven by rising receivables and inventory buildup.

Negative Net Cash Flow

Despite some inflow from financing, the overall net cash flow was negative (Tk. 90.53 million), worsening liquidity.

Rising Working Capital Needs

Large increases in receivables and inventory strained cash flow, indicating poor working capital management.

Dependence on External Financing

Cash flow was partly supported by bank loans, increasing reliance on debt.

Decline in Cash Position

The year ended with a bank overdraft of Tk. 45.52 million, reflecting serious liquidity stress.

2.9 Whirlpool Bangladesh Limited

Notes to the financial statements

As at and for the year ended 30 June 2024

Reporting Entity

Legal Structure

Whirlpool Bangladesh Limited ("the Company") is a private company limited by shares, incorporated on 3 January 2022 under registration number C-177585/22 in accordance with the Companies Act (Act XVIII) of 1994. The incorporation was completed through the Registrar of Joint Stock Companies and Firms.

Registered Office Location

Initially, the Company operated from Cosmic Tower (9th Floor), 106/ka, Culvert Road, Naya Paltan, Dhaka-1000. Effective from 01 August 2023, it relocated to Wakil Tower (6th and 8th Floors), Ta-131, Gulshan Badda Link Road, Dhaka-1212.

Business Activities

The primary focus of the Company is trading electronic home appliances. It procures and imports Whirlpool-branded goods such as refrigerators, washing machines, and microwave ovens from various international suppliers, which are then distributed to local dealers.

Basis of Preparation

Compliance with Standards

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS), along with the Companies Act 1994 and other applicable regulatory frameworks.

The statements follow a historical cost basis, with exceptions for certain financial instruments measured at fair value. They are also prepared on the assumption that the business will continue as a going concern.

Functional and Presentation Currency

These statements are presented in Bangladeshi Taka (BDT/Taka/Tk), which is the functional currency of the Company. All amounts are rounded to the nearest Taka.

Use of Judgments and Estimates

Management is required to make estimates and assumptions that affect the financial statements during preparation in line with IFRS. These estimates impact reported assets, liabilities, income, and expenses, especially in areas like depreciation, asset impairment, inventory valuation, taxes, and provisions. Actual results may differ, and changes in estimates are reflected in the current and future reporting periods as per IAS 8.

Reporting Period

The Company's accounting year spans from July 1 to June 30 annually.

Authorization of Financial Statements

The Board of Directors approved the financial statements for issuance on 04 March 2025.

Comparative Information

Figures from the previous financial year are disclosed for comparison purposes. Certain prior-year figures have been rearranged for consistency with the current presentation.

Significant Accounting Policies

Property, Plant, and Equipment

- **Recognition and Measurement**: Assets are recorded at their original cost minus accumulated depreciation and impairment losses. Costs include expenses directly attributable to asset acquisition and commissioning.
- **Subsequent Costs**: Replacement costs are capitalized if they generate future benefits and can be reliably measured; otherwise, repairs are expensed.
- **Depreciation**: Applied using the straight-line method from acquisition date until the day before disposal. Land and assets under construction are not depreciated. Rate for computers and equipment: 20% per annum.

Disposals

Assets are removed from the books upon disposal or when no economic benefits are expected. Gains or losses are calculated based on the difference between disposal proceeds and the asset's carrying value.

Intangible Assets

- **Recognition and Measurement**: Measured at cost less accumulated amortization and impairment, if applicable.
- **Amortization**: Charged on a straight-line basis from acquisition date until disposal. Land and construction-in-progress assets are not amortized. Rate for computer software: 20% per annum.

Leases – IFRS 16

Under IFRS 16, lessees must recognize a right-of-use asset and a corresponding lease liability unless exempt. The Company recognizes such leases for the following:

- Warehouse – Narsingdi
- Warehouse – Madanpur, Narayanganj

Financial Instruments

- **Initial Recognition**: Assets and liabilities are recognized when the Company becomes a party to the contract. Most are measured at fair value plus transaction costs unless classified at FVTPL.
- **Classification**: Based on business model and cash flow characteristics, financial assets may be measured at amortized cost, FVOCI, or FVTPL. Liabilities are measured at amortized cost.
- **Subsequent Measurement**:
    - Amortized Cost: Effective interest method used. Includes trade receivables, cash, and deposits.
    - FVOCI – Debt/Equity: Changes in value recorded in OCI. Debt instruments reclassified to P&L upon derecognition; equity instruments are not.
    - FVTPL: Measured at fair value, with changes recognized in P&L.

Financial Liabilities

Includes bank overdrafts, loans, trade, and intercompany payables. Liabilities are recognized when obligations are contractually incurred and derecognized when settled or expired.

Inventories

Inventories, which consist solely of finished goods imported from vendors, are recorded at the lower of cost and net realizable value (NRV). Cost includes purchase price and associated expenses. Write-downs or reversals are recognized in the profit or loss account.

Share Capital

Ordinary shares are considered equity. Any direct issue-related costs are deducted from equity. Paid-up capital reflects shareholders' total contribution.

Provisions

Recognized per IAS 37 when:

- A present obligation exists from past events,
- An outflow of economic resources is likely, and
- A reliable estimate of the amount can be made.

Accruals

Expenses incurred but not paid or invoiced, such as unpaid wages or utility costs, are recognized as accruals.

Contingencies

- *Liabilities*: Disclosed but not recorded unless probable and measurable.
- *Assets*: Disclosed if realization depends on uncertain future events.

Revenue Recognition – IFRS 15

Revenue is recognized when control of goods is transferred to the customer, which occurs upon dispatch from the warehouse.

Finance Income and Expenses

- *Income*: Earned from interest on deposits and recognized on an accrual basis.
- *Expense*: Includes interest on loans, overdrafts, and lease liabilities per IFRS 16.

Taxation

- *Current Tax*: Recognized based on enacted tax laws, except where associated with items in OCI or equity.
- *Deferred Tax*: Recognized for temporary differences, unless arising from goodwill or items not affecting accounting/taxable profit.

Chapter 3

Analysis of Financial Performance of Whirlpool Bangladesh Limited

3.1 Vertical trend Analysis of Balance Sheet

Whirlpool Bangladesh Limited

All values are BDT Millions.

Particulars	2024 (Tk.)	% of Total Assets (2024)	2023 (Tk.)	% of Total Assets (2023)
ASSETS				
Non-current Assets				
Property, plant and equipment	6,713,969	0.59%	4,426,345	0.67%
Intangible assets	4,545,837	0.40%	6,013,576	0.91%
Right-of-use assets	23,810,899	2.09%	39,069,863	5.94%
Deferred tax asset	898,731	0.08%	356,382	0.05%
Total Non-current Assets	**35,969,436**	**3.16%**	**49,866,166**	**7.58%**
Current Assets				
Inventory	169,526,746	14.90%	116,034,196	17.65%
Trade and other receivables	810,068,295	71.17%	382,512,961	58.22%
Advance, deposits & prepayments	122,298,349	10.75%	63,861,495	9.71%
Cash and cash equivalents	-	0.00%	45,011,880	6.85%

Total Current Assets	**1,101,893,390**	**96.82%**	**607,420,531**	**92.43%**
Total Assets	**1,137,862,826**	**100%**	**657,286,697**	**100%**
EQUITY AND LIABILITIES				
Equity				
Share capital	634,014,990	55.70%	634,014,990	96.49%
Share money deposit	9	0.00%	9	0.00%
Retained earnings	(330,204,346)	-29.02%	(192,036,554)	-29.22%
Total Equity	**303,810,653**	**26.68%**	**441,978,445**	**67.27%**
Non-current Liabilities				
Lease liabilities	10,636,766	0.93%	26,958,606	4.10%
Total Non-current Liabilities	**10,636,766**	**0.93%**	**26,958,606**	**4.10%**
Current Liabilities				
Lease liabilities	16,321,839	1.43%	13,498,767	2.05%
Bank overdraft	45,517,403	4.00%	-	0.00%
Loan from bank	30,795,416	2.71%	24,025,572	3.66%
Trade and other payables	642,690,830	56.46%	113,053,963	17.20%
Provisions	88,089,919	7.74%	37,771,343	5.75%
Total Current Liabilities	**823,415,407**	**72.34%**	**188,349,646**	**28.66%**
Total Liabilities	**834,052,173**	**73.27%**	**215,308,252**	**32.76%**
Total Equity & Liabilities	**1,137,862,826**	**100%**	**657,286,697**	**100%**

Table 3.1: Vertical trend Analysis of Balance Sheet

Interpretation:

The vertical analysis shows that Whirlpool Bangladesh Limited's current assets make up the majority of total assets, increasing from 92.43% in 2023 to 96.82% in 2024, driven mainly by growth in trade receivables and inventory. Non-current assets decreased as a percentage of total assets from 7.58% to 3.16%, primarily due to a reduction in right-of-use assets.

On the liabilities side, current liabilities significantly increased, accounting for 72.34% of total assets in 2024, up from 28.66% in 2023, reflecting increased short-term financial obligations, especially trade payables and a new bank overdraft facility. Non-current liabilities decreased in proportion.

Equity shrank considerably from 67.27% to 26.68% of total assets, largely due to accumulated losses reflected in retained earnings.

This structure indicates increasing reliance on current liabilities to finance the company's assets, with equity financing decreasing sharply, suggesting potential liquidity and solvency concerns.

3.2 Horizontal trend Analysis of Balance Sheet

Whirlpool Bangladesh Limited

As at 30 June 2024 and 2023

Particulars	2024 (Tk.)	2023 (Tk.)	Change (Tk.)	% Change
Non-Current Assets				
Property, Plant & Equipment	6,713,969	4,426,345	+2,287,624	+51.68%
Intangible Assets	4,545,837	6,013,576	–1,467,739	–24.41%
Right-of-Use Assets	23,810,899	39,069,863	–15,258,964	–39.05%
Deferred Tax Asset	898,731	356,382	+542,349	+152.13%
Total Non-Current Assets	35,969,436	49,866,166	–13,896,730	–27.87%
Current Assets				
Inventory	169,526,746	116,034,196	+53,492,550	+46.09%
Trade & Other Receivables	810,068,295	382,512,961	+427,555,334	+111.77%

Advances, Deposits & Prepayments	122,298,349	63,861,495	+58,436,854	+91.51%
Cash & Cash Equivalents	0	45,011,880	–45,011,880	–100.00%
Total Current Assets	1,101,893,390	607,420,532	+494,472,858	+81.41%
Total Assets	1,137,862,826	657,286,698	+480,576,128	+73.13%
Equity				
Share Capital	634,014,990	634,014,990	0	0.00%
Share Money Deposit	9	9	0	0.00%
Retained Earnings	(330,204,346)	(192,036,554)	–138,167,792	–71.96%
Total Equity	303,810,653	441,978,445	–138,167,792	–31.26%
Non-Current Liabilities				
Lease Liabilities	10,636,766	26,958,606	–16,321,840	–60.53%
Current Liabilities				
Lease Liabilities	16,321,839	13,498,767	+2,823,072	+20.91%
Bank Overdraft	45,517,403	0	+45,517,403	New
Loan from Bank	30,795,416	24,025,572	+6,769,844	+28.17%
Trade & Other Payables	642,690,830	113,053,963	+529,636,867	+468.50%
Provisions	88,089,919	37,771,343	+50,318,576	+133.22%
Total Current Liabilities	823,415,407	188,349,645	+635,065,762	+337.08%
Total Equity & Liabilities	1,137,862,826	657,286,698	+480,576,128	+73.13%

Table 3.2: Horizontal trend Analysis of Balance Sheet

Interpretation:

The horizontal trend analysis of Whirlpool Bangladesh Limited's balance sheet for the years ended June 30, 2024 and 2023 indicates substantial growth in total assets by 73.13%, primarily driven by significant increases in current assets such as trade receivables (+111.77%), inventory (+46.09%), and advances (+91.51%). Conversely, non-current assets declined by 27.87%, mostly due to reductions in right-of-use assets and intangible assets.

On the liabilities side, current liabilities surged sharply by 337.08%, with trade payables increasing dramatically by 468.50%, suggesting higher reliance on short-term credit. The introduction of a bank overdraft facility worth BDT 45.52 million also points to liquidity pressures. Non-current liabilities decreased significantly, mainly from lease liabilities falling by 60.53%.

Equity declined by 31.26%, reflecting accumulated losses impacting retained earnings. This deterioration indicates pressure on the company's financial stability.

Overall, the company has expanded its operational scale but faces increased financial risk from higher current liabilities and a declining equity base.

3.3 Vertical trend Analysis of Income Statement

Whirlpool Bangladesh Limited

As at 30 June 2024 and 2023

(Figures in Taka Millions)

Particulars	2024 (BDT)	% of Revenue (2024)	2023 (BDT)	% of Revenue (2023)
Revenue	1,354,436,081	100.00%	543,203,239	100.00%
Cost of Sales	(1,310,129,924)	96.73%	(567,511,198)	104.47%
Gross Profit/(Loss)	(44,306,157)	-3.27%	(24,307,959)	-4.47%
General & Admin Expenses	129,070,404	9.53%	114,553,941	21.08%
Selling & Distribution Expenses	276,932,202	20.45%	34,219,936	6.30%
Operating Profit/(Loss)	(112,696,449)	-8.32%	(173,081,836)	-31.87%
Other Income	668	0.00%	0	0.00%

Finance Expenses	3,848,243	0.28%	1,736,468	0.32%
Profit Before Tax	(116,544,692)	-8.60%	(174,817,636)	-32.18%
Income Tax Expense	21,623,100	1.60%	4,384,457	0.81%
Net Profit/(Loss)	(138,167,792)	-10.20%	(179,202,093)	-32.99%
Total Comprehensive Income	(138,167,792)	-10.20%	(179,202,093)	-32.99%

Table 3.3: Vertical trend Analysis of Income Statement

Interpretation:

The vertical analysis of Whirlpool Bangladesh Limited's income statement expresses each line item as a percentage of total revenue for the years 2024 and 2023. In 2024, **revenue** was BDT 1,354.44 million, representing 100% of the sales base, compared to BDT 543.20 million in 2023.

The **cost of sales** accounted for 96.73% of revenue in 2024, a slight improvement from 104.47% in 2023, indicating a reduction in the cost burden relative to revenue but still resulting in a gross loss of 3.27% in 2024 compared to a 4.47% gross loss the prior year.

General and administrative expenses decreased significantly as a percentage of revenue, dropping from 21.08% in 2023 to 9.53% in 2024, demonstrating better expense control relative to revenue growth. Conversely, **selling and distribution expenses** surged from 6.30% to 20.45%, reflecting increased investments in sales and marketing to drive business expansion.

The **operating loss** margin improved notably, reducing from -31.87% of revenue in 2023 to -8.32% in 2024, showing improved operational efficiency despite ongoing losses.

Other income was negligible in both years, and **finance expenses** remained low as a percentage of revenue, though slightly decreased from 0.32% to 0.28%.

The **profit before tax** loss margin narrowed from -32.18% in 2023 to -8.60% in 2024. However, **income tax expense** as a percentage of revenue increased from 0.81% to 1.60%, possibly due to tax regulations or deferred tax liabilities.

The company's **net loss** margin improved from -32.99% in 2023 to -10.20% in 2024, mirroring the trend seen across the income statement. Overall, the vertical analysis highlights Whirlpool's progress in controlling costs and improving operational efficiency, though challenges remain in achieving profitability.

3.4 Horizontal trend Analysis of Income Statement

Whirlpool Bangladesh Limited

As at 30 June 2024 and 2023

(Figures in Taka Millions)

Particulars	2024	2023	Change (BDT)	% Change
Revenue	1,354.44	543.20	811.24	**+149.29%**
Cost of Sales	1,310.13	567.51	742.62	**+130.87%**
Gross Profit	(44.31)	(24.31)	(20.00)	**+82.27% loss**
General & Admin Expenses	129.07	114.55	14.52	**+12.67%**
Selling & Distribution Expenses	276.93	34.22	242.71	**+709.28%**
Operating Profit/(Loss)	(112.70)	(173.08)	60.38	**-34.89% loss**
Other Income	0.00	0.00	0.00	-
Finance Expenses	3.85	1.74	2.11	**+121.26%**
Profit Before Tax	(116.54)	(174.82)	58.28	**-33.34% loss**
Income Tax Expense	21.62	4.38	17.24	**+393.61%**
Net Profit/(Loss)	(138.17)	(179.20)	41.03	**-22.91% loss**
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	(138.17)	(179.20)	41.03	**-22.91% loss**

Table 3.4: Horizontal trend Analysis of Income Statement

Interpretation: The horizontal analysis of the income statement between 2023 and 2024 shows that Whirlpool Bangladesh experienced a big jump in revenue. However, this higher sales figure did not turn into profit because the cost of sales also increased sharply. As a result, the company continued to report a gross loss in both years.

Operating expenses, particularly **selling and administrative costs**, increased in 2024, which further widened the operating loss. Although the company earned a small amount of other income, it was insufficient to improve the overall results.

Finance costs also rose compared to the previous year, indicating a greater reliance on borrowed funds. As a result, the company ended the year with a **net loss**, though slightly lower than the previous year.

In summary, while **Whirlpool Bangladesh** achieved higher sales, increased expenses and borrowing pressures kept it in a loss position. This underscores the need for **better cost management** and **more efficient use of resources** to achieve profitability in the future.

Chapter 4

Ratio Analysis of

Whirlpool Bangladesh Limited

Introduction

Ratio analysis is an essential financial tool used to assess a company's **liquidity, efficiency, and overall performance**. Ratios help simplify financial statements by highlighting the relationships between key items such as **sales, profits, assets, and liabilities**.

In this chapter, I analyzed the financial condition of **Whirlpool Bangladesh Limited** using various ratios. The analysis focuses on five main categories: **liquidity, profitability, efficiency, turnover, and solvency ratios**. The following sections provide a detailed examination of each category.

A. Liquidity Ratios

1. Current Ratio
2. Quick Ratio
3. Interest Coverage Ratio

B. Profitability Ratios

1. Gross Profit Margin
2. Operating Cost Ratio
3. Operating Profit Margin
4. Net Profit Margin
5. Earnings Per Equity Share (EPS)
6. Dividend Yield
7. Price-to-Earnings (P/E) Ratio

C. Efficiency Ratio

1. Inventory Turnover Ratio
2. Accounts Receivable Turnover Ratio
3. Days Sales Outstanding
4. Accounts Payable Turnover
5. Days Payables Outstanding

6. Total Asset Turnover Ratio

D. Overall Profitability Ratio

- Return on Assets (ROA)
- Return on Equity (ROE)

E. Turnover Ratio

- Inventory Turnover Ratio
- Receivables Turnover Ratio
- Asset Turnover Ratio

F. Solvency Ratio

- Debt to Equity Ratio
- Equity Ratio
- Debt Ratio

1. Liquidity Ratios

Ratio	Formula	2024	2023	Interpretation
Current Ratio	Current Assets / Current Liabilities	1.34	3.23	Decreased significantly in 2024, showing reduced short-term liquidity buffer.
Quick Ratio	(Current Assets - Inventory) / Current Liabilities	1.13	2.60	Still above 1 but declined, indicating less liquidity in quick assets.
Interest Coverage Ratio	EBIT / Finance Expense	-108,848,206 / 3,848,243 = (28.27)	-171,345,368 / 1,736,468 = (98.63)	Negative in both years due to losses; company unable to cover finance costs.

Table 4.1 : Liquidity ratio of Whirlpool Bangladesh Limited

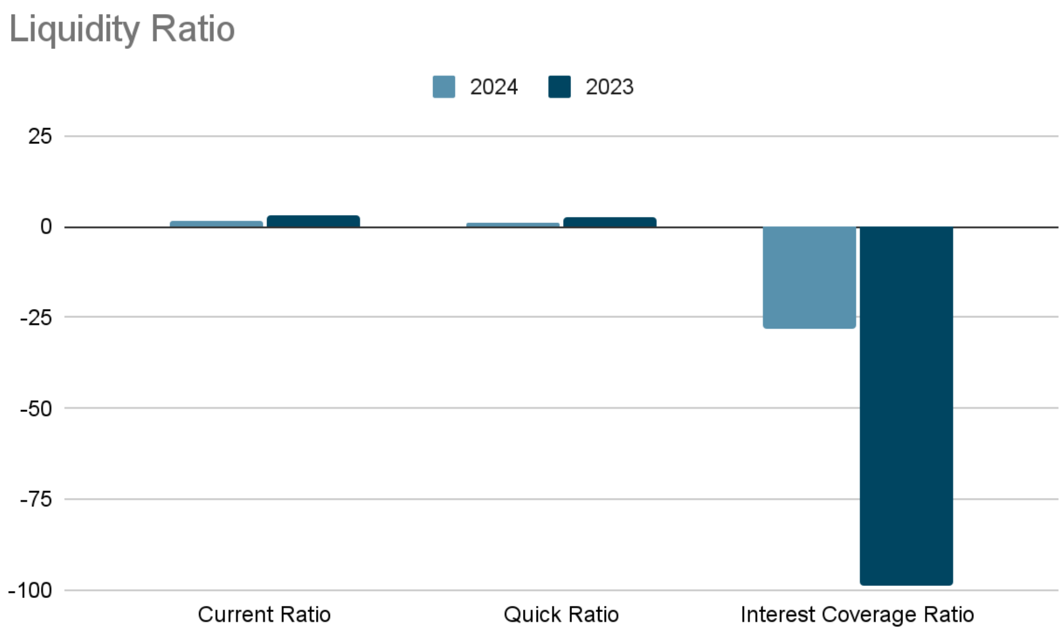

Figure 4.1: Liquidity ratio of Whirlpool Bangladesh Limited

Interpretation:

The liquidity position of Whirlpool Bangladesh Limited became weaker in 2024 compared to 2023. The current ratio dropped from 3.23 to 1.34, which means the company now has less flexibility to pay its short-term liabilities. Even though it is still slightly higher than the standard benchmark of 1, the decline is quite sharp.

The quick ratio also fell from 2.60 to 1.13. This shows that, after excluding inventory, the company's easily available assets are decreasing in relation to its short-term debts. While the ratio is just above the safe level, the trend is not encouraging.

The most alarming figure is the interest coverage ratio, which stayed negative in both years—(28.27) in 2024 and (98.63) in 2023—because the company reported negative EBIT. This indicates that Whirlpool Bangladesh is not in a position to cover its interest expenses from operating profit, which clearly signals financial stress.

2. Profitability Ratios

Ratio	Formula	2024	2023	Interpretation

Gross Profit Margin	Gross Profit / Revenue	-44,306,157 / 1,354,436,081 = (3.27%)	-24,307,960 / 543,203,239 = (4.47%)	Both years were negative; cost of sales exceeded revenue.
Operating Cost Ratio	(Admin + Selling Exp) / Revenue	(129M+277M)/1354M = 30.0%	(115M+34M)/543M = 27.4%	Operating costs are high, affecting profitability.
Operating Profit Margin	Operating Profit / Revenue	-112,696,449 / 1,354,436,081 = (8.32%)	-173,081,836 / 543,203,239 = (31.87%)	Losses reduced in 2024, but still operating at a loss.
Net Profit Margin	Net Profit / Revenue	-138,167,792 / 1,354,436,081 = (10.2%)	-179,202,093 / 543,203,239 = (32.99%)	Net losses improved in 2024 but remain negative.
EPS (Taka)	Net Profit / No. of Shares	-138,167,792 / 63,401,499 = (2.18)	-179,202,093 / 63,401,499 = (2.83)	Still negative; reflects per-share loss.
Dividend Yield	Dividend per Share / Market Price	Not available	Not available	No dividend declared due to losses.
P/E Ratio	Market Price / EPS	Not applicable due to negative EPS	Not applicable	Cannot compute due to ongoing losses.

Table 4.2: Profitability ratio of Whirlpool Bangladesh Limited

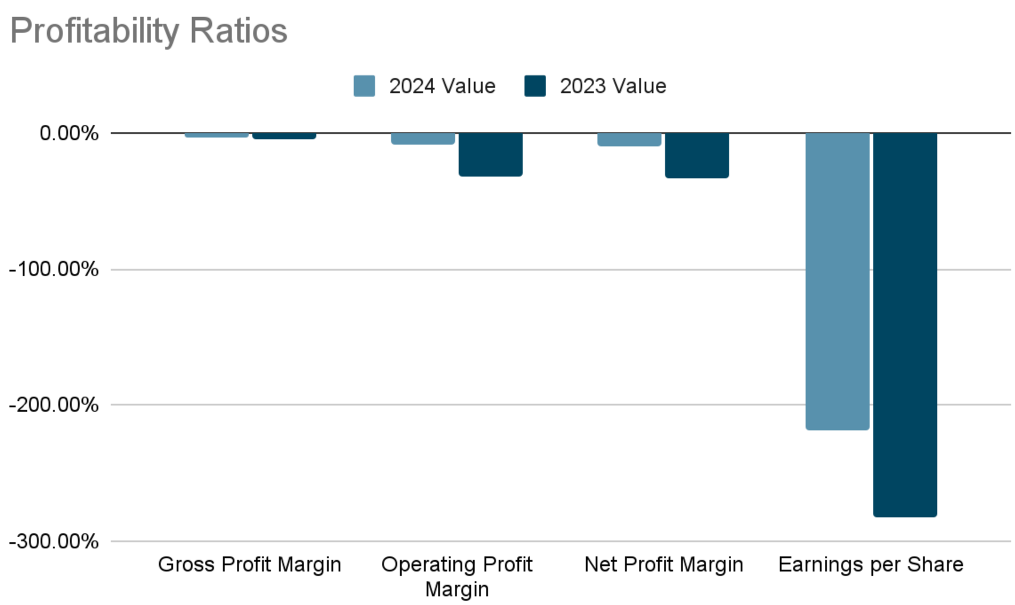

Figure 4.2: Profitability ratio of Whirlpool Bangladesh Limited

Interpretation:

The profitability ratios of Whirlpool Bangladesh Limited show that the company is still facing financial problems, even though there were some small signs of improvement in 2024 compared to 2023.

The gross profit margin stayed negative in both years. This happened because the cost of goods sold was higher than total revenue, which is a major concern for the company's business model. The operating cost ratio was also high in both years, meaning that the company spent a lot on selling and administrative expenses. This reduced the chances of making an operating profit.

The operating profit margin improved from -31.87% in 2023 to -8.32% in 2024. This suggests that cost control became a little better or sales increased during the period. Still, the company continued to face operating losses. The net profit margin also improved, moving from -32.99% to -10.2%, but it remained negative, which shows that Whirlpool Bangladesh has not yet reached profitability.

Earnings per share (EPS) stayed negative in both years, which means shareholders faced a loss and no dividends were declared. Since EPS was negative, the price-to-earnings (P/E) ratio could not be calculated for either year.

3. Efficiency Ratio Analysis of Whirlpool Bangladesh Ltd

No.	Ratio Name	Formula	2024 Value	Result

1	**Inventory Turnover Ratio**	Cost of Sales / Average Inventory	1,310,129,924 / 142,780,471	**9.18 times**
2	**Receivables Turnover Ratio**	Revenue / Average Trade Receivables	1,354,436,081 / 596,290,628	**2.27 times**
3	**Days Sales Outstanding**	365 / Receivables Turnover	365 / 2.27	**161 days**
4	**Accounts Payable Turnover**	Cost of Sales / Average Trade Payables	1,310,129,924 / 377,872,397	**3.47 times**
5	**Days Payables Outstanding**	365 / Payables Turnover	365 / 3.47	**105 days**
6	**Asset Turnover Ratio**	Revenue / Average Total Assets	1,354,436,081 / 897,574,762	**1.51 times**

Table 4.3: Efficiency ratio of Whirlpool Bangladesh Limited

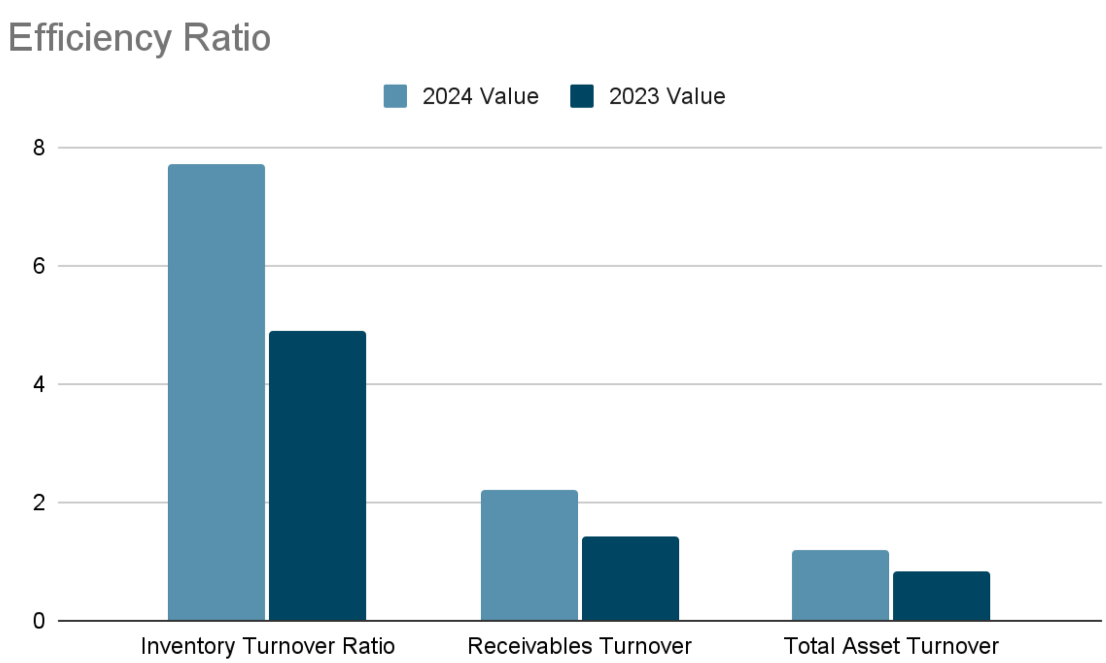

Figure 4.3: Efficiency ratio of Whirlpool Bangladesh Limited

Interpretation:

The efficiency ratios of Whirlpool Bangladesh Limited give a mixed picture of how the company managed its operations in 2024.

The inventory turnover ratio was 9.18 times, which means the company was able to sell and replace its inventory more than nine times during the year. This points to good product demand and effective inventory handling. The asset turnover ratio stood at 1.51, meaning that for every BDT 1 of assets, the company generated BDT 1.51 in sales. This shows that overall asset use was fairly efficient.

On the other hand, the receivables turnover ratio was only 2.27 times, which is quite low. This resulted in a very high Days Sales Outstanding (DSO) of 161 days. In other words, the company is waiting more than five months on average to collect money from customers. This weak receivables management can create pressure on cash flow and signals a need to review credit policies or strengthen collection efforts.

For payables, the turnover ratio was 3.47 times, with a Days Payable Outstanding (DPO) of 105 days. This means Whirlpool takes a little over three months to pay suppliers, which helps the company keep cash for longer. While this supports liquidity in the short term, it could create problems if suppliers become unhappy with delayed payments.

In summary, Whirlpool Bangladesh managed inventory and assets well, but its slow receivables collection is a major weakness. The company's long payment period to suppliers works as a short-term advantage for cash flow, but it should be managed carefully to avoid damaging supplier relationships.

4. Overall Profitability Ratio

Ratio	Formula	2024	2023	Comment
Return on Assets (ROA)	Net Income / Total Assets	-138,167,792 / 1,137,862,826 = (12.14%)	-179,202,093 / 657,286,697 = (27.27%)	ROA improved in 2024, but remains negative, showing continued inefficiency in asset utilization.
Return on Equity (ROE)	Net Income / Equity	-138,167,792 / 303,810,653 = (45.47%)	-179,202,093 / 441,978,445 = (40.53%)	High negative ROE shows shareholders' equity is not generating profit, indicating financial distress.

Table 4.4: Overall Profitability ratio of Whirlpool Bangladesh Limited

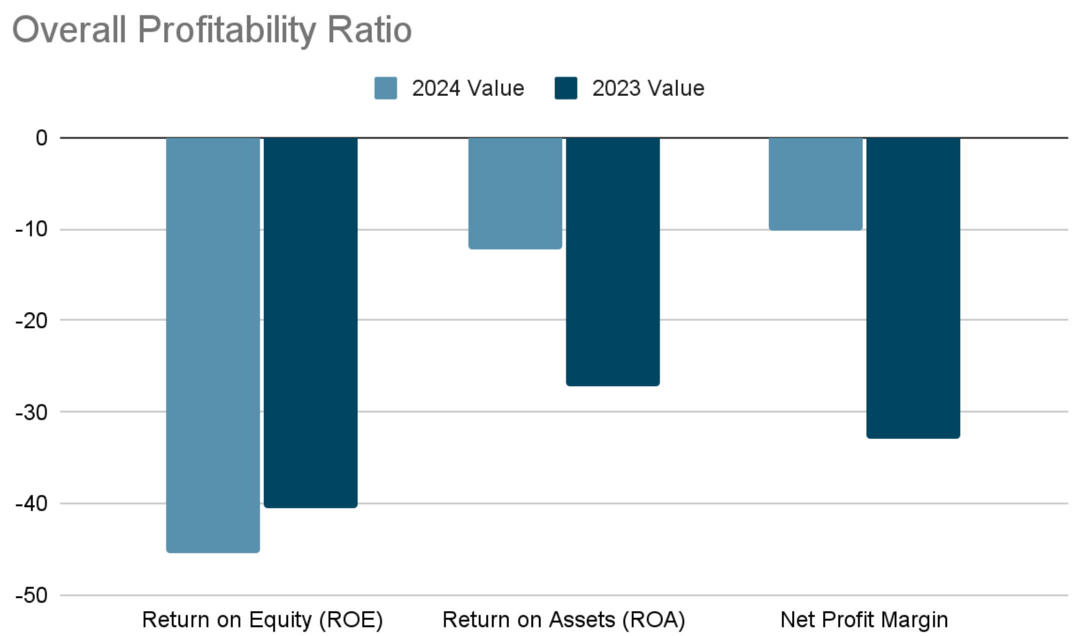

Figure 4.4: Overall profitability ratio of Whirlpool Bangladesh Limited

Interpretation:

The overall profitability ratios of Whirlpool Bangladesh Limited show that the company is still facing financial difficulties, although there was some slight improvement in 2024.

The Return on Assets (ROA) was -27.27% in 2023 and improved to -12.14% in 2024. Even though the figure is still negative, the smaller loss compared to the previous year suggests that the company used its assets a bit more effectively and managed to reduce losses in relation to its total assets.

However, the Return on Equity (ROE) became worse, moving from -40.53% in 2023 to -45.47% in 2024. This means that shareholders did not receive any return; instead, their value was reduced further. The negative ROE highlights that the company needs to focus on better cost control, improved sales strategies, and more efficient use of capital to recover and move toward profitability.

5. Turnover Ratio

Ratio	Formula	Calculation Details	Result
Inventory Turnover Ratio	Cost of Sales / Average Inventory	1,310,129,924 / ((169,526,746 + 116,034,196) / 2) = 1,310,129,924 / 142,780,471	**9.18 times**

Receivables Turnover Ratio	Revenue / Average Receivables	1,354,436,081 / ((810,068,295 + 382,512,961) / 2) = 1,354,436,081 / 596,290,628	**2.27 times**
Asset Turnover Ratio	Revenue / Average Total Assets	1,354,436,081 / ((1,137,862,826 + 657,286,697) / 2) = 1,354,436,081 / 897,574,762	**1.51 times**

Table 4.5: Turnover ratio of Whirlpool Bangladesh Limited

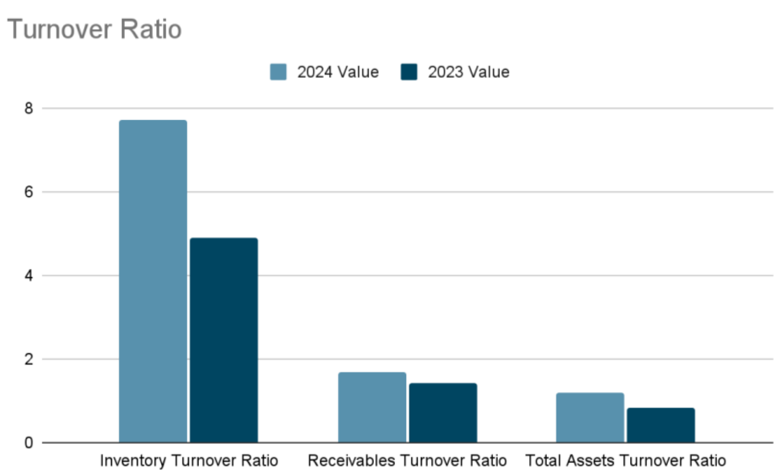

Figure 4.5: Turnover ratio of Whirlpool Bangladesh Limited

Interpretation:

The turnover ratios of Whirlpool Bangladesh Limited give useful insights into how the company managed its resources to create sales in 2024.

- **Inventory Turnover**: The ratio was 9.18 times, meaning the company sold and replaced its inventory more than nine times during the year. This is a good sign, as it shows there was strong demand for its products and that inventory was managed efficiently.
- **Receivables Turnover**: At 2.27 times, the company collected its receivables only about twice a year. This is not very strong and indicates that the company takes a long time to get payments from customers. Faster collections would help improve cash flow.
- **Asset Turnover**: The ratio was 1.51 times, showing that for every BDT 1 invested in assets, Whirlpool generated BDT 1.51 in sales. This suggests that the company was able to use its assets quite effectively to generate revenue.

In summary, the company showed efficiency in managing inventory and assets, but it needs to improve the collection of receivables to reduce pressure on liquidity.

6. Solvency Ratio

Ratio	Formula	Calculation Details	Result
Debt to Equity Ratio	Total Liabilities / Total Equity	840,103,580 / 297,759,246	**2.82 times**
Equity Ratio	Total Equity / Total Assets	297,759,246 / 1,137,862,826	**0.26 (26%)**
Debt Ratio	Total Liabilities / Total Assets	840,103,580 / 1,137,862,826	**0.74 (74%)**

Table 4.6: Solvency ratio of Whirlpool Bangladesh Limited

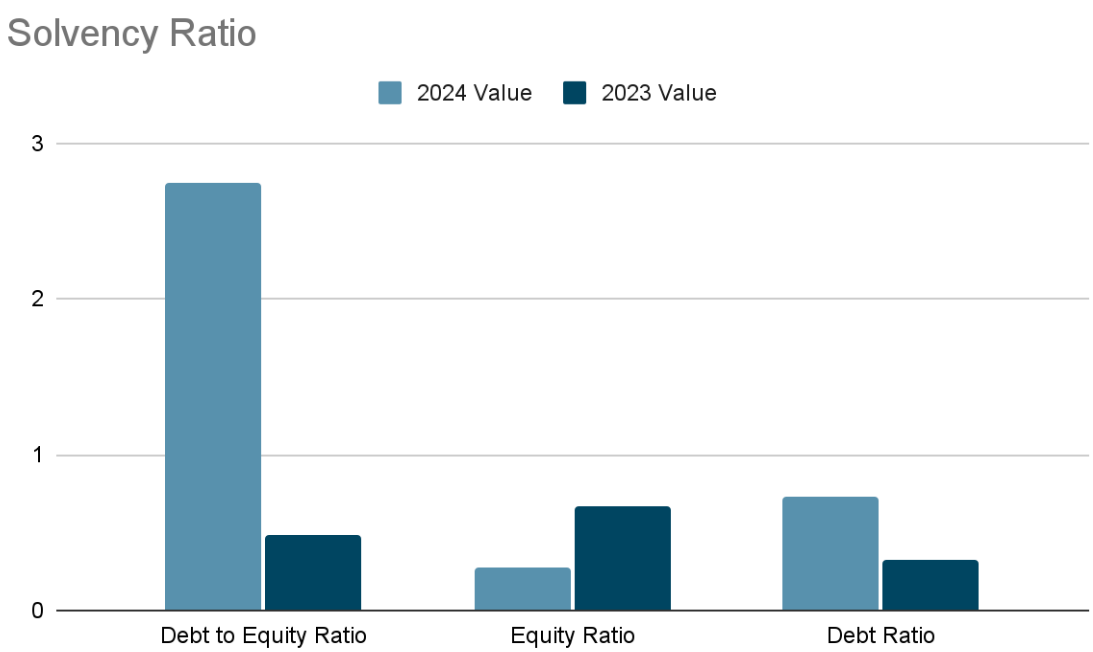

Figure 4.6: Solvency ratio of Whirlpool Bangladesh Limited

Interpretation:

The solvency ratios of Whirlpool Bangladesh Limited provide an idea about its long-term financial position and reliance on debt.

- **Debt to Equity Ratio**: At 2.82 times, the company is mostly dependent on borrowed funds compared to shareholder equity. This level of debt increases risk, especially if earnings fall or interest costs rise.
- **Equity Ratio**: The ratio was 0.26 (26%), which means only about one-fourth of the company's assets are financed by shareholders' equity. Such a low equity share makes the company less stable in the face of financial difficulties.
- **Debt Ratio**: At 0.74 (74%), most of the company's assets are financed through liabilities. This heavy reliance on debt means higher interest payments and possible solvency problems in the future.

Overall, the company is using debt more than equity to run its operations. While this can support short-term growth, it creates higher financial risk. To strengthen long-term stability, Whirlpool Bangladesh should try to reduce its debt dependence and gradually increase equity financing.

Chapter 5

Findings And Recommendations

Findings

Sharp Increase in Total Assets

Total assets increased significantly from **Tk. 657.29 million in 2023** to **Tk. 1,137.86 million in 2024**, driven largely by a surge in **trade receivables and inventory**.

This reflects aggressive sales efforts, but also raises concerns regarding **collection efficiency** and potential **inventory overstocking**, which could affect liquidity.

Liquidity Strain and Cash Shortage

Whirlpool ended 2024 with a bank overdraft of Tk. 45.52 million, indicating a cash shortfall and liquidity stress.

Current liabilities (Tk. 823.42 million) far exceed current assets (excluding inventory), signaling poor short-term solvency and high reliance on external financing.

Declining Equity Position

Equity dropped from Tk. 441.98 million in 2023 to Tk. 303.81 million in 2024, largely due to accumulated net losses and negative retained earnings.

This erosion of shareholder value is alarming and suggests the company may be nearing financial distress if corrective action is not taken.

Heavy Dependence on Supplier Credit and Borrowing

Trade and other payables surged from Tk. 113.05 million to Tk. 642.69 million, indicating an overreliance on supplier credit to fund operations.

Bank loans and overdrafts also increased, reflecting growing dependence on short-term borrowing, which may become unsustainable.

Decline in Non-Current Assets

Right-of-use assets declined from Tk. 390.70 million in 2023 to Tk. 238.11 million in 2024, likely due to lease terminations or asset disposals.

Without reinvestment, this could reduce the company's long-term operational capacity.

Profitability Remains Negative

Despite a significant increase in revenue, the company continues to report operating and net losses.

High operating costs and inefficient management are eroding margins, with no signs of turnaround in 2024.

Risk of Financial Distress

The combination of negative earnings, high payables, increased borrowing, and liquidity stress indicates that the company faces a high financial risk.

Without immediate cost restructuring and better working capital control, Whirlpool Bangladesh may struggle to sustain operations.

Recommendations

Based on the financial analysis of Whirlpool Bangladesh Limited for 2023 and 2024, the following recommendations are made to enhance the company's financial health, operational efficiency, and long-term growth prospects:

1. Improve Cash Flow Management

Whirlpool should implement a robust cash forecasting system to accurately track cash inflows and outflows, ensuring better liquidity management. Prioritizing timely collection of receivables and reducing dependency on costly bank overdrafts will ease short-term cash pressures. Additionally, non-essential capital expenditures should be delayed or carefully phased to conserve cash.

2. Tighten Credit Policy and Receivables Management

To improve working capital efficiency, the company should revise its credit policies by setting stricter credit limits and incentivizing early payments from customers. Automating collection follow-ups and conducting regular aging analysis will help reduce overdue receivables and enhance cash inflows.

3. Control Inventory Levels

Adopting inventory management techniques such as just-in-time (JIT) or demand-driven models will help minimize holding costs. Identifying slow-moving stock and improving coordination between sales and supply chain departments will optimize inventory turnover and free up working capital.

4. Restructure Cost and Expense Strategy

A comprehensive cost audit should be conducted to identify and eliminate unnecessary expenses. Outsourcing non-core functions and leveraging automation can significantly reduce fixed and administrative costs, improving operational efficiency and profit margins.

5. Focus on Profitability

The company should prioritize high-margin products and consider expanding its product portfolio to include value-added services. Renegotiating supplier contracts for better pricing and exploring new market segments or sales channels will diversify revenue streams and support profitability improvement.

6. Strengthen Equity and Capital Structure

To reduce financial risk and improve solvency, Whirlpool should seek fresh equity investments from strategic partners or investors. Efforts must be made to reduce reliance on short-term borrowings by increasing retained earnings through profit recovery. Optimizing asset utilization will also enhance return on equity.

7. Improve Financial Reporting and Transparency

The company should conduct **regular internal audits** and ensure that performance reports are shared **punctually**. Adhering strictly to **accounting standards and tax regulations** will not only make financial records more reliable but also boost stakeholder confidence and enable management to make **better-informed decisions**.

8. Use Technology for Financial Control

Whirlpool Bangladesh could greatly benefit from implementing **ERP systems** to manage inventory, receivables, and expenses in a centralized platform. Leveraging **data analytics** can help the company set optimal prices, better understand customer segments, and make more informed operational decisions. Additionally, **real-time dashboards** for managers would enable faster monitoring of financial activities and quicker decision-making.

By adopting these measures, **Whirlpool Bangladesh Limited** can **strengthen its financial position, enhance profitability, and operate more efficiently**, supporting sustainable growth in a competitive market.

Chapter 6

Conclusion and References

Conclusion

My internship at **Whirlpool Bangladesh Limited** has been an incredibly rewarding experience, providing me with a firsthand look at how a multinational company in the consumer electronics and home appliances sector operates. During this time, I had the opportunity to observe and understand different facets of the business, including finance, sales, inventory management, and the overall organizational culture.

Working with the company's financial data—through the **balance sheet, income statement, and cash flow statements for 2023 and 2024**—gave me valuable insights into its performance. I noticed that while Whirlpool Bangladesh has achieved strong revenue growth, it still faces challenges related to profitability, cash flow management, and operational efficiency. These observations underscore the importance of careful expense control, improved liquidity, and strategic adjustments to the company's capital and cost structure to ensure long-term sustainability.

Beyond the numbers, this internship offered practical exposure to corporate financial practices, decision-making processes, and performance evaluation techniques. It allowed me to enhance my **analytical, communication, and problem-solving skills**—abilities that will be crucial as I advance in my career.

Overall, this internship has been an important bridge between my academic knowledge and real-world application. I now feel more confident and better prepared to take on future challenges, and I am truly grateful for the experience and learning I gained at **Whirlpool Bangladesh Limited**.

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