

Internship Report
on
Financial Performance Analysis of Geeta Apparels Limited



A landmark to create the Future
Date of Submission: 10th January, 2020

Internship Report
on
Financial Performance Analysis of Geeta Apparels Limited

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Date of Submission: 10th January, 2020

Letter of Transmittal

10th January, 2020

Prof. Dr. Md. Abul Hossain

Coordinator (MBA Program)

Uttara Campus

Department of Business Administration

Subject: Submission of Internship Report on Financial Performance Analysis of Geeta Apparels Limited.

Dear Sir,

It is my great pleasure to submit my internship report on Financial Performance Analysis of Geeta Apparels Limited after completing my internship. It was my best consideration to follow all of point of this Geeta Apparels Limited 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,



.....
(Shorovi Akter Pakhi)

ID: 183-14-862

Program: MBA

Major in Finance

Student's Declaration

I, the undersigned, hereby declare that the Internship Report “Financial Performance Analysis of Geeta Apparels Limited” has been prepared by me as a requirement for the accomplishment of MBA degree from the Head of Department of Business Administration, Faculty of Business & Entrepreneurship, 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.



.....
(Shorovi Akter Pakhi)

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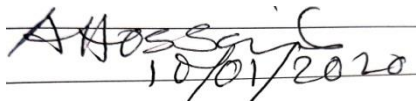
A landmark to create the Future

Certificate of Supervisor

This is my pleasure to mention that the report entitled “Financial performance analysis of Geeta Apparels Limited” have completed by Shorovi Akter Pakhi ID: 183-14-862, Department of Business Administration, Daffodil International University.

She was placed in the Geeta Apparels Limited which is one of the glorious organizations. I have gone through the report and found it a well-written report. She has completed the report by herself.

I wish her every success in life.


10/01/2020

.....
(Prof. Dr. Md. Abul Hossain)

Coordinator (MBA Program)

Uttara Campus

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 thanks my supervisor **Prof. Dr. Md. Abul Hossain** 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 Geeta Apparels Limited 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.

ABSTRACT

Geeta Apparels Limited has established since in 2000. This company worked as a third party in an early time. In primary stage the company bought fabrics from various companies and sold to others companies. During 2005 they started their production in their own factory, as they started to manufacture different kinds of fabrics.

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 Geeta Apparels Limited has a decreasing trend, on the other side its ROA has an increased trend in each year. This means that Geeta Apparels Limited is capable to use its assets more efficiently than its earnings. Moreover, Geeta Apparels Limited 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 Geeta Apparels Limited also has some problem to face. And it is trying to overcome these situations by taking new initiatives. It's my belief that Geeta Apparels Limited 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-1

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 MBA 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 Geeta Apparels Limited over last five years.

❖ **Specific Objectives:**

1. To evaluate the financial position of Geeta Apparels Limited from the Period of 2014 to 2018.
2. To analyze financial performance of Geeta Apparels Limited.
3. To measure the managerial efficiency of the firm as well as earning capacity of Geeta Apparels Limited in future.
4. To find out the problems related to financial performance of Geeta Apparels Limited.
5. To give some recommendations on the basis of problems.

1.4 Scope of the Study

Through this report, it has exhibited the whole execution of Geeta Apparels Limited 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:

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

Secondary sources:

- i. Annual report of Geeta Apparels Limited.
- ii. Official website of Geeta Apparels Limited.
- iii. Various book articles and journal

1.6 Limitations of the Study

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

Chapter-2

Profile of the Organization

2.1 Introduction

Geeta Apparels Limited is a new factory equipped with green technology in Tongi industrial area, Dhaka, Bangladesh. This is a USGBC leed gold certified 8 storied Ready Made Garments manufacturing plant with a total area of 179000 SQ. Feet.

Geeta Apparels Ltd ensures optimized good flow through live production monitoring and software monitored planning. Our work friendly design with modern machine skilled labor gives us the advantage. We ensure highest level of compliance. We are associated with WRAP USGBC and BNBC.

Geeta Apparels Ltd a new factory equipped with green technology in Tongi industrial area, Dhaka, Bangladesh. This is a USGBC leed gold certified 8 storied Ready Made Garments manufacturing plant with a total area of 179000 SQ. Feet. Patriot Eco Apparel maintains the highest standard possible in woven RMG production. Guided by modern technologies where 1200 automatic machine capable of producing 1 million pieces of garments per month. The main products are generally shirts, pants and jackets. The new factory has a magnificent workplace layout with proper lighting and fresh air privilege. There are some spacious interior designs with a green landscape.

2.2 Mission

Geeta Apparels Limited company goal is investing its business worldwide as well as providing the best value, timely delivery, satisfaction of the customer, better service and relativity.

2.3 Vision

Our company is directed to make garments products with quality assurance. Our vision is primarily to consider quality is always the result of high intention, sincere effort, intelligent direction and skillful execution.

Our vision is to satisfy the valued customers, meeting their expectations by providing quality products and services and deliveries on time, and offering them the best value in terms of quality, price, environment and other ethical practices with a world class professional personalized service.

2.4 Employee Welfare

Employee welfare, engagement and empowerment are at the heart of which we are. Our employees are the foundation of our business, enabling us to deliver on everything we do as a supplier, customer and partner. We have always been committed to equipping our people with the tools they need to reach their full potential – so that we in turn can reach ours as a company.

2.5 Corporate Social Responsibility

Integrating business, CSR and Sustainability goals strengthens the reliability, stability and competitiveness for our business and those of our customers. Corporate Social Responsibility and Sustainability are not secondary focuses of our business – they are integrated across everything we do. We are heavily committed to growing our business with no negative environmental, economic and social impacts.

2.6 Flexibility and Efficiency

A collaborative and partnership-based approach to service delivers fully customized solutions, flexibility and efficiency. We deliver the optimum levels of service, quality and price through our unique customer partnership model and commitment to long-term synergies. We have a deep-rooted legacy in building successful and long-lasting customer relationships.

2.7 Focused on Continuous Improvement

Focusing on continuous improvement enables us to deliver innovative product and process solutions across our value chain. We see our commitment to continuous improvement as the means to enhance our price competitiveness, product quality and the efficiency of our operations. Given that we are 100% managed within home country, the process choices we make are highly integrated, consistent and self-reinforcing. This enables us to constantly adapt, innovate and stay ahead in a rapidly changing industry and marketplace.

2.8 Main products

Geeta Apparels Limited produces various kinds of products such as Poplin, Canvas, Rif stop, sheeting, T / C pocketing, Canvas peach, Twill peach, Spandex twill peach, Spandex poly twill, Spandex Honey, Herring Bon twill, Auto man, Spandex satin twill, Sluf twill, Panorama canvas etc. Geeta Apparels Limited can produce more than 100 plus fabric products.



2.9 Machines

Geeta Apparels Limited has lots of modern and updated machines to produce the products those are given below.

For the production of products, this company uses modern technology and machine. In the factory there are different types of machine available, these machines are modern to produce

things. Such machines are, Goushen 12GG, Stoll 12GG, Goushen 7 GG, Goushen 5 GG, Goushen 3GG.



2.10 Work environment

Firstly, this is a business in which they adopt their employee's flat communication method. Where workers have a chance to share their experiences with others and discuss issues and challenges. It is easier for the fresher to cope up with the environment because every company

employee is very supportive. You will get help a lot to much in early time, making fun while working as you don't be bored, and each co-worker is very involved and helpful.

2.11 Quality

Quality is all for a business which shown your dedication and skillful performance with your production. It started from the primary stage and continued up to the final stage. Deploy skilled cotton selectors for selecting raw cotton from farm & markets all over with worldwide-accepted parameters reach their customers. They have set benchmarks in the national and international woven markets with quality and performance of their cotton. In future also, they look forward to innovative their Quality management system and continuously improve its effectiveness.

Chapter-3

Theoretical Aspects of

Financial Statement Analysis

3.1 Financial Statements

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

- i. Statement of Financial Position
- ii. Income Statement
- iii. Statement of Cash flows
- iv. 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.

- i. The income statement reports incomes, costs and gains & losses.
- ii. The balance sheet shows assets, liabilities, & stockholders' value; the announcement of investors' value reports capital exchange with proprietors.
- iii. 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.
- iv. 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:

- i. 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.
- ii. The monetary occasions and accounting sections don't compare correctly, they separate over the measurements of timing, acknowledgment and estimation.
- iii. Economic occasions and accounting acknowledgment of those occasions regularly happen at various circumstances.
- iv. Long - lived resources are composed down, more often than not, in the Fiscal Period of administration's decision.
- v. Generally, GAAP allow monetary occasions that do get bookkeeping acknowledgment to be perceived in various courses by various money related articulation get ready.
- vi. 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.
- vii. 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 Financial Performance Analysis

Financial performance measure how well a firm can manage their assets form business to generate revenues financial performance is also used to measure the overall financial situation over a given period of time and also used to compare with the similar firms across the same industry.

3.5 Ratio Analysis

The method of interpreting and calculating financial information to analyze and monitor the Firm's financial performance is called ratio analysis. The bases of ratio analysis are firm's income statement and balance sheet.

3.6Types of Comparison

- i. Time series analysis: Evaluation of the firm's financial performance over time using financial analysis.
- ii. Cross sectional Analysis: Comparison of different firm's financial ratio at the same point of time.

3.7 Significance of using Ratio

- To compare with other ratios in the same financial statements.
- To compare same ratios of preceding year financial statements.
- To compare with standard of performance.

3.8 Cautions

We must consider following cautions before discussing specific ratios.

- ❖ Sufficient information cannot be judged through a single ratio.

- ❖ Ensure that the dates of financial statements being compared at the same point of time.
- ❖ Audited financial statements are preferable to ratio calculation.

3.9 Groups of Ratios

- ❖ Liquidity Ratio
- ❖ Activity Ratio
- ❖ Debt Ratio
- ❖ Profitability Ratio
- ❖ Market Ratio

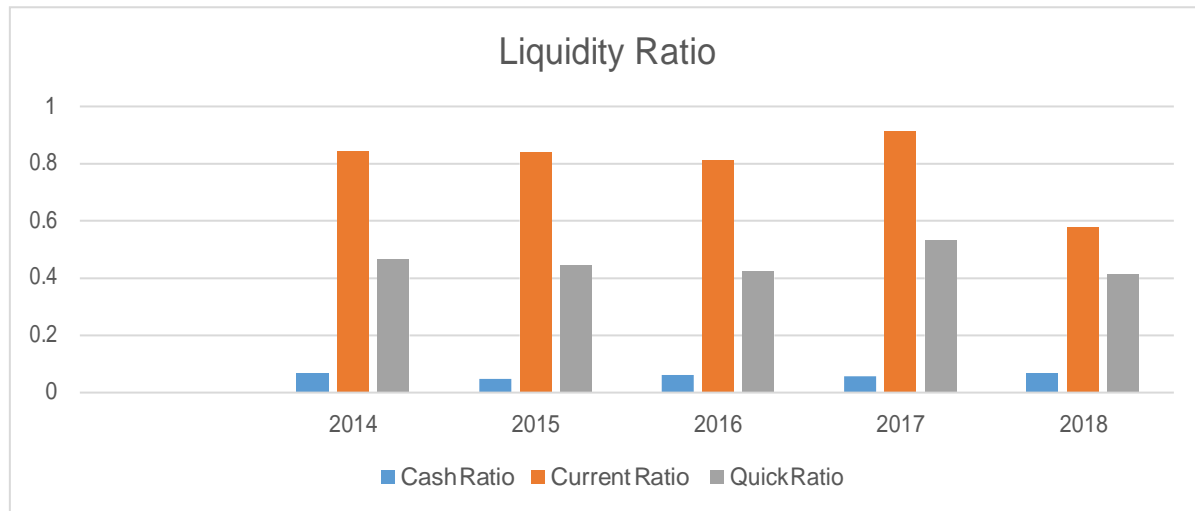
Chapter-4

Financial Statement Analysis of Geeta Apparels Limited

4.1 Ratio Analysis of Geeta Apparels Limited

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

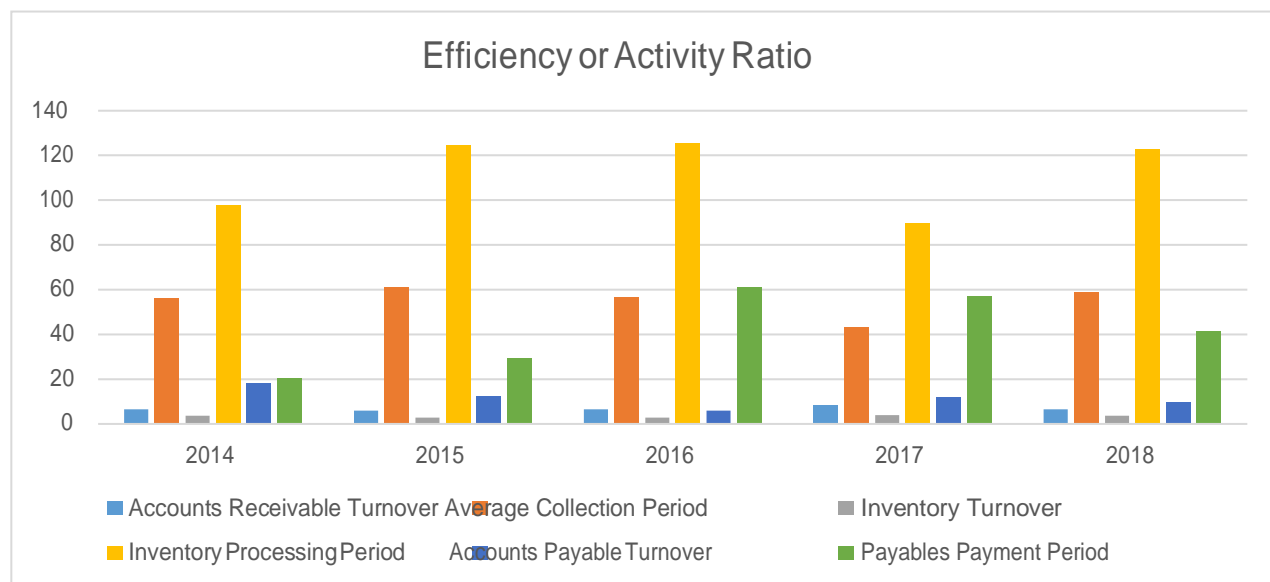


Interpretation: The asset turnover ratio is calculated by dividing total interest income by average total assets. Interest income, found on the income statement, are used to calculate this ratio returns and refunds must be backed out of total sales to measure the truly measure the firm's assets ability to generate sales. Geeta Apparels Limited 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 Geeta Apparels Limited.

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

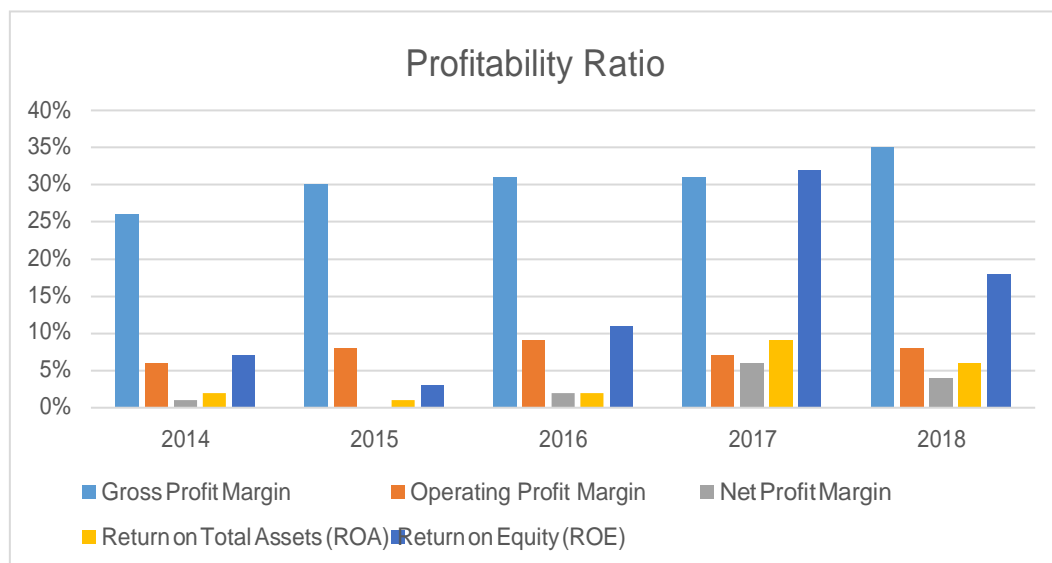


Interpretation: Efficiency ratio means how effectively a company can manage their customer and supplier to recover money or paid. From this graph we can say that Geeta Apparels Limited has increased its accounts receivable turnover and account receivable collection day from 2014 to 2017 which is good for the company but in 2018 has decreased and bad for Geeta Apparels Limited. 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 Geeta Apparels Limited. 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%

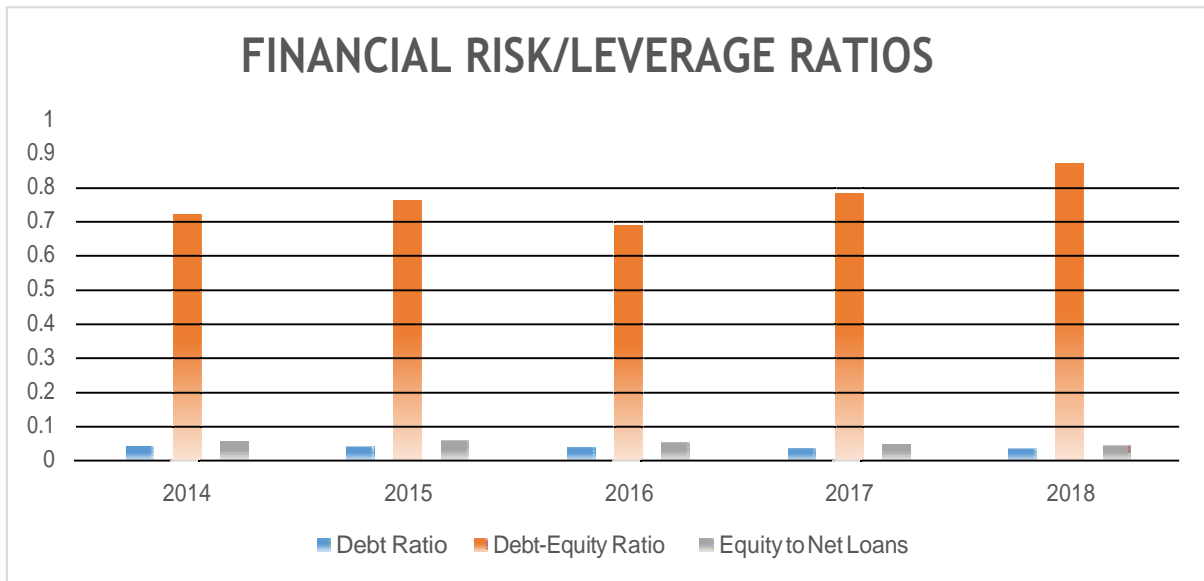
Return on Total Assets (ROA)	2%	1%	2%	9%	6%
Return on Equity (ROE)	7%	3%	11%	32%	18%



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 Geeta Apparels Limited 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.

4.2 Balance Sheet of Geeta Apparels Limited

Geeta Apparels Limited					
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%

4.3 Income Statement of Geeta Apparels Limited

Geeta Apparels Limited					
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, Geeta Apparels Limited 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.

4.4 Trend Analysis Balance Sheet

Geeta Apparels Limited 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%

4.5 Trend Analysis Liquidity and Liability

Geeta Apparels Limited					
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 Geeta Apparels Limited. 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 Geeta Apparels Limited. Net profit after tax has decreased from 2014 to 2018 randomly which means that company is facing a huge lost last few years.

Chapter-5

Findings, Recommendations and Conclusion

5.1 Findings

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 Geeta Apparels Limited was 0.913 and 2018 Current Ratio was 0.577. The Current Ratio of 2017 was better than 2018.
2. Geeta Apparels Limited 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. Total asset has increased during 2014 to 2018 by more than 159% which is a good indication for Geeta Apparels Limited.

5.2 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 Geeta Apparels Limited 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 Geeta Apparels Limited 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.

5.3 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 Geeta Apparels Limited 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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