

# **Internship Report on Financial Performance Analysis of Kohinoor Chemical Company Limited**



**Submitted by**

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# **Internship Report on Financial Performance Analysis of Kohinoor Chemical Company Limited**

**Submitted to**

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## Letter of Transmittal

December 12, 2019

**Md. Kamruzzaman Didar**

Senior Lecturer

Department of Business Administration

Daffodil International University

**Subject: Submission of Internship Report on Financial Performance Analysis of  
“Kohinoor Chemical Co (BD) LTD”.**

Dear Sir,

It is my great pleasure to present my internship report on Kohinoor Chemical Co (BD) LTD's Financial Performance Analysis. I have tried my best to complete this report in compliance with the guidance provided by the organization concerned. I am sure that the internship program has significantly increased practical experience as well as theoretical knowledge. I will be expected to respond to any question that may arise during this document evaluation.

I therefore earnestly ask and hope that you will be kind enough to accept my report and make it compulsory.

Sincerely Yours,



**Md. Nahidul Islam**

ID No: 161-11-5000

BBA (Major in Finance)

Daffodil International University.

## Approval Certificate

This is to certify that an internship report on “**Financial Performance Analysis of Kohinoor Chemical CO (BD) LTD**” for partial fulfillment of the degree of Bachelor of Business Administration (BBA) Major in Finance from the Daffodil International University carried out by MD. Nahidul Islam, Id No: 161-11-5000, under my supervision. Under my guidance and supervision this report is being carried out successfully. No part of this report has been submitted for any degree diploma, title, or recognition before.

I wish him every success in life.



**Md. Kamruzzaman Didar**

Senior Lecturer

Department of Business Administration

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## **Acknowledgement**

In the process of preparing this report, I originally received cooperation from individuals whose names cannot be mentioned in this report, but with my heartfelt appreciation and gratitude I would remember them.

First of all, I thank Almighty Allah. I am very grateful to MD. Kamruzzaman Didar, Senior Lecturer, Business Administration Department, Daffodil International University for guiding me to finish my internship. I am also deeply indebted to him for his scholarly and constructive suggestion, which was of great help in preparing this report on Kohinoor Chemical CO (BD) LTD's financial performance.

Sincere gratitude to all of the wonderful peoples of Daffodil International University. Specially my teachers, classmates and others.

## **Executive Summary**

This internship report highlights the work experience I gathered from June 15, 2019 to September 15, 2019 as an intern in Kohinoor Chemical CO (BD) LTD's Accounts and Finance Department. Since 1954, Kohinoor Chemical CO (BD) LTD is one of Bangladesh's oldest companies. It is also known to people for its famous **TIBET** brand. From 1954, this company takes its market share. It's very happy to say I've been working as an intern at this agency. I also share this report because of my 3-month internship experience.

The report actually renders Kohinoor Chemical Company Limited's financial performance review for 2014-2018. The report includes an overview of the ratio (operating ratio, liquidity ratio, operation ratio, productivity ratio and leverage ratio), the company's financial balance sheet and income statement. Kohinoor Chemical Company Limited's main business is the consumer brand.

And the last part describes how Kohinoor Chemical Company Limited figures out their present situation difference between the previous conditions and also has advice on how to cope with their problem.

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# **Chapter - 01**

## **Introduction**

## **1.1: Introduction**

Kohinoor Chemical Company (Bangladesh) Limited is a Bangladesh-based company that manufactures and sells soap, cosmetics and toiletries. The company offers its beauty products under the brand, Tibet. The Kohinoor Chemical Company was founded in 1956. It is listed as a public limited company along with the Dhaka Stock Exchange and the Chittagong Stock Exchange. For most of the products of Kohinoor Chemical Company Limited, the famous brand name Tibet is recognized. A variety of its other brands, such as Sandalina, genstar, bactrol, ice-cool, fair & care, Xpert, clean master, are equally popular in Bangladesh. There are jobs for more than 2000 people in there.

Their mission is the leadership rank and will always be what it means to be a market leader. They always try to explore possibilities beyond the boundaries. Kohinoor Chemical Limited's vision of achieving its stated mission of assuming the duty and responsibility set out above. KCCL looks to the country for the region and the world for a more beautiful tomorrow. KCCL's Financial Performance Analysis reflects its current condition and the condition of the last 4 years.

## **1.2: Background of the study**

As a student of business background, the preparation of an internship document on a particular company is mandatory for those. As a BBA student, I also completed Kohinoor Chemical Company Limited's 3-month internship (July 15 to September 15). And prepared "Kohinoor Chemical Company Limited Financial Performance Analysis" of real-life experience.

## **1.3: Scope of the study**

The principle objective of the study financial performance of Kohinoor Chemical Company Limited.

Main focus of this report is

- ✓ Ratio analysis
- ✓ Common size analysis
- ✓ Trend Analysis
- ✓ DuPont Analysis

## 1.4: Objective of the study

The objectives of the study are as follows-

- ✓ To know the theoretical background of financial performance of Kohinoor Chemical Company Limited.
- ✓ To evaluate the last 4 years financial performance of the KCCL by using different performance measurement tools like ratio analysis, trend, common size and DuPont Analysis.
- ✓ To identify the problems related with financial performance of Kohinoor Chemical Company Limited.
- ✓ To suggest some possible solutions to resolve the problems and improve the performance of Kohinoor Chemical Company Limited.

## 1.5: Methodology of the study

All of this report's data is work experience and evaluation throughout the internship. I had the ability in this study to include knowledge of academia in practical work life. I collected data from a number of sources.

### **Primary source:**

1. Practical job in Kohinoor Chemical Company Limited at different desks.
2. Meeting with staff and other officials face to face.
3. Check old records, documents and paper

### **Secondary Source:**

1. Kohinoor Chemical Limited's annual report.
2. Kohinoor Chemical Limited's website.
3. Explorer of the company
4. Used the internet for information purposes.
5. Write various paper formats and article related to KCCL.

## 1.6: Limitation of the study

In my job, it has some restrictions. I faced this study with different kinds of difficulties. For this time restriction, I definitely couldn't write an outstanding report. Report is not enough for an entity like KCCL to know details.

**Lack of duration:** the time of this internship coverage is very short. I also had very limited time in my hand to complete this internship, which is not enough to know a company in general.

### **Other Limitation:**

- ✓ The 3-month period is not sufficient time to understand the activities of the company.
- ✓ The company's policy of not disclosing its data and information is a major obstacle to the preparation of this report.
- ✓ The company's website is not up-to-date, so it is difficult to find out their data.
- ✓ Lack of experience.

# **Chapter - 02**

## **Profile of Kohinoor Chemical Company Limited**

## **2.1: Profile of Kohinoor Chemical Company Limited (KCCL)**

Kohinoor Chemical Company (Bangladesh) Limited is a Bangladesh-based company producing and selling soaps, cosmetics and toiletries. The company offers its beauty products under the brand, Tibet. The Kohinoor Chemical Company was founded in 1956. It is listed as a public limited company with the Dhaka Stock Exchange and the Chittagong Stock Exchange. Most of the products of Kohinoor Chemical Company Limited are renowned for the iconic brand name Tibet. A number of its other products, such as Sandalina, genstar, bactrol, ice-cool, fair & care, Xpert, clean master, are equally well known in Bangladesh. Over 2,000 people are working in it.

## **2.2: Mission of Kohinoor Chemical Company Limited (KCCL)**

Our goal is to improve the lives of our people through the procedure of the highest quality possible. In addition, our consumer and society as a whole are of utmost importance. We are going to introduce new technologies and follow the most value-driven opportunities as well as the retail chain with the most value based. We also develop a pricing policy that demonstrates a unique combination of price and affordability.

## **2.3: Vision of Kohinoor Chemical Company Limited (KCCL)**

The prospect of a happier healthier and cleaner life and by dedication to innovation and ethics make the natural attributes of a sustainable life. This continues to inspire people to create a better future by adding value to everything we do to make people look better and live better.

## 2.5: Company at a glance

Company name	Kohinoor Chemical Company ( Bangladesh ) Limited
Year of Establishment	1956
Legal status	Public Limited Company
Converted into public limited company	1988
Initial public offering ( IPO )	1988
Listing status	Listed with Dhaka Stock exchange & Chittagong Stock Exchange
List of business	Manufacturing of Cosmetics, toiletries and beauty product
Authorized share capital	BDT 50,00,000,000
Paid up to share capital	BDT 12,78,75,00
Number of share holder	6441
Number of employee	2088

## 2.6: Management committee of Kohinoor Chemical Company (Bangladesh) Limited

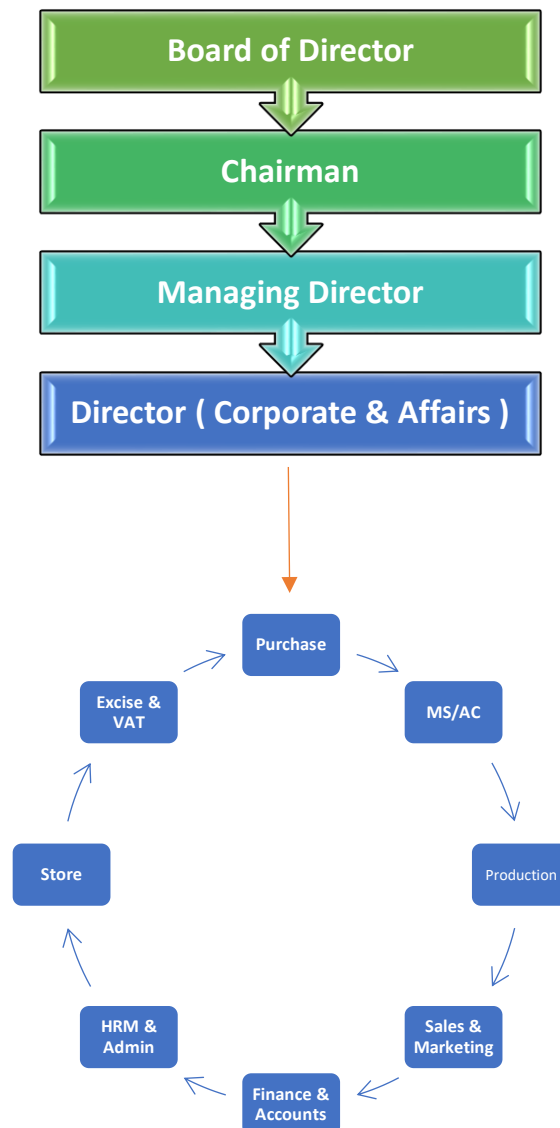
Board of directors	
Mohammad Obaidul Karim	Chairman
Md. Rezaul Karim	Managing Director
Md. Ebadul Karim	Director
Mrs. Arzuda Karim	Director
Mrs. Nurun Nahar	Director
Mrs. Shirin Akhter	Director
Professor Dr.M. Shamsher Ali	Independent Director
Quazi Mamun –Ul – Ashraf	Independent Director

## 2.8: Board of director

Audit Committee	
Quazi Mamun-Ul-Ashraf	Chairman and Independent Director
Md. Reazul Karim	Member and Director
Md. Ebadul Karim	Member and Director

2.2: audit committee

## 2.9: Company Organogram



2.7: Company Organogram





## 2.10: Products

Sandalina	Tibet prickly heat powder
Tibet	Tibet luxury talcum powder
Tibet detergent powder	Tibet baby powder
Tibet luxury soup	Tibet lather shaving cream
Tibet 570 laundry soup	Tibet pomade
Tibet pumpkin hair oil	Tibet tooth powder
Tibet chandan attar	Tibet petroleum jelly
Tibet luxury soap	Tibet lip gel
Tibet glycerin	Tibet baby lotion
AM,PM tooth paste	Fast wash
Ice Cool	Xpert
Clean Master	Wiper glass cleaner

- **Tibet 570:**—it's been in Bangladesh for 50 years now. This unique formulated soap is fundamental for any washing of cloth.
- **Tibet lather shaving cream:** a rare mixture of well-known antiseptic and smooth cream that protects the facial skin from generators and provides sufficient non-irritating foam.
- **Snow from Tibet:** it's the perfect skin care cream for all seasons. It's a product for soft skin care.

- **Quick wash detergent powder:** it's kind of premium quality version detergent powder. It is a neon solution that prevents harsh stains and preserves cloths clean and bright white books as they are now.
- **Laundry soap:** a common soap for a target group of upmarket. This soap is also widely used across the country. It is made of vegetable fat.
- **Tibet talcum powder:** two versions Tibet talcum powder, making the entire family happy every day and enfolding caresses throughout the day.

# **Chapter – 03**

## **Theoretical Background**

### **03: Ratio Analysis of Kohinoor Chemical Company Bangladesh Limited**

The objective of this report is evaluating of Kohinoor Chemical Company Bangladesh Limited financial performance. So that here discuss recent years' financial ratio of KCCL.

#### **Ratio Analysis:**

Ratio analysis is the method of statistical relationship assessment and interpretation based on financial statements. It is the ability to view the financial statements using accounting ratios from the balance sheet and the record of profit and loss.

#### **Purpose of ratio analysis:**

- ✓ Identifying aspects of business performance in support of decision-making.
- ✓ Quantitative processes may need to be supplemented with qualitative factors in order to obtain a complete picture
- ✓ Here, this report contains the most common ratio and analyze to evaluate the operating and financial performance of **Kohinoor Chemical Company Bangladesh Limited** over the years 2015,2016, 2017 and 2018.

In this section an important set of financial and its applications are described. The selected ratios are organized into the four building blocks of financial statement analysis. These are as follows:

1. Liquidity Ratio
2. Operating Efficiency Ratio
3. Efficiency or Activity Ratio
4. Profitability Ratio
5. Financial Risk.

#### **3.1: Liquidity Ratio**

- **Current Ratio** :  $\frac{\text{Current Asset}}{\text{Current Liabilities}}$

This is an integral liquidity ratio which established a company's liquidity position. The current ratio of 2:1 is the optimal ratio.

- Quick Ratio :  $\frac{\text{Current Asset} - \text{Inventory}}{\text{Current Liabilities}}$

It is the ratio of a company's rapid wealth to its rapid current liabilities. 1:1 is considered sufficient liquidity

- Cash Ratio :  $\frac{\text{Cash} + \text{Marketable Securities}}{\text{Current Liabilities}}$

This is the liquidity ratio that is most conservative. All current assets except most liquid: cash equivalents and cash equivalents.

### 3.2: Operating Efficiency Ratio

- Total Asset Turnover :  $\frac{\text{Net Sales}}{\text{Total Asset}}$

This method is a company's ability to generate revenue from its assets by contrasting the company's net revenues with total assets.

- Fixed Asset Turnover :  $\frac{\text{Net Sales}}{\text{Fixed Asset}}$

Announced how efficiently businesses use their fixed assets

- Current Asset Turnover :  $\frac{\text{Net Sales}}{\text{Current Asset}}$

How effective it is to use the current resource.

- Equity Turnover :  $\frac{\text{Net sales}}{\text{Total equity}}$

This proportion of a company's sales to the equity of its investor

### 3.3: Efficiency Ratio

- Average Collection Day :  $\frac{360}{\text{Accounts Receivable}}$

It's a formula by using it to figure out how many times company can turn the credit into cash for sales.

- Accounts Receivable Turnover :  $\frac{\text{Net Credit Sales}}{\text{Average Accounts Receivable}}$

It's time to convert the company's credit sales into cash.

- Inventory Turnover :  $\frac{\text{Cost of Good Sold}}{\text{Average Inventory}}$

This is the number of times the stock is purchased and Good's cost sold throughout the year.

- Inventory Processing Day :  $\frac{360}{\text{Inventory Turn Over}}$
- Accounts Payable Turnover :  $\frac{\text{Cost of Good Sold}}{\text{Average Accounts Payable}}$

It is primarily used to calculate a company's time to repay its lender.

- Payable Payment Day :  $\frac{360}{\text{Payables Turnover}}$

This means how the company pays its investor money within a period of time

### 3.4: Profitability Ratio

- Operating Profit Margin :  $\frac{\text{Operating profit}}{\text{Sales}}$

This profit margin basically measures profitability without interest and taxes.

- Gross Profit Margin :  $\frac{\text{Gross profit}}{\text{Sales}}$

Name of gross margin is ratio of gross profit to net sales.

- Net Profit Margin :  $\frac{\text{Net profit}}{\text{Sales}}$

Performance the between of revenue and cost the making the product the sold

- Return on Asset :  $\frac{\text{Net Income}}{\text{Total asset}}$

It's used for how company effectively used their asset.

- Return on Equity :  $\frac{\text{Net income}}{\text{Common Equity}}$

Essentially it's the shareholder's equity. The average return on assets invested by investors is also measured.

### 3.5: Common Size Income Statement

A popular tool for measuring productivity in relation to revenue is the standard size income statement. That item is expressed as a percentage of sales on the claim. Common income statement is basically useful in comparing performance over the years

### 3.6: Common size of Balance Sheet

A balance sheet is a financial statement that shows the assets, shareholder equity and liabilities of a company at one point at a time.

### 3.7: Trend Analysis

A trend analysis is a portion of technical analysis aimed at predicting future market movements based on past data. Using the old-year data of a client, trend analysis can be done over time to determine the percentage change in the information selected. The pattern percentage is the percentage relationship that bears to the same product from different years in the base year. Trend analysis is significant due to its long-term perspective. The evaluation question is found or a good management indicator is discovered.

### 3.8: DuPont analysis:

➤ **DuPont Formula**

The DuPont model, also referred to as the DuPont formula, is a financial equation based on the return on equity ratio used to calculate a company's potential to improve its capital return.

$$\text{ROA} = \text{Net profit margin} \times \text{Total asset turnover}$$

The approaches formula into the equation

$$\text{ROA} = \frac{\text{profit margin}}{\text{net income/net sales}} \times \frac{\text{total asset turnover}}{\text{net sales/average total asset}} \times \frac{\text{financial leverage}}{\text{total asset/equity}}$$

# **Chapter – 04**

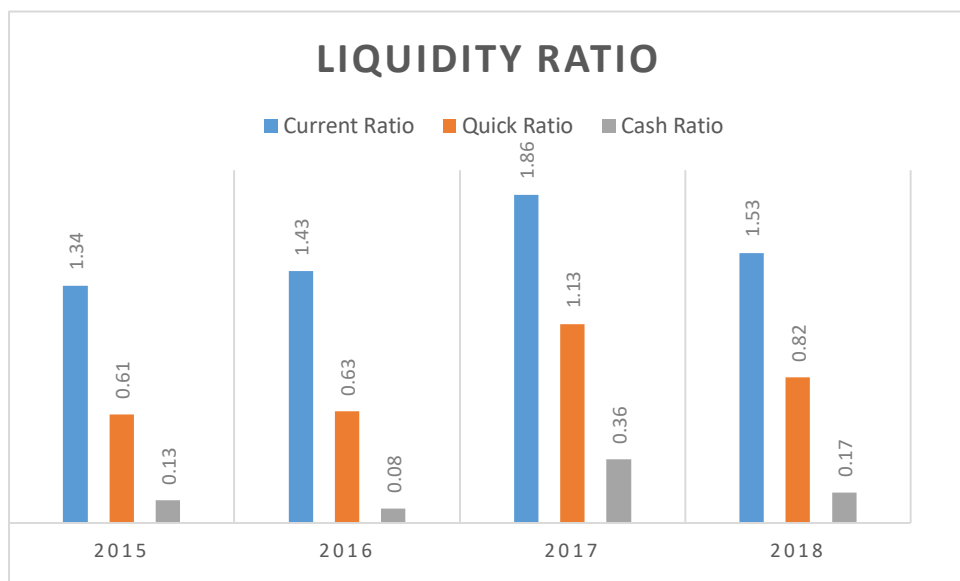
## **Financial Performance Analysis**



## 4.1: Ratio Analysis

### ✓ Liquidity Ratio

Particulars	2015	2016	2017	2018
Current Ratio	1.34	1.43	1.86	1.53
Quick Ratio	0.61	0.63	1.13	0.82
Cash Ratio	0.13	0.08	0.36	0.17



#### Interpretation:

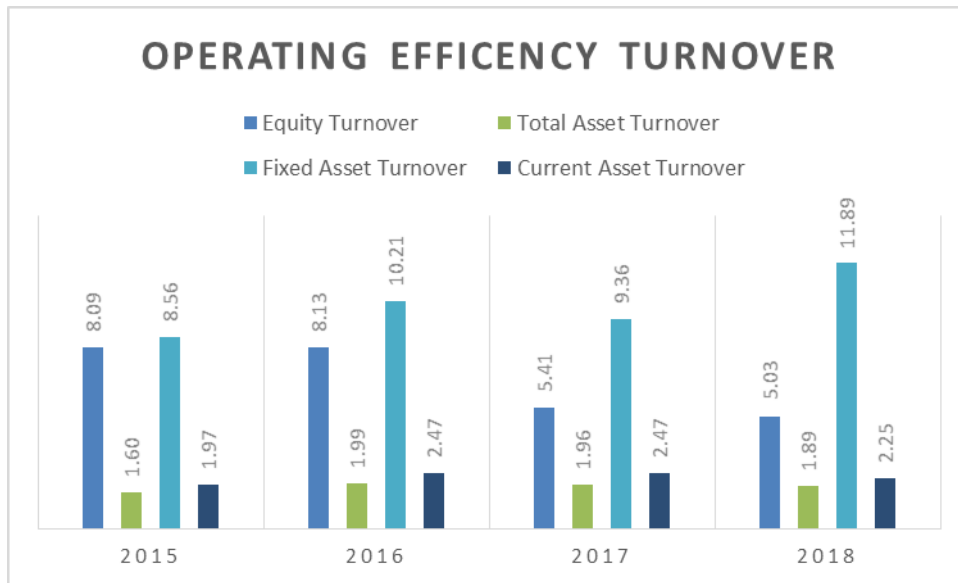
Current ratio measures firm ability to pay its current liabilities by only cash. Cash ratio of *KCCL* 2015 – (1.34), 2016-(1.43), 2017-(1.86), 2018-(1.53). In 2018 cash ratio was increased. So it is good for *KCCL*.

Cash ratio prefer marketable securities and cash also divided by current liabilities. In 2015-(0.61), 2016-(0.63), 2017-(1.13), 2018-(0.82). This ratio is ups and down. So it is not good for *KCCL*.

Quick ratio is the shows a firm’s ability to meet current liabilities with it’s most liquid assets. In 2015 to 2018 ratio was decreased. Worst performance was in 2016 – 0.08 and best performance was 2017-0.36

✓ **Operating Efficiency Ratio**

Particular	2015	2016	2017	2018
Equity Turnover	8.09	8.13	5.41	5.03
Total Asset Turnover	1.60	1.99	1.96	1.89
Fixed Asset Turnover	8.56	10.21	9.36	11.89
Current Asset Turnover	1.97	2.47	2.47	2.25



**Interpretation:**

Equity turnover ratio 2015- 8.09, 2016-8.13, 2017-5.41, 2018-5.03. This is good sign for KCCL.

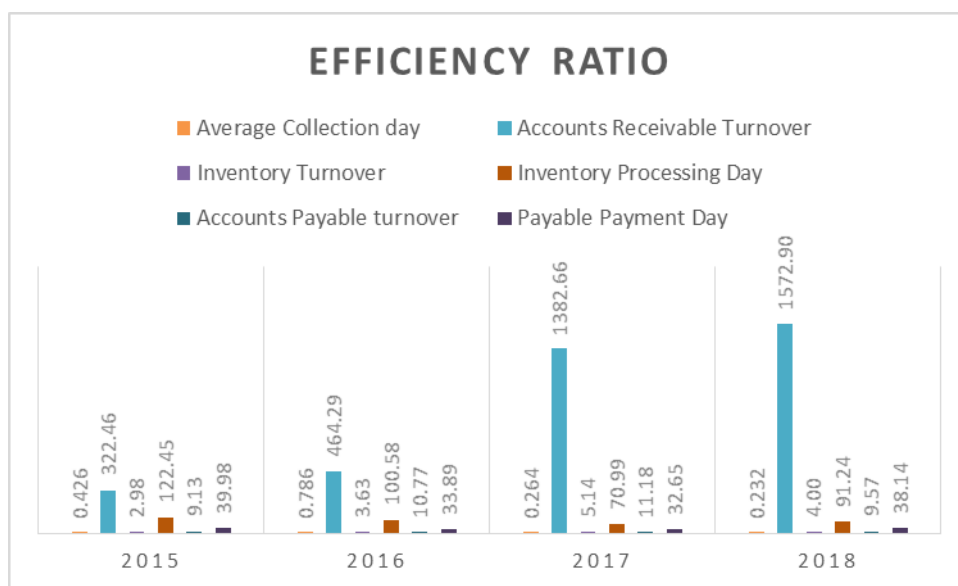
Total Asset turn over in 2015-1.60, 2016-1.99, 2017-1.96, 2018-1.89. Over the every year it has been fluctuating.

Fixed asset turnover 2018-11.89, 2017-9.36, 2016-10.21, 2015-8.56. 2018 which is good sign for KCCL

Current asset turnover also measure the same 2018-2015.

✓ **Efficiency Ratio**

Particular	2015	2016	2017	2018
Average Collection day	1.13	1.00	0.30	0.32
Accounts Receivable Turnover	322.46	464.29	1382.66	1572.90
Inventory Turnover	2.98	3.63	5.14	4.00
Inventory Processing Day	122.45	100.58	70.99	91.24
Accounts Payable turnover	9.13	10.77	11.18	9.57
Payable Payment Day	39.98	33.89	32.65	38.14



**Interpretation:**

Average collection day 2018 is good sign for KCCL which is 0.32

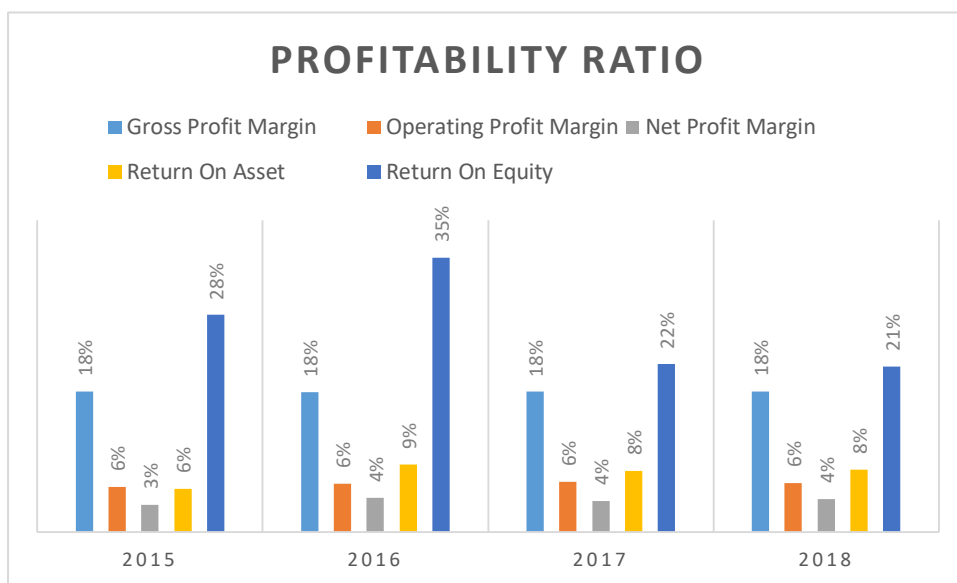
Accounts receivable turnover also good sign for KCCL which 1572.90. That mean better than previous year.

Payable turnover day basically is good for KCCL. If find out the last few years.

Inventory processing day also good for KCCL which in 2018- is 91.24

✓ **Profitability Ratio**

Particular	2015	2016	2017	2018
Gross Profit Margin	18%	18%	18%	18%
Operating Profit Margin	6%	6%	6%	6%
Net Profit Margin	3%	4%	4%	4%
Return On Asset	6%	9%	8%	8%
Return On Equity	28%	35%	22%	21%



**Interpretation:**

Gross profit margin 2015-2018 almost same in last previous year 18%.

Operating profit margin also 2015-2018 most similarly 6%.

Net profit margin is increasing 2018 4%. ROA is almost same 2018 is 8%.ROE is decrease 2018 from 2015 to 2018 (21%).

## 4.2: Common Size Income statement

### Kohinoor Chemical Company Limited

#### Common size of Income Statement

#### For the ended 2015 to 2018

Particular	2015	2016	2017	2018
Net Sales Revenue	100%	100%	100%	100%
Cost of Goods Sold	82.02%	82.06%	82.05%	82.02%
Gross Profit	17.98%	17.94%	17.95%	17.98%
Administrative Expenses	1.42%	1.62%	1.56%	1.61%
Administrative Expenses	10.81%	10.18%	10.01%	10.09%
Profit from Operations	5.75%	6.15%	6.38%	6.28%
Other Income	0.36%	0.23%	0.17%	0.19%
Impairment Charge on Goodwill		0.07%	0.08%	0.20%
Finance Cost		0.23%	0.84%	0.21%
Profit Before Contribution to WPPF & Welfare Funds	4.67%	6.08%	5.63%	6.06%
Contribution to WPPF & Welfare Funds	0.22%	0.29%	0.27%	0.29%
Profit Before Tax	4.45%	5.79%	5.37%	5.77%
Income Tax Expenses	-1.01%	-1.46%	-1.38%	-1.55%
Current Tax	-1.12%	-1.49%	-1.39%	-1.52%
Deferred Tax Income/ (Expense)	0.12%	0.03%	0.01%	-0.04%
Profit after Tax for the Period	3.44%	4.33%	3.98%	4.22%

**Cost of goods sold** 2015-2018 (82.02%, 82.06%, 82.05%, 82.02%) which related to every year. **Profit before tax** is 2015-2018 (4.45%, 5.79%, 5.37%, 5.77%). **Profit after tax** period is 2015-2018 ( 3.44%, 4.33%, 3.98%, 4.22% ). Profit before tax 2018, 2017, 2016, 2015 (4.45%, 5.79%, 5.37%, 5.77%).

### 4.3: Common Size of Balance Sheet

**Kohinoor Chemical Company Limited**  
**Common size of Balance Sheet**  
**As on 2015 to 2018**

Particulars	2015	2016	2017	2018
Property, Plant and Equipment	18%	19%	20%	16%
Goodwill	1%	1%	0%	
Total Non-Current Assets	19%	19%	21%	16%
Inventories	44%	45%	31%	39%
Accounts Receivable	0%	0%	0%	0%
Loans, Advances and Deposits	18%	20%	21%	24%
Related party transaction	0%	0%	0%	0%
Short Term Investment	1%	2%	2%	2%
Investment in shares and others	9%	9%	10%	10%
Cash and Cash Equivalents	8%	4%	15%	9%
Total Current Assets	81%	81%	79%	84%
Total Asset	100%	100%	100%	100%
Share Capital	6%	6%	8%	7%
FVOCI Reserve				2%
Revaluation Surplus	0%	0%	0%	0%
Retained Earnings	13%	18%	28%	
Gain on Marketable Securities (Unrealized)				28%
Total Shareholders' Equity	20%	24%	36%	38%
Non-Current Liabilities:				38%
Long Term Borrowings	20%	19%	21%	
Long term loan-secured				17%
Total Non-Current Liabilities	20%	19%	21%	
Current Liabilities				0%
Short Term Borrowings	20%	16%	2%	17%
Creditors and Other Payables	0%	0%	0%	
Accounts payable	26%	27%	26%	16%
Accrued Expenses	11%	10%	10%	
Provision for Current Tax				19%
Provision for gratuity	1%	1%	1%	
Provision for leave encashment				1%
Dividend Payable	1%	1%	1%	
Unclaimed Dividend				1%
Deferred Tax Liability	2%	2%	2%	2%
Total Current Liabilities	60%	56%	43%	55%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>46%</b>

### Interpretation:

Total non-current asset 19%, 19%, 21%, 16% which is 2015-2018. Total asset 100% in all year 2015-2018. Total current liabilities 60%, 56%, 43%, 55% is related 2015-2018. And last all total equity and liabilities 100% (2015-2018).

## 4.4: Trend Analysis of Income Statement

Kohinoor Chemical Company Limited

Trend Analysis

Income Statement

Particular	2015	2016	2017	2018
Net Sales Revenue	100%	128%	113%	138%
Cost of Goods Sold	100%	128%	113%	138%
Gross Profit	100%	127%	113%	138%
Administrative Expenses	100%	145%	124%	156%
Administrative Expenses	100%	120%	104%	129%
Profit from Operations	100%	137%	125%	151%
Other Income	100%	81%	52%	72%
Impairment Charge on Goodwill				
Finance Cost				
Profit Before Contribution to WPPF & Welfare Funds	100%	166%	136%	179%
Contribution to WPPF & Welfare Funds	100%	166%	136%	179%
Profit Before Tax	100%	166%	136%	179%
Income Tax Expenses	100%	186%	155%	213%
Current Tax	100%	169%	140%	186%
Deferred Tax Income/ (Expense)	100%	30%	8%	-45%
Profit after Tax for the Period	100%	161%	130%	169%

### Interpretation:

**Cost of goods sold** 2015-2018 is particularly 100%, 128%, 113%, 138%. **Profit after tax period** 100%, 161%, 130%, 169%. **Profit before tax** 100%, 166%, 136%, 179%. **Current tax** is 100%, 169%, 140%, 186% in 2015-2018.

## 4.5: Trend Analysis of Balance Sheet

### Kohinoor Chemical Company Limited

#### Trend Analysis of Balance Sheet

Particular	2015	2016	2017	2018
Property, Plant and Equipment	100%	108%	105%	103%
Goodwill	100%	80%	60%	
Total Non-Current Assets	100%	107%	103%	99%
Inventories	100%	105%	65%	103%
Accounts Receivable	100%	89%	26%	28%
Loans, Advances and Deposits	100%	115%	105%	157%
Related party transaction	100%	63%	67%	65%
Short Term Investment	100%	109%	117%	122%
Investment in shares and others	100%	100%	100%	125%
Cash and Cash Equivalents	100%	60%	182%	143%
Total Current Assets	100%	102%	90%	121%
Total Asset	100%	103%	92%	117%
Share Capital	100%	100%	120%	138%
FVOCI Reserve				
Revaluation Surplus	100%	100%	100%	100%
Retained Earnings	100%	140%	193%	
Gain on Marketable Securities (Unrealized				
Total Shareholders' Equity	100%	127%	169%	222%
Non-Current Liabilities:				
Long Term Borrowings	100%	100%	100%	
Long term loan-secured				
Total Non-Current Liabilities	100%	100%	100%	
Current Liabilities				
Short Term Borrowings	100%	79%	9%	97%
Creditors and Other Payables				
Accounts payable	100%	109%	95%	73%
Accrued Expenses	100%	98%	87%	
Provision for Current Tax				
Provision for gratuity	100%	92%	89%	
Provision for leave encashment				
Dividend Payable	100%	115%	124%	
Unclaimed Dividend				
Deferred Tax Liability	100%	99%	96%	101%
Total Current Liabilities	100%	96%	65%	106%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>100%</b>	<b>103%</b>	<b>92%</b>	<b>53%</b>



### Interpretation:

Total asset 2015-2018 is 100%, 103%, 92%, 117%. Also those non-current liabilities is 100% is all same year. Total current liabilities 100%, 96%, 65%, 106% which is all the same year 2015-2018.

### 4.6: DuPont Analysis

Particulars	2015	2016	2017	2018
NPM	3.44%	4.33%	3.98%	4.22%
TAT	1.60	1.99	1.96	1.89
EM	5.04	4.09	2.76	2.66
ROE	27.83%	35.17%	21.53%	21.23%

### Sensitivity Analysis

Base Info					
Particulars	NPM	TAT	EM	ROE	
<b>2015</b>	0.03	1.60	5.04	0.28	
<b>2016</b>	0.04	1.99	4.09	0.35	
<b>2017</b>	0.04	1.96	2.76	0.22	
<b>2018</b>	0.04	1.89	2.66	0.21	
Sensitivity of NPM with ROE					
Particulars	NPM	TAT	EM	ROE	Changes
<b>2015</b>	0.034	1.60	5.04	27.83%	
<b>2016</b>	0.043	1.60	5.04	34.98%	25.68%
<b>2017</b>	0.040	1.60	5.04	32.19%	-7.97%
<b>2018</b>	0.042	1.60	5.04	34.12%	5.98%
				<b>Average</b>	<b>7.90%</b>
Sensitivity of TAT with ROE					
Particulars	NPM	TAT	EM	ROE	Changes
<b>2015</b>	0.03	1.60	5.04	27.83%	
<b>2016</b>	0.03	1.99	5.04	34.47%	23.84%
<b>2017</b>	0.03	1.96	5.04	33.96%	-1.47%
<b>2018</b>	0.03	1.89	5.04	32.85%	-3.28%
				<b>Average</b>	<b>6.36%</b>

Sensitivity of EM with ROE					
Particulars	NPM	TAT	EM	ROE	Changes
2015	0.03	1.60	5.04	27.83%	
2016	0.03	1.60	4.09	22.59%	-18.82%
2017	0.03	1.60	2.76	15.25%	-32.49%
2018	0.03	1.60	2.66	14.67%	-3.82%
				Average	-18.38%

**Interpretation:** NPM is most sensitive with ROE.

# **Chapter – 05**

## **Findings, Recommendation & Conclusion**

## Findings:

Findings of the study are as follows-

- Current Ratio of KCCL has been decreasing since 2017 and it decreased to 1.53 from 1.86 in 2017.
- Quick Ratio of KCCL were fluctuating over this year. In 2018, QR has (0.82) decreased from 2017 (1.12) year.
- Cash ratio is the ability of the firm to pay its current obligations by cash. But, it has been seen that cash ratio is decreasing.
- Total assets' utilization of KCCL has been decreasing since 2016 and in fact it's below 2%. KCCL should concern about TAT.
- Average collection period of the KCCL also increasing and KCCL should focus to increase the efficiency.
- Inventory turnover and possessing period of the inventory has been increasing that means the company is not able to manage its inventory.
- Return on Assets measure the ability of the company to use its assets to generate return. It has been seen that KCCL's ROA is decreasing since 2017.
- Return on Equity of KCCL also decreasing since 2016.

## Recommendations:

- The company should increase the current ratio and the quick ratio because it shows the company's ability to replay is current obligations. Besides, KCCL also look at its competitor's condition.
- It has been seen that cash ratio of KCCL is decreasing. So KCCL should focus on Cash ratio because Cash ratio is the ability of the firm to pay its current obligations by cash.
- KCCL should focus on their Equity turnover, because it's decreasing over the years.
- KCCL should also total asset turnover over the year. Low asset turnover ratio reflect bad management of its assets.
- KCCL should focus Inventory turnover in 2018. Low ratio indicate the bad management of the inventory.
- KCCL should give proper attention the increase Return on Asset (ROA).
- Return on Equity, decreasing over 2017 and 2018. KCCL should increase the ROE.

### **Conclusion:**

Kohinoor Chemical Company (Bangladesh) Limited is a company based in Bangladesh that manufactures and sells soaps, cosmetics and toiletries. Under the brand, Tibet, the company offers its beauty products. Also know the financial performance of Kohinoor Chemical Company Ltd ( KCCL ) it's necessary for this company to know their present condition. It's helpful for their future level.

In 3 month intern time period, I collect the official paper operation of the company including, bank statement, credit note, and salary sheet and also send the compensation to the employee and so on. Because I understand company policy and more, it has been very helpful for me since that 3 month. I follow my consultant's guideline after finishing this internship to prepare my report properly.

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