

## **Internship report on “Financial Performance Analysis Of Lira Group Ltd”**

### **Submitted To**

Sayed Farrukh Ahmed

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Department of Business Administration

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### **Submitted By**

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ID: 181-11-5852

Batch 49<sup>th</sup>

BBA Program

Department of Business Administration

Faculty of Business& Entrepreneurship

Daffodil International University

Date of Submission: 07/06/2022

## Litter of Transmittal

Sayed Farrukh Ahamed

Assistant Professor

Department of Business Administration

Faculty of Business& Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report on Financial performance Analysis of Lira Group Ltd

Dear Sir,

With due Respect and humble to state that it's my pleasure to submit this Internship Report on "Financial performance Analysis of Lira Group Ltd" to you. While preparing this report, I tried my best to follow the instructions that you have given me. This report is prepared for the fulfillment of the requirement of the BBA Program. This Internship Report has been extremely challenging, interesting and rewarding experience to me. I would like to express my deepest gratitude to you for providing me such an opportunity.

I shall be highly encouraged if you are kind enough to receive this report. Thank you for your consideration and collaboration.

Sincerely yours,

MD Mustafijur Rahman

ID: 181-11-5852

Batch 49<sup>th</sup>

BBA Program

Department of Business Administration

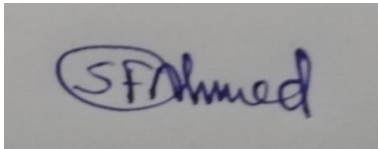
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## Certificate of Approval

I am pleased to certify that **MD Mustafijur Rahman, ID: 181-11-5852 Department of Business Administration(Major Accounting)** a regular student of Daffodil International University of BBA program has completed the internship report titled **“Financial Performance Analysis Lira Group Ltd”**, under my supervision. I am pleased to state that he has worked hard in preparing this report and he has been able to present a good picture of the concerned organization. The data and findings presented in the report seem to be authentic.

MD Mustafijur Rahman bears a strong moral character and a very pleasing personality. It has indeed been a great pleasure working with him. I wish his every success in life.

A handwritten signature in blue ink that reads "SF Ahmed". The initials "SF" are circled.

### **Signature of Supervisor**

Sayed Farrukh Ahmed

Assistant Professor

Department of Business Administration

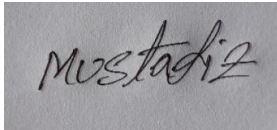
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## Declaration

I am MD Mustafijur Rahman student of BBA program\_Hereby Declared that the Internship Program title the Financial Performance of Lira Group Ltd is prepared by me under the supervision Sayed Farrukh Ahamed sir, Assistant Professor Department of Business Administration daffodil International University, after the completion of internship period of Lira Group Ltd (Head Office) at Gulshan-1, Dhaka.

I also declared that, the report is my genuine work of my experience and prepared for academic purpose which is part of my BBA program.

A rectangular box containing a handwritten signature in black ink. The signature appears to be 'Mustafijur' written in a cursive style.

MD Mustafijur Rahman

ID: 181-11-5852

Department of Business Administration

Daffodil International University

## **Acknowledgement**

At the start, I would like to pay my humble thankfulness to the “Almighty” enabling me to work hard under density. However, the space complex does not allow us to mention everyone separately. It provides me huge delight to thank countless people for their sincere collaboration and support who have contributed legitimately and by implication in preparing this report.

I convey my deepest appreciations to my respectable **Supervisor Sayed Farrukh Ahmed, Assistant Professor, Department of Business Administration, Daffodil International University,** for this continuous guidance and whole-hearted supervision and supporting me to prepare this report properly. I acknowledge him on behalf of being a continuous source of motivation.

I would like to thanks **Waliur Rahman, General Manager of Lira Group Ltd, Gulshan-1,Dhaka.** For generous me a chance to effort as an internee for three month of internship.

Finally, I would like to give thanks to all of them who have contributed through their suggestions and valuable time to prepare this internship report in a comprehensive way. All of the employees and responsible persons of “LIRA Group of Industries” for providing me necessary support whenever required. Without their contribution, it would not be possible for me to conduct this project work.

## **Executive Summary**

The Internship report is a part of BBA program. I have made these report about “Financial Performance Analysis” of Lira Group Ltd. I worked head office of Lira Group Ltd at Gulshan-1 in Commercial department. As an intern I had the opportunities to do different types of task about financial section like expenditure, revenue, monthly VAT etc.

In the organization they are very helpful to me. The employee of these Organization always support me for working .I have learned how to work in corporate life and how to manage overall task in the suitable time. Specially thanks General Manager of these organization for teaches and support me.

I have worked in Accounts section that’s why my basic task was creating the overall expense and revenue report then the report submitted to accountants and he checked these this. This practical knowledge will help me in my real life.

This report shows the overall financial performance. In the primary part of the report, I present the subject. Then I deliberate the heading of the report, objective, methodology and limitations of the report then, I talk over about the Lira Group Ltd.

However, I've done a large number of money related calculating, decided their financial reports and from my working ability I conjointly accumulated information concerning their body technique for overseeing totally various issues. When preparing the full report, I had a few discoveries identifying with the money related Performance Analysis of Lira Group Ltd confined. In chapter 3, I discuss about the ratio analysis of Lira Group Ltd through the financial statement of Lira Group Ltd

At last Chapter, I have given findings, Recommendations, Conclusion, and Reference.

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# Chapter-1

## 1.1 Introduction

Lira Group is one of the market leaders in the plastic industries in Bangladesh with trust of the people and quality of products, since 1965. These company has five factories that maintaining full compliance in regulating health and safety to all worker and employees. The international standard product are made by long working expert that are manufacturing high quality products. Industrial mega construction project are done with professional plastics products over 50years. This organization has reliable delivery status from beginning. All of the employees manage operation for on time delivery service. These company use the modern machines and all of the employees have excellent working skills. It's the high quality enterprise which integrates researching and developing manufacturing trading and marketing. This company leading top 3 manufacturer of plastics pipe and fitting. Main products are hdpe pipe and fitting, upvc, Thread pipes, household items, water pump. They are hardworking determination in quality of their products.

## 1.2 Origin of Study

The Internship report is needed is a fundamental requirement for the fulfillment of the Bachelor of Business Administration (BBA) course Curriculum of Daffodil International University. For this internship I was appointed at Lira Group Ltd by the approval of the university. The topic of this internship report is “Financial Performance analysis of Lira Group Ltd” which is selected by the academic supervisor, Sayed Farrukh Ahmed. With proper guidance of academic supervisor and organizational supervisors I have prepared this report. Such all application is made conceivable through Internship. The internal supervisor assigned me educate me help me to prepare this internship report



### 1.3 Objective of the Study

The main objectives of the statement will be to introduce the financial analysis of Lira Group Ltd with satisfying necessity of BBA program. The objectives of the study are as follow-

- To know historical background of Lira Group Limited.
- To evaluate the financial performance of Lira Group Limited of various years.
- To commend action that may be essential to restructure the financial performance analysis of Lira Group Limited.

### 1.4 Scope of the Study

The study of the report gives great information about financial analysis of Lira group ltd. I have collected all of financial information and create a report. The report covers the foundation, capacities and the unfamiliar trade arrangement. It organization of my perceptions and on the job experience through the training period. The internship report joins the financial grade and various features of ratio analysis of the organization

### 1.5 Methodology

To make this internship report I have need to collect data from the organization and online platform. There have two types of data such primary data and the secondary data  
The primary data collected from the organizations employee and the secondary data collected from various report and online platform.

#### Primary Sources

- Practical Work Experience from working
- Face to face discussion and conversing with respectable officers and office stuff
- Direct observation in accounts section
- All of the financial report checked and collected the necessary data

#### Secondary sources

- Annual Report of Lira Group Ltd
- Official website of this organization
- Audit report of the organization
- Different report, articles and academic books that's are related of financial information

## 1.6 Limitation of study

There have several limitation, some limitation are given below

- This organization has restriction to share their data so it was difficult to me to collect data for prepared these report
- Financial department are large size that's why it was very hard to make this report
- The overall information are not posted on their website
- It was my first corporate internship so lack of knowledge and experience

To face those problem try my best to prepared this report well

## Chapter: 2

### Overview of the organization

#### **2.1 Overview of Lira Group Ltd**

Lira Group is one of the market leaders in the plastic industry in Bangladesh with its history of pride, trust of the people and quality of products. The company's aim to provide consumers with uPVC Pipes & Fittings, Plastic Household & Furniture, uPVC Doors & Ceiling, Water Pumps & Motors and many other related products for their needs and convenience.

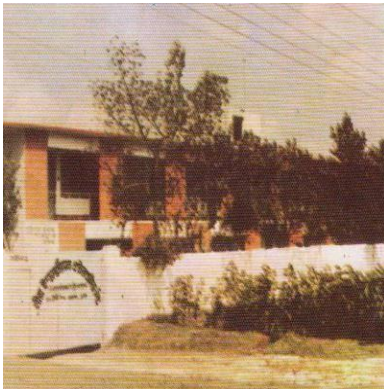
They accomplish this by listening to consumer's needs and wants and translating this information into improved products that will gain their full satisfaction. They continuously develop a comprehensive line of products for different purposes and aims to become the best manufacturing company in this sector in Bangladesh, and soon globally.

#### **2.2 Historical Background**

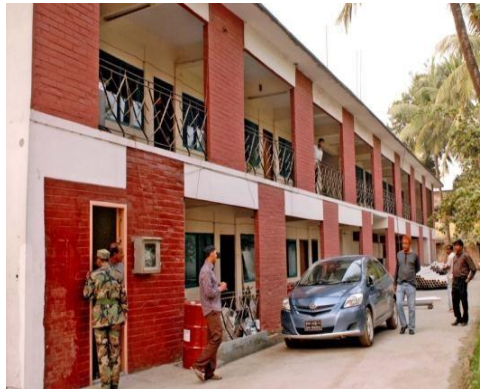
This organization is established at 1965. There have 5 factories and leads top 3 manufacturer in Bangladesh. Industrial Lira doors Ltd starts on 27<sup>th</sup> December 2015

In 2003 gov't wants to go for privatization for these sector. In 2002 due to circulation of gov't restriction and from the sense of responsibility Bari plastics was closed. After that one of the director of Bari plastics, **Mr.K.M. Alamgir Iqbal** started the business again with the products and adding some new products.

Now these company have organized and strategic market division more than 120 zone, 30 area and 4 division. The factory situated at tongi, Gazipur and have 4 depot located in Dhaka, Comilla, Chittagong and Bogra and have a plan for another depot at Faridpur/jessore region.



Before



Present

### **2.3 Capabilities of organization**

- Capabilities in products that customers can trust
- Reliable to delivery in time
- Updating products to customer need
- Maintain the long term relationship with respected customer
- Provide the best service with customer satisfaction
- Using the best materials for production

### **2.4 Objectives of Lira Group Ltd**

The key objectives for which the organization is recognized are as follows-

- To continue, execute, attempt and through the substance of trading in all branches.
- To guarantee ideal usage of every accessible asset.
- To collect, derive or to increase business area.
- To stay probably a best industry in Bangladesh regarding productivity and resource quality.
- To accommodate safe –store vaults and the protected authority of resources of different types.
- To create and open offices and branches to convey on all or any of the trading overseas and within the country delivered previous approval is attained from Bangladesh b.
- To transport on business as producer, advertisers, entrepreneurs and representatives.

### **2.5 Mission**

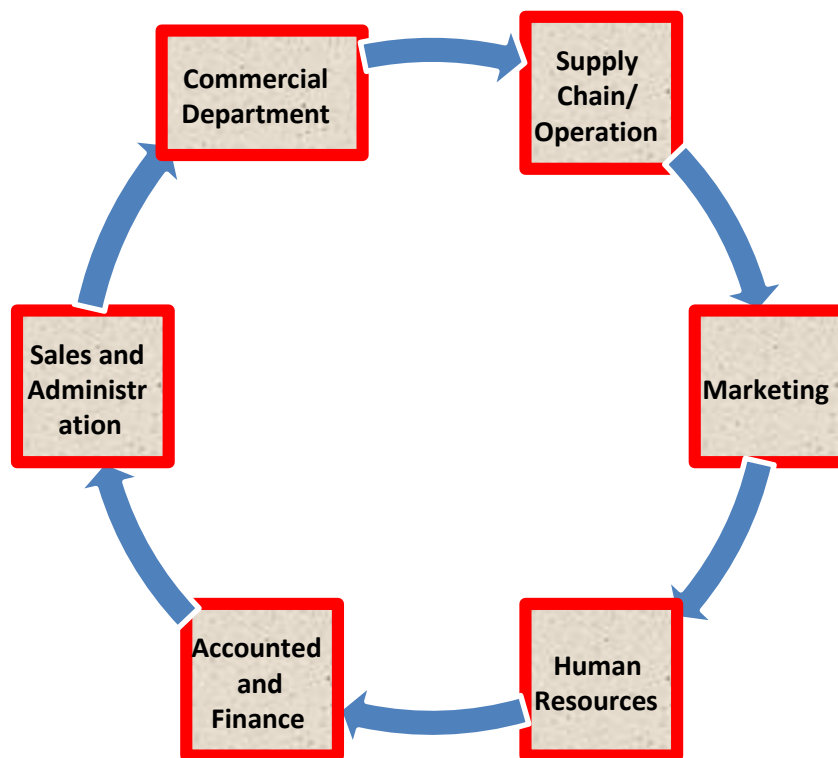
Provide excellent quality customer service. To create the reliable reference for supplying the requirement of the products. The intention to be in the top of this industry by providing the high quality products.

## 2.6 Vision

The products of these organization are being used all over the country and globally soon. All of the customer are permanent partners and the activity and the success will continue if the constructive interaction by them.

## 2.7 Major Functional division of this organization

Lira Group has been operating its business under the following major function areas



Functional Division

## Chapter: 3

### Financial Performance Analysis

#### **3.1 Financial Statement Analysis**

- Financial Statements
- Ratio Analysis
- Trend Analysis
- Common-size and Index Analysis
- Current Assets Analysis
- Current Liabilities Analysis

#### **3.2 Financial Statements overview**

##### **Balance Sheet**

A summary of a firm's financial position on a given date that shows total assets = total liabilities + owners' equity

##### **Income Statement**

A summary of a firm's revenues and expenses over a specified period, ending with net income or loss for the period

## Balance sheet

<b>LIRA POLYMER INDUSTRIES LIMITED</b>					
<b>Balance Sheet</b>					
<b>As at 31 December, 2017-2020 (figure in lac)</b>					
		<b>2017</b>	<b>2018</b>	<b>2,019</b>	<b>2020</b>
	<b>Particulars</b>	<b>(BDT)</b>	<b>(BDT)</b>	<b>(BDT)</b>	<b>(BDT)</b>
	<b>ASSETS:</b>				
	Non-Current Assets				
	Fixed Assets at Cost	709	750	954	974
	Less: Accumulated Depreciation	135	77	212	186
	Net Fixed Assets (Written Down Value)	574	673	742	788
	<b>Current Assets</b>	<b>2,239</b>	<b>2,134</b>	<b>2,121</b>	<b>2,266</b>
	Cash & bank balance	102	101	99	104
	Accounts Receivable	579	574	500	482
	Inventories	379	275	389	394
	Prepared Exp	122	120	35	44
	Accum Tax prepared	36	43	46	41
	Investment LT	977	977	967	978
	Others Asstes	45	45	86	88

	<b>TOTAL ASSETS</b>	<b>2,813</b>	<b>2,807</b>	<b>2,863</b>	<b>3009</b>
	<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>				
	Shareholders' Equity:	235	280	694	709
	Com. Stock	25	25	25	25
	Paid up Capital	30	30	30	30
	Retained Earnings	180	225	639	680
	Non-Current Liabilities:	33	33	33	33
	Long Term Debts	33	33	33	33
	Current Liabilities:	2,545	2,494	2,137	2248
	Bank Liabilities	1,804	1,846	1,566	1645
	Income Tax Payable	83	93	124	128
	Notes Payable	49	49	39	39
	Accounts Payable	608	506	408	468
	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,813</b>	<b>2,807</b>	<b>2,863</b>	<b>3009</b>



## Balance Sheet

### DESHBONDU POLYMER LTD

#### Balance Sheet

As at 31 December, 2017-2020(Figure in Lac)

		2017	2018	2,019	2020
		(BDT)	(BDT)	(BDT)	(BDT)
	<b>ASSETS:</b>				
	Non-Current Assets				
	Fixed Assets at Cost	750	785	780	789
	Less: Accumulated Depreciation	123	10	99	107
	<b>Net Fixed Assets (Written Down Value)</b>	<b>627</b>	<b>675</b>	<b>681</b>	<b>682</b>
	<b>Current Assets</b>	<b>2,190</b>	<b>2,136</b>	<b>2,121</b>	<b>2203</b>
	Cash & bank balance	102	101	99	104
	Accounts Receivable	530	575	500	567
	Inventories	379	275	389	396
	Prepared Exp	122	120	35	43
	Accum Tax prepared	36	43	46	49
	Investment LT	977	977	967	671
	Others Asstes	44	45	86	89

	<b>TOTAL ASSETS</b>	<b>2,817</b>	<b>2,811</b>	<b>2,802</b>	<b>3491</b>
	<b><u>SHAREHOLDERS' EQUITY AND LIABILITIES:</u></b>				
	<b>Shareholders' Equity:</b>	<b>230</b>	<b>285</b>	<b>295</b>	<b>313</b>
	Com. Stock	35	35	35	35
	Paid up Capital	25	25	25	25
	Retained Earnings	170	225	235	245
	<b>Non-Current Liabilities:</b>	<b>42</b>	<b>32</b>	<b>28</b>	<b>23</b>
	Long Term Debts	33	33	33	33
	<b>Current Liabilities:</b>	<b>2,545</b>	<b>2,494</b>	<b>2,479</b>	<b>2598</b>
	Bank Liabilities	1,804	1,846	1,891	2026
	Income Tax Payable	83	93	95	109
	Notes Payable	49	49	85	91
	Accounts Payable	608	506	408	397
	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,817</b>	<b>2,811</b>	<b>2,802</b>	<b>3491</b>

## Income Statement

<b>DESHBUNDO POLYMER LTD</b>				
<b>Income Statement</b>				
<b>For the year ending 31, December 2017 – 2020</b>				
<b>PARTICULARS</b>	<b>Figure in lac (BDT)</b>			
	31 Dec, 2017	31 Dec, 2018	31 Dec, 2019	31dec, 2020
Net Revenue	6,146.32	5,623.56	7,623.56	8,232.62
Cost of Revenue	5,464.53	4,839.64	6,758.73	7,323.83
<b>Gross Profit</b>	<b>681.79</b>	<b>783.92</b>	<b>864.83</b>	<b>908.79</b>
Administration & Selling Expenses	182.89	121.84	235.59	245.43
<b>EBIT</b>	<b>498.91</b>	<b>662.08</b>	<b>629.24</b>	<b>663.36</b>
Financing Cost	44.90	91.04	146.30	154.23
<b>EBT</b>	<b>454.00</b>	<b>571.04</b>	<b>482.94</b>	<b>509.13</b>
Income Tax	158.90	199.87	169.03	173.18
<b>EAT</b>	<b>295.10</b>	<b>371.18</b>	<b>313.91</b>	<b>335.95</b>
Cash Dividends	123.94	148.47	141.25	153.29
Increase in RE	171.16	222.71	172.66	182.72

## Income Statement

<b>LIRA POLYMER INDUSTRIES LTD</b>				
<b>Income Statement</b>				
<b>For the year ending 31, December 2017 – 2020</b>				
<b>PARTICULARS</b>	<b>Figure in lac (BDT)</b>			
	<b>31 Dec, 2017</b>	<b>31 Dec, 2018</b>	<b>31 Dec, 2019</b>	<b>31Dec,2020</b>
Net Revenue	5,146.32	6,623.56	7,586.00	8,143.28
Cost of Revenue	4374.37	5696.26	6599.82	7119.56
<b>Gross Profit</b>	<b>771..95</b>	<b>927..29</b>	<b>986.18</b>	<b>1023.72</b>
Administration & Selling Expenses	182.89	278.18	295.85	318.71
<b>EBIT</b>	<b>589.06</b>	<b>649.10</b>	<b>690.33</b>	<b>705.01</b>
Financing Cost	65.90	102.4	146.30	158.83
<b>EBT</b>	<b>523.16</b>	<b>546.70</b>	<b>544.03</b>	<b>546.18</b>
Income Tax	183.10	191.34	190.41	191.32
<b>EAT</b>	<b>340.06</b>	<b>355.36</b>	<b>353.61</b>	<b>354.86</b>
Cash Dividends	136.01	142.14	141.44	140.94
<b>Increase in RE</b>	<b>204.05</b>	<b>213.22</b>	<b>212..66</b>	<b>213.92</b>

### **3.3 Financial Ratios Analysis**

A Financial Ratio is an index that relates two accounting numbers and is obtained by dividing one number by the other.

### **3.4 External Comparisons and Sources of Industry Ratios**

This involves comparing the ratios of one firm with those of similar firms or with industry averages.

#### **Examples:**

DESHBONDU POLYMER LTD

And

LIRA POLYMER INDUSTRIES LTD Financial Ratios

### Coverage Ratios:

Coverage Ratios = EBIT/Interest Charge=  $\frac{498.9}{44.90}$ = 11.11 tk

(Following a firm's ability to cover interest charge)

### Coverage Ratio Comparisons

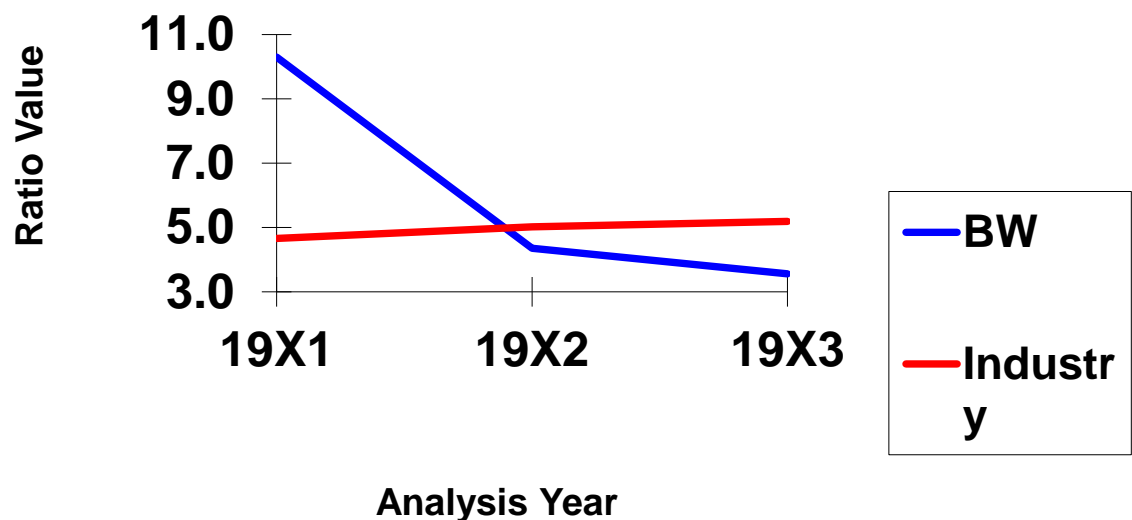
Interest coverage Ratio

Year	DPL	LPIL
2017	11.11	8.93
2018	5.43	3.33
2019	4.30	4.71
2020	3.90	5.18

DPL has below average interest coverage relative to the LPIL average

### Coverage Ratio trend Analysis Comparison

#### Trend Analysis of Interest Coverage Ratio



### Liquidity Ratios

**Current Assets/Current Liabilities =Tk, 2239/2545= -0.88**

**For DPL & LPIL December 31, 2017-20**

Shows a firm's not ability to cover its current liabilities with its current assets.

#### Liquidity Ratio Comparisons Current Ratio

Year	DPL	LPIL
2017	0.86	0.87
2019	0.88	0.85
2019	0.85	0.99
2020	0.87	0.96

DPL ratio is not stronger than the LPIL average

## Liquidity Ratios

### Balance Sheet Ratios

#### Acid-Test (Quick)

$$= \text{Current Assets} - \text{Inv} / \text{Current Liabilities} = \text{Tk, } 2190 - 379 / , 2545 = =0.71 \text{ tk}$$

Shows a firm's not ability to meet current liabilities with its most liquid assets.

For DPL & LPIL December 31, 2017 -2020

### Liquidity Ratio Comparisons

#### Acid-Test Ratio

Year	DPL	LPIL
2017	0.71	0.73
2018	0.74	0.74
2019	0.81	0.81
2020	0.86	0.83

DPL ratio is weaker than the LPIL average

### Summary of the Liquidity Ratio Comparisons

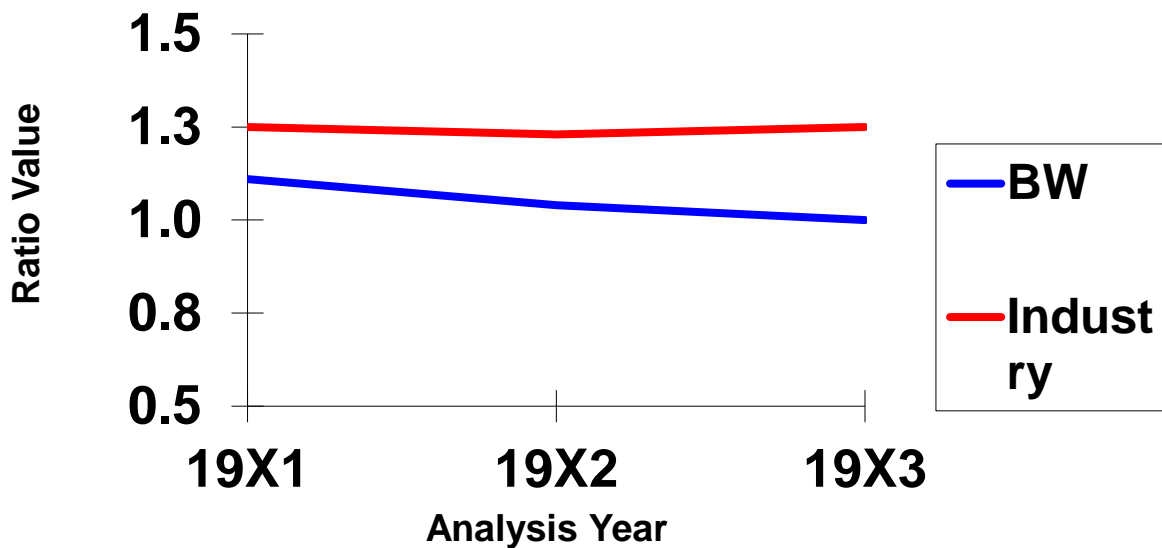
Ratio	DPL	LPIL
Current	0.86	0.87
Acid-Test	0.71	0.73

Weak current ratio and weak acid-test ratio indicates a potential problem in the inventories account.

Note that this LPIL & DPL has a relatively Low level of inventories



## Trend Analysis of Acid-Test Ratio



### 3.5 Summary of the Liquidity Trend Analyses

- The current ratio for *BW* has been rising at the same time the acid-test ratio has been declining.
- The current ratio for the industry has been rising slowly at the same time the acid-test ratio has been relatively stable.
- This indicates that inventories are a significant problem for *BW*.

#### Financial Leverage Ratios=

**Debt-to-Equity= Total Debt /Shareholders' Equity= Tk 230/ 2578= .09**

Show the extent to which the firm is financed by debt.

#### Financial Leverage Ratio Comparisons

### Debt-to-Equity Ratio

Year	DPL	LPIL
2017	.09	.09
2018	-.11	.11
2019	.12	.32
2020	.13	.23

DLP has average debt utilization relative to the LPIL average

### Financial Leverage Ratios:

#### Financial Leverage Ratios

**Debt-to-Total-Assets= Total Debt/Total Assets = Tk 2578/Tk 2817= .91**

Show the percentage of the firm's assets that are supported by debt financing.

For DLP December 31, 2017 to 2020

### Financial Leverage Ratio Comparisons

#### Debt-to-Total-Asset Ratio

Year	DPL	LPIL
2017	.92	.92
2018	.89	.90
2019	.89	.75
2020	.91	.88

**DPL has average debt utilization relative to the LPIL average**

## Financial Leverage Ratios

Total Capitalization= Total Debt/Total Capitalization= 2578/1179= 2.19 tk  
(i.e., LT-Debt + Equity)

Show the relative importance of long-term debt to the long-term financing of the firm  
For DPL December 31, 2017 to 2020

### Financial Leverage Ratio Comparisons

#### Total Capitalization Ratio

Year	DPL	LPIL
2017	2.19	2.18
2018	2.03	2.06
2019	1.33	1.66
2020	2.08	2.03

DPL has average long-term debt utilization relative to the LPIL average

## Coverage Ratios

Interest Coverage= EBIT/Interest Charges= 498.1/44.90=11.11  
Indicates a firm's ability to cover interest charges.  
For DPL December 31, 2017-20

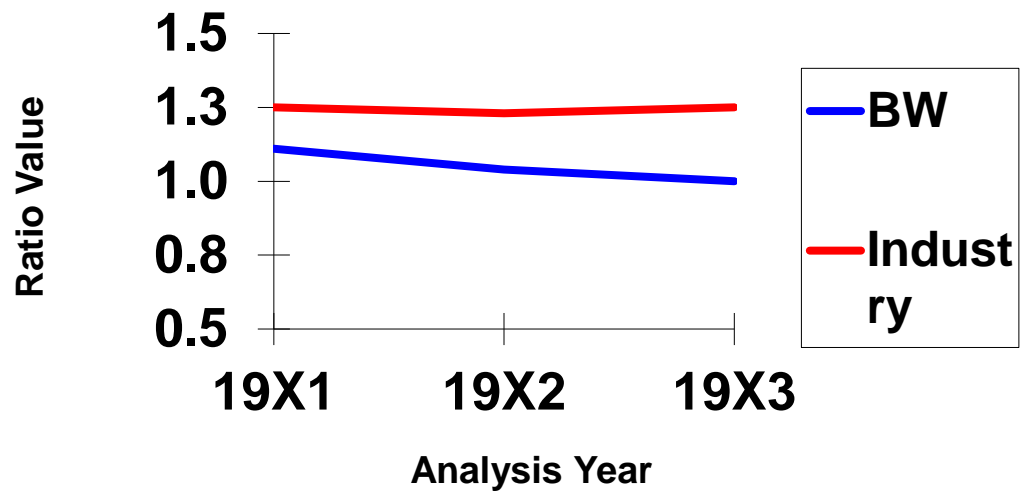
### Coverage Ratio Comparisons

#### Interest Coverage Ratio

Year	DPL	LPIL
2017	11.11	8.39
2018	7.27	6.34
2019	4.3	4.24
2020	5.87	5.45

DPL has above average interest coverage relative to the LPIL average

## Trend Analysis of Acid-Test Ratio



### 3.6 Summary of the Coverage Trend Analysis

- The interest coverage ratio for *BW* has been falling since 19X1. It has been below industry averages for the past two years.
- This indicates that low earnings (EBIT) may be a potential problem for *BW*.
- Note, we know that debt levels are in line with the industry averages

### Activity Ratios

**Receivable Turnover= Annual Net Credit Sales/Receivables= 5546.32/589= 9.42**

(Assume all sales are credit sales.)

Indicates quality of receivables and how successful the firm is in its collections.

For DPL December 31, 2017 -2020

**Avg Collection Period= Days in the Year/Receivable Turnover= 397/9.89= 40days**

For DPL December 31, 2017 to 2020

Average number of days that receivables are outstanding.

(RT in days)

**Payable Turnover (PT)= Annual Credit Purchases/Accounts Payable= 2932/608=4.82 tk**

(Assume annual credit purchases =tk 2932.26)

For *DPL* December 31, 2017 to 2020

Indicates the promptness of payment to suppliers by the firm.

**PT in Days= Days in the Year/Payable Turnover= 465/5.49= 84.69 days**

For *DPL* December 31, 2017 to 2020

Average number of days that payables are outstanding

**Inventory Turnover= Cost of Goods Sold/Inventory= 5964/379= 15.74 tk**

For *DPL* December 31, 2017 to 2020

Indicates the effectiveness of the inventory management practices of the firm.

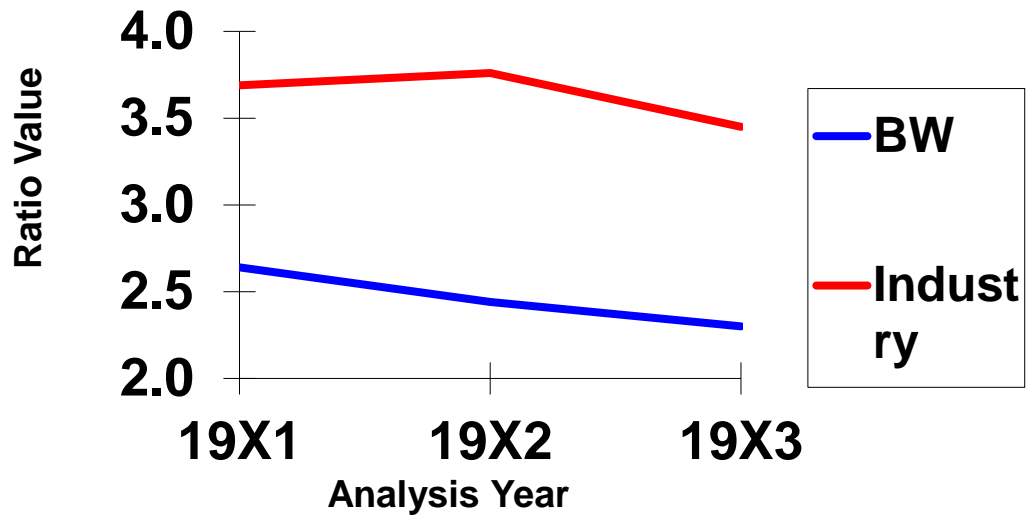
### Activity Ratio Comparisons

#### Inventory Turnover Ratio

Year	DPL	LPIL
2017	14.42	11.54
2018	17.59	20.71
2019	17.37	16.96
2020	18.76	18.98

DPL has a very poor inventory turnover ratio

## Trend Analysis of Inventory Turnover Ratio



### Activity Ratios

Total Asset Turnover=Net Sales/Total Assets= 8144.32/3021.20= 2.69tk

For DPL December 31, 2017 to 2020

Indicates the overall effectiveness of the firm in utilizing its assets to generate sales

### Activity Ratio Comparisons

#### Total Asset Turnover Ratio

Year	DPL	LPIL
2017	2.18	1.82
2018	2.0	2.29
2019	2.72	2.64
2020	2.97	2.86

DPL has a weak total asset turnover ratio.

## Profitability Ratios

Gross Profit Margin= Gross Profit/Net Sales= 681.79/ 6144.32= .11

For DPL December 31, 2017 to 2020

Indicates the efficiency of operations and firm pricing policies.

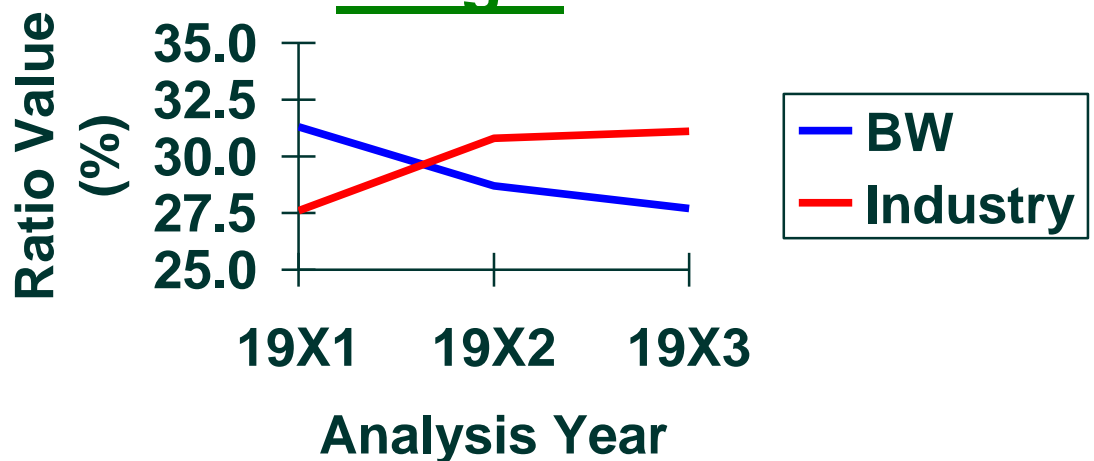
## Profitability Ratio Comparisons

### Gross Profit Margin

Year	BW	Industry
2017	11.09%	15.00%
2018	11.84%	13.99%
2019	8.98%	13.13%
2020	10.09%	12.86%

DPL has a weak Gross Profit Margin

## Trend Analysis of Gross Profit Margin



### Profitability Ratios

**Net Profit Margin= Net Profit after Tax/ Net Sales= 302.10/6346.32= .047**

For DPL December 31, 2017 to 2020

Indicates the firm's profitability after taking account of all expenses and income taxes.

### Profitability Ratio Comparisons

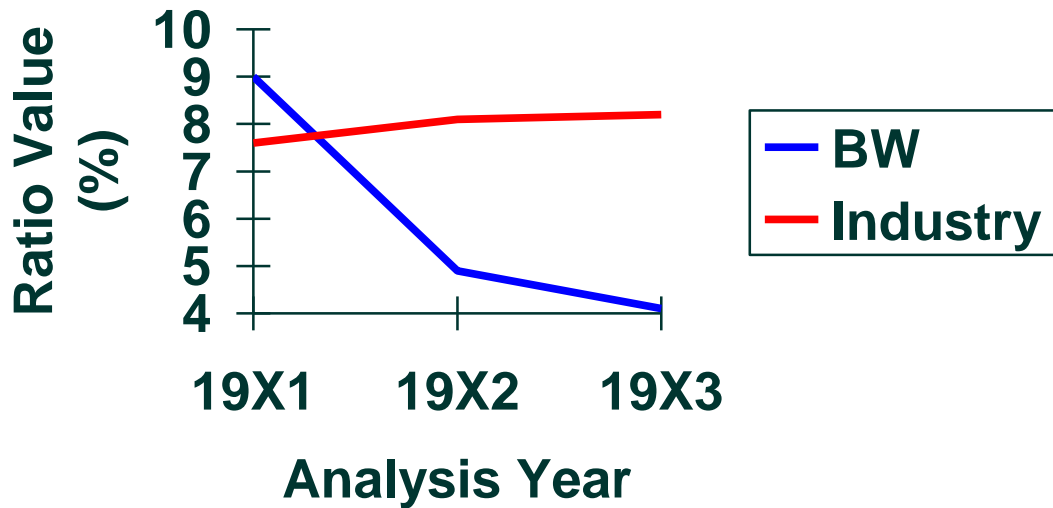
#### Net Profit Margin

Year	DPL	LPIL
2017	4.8%	6.61%
2018	6.60%	5.37%
2019	4.12%	4.66%
2020	5.78%	6.01%

DPL has a poor Net Profit Margin



## Trend Analysis of Net Profit Margin



**Return on Investment= Net Profit after Taxes/Total Assets= 310.2/2985=.10tk**

For DPL December 31, 2017 to 2020

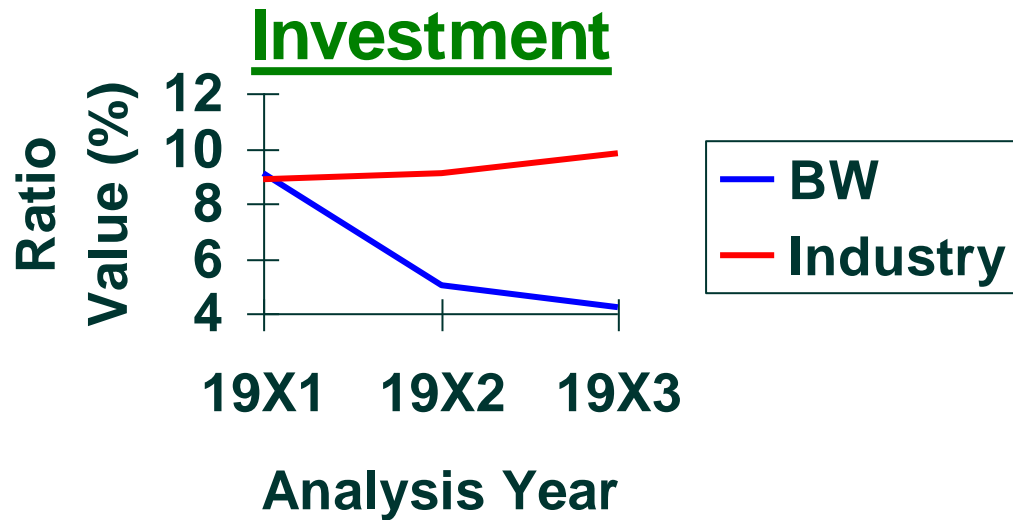
Indicates the profitability on the assets of the firm (after all expenses and taxes).

### Return on Investment

Year	DPL	LPIL
2017	10%	12.9%
2018	13.2%	12.65%
2019	11.12%	12.35%
2020	12.45%	12.94%

DPL has a poor Return on Investment

# Trend Analysis of Return on Investment



### Profitability Ratios

**Return on Equity = Net Profit after Taxes / Shareholders' Equity = 395.1 / 290 = 1.36**

For DPL December 31, 2017 to 2020

Indicates the profitability to the shareholders of the firm (after all expenses and taxes).

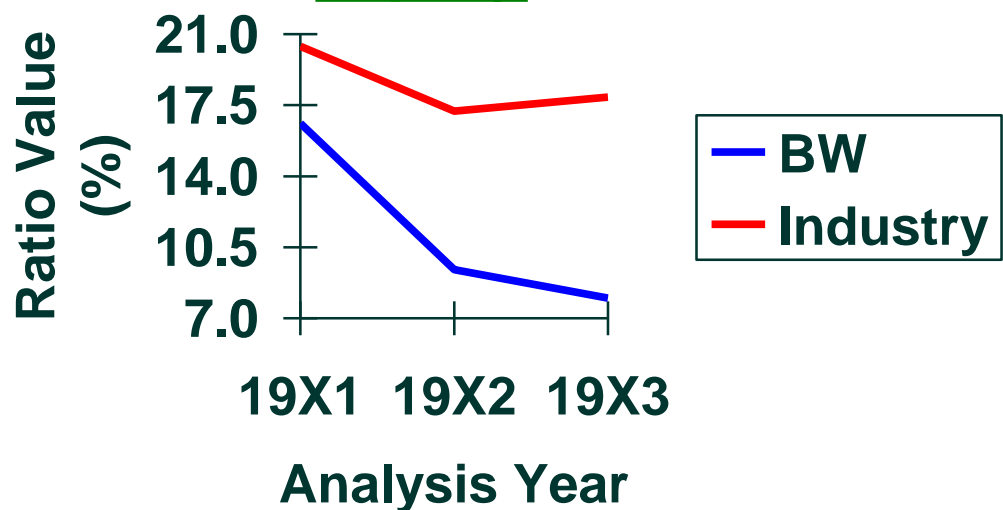
### Profitability Ratio Comparisons

#### Return on Equity

Year	DPL	LPIL
2017	1.28	1.44
2018	1.30	1.26
2019	1.06	0.5
2020	1.40	1.8

LPIL has a poor Return on Equity

## Trend Analysis of Return on Equity



### 3.7 Summary of Ratio Analyses

- Inventories are too high.
- May be paying off creditors (accounts payable) too soon.
- COGS may be too high.
- Selling, general, and administrative costs may be too high

### 3.8 Summary of the Profitability Trend Analyses

- The profitability ratios for *DPL* have *ALL* been falling since 2017. Each has been below the LPIL averages for the past three years.
- This indicates that COGS and administrative costs may both be too high and a potential problem for *DPL*.
- Note, this result is consistent with the low interest coverage ratio.

**Common-size Analysis**

An analysis of percentage financial statements where all balance sheet items are divided by total assets and all income statement items are divided by net sales or revenues.

## DPL' Common Size Balance Sheets

<b>DESHBONDU POLYMER LTD</b>								
<b>Common Size Balance Sheet( Asses Side</b>								
Particulars	Regular (Lac of BDT)				Common-Size %			
	2017	2018	2,019	2020	2017	2018	2019	2020
Fixed Assets at Cost	750	785	780	788	26.62	27.93	27.84	28.12
Less: Accumulated Depreciation	123	110	99	109	4.37	3.91	3.53	3.76
Net Fixed Assets	627	675	681	696	22	24	24	24
Current Assets	2,190	2,136	2,121	2,231	77.74	75.99	75.70	78.20
Cash & bank balance	102	101	99	106	3.62	3.59	4	4.12
Accounts Receivable	530	575	500	576	18.81	20	17.84	19.31
Inventories	379	275	389	398	13.45	10	14	14.46
Prepared Exp	122	120	35	85	4.33	4.27	1	4.13
Accum Tax prepared	36	43	46	48	1.28	2	2	2.3
Investment LT	977	977	967	987	34.68	35	35	36
Others Asstes	44	45	86	93	2	1.60	3	3.66
<b>TOTAL ASSETS</b>	<b>2,817</b>	<b>2,811</b>	<b>2,802</b>	<b>2918</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**DESHBONDU POLYMER LTD**

**Common Size Balance Sheet (Liabilities Side)**

	Regular (Lac of BDT)				Common-Size %			
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>	<b>2017</b>	<b>2018</b>	<b>2,019</b>	<b>2020</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Shareholders' Equity:	230	285	295	302	8.17	10	10.53	11
Com. Stock	35	35	35	35	1	1	1.25	1.67
Paid up Capital	25	25	25	25	1	1	0.89	1
Retained Earnings	170	225	235	241	6	8.00	8.39	7.98
Non-Current Liabilities:	42	32	28	31	1.49	1	1.00	1.06
Long Term Debts	33	33	33	33	1	1	1.18	1.67
Current Liabilities:	2,545	2,494	2,479	2548	30	88.72	88.47	89.13
Bank Liabilities	1,804	1,846	1,891	809	64.04	65.67	67	66
Income Tax Payable	83	93	95	97	3	3	3	3
Notes Payable	49	49	85	91	2	2	3	3
Accounts Payable	608	506	408	476	22	18	15	19
<b>TOTAL S: E: AND LIABILITIES</b>	<b>2,817</b>	<b>2,811</b>	<b>2,802</b>	<b>2918</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## DPL' Common Size Balance Sheets

<b>DESHBONDU POLYMER LTD</b>								
<b>Indexed Balance Sheet( Asses Side)</b>								
Particulars	Regular (Lac of BDT)				Indexed %			
	2017	2018	2,019	2020	2017	2018	2019	2020
Fixed Assets at Cost	750	785	780	791	100	105	104	106
Less: Accumulated Depreciation	123	110	99	101	100	89	80	89
Net Fixed Assets	627	675	681	690	100	2	4	4
Current Assets	2,190	2,136	2,121	2453	100	98	97	96
Cash & bank balance	102	101	99	103	100	99	97	96
Accounts Receivable	530	575	500	543	100	108	94	100
Inventories	379	275	389	397	100	73	103	100
Prepared Exp	122	120	35	87	100	98	29	88
Accum Tax prepared	36	43	46	49	100	119	128	125
Investment LT	977	977	967	981	100	100	99	100
Others Asstes	44	45	86	81	100	101	195	195
<b>TOTAL ASSETS</b>	<b>2,817</b>	<b>2,811</b>	<b>2,802</b>	<b>2918</b>	<b>100</b>	<b>4</b>	<b>4</b>	<b>4</b>

## **Index Analyses**

An analysis of percentage financial statements where all balance sheet or income statement figures for a base year equal 100.0 (percent) and subsequent financial statement items are expressed as percentages of their values in the base year.



### DPL' Indexed Balance Sheets

Particulars	Regular (Lac of BDT)				Indexed %			
	2017	2018	2019	2020	2017	2018	2,019	2020
Fixed Assets at Cost	750	785	780	789	100	105	104	106
Less: Acc: Depreciation	123	110	99	109	100	89	80	88
Net Fixed Assets	627	675	681	680	100	2	4	38
Current Assets	2,190	2,136	2,121	2213	100	98	97	102
Cash & bank balance	102	101	99	103	100	99	97	93
Accounts Receivable	530	575	500	529	100	108	94	103
Inventories	379	275	389	376	100	73	103	98
Prepared Exp	122	120	35	63	100	98	29	32
Accum Tax prepared	36	43	46	48	100	119	128	134
Investment LT	977	977	967	986	100	100	99	106
Others Asstes	44	45	86	89	100	101	195	189
<b>TOTAL ASSETS</b>	<b>2,817</b>	<b>2,811</b>	<b>2,802</b>	<b>2876</b>	<b>100</b>	<b>4</b>	<b>4</b>	<b>56</b>

**DPL Indexed Balance Sheets**

**DESHBONDU POLYMER LTD**

**Indexed Balance Sheet (Liabilities Side)**

Particular's	Regular (Lac of BDT)				Indexed %			
	2017	2018	2019	2020	2017	2018	2019	2020
S: E: AND LIABILITIES:								
Shareholders' Equity:	230	285	295	290	100	124	128	124
Com. Stock	35	35	35	35	100	100	100	100
Paid up Capital	25	25	25	25	100	100	100	100
Retained Earnings	170	225	235	241	100	132	138	130
Non-Current Liabilities:	42	32	28	30	100	76	67	63
Long Term Debts	33	33	33	33	100	101	101	104
Current Liabilities:	2,545	2,494	2,479	2392	100	98	97	91
Bank Liabilities	1,804	1,846	1,891	1,882	100	102	105	103
Income Tax Payable	83	93	95	96	100	112	114	117
Notes Payable	49	49	85	78	100	100	173	167
Accounts Payable	608	506	408	431	100	83	67	71
<b>TOTAL SHAREHOLDER S' EQUITY AND LIABILITIES</b>	<b>2,817</b>	<b>2,811</b>	<b>2802</b>	<b>2876</b>	<b>100</b>	<b>10</b>	<b>10</b>	<b>12</b>

## Chapter-4

### Findings, Recommendation, Conclusion

#### **4.1 Findings**

I have worked for 4month in the organization In Accounting section. After analyzing the financial performance analysis of Lira Group LTD and during the organizational attachment of internship program the following findings have been found out-

- After analyzing through a few factors, it tends to be assumed that the year 2020 was not so decent enough for Lira Group Ltd as the greater part of the ratio showed a few unfortunate performances.
- **Interest coverage ratio** in 2017 was 8.93 which is higher than other years. The interest coverage ratio is decrease in every year and the lowest ratio in 2020 which was 5.45
- **Liquidity ratio** in 2017 the ratio was 0.87 which is lower than the other years. These ratio increase every year and only decrease in 2019 which was 0.85.The highest ratio in 2020 which was 0.96
- **Gross profit margin** in 2017 the gross profit margin 15.00% which is the higher than the other years. Every year the ratio was decrease and in 2020 the ratio was lower which was 12.86%. the Weak gross profit margin
- **The profitability ratios** in 2017 the ratio was 1.44 which is increase than the previous 2years and the lower ratio was 2019 which was 0.5 and the highest ratio in 2020 which was 1.8 it was increase than the previous years.

## 1. Recommendation

After analyzing the overall financial performance of Lira Group recommendation for its finding might be useful for the organization and these help to improve the organization for its better. Some recommendation is given below,

- Lira Group LTD should provide Diller in overall country to increase the sell and profit.
- The profitability ratio in not enough well so take the correct steps to increase it.
- Consistently the business condition is varying. Thus the organization must be created as a unique association to adjust through the shifting situation.
- Should increase the investment and try to pay the loan so that the interest amount decrease and the profit increase.
- The EPS, EAT and RE are not at satisfactory level the administration should concentrate on keeping up the development the pattern.

## 4.3 Conclusion

Overall internship program really great experience for me. I have learn the real life corporate experience for these internship. In my working time I have enjoyed the overall working process and the employees of lira group are very helpful to me. These experience help me to build up my corporate career.

The financial performance of this organization are not possible to express perfectly in these limited time but try my best to analyze these. The employee of Lira group especially GM thanks for provide me the data and give me these opportunities. The employees of Lira Group always think about the benefit of the organization. The accounts department of this organization are very structured, controllable and restricted.

Thanks my honorable teachers for giving me these opportunities for gaining the real life corporate experience. In future these knowledge help me to build up my career.

## Reference

Annual Report of Lira group 2017 to 2020

<https://lirabd.com/about-us/>

Collected data from the General Manager (Waliur Rahman) of Lira Group