



Financial Position of Orient Button Ltd.

Submitted by:

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MBA, 44th Batch

Major in Finance

This report is presented for partial fulfillment of requirements for the degree Master of Business Administration (MBA).



Title Page

Financial Position of Orient Button Ltd.

Provided By

Rafiqul Islam

Professor

Faculty of Business and Economics

Daffodil International University.

Date: 28, November 2018



Daffodil International University

Financial Position of Orient Button Ltd.



Dedicated to

My Mother

Whom I love more than any other person in the world.



Letter of transmittal

28, November 2018

Rafiqul Islam

Professor

Faculty of Business and Economics

Daffodil International University

Subject: Submission of Internship Report.

Dear Sir,

Here is my internship report you have assigned me as a partial fulfilment of my MBA degree. This is an essential requirement of MBA student to involved with an organization in order to gain applied understanding about management and other associated matters, which is mentioned as the Internship Program. I have got an opportunity to practical work in Orient Button Ltd.

In this report, I have tried to give my best effort. There may be short comings. It would be grateful if you consider this report.

Sincerely yours

Md. Tanvir Kamal

ID: 162-14-2124

MBA, 44th Batch

Major in Finance

~ V ~



Letter of Acceptance

This is to certify that the internship Report on “Financial Position of Orient Button Ltd.” is submitted by Md. Tanvir Kamal, ID: 162-14-2124 for the partial completion of Master of Business Administration (MBA) degree from Daffodil International University. This report is complete under my supervision. No part of the internship report has been submitted for any degree or title of recognition before. I wish him every success in life.

He is permitted to submit the report.

.....

Signature

Rafiqul Islam

Professor

Faculty of Business and Economics

Daffodil International University



Acknowledgement

In beginning, I would like to precise my gratefulness to Allah for giving me the power and prospect to complete this report successfully.

I am intensely grateful to my supervisor Rafiqul Islam, Professor, Faculty of Business Administration for his inspiring encouragement, caring guidance, and appreciate proposals & instructions during my internship period. His direction has through the report in a decent method.

Extraordinary thanks to other employees, who have helped me though operation in OBL. My special thanks to other officers of OBL for giving me their valuable time.



Declaration

I am Md. Tanvir Kamal, a student of MBA, Daffodil International University, hereby declare that the internship report titled 'Financial Position of Orient Button Ltd.' is prepared after the completion of my internship at Finance Department Orient Button Ltd under the supervision and Guidance of Rafiqul Islam, Professor, Daffodil International University

I also declare that the internship report is prepared for academic purpose only elsewhere for award of any degree.

.....

Signature

Md. Tanvir Kamal

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Executive Summary

I tried to analyze financial position of Orient Button Limited which is a garments accessories manufacturing company in order to value company performance and financial wellbeing. The report introduction gives an overview of the company and enlarges on the strategies implemented by the company. Overall company strategies were reviewed and considered along with the financial position analysis to come to a conclusion for recommendation.

Ratio is a way of matching two or more quantities. Ratio analysis is used to review the financial achievement of a fiscal object. One popular ratio is the current ratio which is current assets divided by current liabilities. Sightseeing company's current ration, quick ratio, debt-equity ratio, gross margin calculation. This affords an idea of whether the object can pay approaching bills. A ratio of less than one is a dangerous signal in that current bills are greater than current assets such as cash.

The financial position analysis cover company's common-size income statements and balance sheets, comparative income statements and balance sheets, and various financial statement ratios such as liquidity, capital structure and solvency, return on investment, operating performance, asset utilization measures from year 2017 to year 2018.

Conclusions are drawn from the above stated financial analysis as well as areas for improvement and investment recommendations.



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Chapter 01



1.1 Introduction:

Orient Button Limited a concern of orient family, has been founded in 2014. It is a fully automated computerized and specialized button manufacturing plant for 100% export orientated garments industry. OBL is one of the well-reputed and resourceful companies in Bangladesh. It has sincerely carried on its status as the biggest manufacturer of all sorts of polyester button. Here we are introducing you with our best quality machines, production capacity, and product quality, variety of button, manpower and about our clients.

It is the A OEKO TEX Certified Button Manufacturing Company and the member of BKMEA. Leading organization involved in manufacturing and supplying Products like Chalk, Pearl, Horn, Shank and Wood Button. These products are manufactured using high grade raw material and leading-edge technology as per the set quality standards. The offered range is widely acknowledged for dimensional accuracy, strength, high durability and corrosion resistant finish. Clients can avail the offered products from us at highly competitive prices. We are aiming for the world best manufacturers of buttons. We are one of the best confidences of high end fashion designers in the world. Be amazed with design of our products, the quality and put through test. Customer will not find lesser prices, enhanced quality, and greater customer service anywhere. Any frequently promoted or written quoted price. Establishing our business had a specific goal, which also become our mission statement. To collect and provide the highest quality products at the best potential price to the valued customer. Our goal is to accomplish the maximum approval of the buyers. We having the world's best button manufacturing machines manufactured by BONETTI from Italy.

1.2 Background of the report:

Work is important for every student, which has helped me to understand the real life situation, especially for the student of Business Administration. That's completed my work in the OBL, a manufacturing company's business.

Based on this job program the prepared this report on financial analysis of OBL. This report was prepared under the supervision and guidance of Professor Rafiqul Islam.



1.3 Scope of the Study:

Orient Button Limited is one of the leading garments accessories company in Bangladesh. The scope of the study is based on Financial Statement Analysis. The report focuses upon the organizational structure and the financial report, garments accessories solutions & their policies.

The Study level is also considered--

Manufacturing Capabilities

Global Accreditations

R&D Capabilities

1.4 Objectives of the report:

Broad Objective:

The objective of my report is to make a comprehensive financial analysis of Orient Button Ltd. The organization which affects the work activities and long term success of the business and their practices for the organization based on unified management system.

Specific Objectives:

1. To analysis of financial Statement
2. To know about the financial position of Orient Button Ltd.
3. To know the performance of this company.
4. To present the major findings.
5. To provide recommendation on the basis of findings.



1.5 Methodology of the Report:

Method of the data analysis was divided into two parts. First, personal interviewing different levels personnel's and gather opinions from my manager then by analyzed data in suggested way. Then I have presented the instruction of processing that information those data to my manager and he gave me for making the report affordable. All of this observation and data are included in this report. By observing their transaction and different parties from a very close eye,

1.6 Source of data:

Primary Data:

Primary data are collected during the working hour and talked with related employees and managers for information. By total process observing of the OBL.

Secondary Data:

Secondary data are collected from the following sources:

Annual reports of OBL

02) Published documents

03) Official files

04) Data available with the website of OBL.

1.07 Limitations:

This report may have some incompleteness due to some of the limitations the encountered while completing it that are mentioned below:

The study mostly depends on official files and annual reports cause OBL has some restriction to serve all the real data of the organization to the people.

Scope of my study is so wide, that due to lack of my knowledge, experience, and crucial study is not possible for me and as a learner the analytical, comprehensive.

The officers were so busy with their daily work; they could hardly provide little time to discuss with them.



Chapter 02



2.1 About OBL:

Simple info of Orient Button Ltd.:

OBL are producing garments accessories like Button products in the banner of following sister concerns. We are prominent, pioneer and leading firm in the industry widely engaged in Manufacturing and Supplying a wide range of Chalk, Pearl, Horn, Shank and Wood Button. Offering our clients, a comprehensive range of quality products that is offered in a multitude of attractive colors, designs, layouts, sizes, shapes, and patterns. Our products are made of high quality material and these have proved to be effective in reaching the target audience. Our products are offered to the customers at cost effective rates and the demand of our products is increasing rapidly. Owing to its long lasting nature and wear & tear resistance features, our gamut is broadly used for labeling jeans, purses, belts and jackets and many other garments cloth. Additionally, to meet the vast demands of our esteemed patrons, we provide these products as per the latest industrial developments and standards in customized solutions. We pack these products using superior quality material before offering. Due to these reasons, we are extensively applauded by our highly valuable customers across the geographies. Customer satisfaction is our prime concern and we ensure that our customers are served in a prominent manner. Detailed study is carried out based upon the likes and dislikes of the customers and then further procurement is carried out accordingly. Orient Button has comprised the best and most efficient skilled workforce to deliver the best possible output.

OBL is free from supply shortage, wastage & pilferage. So you can get relief from this kind of problem that often occurs in case of imported accessories. With our well organized people, high quality machineries and hard work we ensure the maximum uses of products

OBL know the value of time. Time is money. With the proper co-operation of our devoted employees try best to deliver the product in time and give top priority on the time to time delivery on your premises. Compared to the others we are very much concerned about the price level. Customer are getting best quality in a very competitive price.

We're already working with the machine supplier to increase our capacity and range, so that we'd be able to provide you with more options in future.

To satisfy your need for quality we have installed World best latest Hi-Tech Machineries from Bonetti, Italy.

Capacity 50,000 G.G monthly



NEW Automatic Punching Machine. Superior design and hi-grade technologies applied to the blanking of polyester sheets in a gummy state. Capacity: 30,000 G.G.

New machine with rotating blade to slice blanks proceeding from polyester soft state rods, without waste of material. Capacity: 22,000 G.G

The new generation of laser markers in solid state with "all in one" technology.

Capacity: 14,000 G.G

Single head machine to turn, mill and drill only one side of small productions or button sampling means of the same working units, chucks and devices of NOVA and VECTOR. Capacity: 15,000 G.G

New machine dedicated to the production of buttons made of abrasive natural and synthetic materials. Newest automatic tool sharpening device HAT/C. Very modern electronic components; Dedicated software; Patented system for the tool blocking on the spindle. Capacity: 23,000 G.G

Water polishing barrel for buttons, buckles and accessories with new "Auto set" projected for the automatic working cycle. Capacity: 50,000 G.G

Our emphasis on the best quality button does not compromise our tolerance for our environment & customer requirements, because we're here to make difference in every way we can. We're already able to provide you with fully computable buttons that complies with all the E.U. countries & U.S.A environmental law.

2.2 Mission and Vision:

Vision:

The Company continues to move forward to become the leading firm in Bangladesh and eventually the region, by consistently delivering projects that meet international standards.

Mission:

Orient Button Mission statement: Orient Button Ltd. ensure world class quality. Our concern is to achieve the intensive approval of the buyers. OBL take additional care for maintain superior quality. For collect and provide the top quality products at the best possible price to the valued customer.



2.2 Location of Orient Button Limited:

Head Office	8/2, Motalib Tower (1st floor) Flat-2C, Paribagh, Dhaka-1205, Bangladesh
Chittagong Branch	Own Space: 515 Square Feet R.F Jahura TowerShop-506 (4th floor) Sk.mujibe Road, Agrabad C/A, Chittagong
Factory	Kayetpara (adjacent to Demra Union Office), Demra, Dhaka

2.3 Management of OBL:

The present Managing Director of the OBL is a progressive executive of multi discipline knowledge and experience credit both abroad and on home. OBL has managed with highly qualified people. He is support with expanded experience in finance and management by a creative and talented expert team. OBL has achieved remarkable progress in a short time. The lists of management structure are given in bellows:

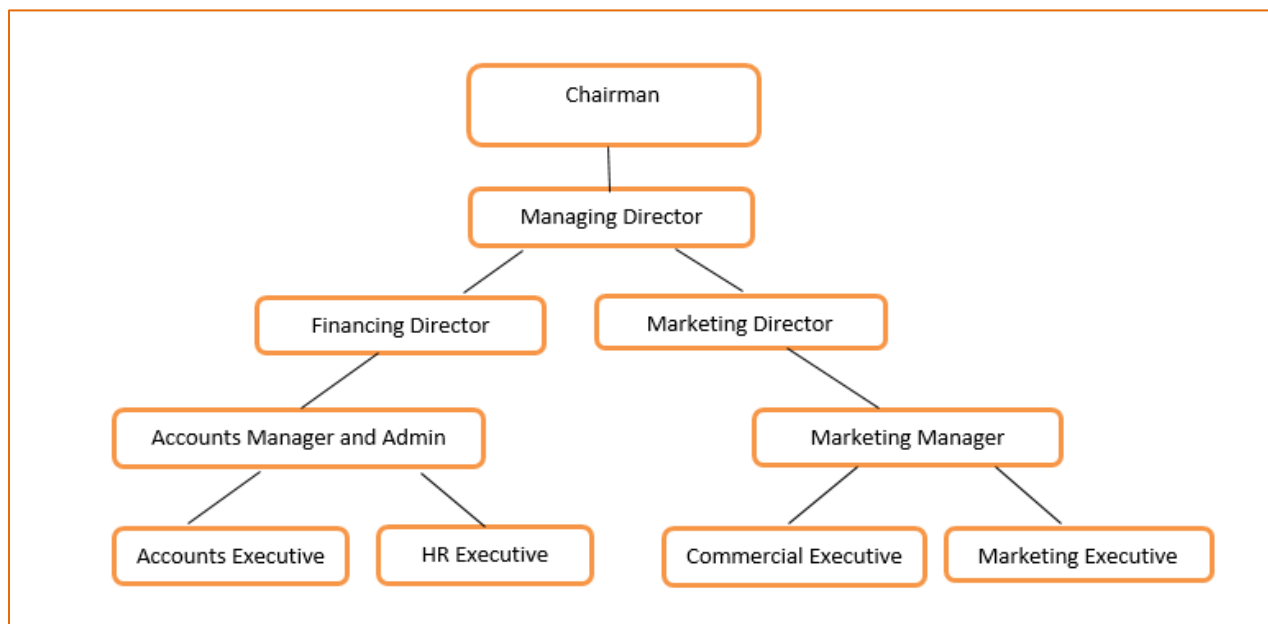


Figure: Management of OBL



2.4 HUMAN RESOURCES:

Our workforce is highly skilled and is able to provide you with the best service & quality fully compatible with any buyer requirement. We never underestimate the values of human work ethics because of this our work principal complies with human rights laws of our country as well as international labor laws. Working close with everyone in our core we are able to reach deeper and provide you with a product that belongs among the highest of its class.

2.5 OBL products:

With the world famous machines from Bonetti we're able to provide buttons ranging from 13L to 60L. Maximum of the period buyers face a very common problem. That is shipment problem. We ensure the proper shipment in proper time. It causes them to face a great loss. So our buyers enjoy an anxiety free garments shipments.

- i. Pearl Button
- ii. Horn Button
- iii. Chalk Button
- iv. Logo Buttons
- v. Specialized Buttons (Flower, Square, etc.)

2.6 Objectives of OBL:

1. Improve service quality through development of Strategic Plans to establish relationship.
2. To introduce fully automated systems through integration of information technology.
3. To ensure an adequate rate of return on investment.
4. To maintain a healthy growth of business with desired result.



2.7 Strategies:

1. Delivery of timely services and strive for customer satisfaction through quality control.
2. Develop and train all employees and provide them adequate resources so that customer needs can be reasonably addressed.
3. Promote organizational effectiveness by openly communicating company plans, policies, practices and procedures to employees in a timely fashion
4. Adopts positive motivation for improved performance for cultivate a working environment.
5. Increase direct contact with customers in order to cultivate a closer relationship between the bank and its customers.



Chapter 03



3.1 Financial Position Analysis:

Financial position analysis is the process of evaluating the company's financial statements and critiquing for the reason that balance sheet or perhaps profit and loss statement, thereby enabling more efficient decision making and gaining a comprehension of the financial health of the company. This information must be examined through financial statement analysis being more useful to help investors, shareholders, managers as well as other interested parties. Financial statement analysis monetary data.

3.2 Balance Sheet Analysis:

Balance sheet expresses stockholders a lot about a company's details, how much cash and equivalents it possesses, what kinds of funds the company has generated over time, how much debt the company has, how much it needs to collect from customers.

Balance sheet is known as the statement of financial condition. The difference between what it owns and what it owes is its equity, also commonly called "net assets" or "shareholders equity". It expresses how much a company its assets, and how much its liabilities.

3.3 Income Statement Analysis:

Income statement is mainly the first financial statement in an annual report. Basically, the income statement shows how much money the company generated revenue, how much it spent expenses and the difference between the two is profit over a certain time period. It also encloses the numbers most often discussed when a company publicizes its results - numbers such as revenue, earnings and earnings per share. When it comes to analyzing fundamentals, the income statement lets investors know how well the company's business is performing – or whether or not the company is making money.

3.4 Financial Ratio:

Financial ratios used to compare the firm's financials and to analyze trends to those of other firms. Financial ratios are useful indicators of a financial condition and firm's performance. Ratios are used both internal and external analyst:



3.5 Internal Uses:

1. Design
2. Management evaluation
3. Focus on investment for assets efficiency and various assets
4. How suppliers of funds understanding analyze the firm

3.6 External Uses:

1. By the financial institution credit granted
2. Monitoring performance
3. decisions of Investment
4. decision of policy making
5. long term health of the firm and focus on the profitability

3.6 Categories of Financial Ratio:

Financial ratios are categorized according to the information they deliver. The following types of ratios frequently are used:

1. Liquidity Ratio
2. Financial Leverage Ratio
3. Activity Ratio
4. Profitability Ratio



Liquidity Ratio:

Liquidity ratios are ratios that actually show the relationship of a firm's cash and other current assets to its current liabilities. These are the first ones to come in the picture.

1. Current ratio
2. Quick/ Acid Test ratio.

Current ratio: Current assets include cash, marketable securities, accounts receivables, and inventories. Current liabilities contain accounts payable, short-term notes payable, current maturities of long-term debt, accrued taxes, and other accrued expenses like wages. This ratio specifies the level to which current liabilities are covered by those assets predictable to be transformed to cash in the near future.

Quick/ Acid Test ratio: This refers to the extent to which current liabilities are covered by those assets except inventories. Enterprises with less than 1 cannot pay their current liabilities and should be looked at with risky. This ratio specifies the firm's liquidity position as well.

Financial Leverage Ratio:

It is defined as the use of fixed financial charges in the firm's capital structure magnifies the Earning per Share. Financial leverage ratio shows the debt is used in a company's capital structure.

Debt to Asset Ratio:

Indicates what percentage of the company's assets is being financed over debt. It is similar to the debt equity ratio. A ratio above 1 means they are financing more by debt and under 1 means a major portion of assets is financed with equity. Besides, can interpret a high ratio as a highly debt leverage firm. When a company with high ratio then the company is also on high risk, especially in an increasing rate of interest market.



Activity Ratio:

Primarily activity ratios are the indication of financial activities of a firm's collection. Activity ratio indicates the quality of receivables and how successful the firm is in its collections.

Total Asset Turnover:

Specifies pricing strategy. This ratio is more useful for growing company to check if in fact they are growing revenues in proportion to sales. It specifies the relationship between assets and revenues. Companies with low profit margin tend to have high asset turnover, those with high profit margin have low asset turnover. This ratio is useful to determine the amount of sales that are generated from each amount of asset.

Profitability Ratio:

Profitability ratios demonstrate the mutual effects of liquidity, asset management and debt on operational outcomes. Profitability is the net outcome of a number of strategies and resolutions.

Gross Profit Margin:

This is very suitable when comparing beside the margins of previous year. Specifies what the true mark-up margin are and what the company pricing strategy is. The results may skew if the company has very large range of products. The gross profit margin ratio states us the profit a business makes on its cost of goods sold.



Chapter 04



4.1 Liquidity Ratio: These are two types in current ratio and quick ratio. The formula for current ratio and quick ratio is as follows:

Table 1:

Year	Current Assets (I)	Current Liability (II)	Inventories (III)	Current Ratio IV= I ÷ II	Quick Ratio V = (I - III) ÷ II
2018	30,751,052	60,673,132	20,333,976	0.51	.17
2017	10,146,301	9,160,283	35,38,586	1.11	.72

Comment:

Orient Button Ltd. Current ratio shows the capability of the company to meet current assets was decreased with the current liabilities.

Quick ratio indicates that the company is so much depended on the inventories to meet the current liability. The Quick ratio indicate the declining trend.

Graphical presentation:

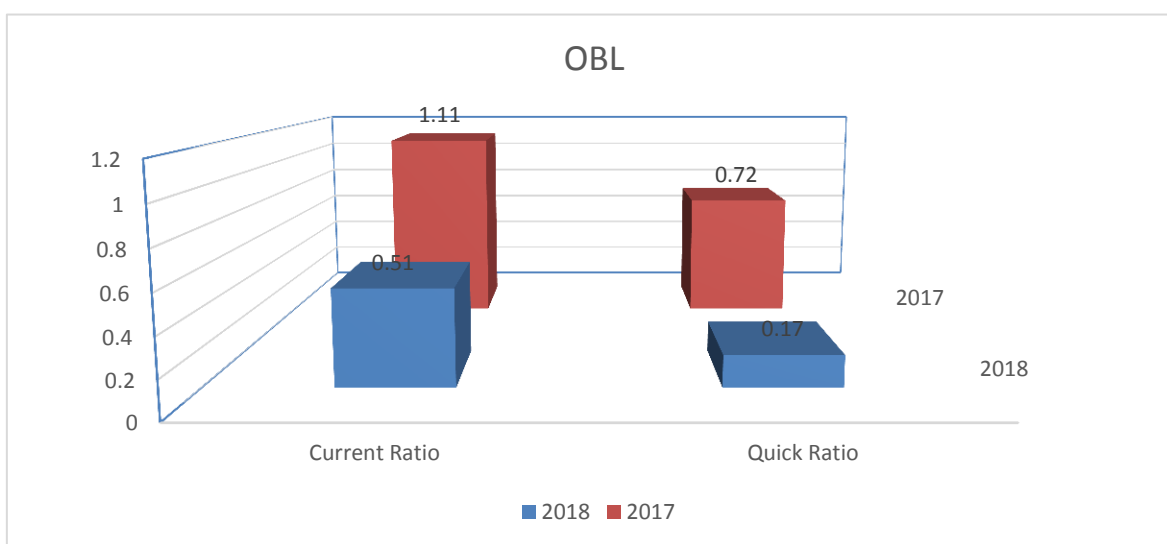


Figure 4.1: Current ratio and Quick ratio



4.2 Financial Leverage Ratio: The formula for Debt to Asset Ratio is as follows:

Table 2:

Year	Debt (I)	Assets (II)	Debt to Asset Ratio $III = I \div II$
2018	60,673,132	79,660,316	76.16%
2017	9,160,283	10,216,891	89.66%

Comment:

The company should keep a moderate debt to asset ratio. Debt to total asset ratio decreased in 2018 and increased in 2017. As we know that the ratio the greater the financing risk greater.

Graphical Presentation:

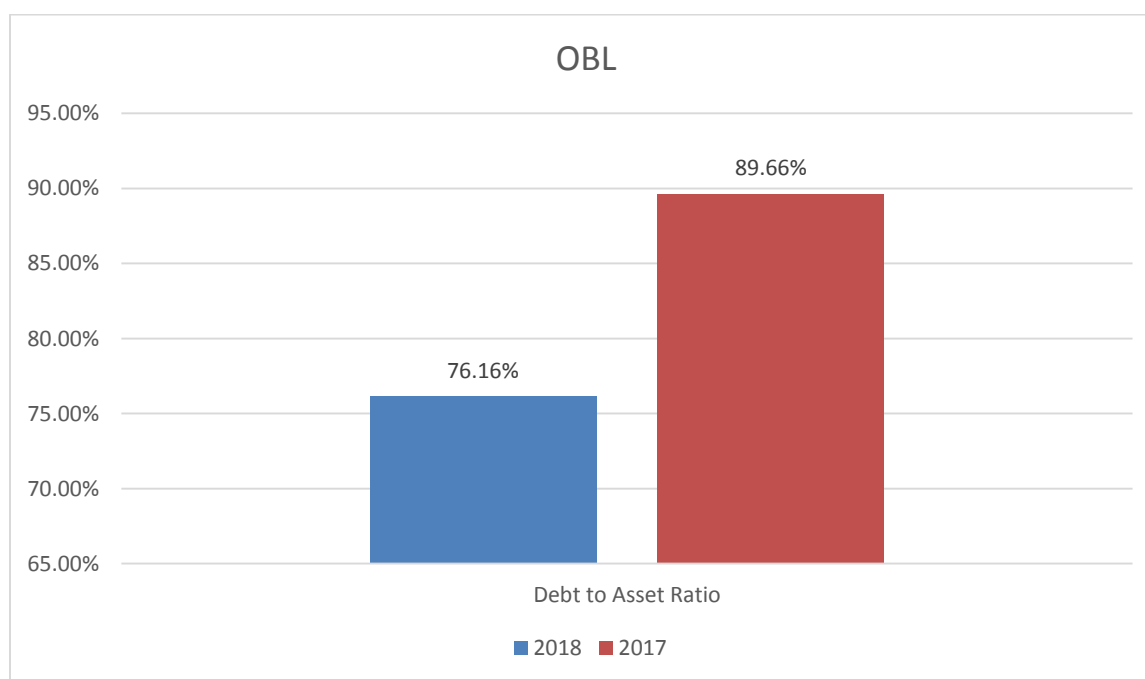


Figure 4.2: Debt to Asset Ratio



4.3 Activity Ratio: The formula for total asset turnover is as follows:

Table 3:

Year	Net Sales	Total Asset	Total Asset Turnover Ratio $III = I \div II$
2018	7,636,412	79,660,316	0.10 times
2017	10,87,916	10,216,891	0.11 times

Comment:

The company should have focused on more sales to get a higher asset turnover. Their Total Asset Turnover Ratio is weak.

Graphical Presentation:

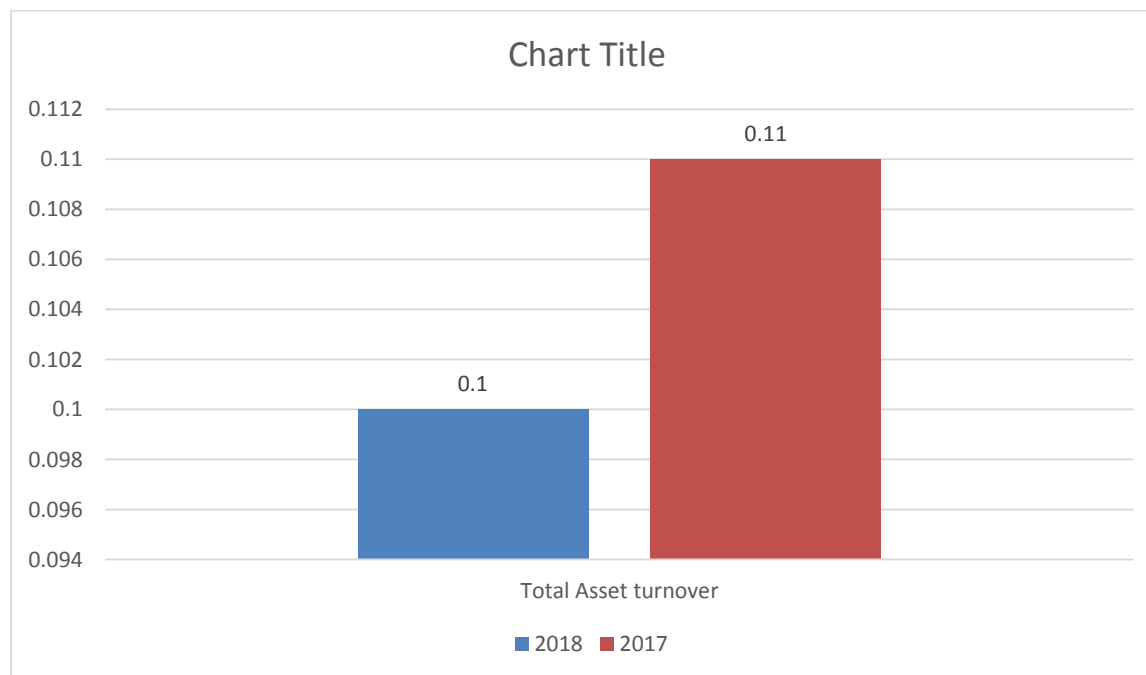


Figure 4.3: Total Asset Turnover



4.4 Profitability Ratio: That can be compute by following formula:

Table 4:

Year	Gross Profit (I)	Net Sales (II)	Gross Profit Margin $III = I \div II$
2018	14,35,827	7,636,412	18.80%
2017	2,03,118	10,87,916	18.67%

Comment:

Above findings on Gross profit margin of Orient Button Ltd. can say that the management should try to increase profit progressively. This is a good sign for the company and the management should try to preserve this trend. Time sequence analysis shows that the gross profit margin is additional or fewer steady.

Graphical Presentation:

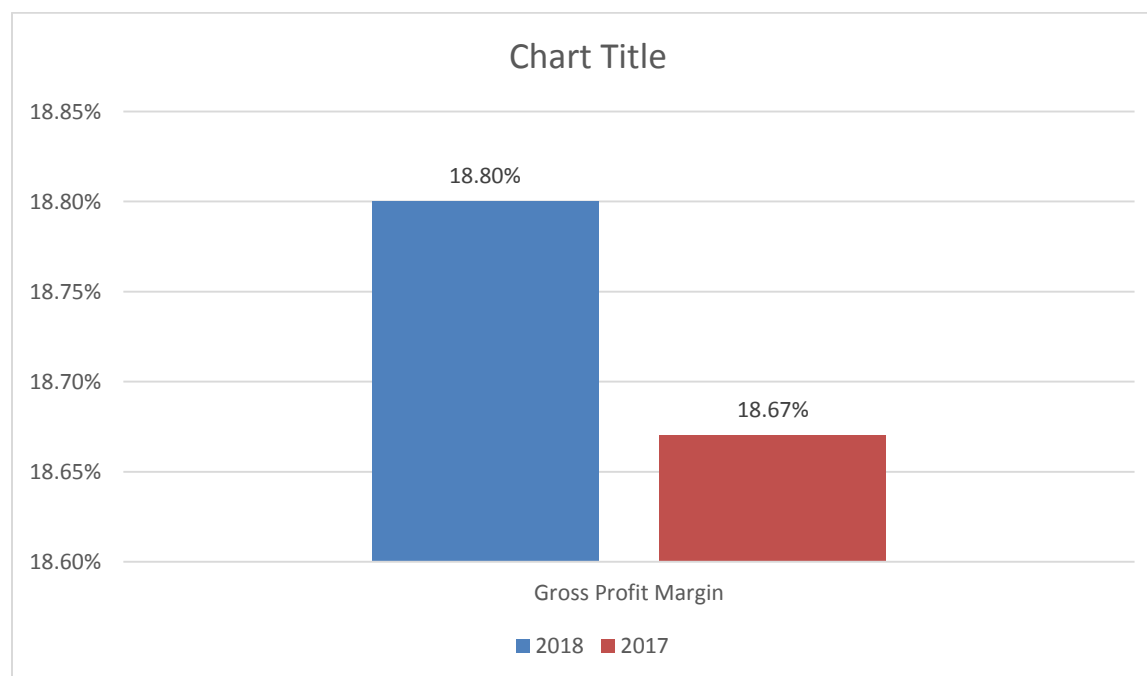


Figure 4.4: Gross Profit Margin Ratio



4.5 Findings:

By worked at Orient Button Ltd. accomplished a fresher thoughtful of knowledge. As a formal employees find many problem of the Orient Button Ltd. These complications absolutely from my own perspective are given below:

The ratio helps to assessed financial strengths and weaknesses of a company. The ratio analysis divided into four types for performance evaluation such as liquidity ratio, financial leverage ratio, profitability ratio, activity ratio. It will be demonstrated why ratio marked by negative meaning and why ratio ratios have acceptable value and why ratio have dissimilar form. The ratio analysis is the best tool for companies that it may recommend.

1. The liquidity ratio is; current ratio, quick ratio. The current ratio of company is not consistent 2017-2018 decrease the last year because their current liability has increase.
2. The financial leverage ratio measure into different categories, the debt to asset the company is not in better situation. If this go according this way company may go through lots of financial problem.
3. Return on asset is consuming their assets and measure their profit. Gross profit margin mainly emphasis on higher gross profit margin productivity to control labor and material.
4. The activity ratio of the company is not better than last year. The company should look for more sales for getting greater asset turnover. Total Asset Turnover Ratio is weak.



Chapter 05



5.1 Recommendation:

Disclosure and practical experience in Orient Button Limited for just three months, manufacturing sector is complex and very vast, for me to recommend some issues is not easy that which could enhance the performance level of the organization. During job I have found some short comings on operational and other feature of Orient Button Ltd. Thus are the following recommendations.

1. Compare a company to certain industry averages to get a feel how the company is performing. Financial statements can be put to work is through ratio analysis.
2. Main problem of the Orient Button Limited is fund problem these problems may be overcome by collecting fund; this fund may be collected by short term loan, IPO. There is some opportunity to get soft loan from foreign bank or collect short-term loan from Commercials Bank, also can take soft loan for new investment.
3. The cost of fund needs to be minimized.
4. The higher management should be more effective about the employees, to take right strategy, right decision making.
5. The gap between employees and customers should be reduced through arranging meetings.



5.2 Conclusion:

Considering the entire financial ratio for the Orient Button Ltd. At present the overall condition of the company is good. The firm is facing different types of financial & marketing problems. I try to give some recommendations and suggestions have been given so that the firm can overcome those problems.

Therefore, the firm will have to give importance to perform the financial activities efficiently. Through the observation of the activities and information collected from the participant, customers it can be said that this firm is being profitable conduct becomes the firm is not strong on counter remarkable competition, for sufficient demand in comparison with the manufactured goods and worker's dissatisfaction. The firm is not being able to perform its financial activities with efficiency. This condition continues the firm will be endangered and experience loss in the long run. But it is possible to expand this firm to a greater extent, it will be possible for it to earn more profit than it is earning now and if it can make use of its present opportunities facilities properly and. But still the company should keep keen eyes in management operation to improve the financial condition. At the end can conclude that, the company has strong growth rate in recent years with a strong market reputation.