

Internship Report
on
Financial Performance Analysis of CTC Group



A landmark to create the Future
Date of Submission: 19th December, 2019

Internship Report
on
Financial Performance Analysis of CTC Group



Supervised by:

Mr. Shakil Ahmad

Senior Lecturer

Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Prepared by:

Md. Faysul Haque Rabbi

ID: 162-11-1041

Program: BBA

Major in Finance

Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University



Date of Submission: 19th December, 2019

Letter of Transmittal

19 December, 2019

Mr. Shakil Ahmad

Senior Lecturer

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report on “Financial Performance Analysis of CTC Group.”

Dear Sir,

It is my great pleasure to submit my internship report on Financial Performance Analysis of CTC Group after completion of my internship. It was my best consideration to follow all of point of this CTC Group how far I can. It was my blessings to follow your instruction and time schedule. All of those areas have covered which was mention to me in the meantime of discussion.

All of topics are visualize which relate to this internship paper. I would like to devote my heartiest gratitude to you; for supporting me your best. This helps me a lot to prepare this report properly.

Thanks for your consideration.

Sincerely yours,



.....
Md. Faysul Haque Rabbi

ID: 162-11-1041

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Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Student's Declaration

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



.....
Md. Faysul Haque Rabbi

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Faculty of Business and Entrepreneurship

Daffodil International University

Certificate of Supervisor

This is my pleasure to mention that the report entitled “Financial performance analysis of CTC Group” have completed by Md. Faysul Haque Rabbi ID: 162-11-1041, Department of Business Administration, Daffodil International University.

He was placed in the CTC Group which is one of the glorious organizations. I have gone through the report and found it a well-written report. He has completed the report by himself.

I wish him every success in life.


19/12/2019

.....
(Shakil Ahmad)

Senior Lecturer

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Acknowledgement

Thanks to Almighty Allah for giving the capability of completing this internship report. I am also grateful to my family for supporting me during the making period of this report.

Then I would like to thank my supervisor Mr. Shakil Ahmad, Senior Lecturer, Department of Business Administration for his valuable guideline which assists me to complete easily my report. It may concern to say that without his cooperation it was impossible to complete.

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

It is my gladness to thank all of my senior brothers and sisters who advise me to complete my paper on an appropriate way.

Paying my heartiest appreciation to all of these remarkable people for their tremendous cooperation, this will always be remembered by me in my entire life.

Executive Summary

The report aims to analyze the financial performance of CTC Group. It is a private organization in Bangladesh working since 2005. CTC Group is producing Polyurethane, Expandable polystyrene Sandwich Panels for Building and Cold Storage industry on a discontinuous Line.

Basically this report focused on last five years' financial data. Therefore, ratios such as capital adequacy, leverage ratio, percentage of classified loans, net profit margin, earning per share, return on equity etc. are used to determine its performance.

After analyzing the overall study it can be revealed that, ROE of CTC Group has a decreasing trend, on the other side its ROA has an increased trend in each year. This means that CTC Group is capable to use its assets more efficiently than its earnings. Moreover, CTC Group is using own fund for making new policies which reduce the cost of total assets at the same time It increases the operating expenses.

Now a day's whole of the economic sector in Bangladesh going through insufficient funds. For this CTC Group also has some problem to face. And it is trying to overcome these situations by taking new initiatives. It's my belief that CTC Group will keep a crucial role in developing Bangladesh economy to build up in Digital Bangladesh project in near future as like before.

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Chapter One:

Introduction

1.1 Introduction

Financial information is the basis of financial performance analysis and decision making. Financial statements are very important for predict, evaluate and compare a firm's ability. Financial statements are also required for economic decision making and financial decision making.

1.2 Origin of the Study

This brief position report is fit the bill for all understudy of Daffodil International University who have completed other course credit. To complete BBA each understudy needs to complete a transitory activity course to an assumed affiliation. The understudies are sent in various relationships to extend their out capable about certifiable experience of occupation life. After completing 3 credit hours program to accomplish an impermanent position report, each understudy need to keep up a timetable with school executive. Basically this report demonstrates all of appropriate subjects about the particular association.

1.3 Objectives of the Study

- ❖ **General Objective:** The general objective is to evaluate financial performance of CTC Group over last five years.
- ❖ **Specific Objectives:**
 1. To evaluate the financial position and performance of CTC Group from the Period of 2014 to 2018.
 2. To find out the trend of profitability of CTC Group from the year of 2014 to 2018.
 3. To estimate the factors affecting performance of the CTC Group.
 4. To calculate the financial ratios and identify the areas of concern.
 5. To measure the managerial efficiency of the firm as well as earning capacity of CTC Group in future.
 6. To suggest better ways for enhancing the performance of the organizations.

1.4 Scope of the Study

Through this report, it has exhibited the whole execution of Right path for latest five years. Their financial circumstances just as looking at their various leveled activities to demonstrate how truly they deal with their customers.

1.5 Methodology of the Study

The strategy infers the method for doing a thing and the technique embraced to achieve the activity. It additionally infers the strategies that are utilized to direct an exploration. In such a unique situation, investigate strategy alludes to the techniques that a scientist utilizes in performing research question (Kothari, 2006). To satisfy the goals of this report add up to the system has isolated into four noteworthy parts.

Area of the study

Sources of Information

So as to finishing of this reaction I have gathered information from both starting and minor sources.

Essential sources:

- ✓ Representatives
- ✓ Customers
- ✓ Director

Method of collecting primary data:

- Down to earth experience on their branch.
- Face to go up against discourse with office agents.
- Discussion with branch visited customers
- Examining office archive in the interim of working

Secondary sources:

- Annual report of CTC Group
- Official website of CTC Group <http://ctcgroupbd.net/ctcgroup/index.php>
- Various book articles and journal

1.6 Limitations of the Study

- Personnel are not obliged to answer of every request.
- Maintaining front of Right way I have to consider a couple of data in this report.
- Data repressions and individual disappointment of seeing some cash related terms.
- Lack of certainty and a couple of decisions are made on assumption.
- Due to less time in our entrance level position period it is so hard to know fittingly around an affiliation.

Chapter Two:

Profile of the Organization

2.1 About CTC Group

CTC Group has a state of the art unit at Amulia near Dhaka (Bangladesh), which is producing Polyurethane, Expandable polystyrene Sandwich Panels for Building and Cold Storage industry on a discontinuous Line from April 2006. We also Manufactured Polyurethane PER-insulated Covered Van (freezer Truck).

The line has a capacity to produce 0.840 million Sq.Feet sandwich panels per year in cut lengths ranging from 2 meters to 10 meters which gets translated into a production capacity of 3000 Sq.feet/day. This higher capacity ensures timely delivery of consistent quality Sandwich Panels to the customers. Plant has facility to produce single roofing and wall cladding sheet thru separate roll formers. It also has tiled roofing sheet line. The company provides complete roofing solutions including flashings, ridges, eve curves etc. The company has a facility for manufacturing of sliding and swing type doors for cold storage application. Polyurethane Pre-insulated Freezer truck has a Capacity to produce 355 NOS per year. Carrying capacity for Ice cream & ready cook frozen foods from 400 liter to 6500 liter & loading capacity for Fish or Meat from 600 KG to 8000 KG.

Company has supplied its products to several multinationals and Bangladeshi companies in last one year. The client includes KFC, COCOCALA, Sino Hydro (China), New hope (China), Fernas Construction (Turkey), Bengal Meat, Sena kayllan Santha, C&A Agro ltd., CP (Thailand), Ministry of Defense (Bangladesh army).

2.2 Companies of CTC Group

CTC Steel System

CTC Steel design Build will create a project management plan for the scope of your facility needs from concept to completion. CTC Steel is concerned with our client's ultimate goals. We will work with your design teams, operations, and engineering staff to fully develop and optimize a facility. CTC Steel will develop a communication plan for the conceptual model for our clients current and future growth needs.

- Feasibility studies
- Refrigeration evaluations

- Preliminary Racking and Material Handling Layouts
- Site and Master Planning
- Pre-Construction Pricing
- Scheduling
- Construct ability reviews
- Budgets and Financial Options
- Financial and economic analysis
- First cost Life Cycle Analysis

Rayshine Electronics

A concern of CTC family, is aiming to provide a complete electronic solution. We already possess an established and strong electrical equipments market all over Bangladesh. The company includes necessary manufacturing equipments along with the research and development facilities to make sure the standard of the products in every step of manufacturing, dealing with some world famous Electronic brands. We have a ceiling fan manufacturing industry located in Amulia Model Town, Demra in Dhaka we also possess a nationwide pump business. We already have 300 dealers all over around 40 districts (among 64 districts). Our targeted yearly turnover from this pump business is around BDT 10 crore. Now-a-days, Bangladesh has an equivalent BDT 500 crore of market size of industrial and regular use pumps. Our vision is to capture 10% of the market share. We also are looking forward to importing low voltage electrical wiring accessories, protection devices, industrial pumps, professional lightings, busbar trunking ,generators etc. We are looking forward to providing a complete lighting solution to the customers The organization not only aims to capture the national market for commercial purpose but also trying to get devoted in research, development and production of environment-friendly products for the customers. The company is fully committed to be a highly efficient, customer oriented, well reputed and the leading manufacturer and trader of this country. We try to maintain international standard through the ‘idea discovering to distribution to customer’ process.

Thermokooll Refrigeration Systems

“Thermokooll Refrigeration Systems & Yentai Aewei Refrigeration equipment Co. Ltd. Jointly in products are designed, developed, manufactured, integration of the sales and installation of refrigeration and air-conditioned high-tech enterprises, the existing staff of more than 600 people, which reached 258 professional and technical personnel, the company covers 100,000square meters and a building area of 52,000 square meters. With the world’s most advanced production equipment and professional product lines. In the refrigeration industry has made the first ISO14001-2004 environmental ‘management system certification.

Star Polyurethane products

Star Polyurethane products Manufacturers world class Pu Sandwich Panel Clean room for Pharmaceutical clean room for powders, orals and injectables, Food processing and packing areas and Electronic Hardware assembly storage areas. Star Polyurethane products Manufacturers energy efficient and environments friendly PU & EPS Insulated Sandwich panel for pharmaceutical Building, Cold room, foods and clean room wall, door and ceiling .The advantages of Sandwich panel the core is made of PU & EPS which is the best insulation in the World.

Crown Trading Corporation

CTC is a Bangladeshi company, specially engaged in trading, production and marketing of EPS machine ,Foklift, Money Counter, Thermofin heat exchanger, Automatic two minutes noodles plan, Automatic SPICE plant, Ice-cream plant, LED display, full-color LED display and many others products. The company provides its customers with service equipment and training etc.

Chapter Three:

Financial Performance Analysis of CTC Group

3.1 Financial Statements

The Accounting procedure or budgetary revealing framework, which produces monetary data for outside clients, incorporates five main money related explanations:

- Statement of Financial Position
- Income Statement
- Statement of Cash flows
- Statement of Changes in Equity

Financial statements give data about the assets, liabilities, Income and money cash flows, and investors' value of the firm. The impacts of exchanges and different occasions are recorded in the proper financial statements.

- The income statement reports incomes, costs and gains & losses.
- The balance sheet shows assets, liabilities, & stockholders' value; the announcement of investors' value reports capital exchange with proprietors.
- The statement of cash flows includes operating investing, and financial inflows and outflows. Numerous exchanges are reflected in excess of one proclamation with the goal that the whole set is required to assess the firm.
- Footnotes give data about the bookkeeping strategy, presumptions, and assessments utilized by administration to build up the information announced in the financial statements. They are intended to enable clients to enhance evaluations of the sums, timing, and vulnerability of the assessments revealed in the money related explanations.

Commentaries give extra revelation associated to such ranges as:

- Fixed assets
- Income taxes
- Inventories
- Pension, Gratuity and other post advantage norms
- Debt
- Interest rates, maturity & predetermined terms

- Lawsuits
- Marketable securities and other investments
- Hedging and other hazard administration exercises
- Business sections
- Significant clients, deals to related gatherings and fare deals.

3.2 Need for Financial Statement Analysis

The money related revealing framework isn't great. Examination of these announcements helps both the organization and its speculators to comprehend the general money related state of the organization.

Here a few reasons of the requirement for financial statements investigation are given underneath:

- In a perfect world, the client of financial statements could concentrate just on the main concerns of money related announcing: net salary and investors' value.
- The monetary occasions and accounting sections don't compare correctly, they separate over the measurements of timing, acknowledgment and estimation.
- Economic occasions and accounting acknowledgment of those occasions regularly happen at various circumstances.
- Long - lived resources are composed down, more often than not, in the Fiscal Period of administration's decision.
- Generally, GAAP allow monetary occasions that do get bookkeeping acknowledgment to be perceived in various courses by various money related articulation get ready.
- Financial reports frequently contain supplementary information that, in spite of the fact that excluded in the announcements themselves, help the money related articulation clients to translate the announcements or to modify measures of corporate execution to make them more similar.
- Information from outside the financial reporting procedure can be utilized to make money related information more valuable.

3.3 Ratio Analysis

Financial ratios are utilized to look at the hazard and return of various firms so as to help value speculators and loan bosses settle on smart venture and credit choices. Ratios can likewise give a profile of a firm, its monetary qualities and focused techniques and its one of a kind working, financial and speculation trademark. By doing proportion examination it is conceivable to comprehend an organization's past, present and future plausible financial circumstance.

Four ratio classes measure the risk and return relations. These classifications are:

3-3.1 Liquidity Ratio: Measures the capacity to meet the close term commitments capacity to change over into money. By investigating the proportions said cry liquidity examination has been improved the situation CTC Group.

- Current Ratio
- Quick Ratio

3-3.2 Profitability Ratio: Measures the income of the firm in respect to its incomes and contributed capital. The accompanying ratios are utilized to dissect the productivity;

- Gross margin
- Operating margin
- Net Profit Margin
- ROA
- ROE

3-3.3 Efficiency Ratio: Assesses income and output created by the firm's assets. The accompanying ratios incorporate into the movement investigation:

- Inventory Turnover Ratio
- Total asset Turnover Ratio
- Fixed asset Turnover Ratio
- Average Sales Collection Period
- Average Payment Period

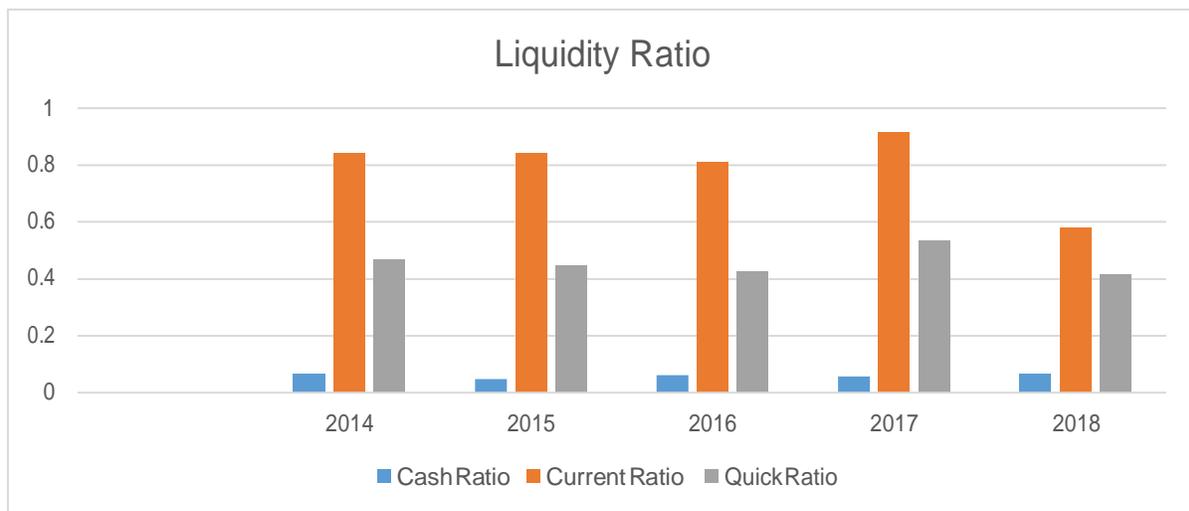
3-3.4 Debt Management Ratio: Debt Management Ratios crack to extent the firm's procedure of financial leverage and ability to escape financial misery in the extensive run. These ratios are also recognized as Long-Term Solvency Ratios.

- Debt to Asset Ratio
- Times Interest Earned

3.4 Ratio Analysis of CTC Group

Liquidity Ratio:

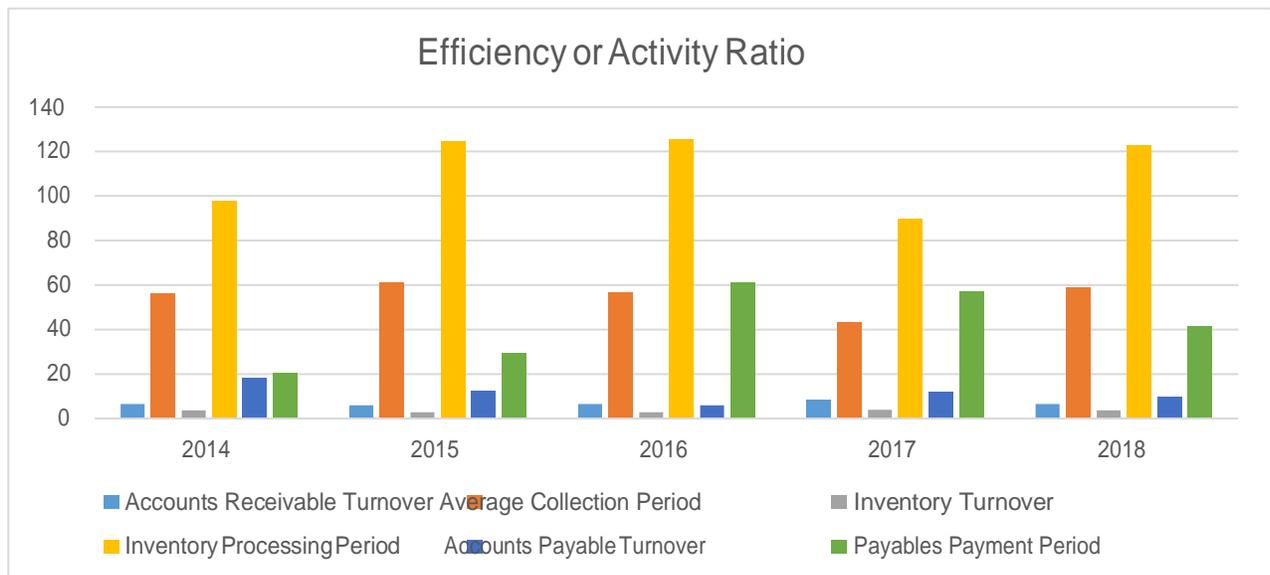
| Liquidity Ratio | | | | | |
|-----------------|-------|-------|-------|-------|-------|
| Particular | 2014 | 2015 | 2016 | 2017 | 2018 |
| Cash Ratio | 0.065 | 0.049 | 0.061 | 0.057 | 0.067 |
| Current Ratio | 0.843 | 0.839 | 0.811 | 0.913 | 0.577 |
| Quick Ratio | 0.466 | 0.446 | 0.423 | 0.533 | 0.414 |



Interpretation: The asset turnover ratio is calculated by dividing total interest income by average total assets. Interest income, found on the income statement, are used to calculate this ratio returns and refunds must be backed out of total sales to measure the truly measure the firm's assets ability to generate sales. CTC Group Total Assets turnover in 2018 was 1.35. In every year TAT define that it has increased year by year. The equity turnover also measure that it is increased every year but decreased in 2017. In 2018 it was 6.435 and in 2014 it was 5.289 that is good sign for the CTC Group.

Efficiency or Activity Ratio:

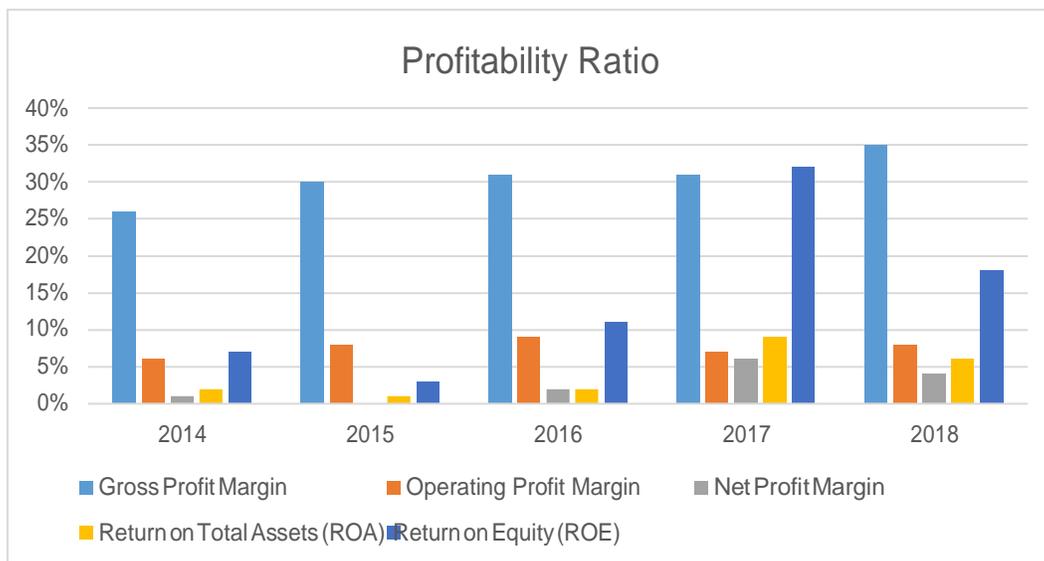
| Efficiency or Activity Ratio | | | | | |
|------------------------------|--------|--------|--------|--------|--------|
| Particular | 2014 | 2015 | 2016 | 2017 | 2018 |
| Accounts Receivable Turnover | 6.398 | 5.924 | 6.371 | 8.346 | 6.589 |
| Average Collection Day | 56.269 | 60.774 | 56.510 | 43.133 | 58.478 |
| Inventory Turnover | 3.680 | 2.889 | 2.877 | 4.015 | 3.789 |
| Inventory Processing Day | 97.831 | 124.59 | 125.14 | 89.668 | 122.65 |
| Accounts Payable Turnover | 17.820 | 12.331 | 5.904 | 11.895 | 9.784 |
| Payables Payment Day | 20.201 | 29.194 | 60.979 | 56.987 | 41.456 |



Interpretation: Efficiency ratio means how effectively a company can manage their customer and supplier to recover money or paid. From this graph we can say that CTC Group has increased its accounts receivable turnover and account receivable collection day from 2014 to 2017 which is good for the company but in 2018 has decreased and bad for CTC Group. Inventory turnover and collection period has decreased and increased from 2014 to 2017 which is bad for the company. But in 2016 it tried to cover up its situation and in 2018 it again falls. Accounts payable has increased 2014 to 2016 but decreased in 2017 which is bad for CTC Group. But in 2018 it again increases.

Profitability Ratio

| Profitability Ratio | | | | | |
|------------------------------|------|------|------|------|------|
| Particular | 2014 | 2015 | 2016 | 2017 | 2018 |
| Gross Profit Margin | 26% | 30% | 31% | 31% | 35% |
| Operating Profit Margin | 6% | 8% | 9% | 7% | 8% |
| Net Profit Margin | 1% | 0% | 2% | 6% | 4% |
| Return on Total Assets (ROA) | 2% | 1% | 2% | 9% | 6% |
| Return on Equity (ROE) | 7% | 3% | 11% | 32% | 18% |

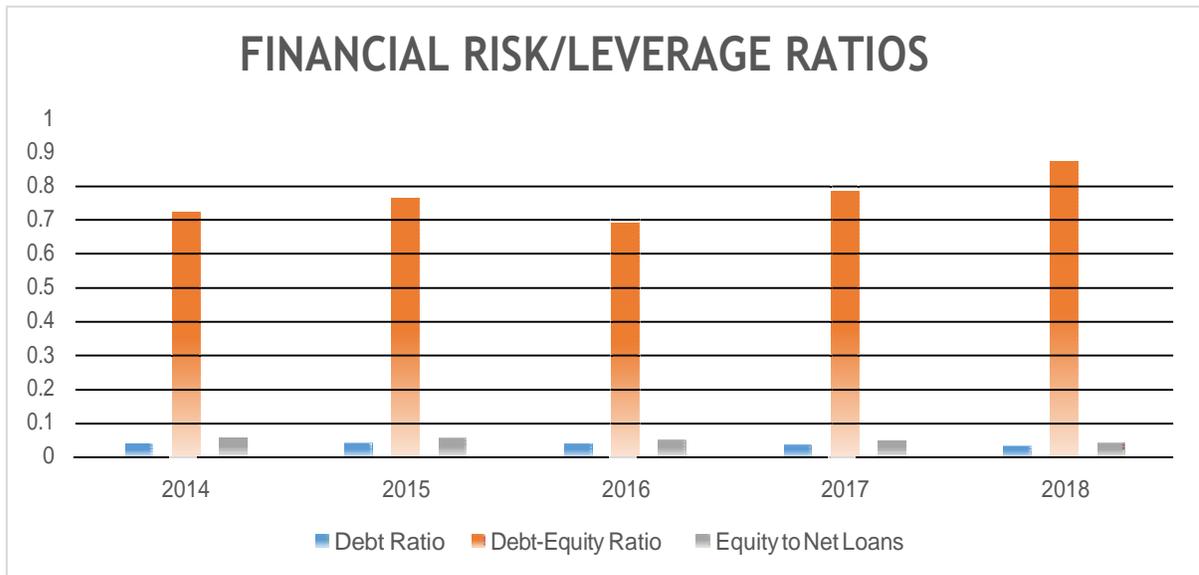


Interpretation: Profitability ratios are a class of financial metrics that are used to assess a business's ability to generate earnings compared to its expenses and other relevant costs incurred during a specific period of time. Return on assets (ROA) is a financial ratio that shows the percentage of profit a company earns in relation to its overall resources. It is commonly defined as net income divided by total assets. Return on Assets of the Bank 2013 was .01 and Last Four years it's same. The return on equity ratio or ROE is a profitability ratio that measures the ability of a firm to generate profits from its shareholder's investments in the company. Return on Equity 2017 was 32% and year 2018 was 18% that is decrease from 2017. Net Profit Margin is 2014 was 1% and 2018 was 4% and it's increased from the first Year. Operating margin is a measurement of what proportion of a company's revenue is left over after paying for variable costs of production such as wages, raw materials. Net Operating margin the CTC Group in 2014 was 1% and 2015 was less than 1% which decreased but in last three years was good and also increased.

The operating profit margin is increase in 2018 which was 7% in last year and it is good for the company.

Financial Risk or Leverage Ratio

| Financial Risk/Leverage Ratios | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|
| Particular | 2014 | 2015 | 2016 | 2017 | 2018 |
| Debt Ratio | 0.040 | 0.042 | 0.038 | 0.036 | 0.034 |
| Debt-Equity Ratio | 0.721 | 0.762 | 0.689 | 0.783 | 0.871 |
| Equity to Net Loans | 0.056 | 0.057 | 0.052 | 0.048 | 0.043 |



Interpretation: Credit risk is calculated on the basis of the overall ability of the buyer to repay the loan. The Equity Ratio is a good indicator of the level of leverage used by a company. The Equity Ratio measures the proportion of the total assets that are financed by stockholders, as opposed to creditors. Equity to Net Loans 2014 is 0.056 and the last Four Years it's gradually decreased. Debt to equity ratio was same in 2014 and 2015 than it decreased in 2016 but increased in last two years.

3.5 Balance Sheet of CTC Group

| CTC Group Balance Sheet Common Size Analysis | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
| Non-Current Assets | 45.26% | 42.68% | 41.27% | 44.03% | 45.19% |
| Property, Plant and Equipment | 35.79% | 34.68% | 36.86% | 40.27% | 34.78% |
| Capital work in progress | 5.05% | 3.80% | 0.00% | 0.00% | 5.32% |
| Investment in long term assets | 3.99% | 3.82% | 4.23% | 0.00% | 3.20% |
| Intangible assets | 0.43% | 0.37% | 0.15% | 0.08% | 1.00% |
| Other Investment | 0.00% | 0.00% | 1.00% | 1.10% | 1.00% |
| Current Assets: | 54.74% | 57.32% | 58.73% | 55.97% | 54.42% |
| Inventories | 24.44% | 26.87% | 28.07% | 23.29% | 10.25% |
| Trade Debtors & Other Receivables | 18.94% | 18.66% | 18.42% | 16.36% | 19.00% |
| Advance, Deposits and Prepayments | 3.96% | 3.55% | 7.85% | 11.02% | 14.00% |
| Cash and Cash equivalents | 4.23% | 3.33% | 4.39% | 3.47% | 4.10% |
| Others Receivable | 0.70% | 0.86% | 0.00% | 1.80% | 1.50% |
| Advance Income Tax | 2.38% | 3.96% | 0.00% | 0.00% | 3.90% |
| Inter-company receivables | 0.09% | 0.09% | 0.00% | 0.04% | 1.00% |
| Total Assets | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Shareholders' Equity | 22.91% | 20.15% | 19.42% | 27.30% | 29.00% |
| Share Capital | 1.31% | 1.43% | 1.56% | 1.10% | 2.00% |
| Share Premium | 1.77% | 1.66% | 1.60% | 1.12% | 1.90% |
| General Reserve | 0.01% | 0.56% | 0.00% | 12.42% | 15.54% |
| Revaluation Reserve | 8.35% | 7.54% | 6.45% | 0.00% | 9.00% |
| Other Reserve and surplus | 0.78% | 0.00% | 0.00% | 0.00% | 1.00% |
| Retained Earnings | 8.72% | 7.72% | 9.19% | 12.27% | 17.00% |
| Minority Interest | 0.00% | 0.00% | 0.00% | 0.38% | 2.00% |
| Non-Controlling Interest | 1.98% | 1.24% | 0.62% | 0.00% | 2,76% |
| Non-Current Liabilities | 12.11% | 11.53% | 8.13% | 11.39% | 14.19% |
| Long term loans secured | 10.28% | 9.96% | 0.00% | 7.60% | 10.43% |
| Deferred tax liability | 1.84% | 1.58% | 1.28% | 2.01% | 4.00% |
| Liability for gratuity & WPPF | 0.00% | 0.00% | 2.07% | 1.77% | 2.00% |
| Other Liabilities | 0.00% | 0.00% | 4.78% | 0.00% | 3.00% |
| Current Liabilities | 64.97% | 68.32% | 72.45% | 61.31% | 54.00% |
| Creditors for goods | 5.05% | 6.30% | 13.68% | 0.00% | 10.45% |
| Short term borrowing | 35.55% | 39.88% | 0.00% | 36.62% | 37.32% |

| | | | | | |
|--|---------|--------|--------|--------|---------|
| Bank Overdraft | 8.84% | 5.11% | 3.72% | 6.01% | 8.54% |
| Income Tax Payable | 2.24% | 4.35% | 4.19% | 0.00% | 3.98% |
| Liabilities for other finance | 0.00% | 0.00% | 0.00% | 6.19% | 5.34% |
| Long term borrowings Current maturity | 6.29% | 5.41% | 50.87% | 0.00% | 56.12% |
| Payable to Holding Company | 0.00% | 0.00% | 0.00% | 4.74% | 7.32% |
| Lease Finance Current Maturity | 0.05% | 0.06% | 0.00% | 0.00% | 1.00% |
| Others Liabilities | 6.95% | 7.22% | 0.00% | 7.75% | 8.54% |
| Total Liabilities & Shareholder's Equity | 100.00% | 100.0% | 100.0% | 100.0% | 100.00% |

3.6 Income Statement of CTC Group

| CTC Group | | | | | |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Income Statement | | | | | |
| Common Size Analysis | | | | | |
| Particular | 2014 | 2015 | 2016 | 2017 | 2018 |
| Turnover | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Cost of goods sold | 74.21% | 70.24% | 68.82% | 68.51% | 82.56% |
| Gross profit | 25.79% | 29.76% | 31.18% | 31.49% | 39.54% |
| Operating expenses | 19.59% | 21.45% | 21.98% | 17.00% | 25.40% |
| Selling and distribution expenses | 19.59% | 0.00% | 0.00% | 24.44% | 23.44% |
| Profit from operations | 6.20% | 8.31% | 9.19% | 7.05% | 10.50% |
| Other income | 0.65% | 0.29% | 0.33% | 0.36% | 0.65% |
| Profit from sale of share | 0.00% | 0.00% | 0.00% | 5.71% | 4.33% |
| Share of profit of equity investees | 0.34% | 0.26% | 0.39% | 0.48% | 0.57% |
| Financial expenses | 5.75% | 5.99% | 5.43% | 3.53% | 6.00% |
| Net profit before WPPF | 0.76% | 2.87% | 4.48% | 10.08% | 11.00% |
| Allocation for WPPF | 0.28% | 0.35% | 0.38% | 0.41% | 0.56% |
| Net profit before tax | 0.47% | 2.53% | 4.10% | 9.67% | 10.00% |
| Provision for income tax | 1.75% | 2.06% | 2.25% | 3.36% | 3.90% |
| Net profit after tax | -1.28% | 0.47% | 1.86% | 6.31% | 7.00% |

Interpretation: The common figure for a common-size balance sheet analysis is total assets. Based on the accounting equation, this also equals total liabilities and shareholders' equity, making either term interchangeable in the analysis. It is also possible to use total liabilities to indicate where a company's obligations lie and whether it is being conservative or risky in managing its debts. In total asset, current asset is 55% non-current asset in 45% which is bad indication for the organization. So, CYC Group needs to increase its fixed investment to increase more profit. From total turnover we can see that cost of goods sold has increased rather than profit and profit is less than all of expenses which need to increase. Cash in hand is decreasing from year 2014 to 2015. In 2016 it increases but in 2017 again deceases and 2018 it increases from this it can said that cash in hand is not stable. Investment in long term asset in 2015 has increased but in last two years it has fallen down.

3.7 Trend Analysis Balance Sheet

| CTC Group Balance Sheet | | | | | |
|------------------------------------|---------|---------|---------|---------|---------|
| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
| Non-Current Assets | 100.00% | 104.26% | 110.66% | 193.48% | 121.25% |
| Property, Plant and Equipment | 100.00% | 107.15% | 125.00% | 223.83% | 121.45% |
| Capital work in progress | 100.00% | 83.18% | | | |
| Investment in Subsidiary | | | | 100.00% | |
| Investment in long term assets | 100.00% | 105.91% | 128.71% | | 0.00% |
| Intangible assets | 100.00% | 95.63% | 43.12% | 39.30% | 0.90% |
| Other Investment | | | | 100.00% | |
| Other Assets | | | 100.00% | | |
| Current Assets: | 100.00% | 115.79% | 130.21% | 203.37% | 172.30% |
| Inventories | 100.00% | 121.59% | 139.39% | 189.59% | 108.59% |
| Trade Debtors & Other Receivables | 100.00% | 108.95% | 118.00% | 171.74% | 0.00% |
| Advance, Deposits and Prepayments | 100.00% | 99.12% | 240.53% | 553.18% | 0.00% |
| Cash and Cash equivalents | 100.00% | 87.03% | 125.99% | 162.86% | 185.45% |
| Others Receivable | 100.00% | 136.15% | | 514.15% | 0.00% |

| | | | | | |
|--|---------|----------|---------|------------|---------|
| Advance Income Tax | 100.00% | 183.83% | | | 0.00% |
| Inter-company receivables | 100.00% | 109.77% | | 79.91% | 0.00% |
| Total Assets | 100.00% | 110.57% | 121.36% | 198.90% | 259.00% |
| Shareholders' Equity | 100.00% | 97.23% | 102.86% | 236.94% | 0.00% |
| Share Capital | 100.00% | 120.22% | 144.67% | 167.57% | 0.00% |
| Share Premium | 100.00% | 103.54% | 109.15% | 124.98% | 0.00% |
| General Reserve | 100.00% | 6660.94% | | 268134.25% | 0.00% |
| Revaluation Reserve | 100.00% | 99.86% | 93.84% | | 0.00% |
| Capital Reserve | | 100.00% | | | |
| Other Reserve and surplus | 100.00% | | | | 0.00% |
| Retained Earnings | 100.00% | 97.95% | 127.89% | 280.00% | 0.00% |
| Minority Interest | | | | | 100.00% |
| Non-Controlling Interest | 100.00% | 69.20% | 38.10% | | 0.00% |
| Non-Current Liabilities | 100.00% | 105.29% | 81.45% | 187.05% | 303.40% |
| Long term loans secured | 100.00% | 107.12% | | 147.09% | 0.00% |
| Deferred tax liability | 100.00% | 95.02% | 84.54% | 218.29% | 0.00% |
| Liability for gratuity & WPPF | | | | 100.00% | 140.39% |
| Other Liabilities | | | | 100.00% | 0.04% |
| Current Liabilities | 100.00% | 116.26% | 135.33% | 187.69% | 251.78% |
| Creditors for goods | 100.00% | 137.97% | 328.93% | | 0.00% |
| Short term borrowing | 100.00% | 124.05% | | 204.90% | 0.00% |
| Bank Overdraft | 100.00% | 63.87% | 51.04% | 135.19% | 0.00% |
| Income Tax Payable | 100.00% | 214.86% | 227.10% | | 0.00% |
| Liabilities for other finance | | | | | 100.00% |
| Long term borrowings Current maturity | 100.00% | 94.97% | 980.68% | | 0.00% |
| Payable to Holding Company | | | | | 100.00% |
| Lease Finance Current Maturity | 100.00% | 117.74% | | | 0.00% |
| Others Liabilities | 100.00% | 114.81% | | 221.87% | 0.00% |
| Book Value Per Share | 100.00% | 80.87% | 71.10% | 141.40% | 0.00% |
| Total Liabilities & Shareholders' Equity | 100.00% | 110.57% | 121.36% | 198.90% | 259.00% |

3.8 Trend Analysis Liquidity and Liability

| CTC Group Income statement | | | | | |
|---|---------|---------|----------|---------------|----------------|
| Particular | 2014 | 2015 | 2016 | 2017 | 2018 |
| Turnover | 100.00% | 100.87% | 117.50% | 224.04% | 249.04% |
| Cost of goods sold | 100.00% | 95.47% | 108.97% | 206.84% | 236.84% |
| Gross profit | 100.00% | 116.40% | 142.04% | 273.52% | 248.84% |
| Operating expenses | 100.00% | 110.42% | 131.83% | 184.83% | 231.83% |
| Selling and distribution expenses | 100.00% | 154.43% | 178.87% | 279.40% | 265.49% |
| Profit from operations | 100.00% | 135.30% | 174.31% | 254.94% | 267.35% |
| Other income | 100.00% | 45.02% | 58.81% | 122.80% | 112.4% |
| Profit from sale of share | | | | 100.00% | |
| Share of profit of equity accounted investees | 100.00% | 75.74% | 133.37% | 317.48% | 0.00% |
| Financial expenses | 100.00% | 105.01% | 110.91% | 137.42% | 147.72% |
| Net profit before WPPF | 100.00% | 383.03% | 695.54% | 2983.62% | 3083.62 % |
| Allocation for WPPF | 100.00% | 123.24% | 156.39% | 320.02% | 334.56% |
| Net profit before tax | 100.00% | 539.80% | 1020.91% | 4591.04% | 4891.04 % |
| Provision for income tax | 100.00% | 118.46% | 150.41% | 429.46% | 586.96% |
| Net profit after tax | 100.00% | -36.63% | -170.01% | - 1102.38% | - 1208.57 % |

Interpretation:

Trend analysis is based on the idea that what has happened in the past gives traders an idea of what will happen in the future. Here we found total turnover in trend analysis has increased more than 149% from 2014 to 2018. Net profit has comparatively decreased from 2014 to 2018 in a great portion. Total asset has increased from 2014 to 2018 is a good indication for CTC Group. Cash in hand has increasing average from 2014 to 2018 and value is 100% to 185.45%. Investment in long term assets is has increased which is good for CTC Group. Net profit after tax has decreased from 2014 to 2018 randomly which means that company is facing a huge lost last few years.

Chapter Four:

Findings, Recommendations and Conclusion

4.1 Findings of the Study

Ratio Analysis is the most important tools and technique to measure the profitability and the liquidity for a firm or company. Its measure the efficiency of our capital whether of owner or borrowed that how effectively it can be used without incurring any extra expense. It also helps in maintaining the debt repayment capacity of an organization by providing them efficient asset management techniques through ratio analysis. Also it helps to improve a company performance through intra firm comparison because ratio analysis is the most widely used and reliable source of financial result analysis. Now, the findings of this study can be expressed as follows.

1. In 2017 Current Ratio of CTC Group was 0.913 and 2018 Current Ratio was 0.577. The Current Ratio of 2017 was better than 2018.
2. CTC Group Quick Ratio has decreased from 2017 (0.53) to 2018 (0.410).
3. In 2017, Gross Margin was 31% which was comparatively less than 2018 but better than 2016. Then again, in 2018 the Gross Margin was 35% which seems good for company.
4. In 2017, Operating Profit Margin was 7%. On the other hand, in 2018 Operating Profit Margin was 8% which indicates that performance for the company is not so good.
5. In 2017, Net Profit Margin was 6% but in 2018 the Net Profit Margin decreased to 4% which is not a good indication for the company.
6. The company's Return on Assets (ROA) has decreased from 2014 to 2016 but after that period it has increased slightly which is good.
7. Return on Equity (ROE) was 32% in 2017 but decreased in 2018 which is not a good indication for the company.
8. Debt to Equity ratio has increased from 78% to 87 % during 2017 to 2018. It indicates that CIC agro is doing business by taking large debts.
9. Total asset has increased during 2014 to 2018 by more than 159% which is a good indication for CTC Group.
10. The average collection day & inventory processing day were fluctuating through 2014 to 2018. During 2017 to 2018, it was increasing. It is not good for the company.

4.2 Recommendations

It is not unexpected to have problems in any organization. There must be problems to operate an organization. The following recommendations can be suggested to solve the above mentioned problem.

1. In 2018 Current ratio was poor. As a result, I will suggest that if CTC Group focuses to recover it, they must be increasing their sales volume. The level of current assets should be increased to meet up the current liabilities.
2. The Quick ratio of the company was lower during last few years. That is why the company should take higher inventory which can be then quickly converted into cash.
3. Gross margin of CTC Group represent the correlation among the sales in addition manufacturing cost. Higher Gross Margin ratio is better for the company but we saw in 2017 Gross Margin was less than 2018. So, their main mission should be growing up their sales volume.
4. During 2018, Operating Profit margin was poor than 2017. If they try to increase their Operating Profit margin, they must be controlling their total operating cost.
5. In 2018, Net profit margin was less than 2017. If they want to increase their net profit margin they should more concern about their sales to increase more and more. If sales grow up, then net profit margin also will grow up.
6. The company should focus to reduce average collection day & inventory processing so that their operating cycle can increase as well as they should focus to increase payables payment period from its account's payables.

4.3 Conclusion

It is commonly reported that, unless you are a crystal gazer, long-term business planning is a fantasy and nourishing a successful business is an inferno of a lot of tough effort, besides continuing ravenous is half the clash. I attempted central core to investigate the particular angles (finance and accounting) of the organization. I have absence of viable abilities, information and experience. So the proposals I made could be outdated close to another expert reports. Working in an association like CTC Group was a genuine test for unequivocal reasons. The organization isn't sold in the market and in addition it's developing level. It requires far to achieve the development level. Still it is making a solid business and adds to nation's development which is a decent sign. As a fresher, this is my first involvement in corporate life. I attempted to utilize my hypothetical skills and knowledge in the work put. I could associate a great deal of speculations with reality. Then again, various speculations went to no utilization. Be that as it may, this is only a short period of time. I assembled my skills and experienced and found out about the corporate workplace, morals and standards. I remain this experience will help me a considerable measure in my future expert life.

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