



Daffodil
International
University

Internship Report

on

Financial Performance Analysis of Titas Gas Transmission & Distribution Company Limited

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Letter of Transmittal

Date: 30 October, 2022

To,

Mr. Nurul Mohammad Zayed

Department of Business Administration
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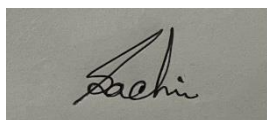
Subject: Submission of the report on “Financial Performance Analysis: A study on Titas Gas Transmission & Distribution Company Limited”.

Dear Sir,

With Due Respect, I am very pleased to submit you the internship report that you have assigned me as a partial requirement of BBA program. My report topic is “Financial Performance Analysis: A study on Titas Gas Transmission & Distribution Company Limited”. That you authorized to prepare and submit. It has been a worthwhile experience for me to prepare this report, which helped me a lot to learn different things and also gain practical knowledge. I have tried to give all my efforts to fulfill the requirements which should be followed in doing internship. Here I have enclosed lots of information regarding Financial Performance Analysis: A study on Titas Gas Transmission & Distribution Company Limited.

I therefore with due honor submit my report to you for further evaluation. I will be so grateful if you kindly take a look in my report and accept it with your kind consideration.

Sincerely yours



Sachin Bhowal

ID: 181-11-5746

Acknowledgements

First of all, I would like to express my gratitude to Almighty to enabling me to complete this report on “Financial Performance Analysis: A study on Titas Gas Transmission & Distribution Company Limited”.

I would like to express my appreciation to my internal supervisor, Nurul Mohammad Zayed sir for providing me all the guidance and support that I needed mostly.

My earnest gratitude goes Assistant General Manager (HR & Admin) of on Titas Gas Transmission & Distribution Company Limited to provide me the chance to do internship in the company and cordial cooperation during the preparing period.

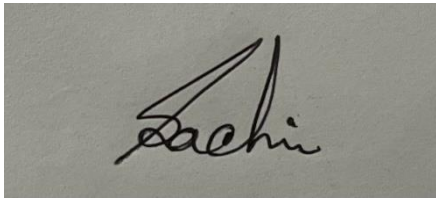
Finally, my sincere gratitude goes to my family and friends for supporting me, sharing their thoughts and giving me the moral support during the preparation of this report.

Student's Declaration

I hereby declare that the work presented in the internship project has carried out by me and has not been previously submitted to any other University / College / Organization for an academic qualification / certificate / diploma or degree.

This work I have presented does not breach any copyright.

I further undertake to indemnify the University against any loss or damage arising from breach of the foregoing obligation.

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

.....
Sachin Bhowal

ID: 181-11-5746

Season: 2017-2018

Department: BA

Program: BBA

Daffodil International University

Supervisor's Declaration

I hereby declare that the internship report entitled "Financial Performance Analysis: A study on Titas Gas Transmission & Distribution Company Limited" submitted by **Sachin Bhowal, ID: 181-11-5746**, Season: 2017-2018 is satisfactory in terms of scope and quality for the completion of BBA program. I certify that this work and contents of this report has been conducted under my supervision. He is permitted to submit the report.



.....

Mr. Nurul Mohammad Zayed

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Executive Summary

This report is prepared on the basis of real experience of the practical observation in Titas Gas Transmission and Distribution Company Limited.

Company successes very much depend on effective performance of different function because these functions have huge impact on other functional areas of a business organization. Financial performance analysis helps to represent real scenario of a company.

In the very first chapter of the report, the background objectives of the study, scope of the study, limitations of the study and problem statement have been given.

The second chapter consists of the Company overview the mission, vision, historical background list of products, activities of different departments, rewards and excellence recognitions etc. of the study.

In the third chapter, I elaborated the theoretical aspects related to financial analysis such as ratio analysis, trend analysis and common size analysis.

In the fourth chapter, I showed the findings from the internship program which I noticed from personal and practical observation in the factory of Titas Gas Transmission and Distribution Company Limited.

The fifth part of this report I have attached some problems regarding financial performance of Titas Gas Transmission and Distribution Company Limited. And recommendation has been given against those problems also included in this report.

The study generally talks about financial performance analysis of Titas Gas Transmission and Distribution Company Limited.

Internship Certificate

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List of Abbreviations

TGTDCL - Titas Gas Transmission & Distribution Company Limited

BBA - Bachelors of Business Studies.

GM - General Manager.

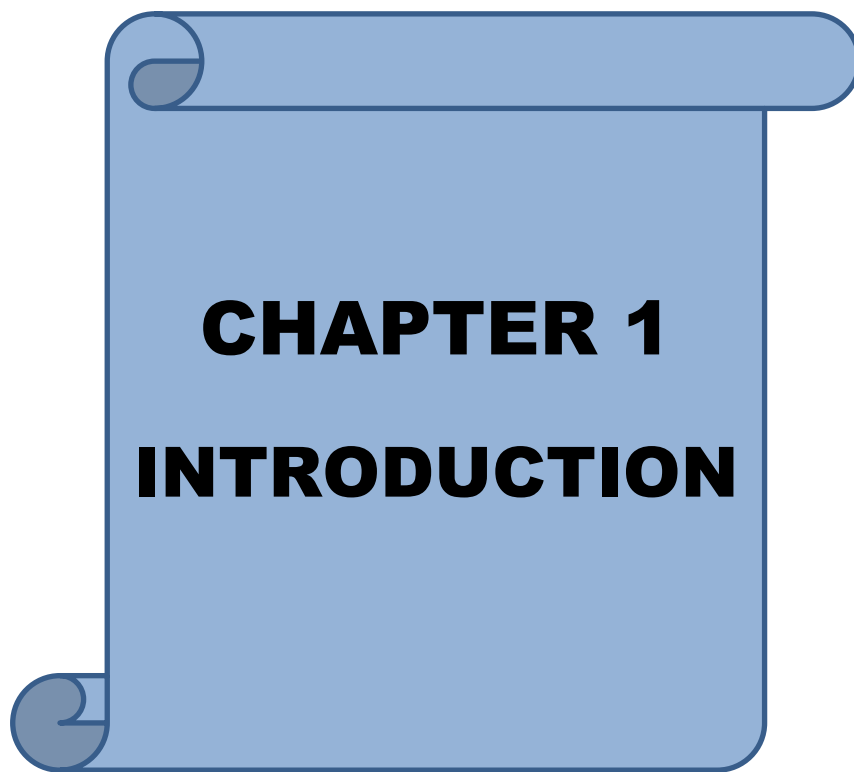
DGM - Deputy General Manager.

AGM - Assistant General Manager.

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Introduction

1.1. Introduction

Natural Gas plays a vital role as a major source of energy in our country. Natural gas generally refers a nontoxic gas with lowest carbon hydrocarbon which is odorless and colorless. In general natural gas is used for the purpose of cooking and heating. In fuels power stations natural gas is used to produce electricity which supply to homes and for producing products. Titas Gas Transmission & Distribution Company Limited is the major distributor of natural gas in Bangladesh. The company started its journey under company act 1913 in November 21, 1964. TGTDCCL work direct under the supervision of Ministry of Power, Energy & Mineral Resources. Titas Gas Transmission & Distribution Company Limited has 80% of Market share in producing natural gas in Bangladesh. they have more than 2.8 million customer at present and have more than 2100 staff all working under TGTDCCL. Dhaka, Gazipur, Narayanganj, Munshiganj, Manikganj, Netrokona, Kishoreganj, Tangail, Mymensingh, Jamalpur, Sherpur, Narsingdi etc are the major's areas where Titas Gas Transmission & Distribution Company supply most of the natural gas. The head office of Titas Gas Transmission & Distribution Company Limited is located in Titas Gas Bhaban, 105 Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka. Titas Gas Transmission & Distribution Company directly involve in Removal and disconnection of illegal gas pipeline, Pipeline propagation and alternation, Conduct Civil work, Energy efficiency and conservation, Prepaid meter installation, Initiating welfare Projects, Annual performance agreement. At present TGTDCCL have 12000 commercial customers and 5300 industrial customer which involved in producing goods and services. As TGTDCCL is one of the vital part of producing natural gas in Bangladesh so I got attracted to know more about this company and have decided to analyze financial performance of this renowned company in Bangladesh. Throughout this report I will try to provide generalized idea about Titas Gas Transmission and Distribution Company Limited, analyze the financial performances and to investigate the problems in financial performances of Titas Gas Transmission and Distribution Company Limited. I will also try to put forward some suggestion which will helps to resolve those problems.

1.2. Background of the Study

Now-a-days, business environment has become more challenging and critical than ever. Decisions, which are made in the present time, will be implemented in the context of a future environment, which is full of problematical uncertainties. As a student of BBA program we have to face these problematical uncertainties in our practical life. Internship provides us such an opportunity to gather knowledge of practical life. Actually through internship a good balance between theory and practice is gained. A subjective judgment about the basic things of financial performance analysis that we learn from our textbooks during the period of pupilage can be made through internship. It provides us a clear idea about the practices of financial performance analysis in our industrial undertakings. The real phenomenon of an organization is closely observed through an internship program. As I have completed my internship in Titas Gas Transmission & Distribution Company, I have gathered practical knowledge of their organizational activities, which is quite different than that of our theoretical knowledge. In this report I have also tried to analyse their financial performance in the light of my theoretical knowledge.

1.3. Scope of the Study

I have got an opportunity to conduct my internship program at a reputed company like Titas Gas Transmission & Distribution Company Limited. The company is located in Titas Gas Bhaban, 105 Kazi Nazrul Islam Avenue, Kawran Bazar Commercial Area, and Dhaka. The company started its journey in 1964. From the starting up they ensure proper supply of natural gas within Bangladesh. Titas Gas Transmission & Distribution Company Limited also provides great opportunity for internship. I have spent four years of the academic studies. Now I have completed the internship part at Titas Gas Transmission & Distribution Company Limited. This practical part will be evaluated by honorable academic supervisor. For this reason I have successfully completed my report towards attaining my BBA degree and submitted it to my academic supervisor. This internship program has given me a great scope or opportunity for gathering experience and knowledge in TGTDCCL by which I can evaluate my skill level and can educate me by understanding the financial performance of TGTDCCL s. The scope of the study is limited to factory only which held Titas Gas Bhaban, 105 Kazi Nazrul Islam Avenue, Kawran Bazar Commercial Area, Dhaka-1215. Throughout this report I will try to provide basic idea about TGTDCCL and will try to conduct financial performance analysis of TGTDCCL.

1.4. Objectives of Study

The objectives of the study have been stated below:

1. To analyze the financial performance of Titas Gas Transmission and Distribution Company Limited.
2. To investigate the problems in financial performances of Titas Gas Transmission and Distribution Company Limited and suggest some possible recommendations for resolving those problems.

1.5. Methodology of the Study

Research methods are an essential part as it directly used for identifying the problem and collecting the facts or data, analyzing the facts and reaching certain conclusion.

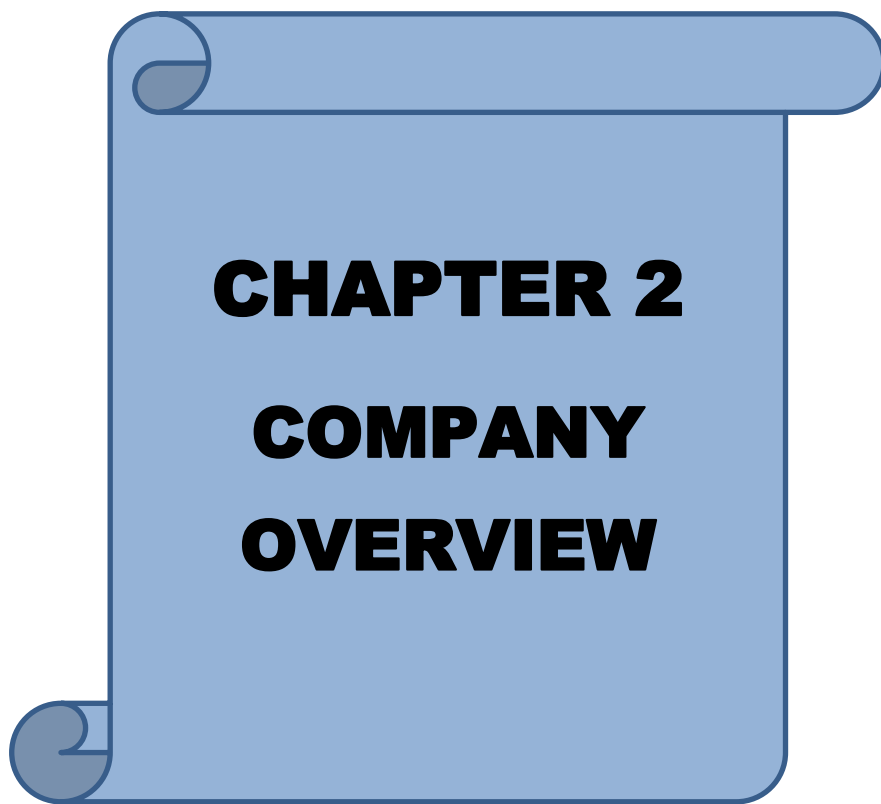
Secondary Data Source

- I. Company's website, HR manual, documents provided by officials also used to collect data.
- II. The annual report of TGTDCCL which provides the public information about this organization. It assists to figure out the overall profile of the company, type of the company and activities regarding annual programs etc.
- III. Digital report from online is used to analyses financial performance of TGTDCCL.
- IV. Text book and Reference books helps a lot to gather conceptual knowledge.

1.6. Limitations of the Study

I tried my best to represent what I have learned throughout my internship in Titas Gas Transmission & Distribution Company Limited but this report is not beyond shortcomings. Therefore, the major limitations of this study are given below:

1. Lack of extra time after office hour finished off
2. Maximum kind of gigantic information is remained confidential.
3. Lack of secondary information sources because of under constructed web pages home pages.
4. Lack of dedication & eagerness over the procedure.
5. Most of the export import information remains disclosed by authorized personnel of the department.
6. Time constraint: A period of project research report time is insufficient to scrutinize the activities of KDS Garments ltd.
7. Job pressure of the employees: Every man of the branch was so busy in their work, so they were not able to provide sufficient care to make the report.
8. Administrative problem: For some administrative problem I didn't get permission to work with some section



CHAPTER 2

COMPANY

OVERVIEW

Company Overview

2.1. Historical Background of Titas Gas Transmission & Distribution Company

Titas Gas Transmission & Distribution Company Limited also known as TGTDCCL was established on November 21, 1964. The company was formed under company act 1913. The head office of Titas Gas Transmission & Distribution Company Limited is located in Titas Gas Bhaban, 105 Kazi Nazrul Islam Avenue, Kawran Bazar Commercial Area, Dhaka-1215. TGTDCCL has been working under the supervision of Ministry of Power, Energy & Mineral Resources from the commencement of their operation. The commercial activities of Titas Gas Transmission & Distribution Company Limited were started on 28 April 1968, with the gas supply to Siddhirganj Thermal Power Station. The first supply of gas to that power station was through Titas-Demra gas pipeline. East Pakistan Industrial Development Corporation plays prime role to set up those pipeline. In 1962, a gas field was discovered on the banks of Titas River at Brahmanbaria unfolded great opportunity for Bangladesh to use natural gas. Titas Gas Transmission & Distribution Company Limited started providing gas connection to resident in October 1986. In the beginning ten percent was owned by Shale Oil Company. And ninety percent of total share was owned by Government. But in 1981, the company totally becomes a public limited. At that time the paid up capital of TGTDCCL was Tk 1.6 crore. It was placed under the supervision of Petrobangla. The paid up capital of Titas Gas Transmission & Distribution Company Limited is now approximately 2,000.00 crore. On 19 November, 2014 Titas gas fulfilled 50 years. Titas Gas Transmission & Distribution Company plays vital role to distribute natural gas to Titas affiliated place. They also play key role to construct, operate, and maintain all natural gas pipeline within the country. Dhaka, Gazipur, Narayanganj, Munshiganj, Manikganj, Netrokona, Kishoreganj, Tangail, Mymensingh, Jamalpur, Sherpur, Narsingdi etc are the major's areas where Titas Gas Transmission & Distribution Company supply most of the natural gas. Development activates Titas Gas Transmission & Distribution Company Removal and disconnection of illegal gas pipeline, Pipeline propagation and alternation , Conduct Civil work,Energy efficiency and conservation, Prepaid meter installation, Initiating welfare Projects, Annual performance agreement.

2.2. Overview of Titas Gas Transmission & Distribution Company Limited

Table 1: Overview of Titas Gas Transmission & Distribution Company Limited

Name of the company:	Titas Gas Transmission & Distribution Company Limited (TGTDCCL)
Date of Incorporation :	November 21, 1964
Registered Office :	Titas Gas Bhaban, 105 Kazi Nazrul Islam Avenue, Kawran Bazar Commercial Area, Dhaka-1215.
Corporation :	Bangladesh Oil, Gas & Mineral Corporation (Petrobangla)
Administrative Ministry :	Ministry of Power, Energy & Mineral Resources
First Constructed Pipeline :	Brahmanbaria to Demra 14" DN X100 PSIG X 58 Miles
First Gas Supply :	April 28, 1968 to Siddhirganj Thermal Power Station
Authorised Capital :	Tk. 2,000.00 crore
Paid up Capital (As on June 30, 2021) :	Tk. 989.22 crore
Gas sales (FY 2020-21) :	15,858.26 MMCM
Sales Revenue (FY 2020-21) :	TK.16950.41 crore
Payment to the National Exchequer :	TK. 608.91 crore
Number of Customers (As on June 30, 2021):	Total 28,74,848
Constructed Pipeline (As on June 30, 2021) :	13,238.09 km
Market Share in Sales :	53.65%
Source of Gas supply (Fields):	Titas, Habiganj, Narsingdi, Kailashtila, Bibiyana, Moulvi Bazar, Srikyl & Bangura Gas Fields.
Listed with DSE :	June 9, 2008
Listed with CSE :	June 19, 2008

2.3. Vision, Missions and Objectives

Vision

The vision of Titas Gas Transmission & Distribution Company Limited is to ensure safe and efficient distribution of natural gas.

Mission

Company mission have been stated in following section:

1. Provide better service to its customers.
2. Assure proper utilization of natural gas.
3. Secure Good governance in its gas marketing business.

Strategic Objectives

Major strategic objectives are given below:

1. Improve energy security efficient use of energy.
2. Proper human resources utilization.

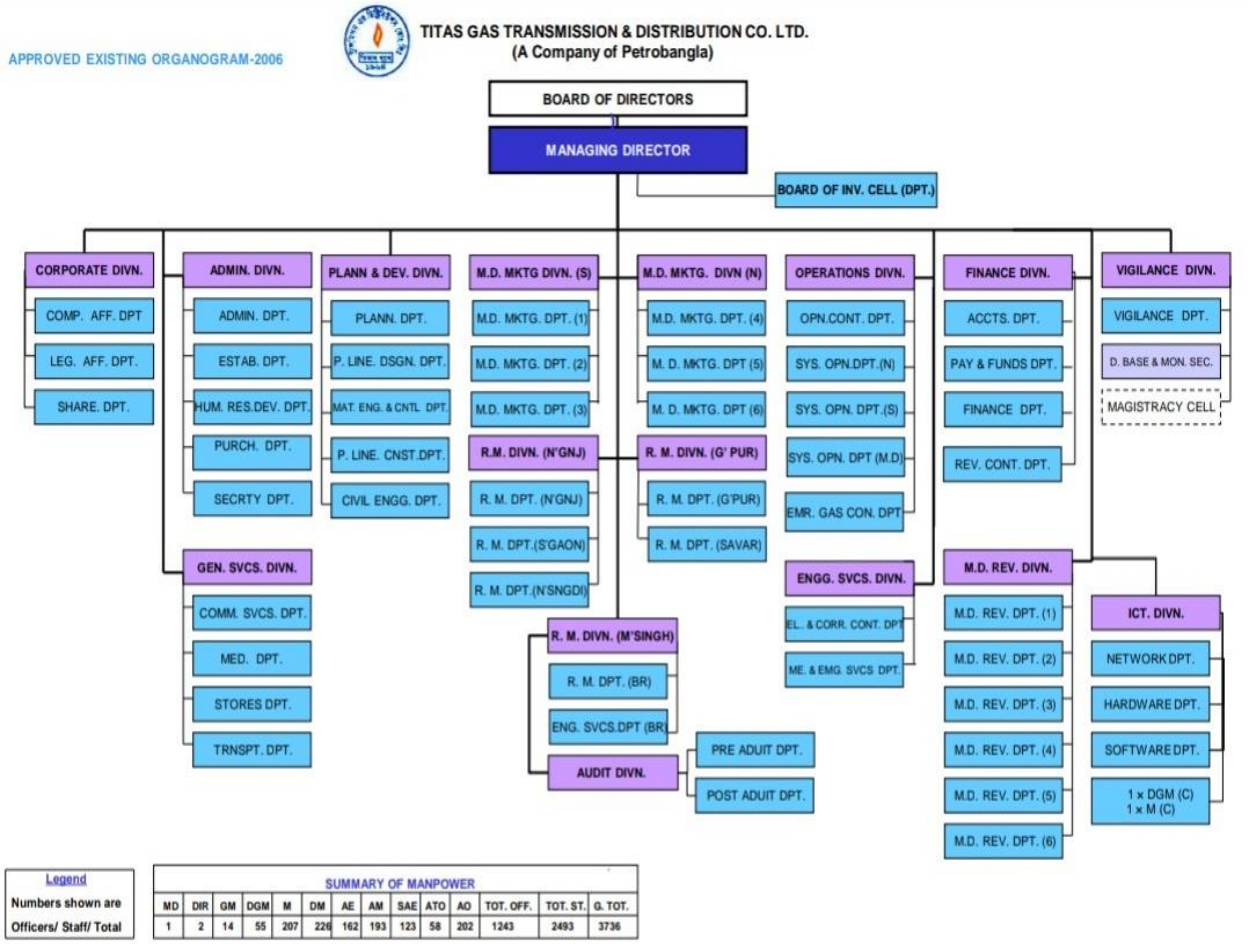
2.4. Functions of TGTDC

Functions:

Core functions of Titas Gas Transmission & Distribution Company Limited are:

1. Provide natural gas to different users according to their needs.
2. Construction of pipe lines within the country.
3. Rehabilitation of pipe line whenever it need and where it needed.
4. Maintenance of pipe lines and gas stations.
5. Realization of gas sales revenue.
6. Efficient use of natural gas

2.5. Organgram



Legend		SUMMARY OF MANPOWER													
Numbers shown are Officers/ Staff/ Total		MD	DIR	GM	DGM	M	DM	AE	AM	SAE	ATO	AO	TOT. OFF.	TOT. ST.	G. TOT.
		1	2	14	55	207	226	162	193	123	58	202	1243	2493	3736

Figure 1: Company Organogram

2.6. Board of Directors

Table 2: Board of Directors

Designation	Name
Chairman	Mr. Md. Mahbub Hossain
Director	Mr. Tofazzel Hossain Miah
Director	Mr. Md. Nazmul Ahsan
Director	Mr. Imdadul Haque
Independent Director	Md. Saifuddin Ahmed Bhuiyan
Independent Director	Mr. Mohammad Mynul Islam

2.7. Company Executives

Table 3: Major Company Executives

Designation	Name
Managing Director	Engr. Mr. Md. Rashid Mullah
General Manger(Administration)	Md. Munir Hossain Khan
General Manger(Corporate)	Mr. Eaquad Khan
Director Finance	Md. Israil Miah
Deputy Managing Director	Emam Uddin Sheikh

2.8. Performance Activities

- 1) Provide emergency service to the people.
- 2) Ensure Manpower growth and involvement:
- 3) Contribute to national growth
- 4) Pretax and after tax net profit consideration:

- 5) Revenue receivable and realization
- 6) Category wise gas sales
- 7) Get as much as market share
- 8) Increase number of customers
- 9) Construction of pipeline where it needed

2.9. Development activates

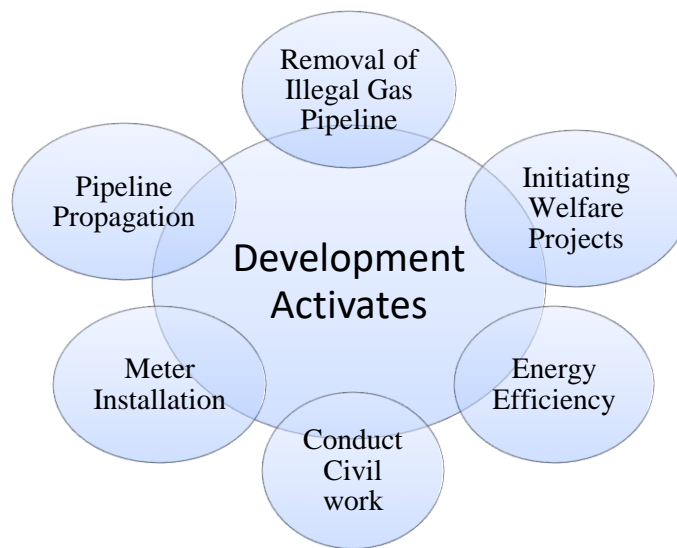


Figure 2: Development activates

2.10. Assets and resources of Titas Gas Transmission & Distribution Company Limited

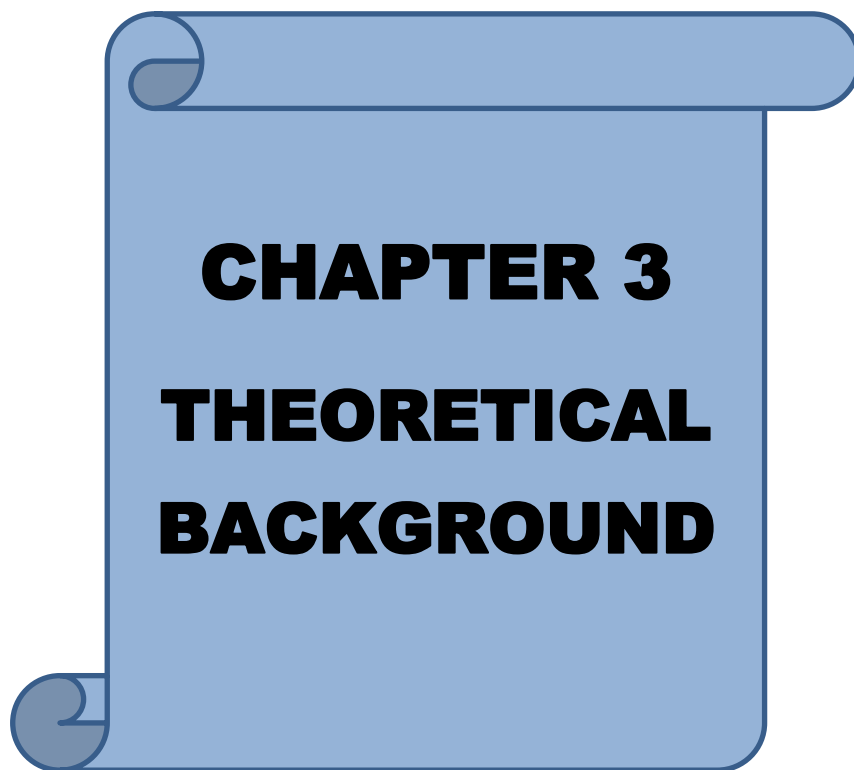
Table 4: Assets and resources of TGTDC

Power (Govt.)	17 NOS
Power (Private)	30 NOS
Fertilizer	03 NOS
Industry	5,322 NOS
CNG	396 NOS
Captive Power	1,710 NOS
Commercial	12,076 NOS
Domestic	28,56,247 NOS

2.11. Human resources Titas Gas Transmission & Distribution Company Limited

Table 5: Human resources TGTDC

Manpower (As on June 30, 2021) :	1,957
Officer :	826
Staff :	1,131

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CHAPTER 3
THEORETICAL
BACKGROUND

Theoretical Background

3.1. Ratio analysis

Ratio analysis is a technique by which an organization can identify its liquidity, profitability and efficiency level. By studying balance sheet and income statement an organization can conduct ratio analysis. Ratio analysis focuses on quantitative analysis of organization financial statements. It is one of most useful approach to evaluate company's financial performance. By conducting ratio analysis company can take the best decisions regarding investment. Organization now a day employs analysts or catalyst to assess the financial performance of their organization. And ratio analysis is considered as major tools for evaluating financial health of a particular organization. In this competitive era, it essential for every organization to track how company currently performing and what strategy will be followed for future. Ratio analyses do it for the organization. It helps an organization to calculate and demonstrate how company is performing and to estimate likely performance in the future time. Total ratio analysis can be broken down into several parts. Those parts have been given in following section:

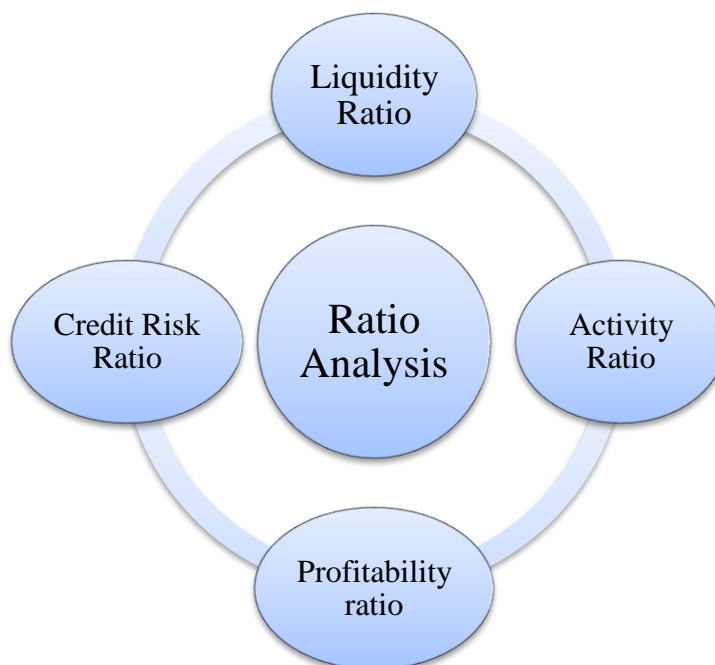


Figure 3: Ratio analysis

3.2. Liquidity ratio

Liquidity ratio is used to determine company's capability to pay debt. It helps use to find out how company's assets cover its liabilities. Generally liquidity ratio facilitates to measure the ability of a company to pay its liabilities by its assets. Liquidity ratio is a type of financial ratio which assists a company to assess its strength to meet creditor's liability. Every organization takes loan from different lenders to carry on its operation effectively and efficiently. By analyzing liquidity ratio an organization can able to find out its capability to meet those debt to lenders.

Types to liquidity ratio:

1) Current ratio: current ratio can be calculated by dividing current assets with current liabilities. It is the simplest ratio to calculate. Company can easily interpret its result. Current assets and current liabilities can easily be found in company's balance sheet. Dividing current assets by current liabilities we can find current ratio.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

2) Quick ratio: Although quick ratio is similar to current ratio but there are some basic difference in calculating of quick ratio. It is stricter test than current ratio. In quick ratio calculation we will consider cash, accounts receivables and marketable securities as current assets and then we will divide them by current liabilities. That means in quick ratio we consider inventory and prepaid expense as less liquid. So quick ratio become one of the most reliable tool for every organization.

$$\text{Quick Ratio} = \frac{\text{Cash} + \text{Accounts Receivables} + \text{Marketable Securities}}{\text{Current Liabilities}}$$

3) Cash ratio: cash ratio also considers current assets and current liabilities. But in this case, cash and marketable securities are considered as current assets. And the sum of cash and marketable securities then divided by current liabilities to find out ultimate ratio.

$$\text{Cash ratio} = \frac{\text{Cash} + \text{Marketable securities}}{\text{current liabilities}}$$

3.3. Activity ratio

Types of financial ratio that widely used to detect the efficiency level in their operation is known as activity ratio. It is a useful tool for comparing company's performance over the year. Activity ratio sometime called as turnover ratio or operating efficiency ratio.

Types of activity ratio

1) Total assets turnover

All assets that sated by a company in their balance sheet is known as total assets. Total assets turnover refers how efficiently a company using its total assets. High turnover indicate company is using if total asset very efficiently but a low turnover refers assets are not used efficiently by a particular organization. Total assets turnover can be calculated by dividing revenue by average total assets. Average total assets can be found by dividing total assets by 2.

$$\text{Total assets turnover} = \frac{\text{Revenue}}{\text{Average Total Assets}}$$

2) Fixed assets turnover

Fixed assets are types of assets that are usually tangible and provide benefit for the long period. Furniture, machinery, equipment, buildings, land are the major type of fixed assets. Fixed assets turnover indicated how company using its fixed assets efficiently. High ratio indicate company may need to invest more in capital expenditures and low ratio refers a company to tied up fixed assets.

$$\text{Fixed assets turnover} = \frac{\text{Revenue}}{\text{Average net fixed assets}}$$

3) Payables turnover

Payable turnover can be calculated by dividing cost of goods sold with average payables. The ratio refers how quickly company has the ability to repay creditors. Low turnover indicate inability to pay to its creditors. High turnover refers good capability to make payment to creditors.

$$\text{Payables turnover} = \frac{\text{Cost of goods sold}}{\text{Average payables}}$$

4) Receivable turnover

It measure how efficiently organization able to manage collect cash from their credit sales. Generally it refers how efficient company in collecting money forms their receivables. High turnover refers company has good capability to convert its receivables into cash and low receivables turnover refers low efficiency in collecting money. It can be calculated by dividing revenue with average receivables.

$$\text{Receivable turnover} = \frac{\text{Revenue}}{\text{Average Receivable}}$$

5) Inventory turnover

Inventory turnover can be calculated by dividing cost of goods sold with average inventory. How efficiently organization able to manage its inventory is measured by inventory turnover. The ratio refers how quickly company controls its inventory. Low turnover inventory is moving slowly. High turnover refers inventory is moving fast.

$$\text{Inventory turnover} = \frac{\text{Cost of goods sold}}{\text{Average Inventory}}$$

3.4. Profitability ratio

Profitability ratios refer company's strength in producing income (profit) over the time. It considers assets shareholders equity which stated in balance sheet of specific period by the organization to calculate those ratios. Profitability ratio also helps a company to assess how efficient in utilizing assets to produce profit within a particular period. Profitability ratios can be divided into different categories. Types of profitability ratio have been given in following section.

Types of profitability ratio:

1) Gross profit margin

It compares gross profit that has been earned in different years. Generally this represents how much company actually earning. It consider costs of goods sold and service while calculating gross profit. Higher efficiency of operation is represented by high gross profit. Low margin represent low sales, and low performance.

2) Operating profit margin

It is another type of profitability ratio which focuses on sales before interest expense. In calculating margin income taxes are deducted. High margin refers company is well equipped to fixed cost and have better chance to survive. Low margin represent low possibility of survive

3) Net profit margin

Net profit margin calculated by dividing net income by total revenue. The final picture of a company can be represented through net profit margin. The margin calculated after deducting all expenses. Expense includes interest, taxes, transportation, administration etc.

$$\text{Net profit margin} = \frac{\text{Net Income}}{\text{Total revenue}} * 100$$

4) Return on assets

Return on assets also known as ROA. It represents the percentage of net earnings comparative to company's total assets. It refers profit company produce for every dollar of assets. Asset intensity can also be measured by return on assets.

$$\text{ROA} = \frac{\text{Net Income}}{\text{Average Assets}}$$

5) Return of equity

It expresses the percentage of net income comparative to equity. Sometimes it called as ROE. Here equity refers stockholders equity. High ROE indicates more capability of generating cash internally. And low ROE refers less capability.

$$\text{ROE} = \frac{\text{Net Income}}{\text{Shareholders equity}}$$

3.5. Common size analysis

Common size analysis is another technique for assessing company performance and analyzing financial statement. Common size analysis can be divided into two types. They are given below:

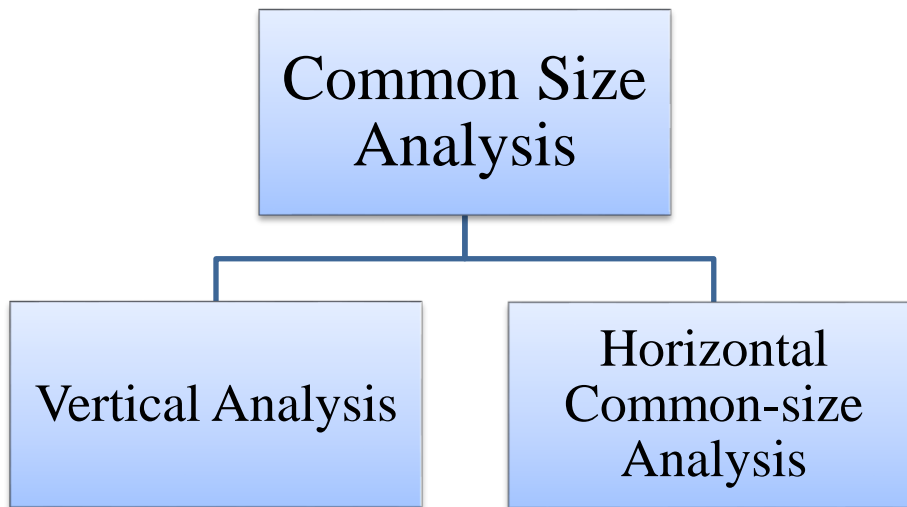
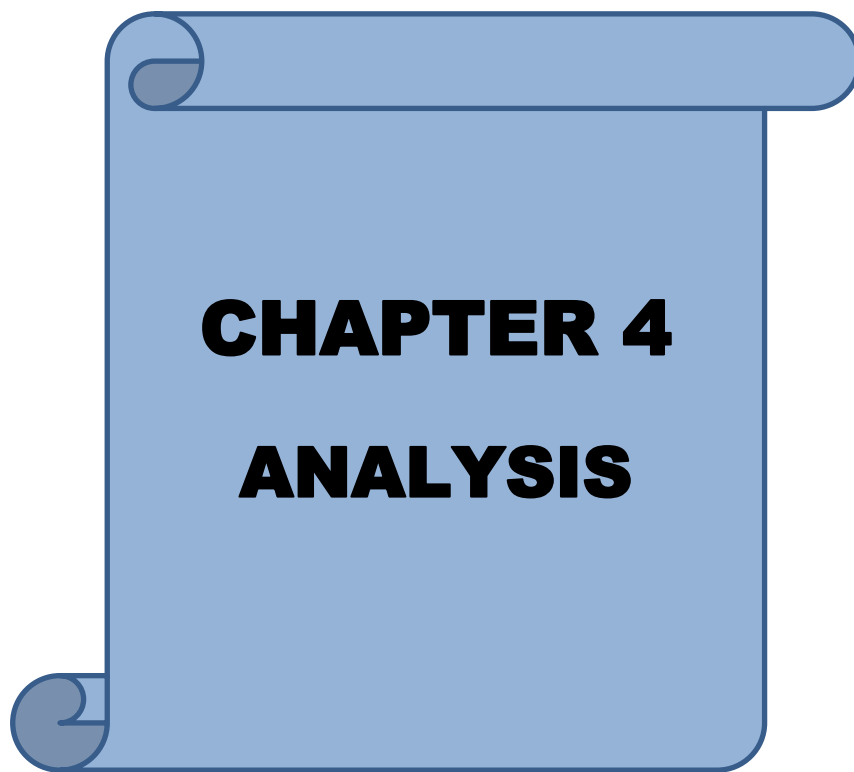


Figure 4: Common size analysis

Vertical common size analysis: a type of common size analysis that focuses on single income statement or balance sheet and compares the amounts on each financial document is called as vertical common size analysis.

Horizontal common size analysis: it looks at the amounts over a longer period of time. In horizontal analysis, a financial manager gathers the base amount from an earlier time period, such as from three years earlier.



CHAPTER 4
ANALYSIS

Analysis

4.1. Ratio Analysis

Ratio analysis refers to the quantitative analysis of organization financial statements. It is one of most useful approach to evaluate company's financial performance. By conducting ratio analysis company can take the best decisions regarding investment. Financial position of a particular company can easily represented through ratio analysis. By conducting ratio analysis company can take the best decisions regarding investment. Organization now a day employs analysts or catalyst to assess the financial performance of their organization.

4.1.1. Liquidity Ratio

Liquidity ratio facilitates to measure the ability of a company to pay its liabilities by its assets. It helps use to find out how company's assets cover its liabilities. Liquidity ratio is a type of financial ratio which assists a company to assess its strength to meet creditor's liability. Every organization takes loan from different lenders to carry on its operation effectively and efficiently. Generally liquidity ratio facilitates to measure the ability of a company to pay its liabilities by its assets. By analyzing liquidity ratio an organization can able to find out its capability to meet those debts to lenders. Liquidity ratio is used to determine company's capability to pay debt. It helps use to find out how company's assets cover its liabilities.

Generally Liquidity ratio is used to determine company's capability to pay debt. Titas Gas Transmission and Distribution Company Limited use cash ratio, current ratio, quick ratio and financial leverage to analyze their track their position regarding liquidity. Three year analyses considering different prospection in liquidity ratio have been given in below:

Table 6: Liquidity Ratio

Particulars	2017	2018	2019	2020	2021
Cash Ratio	0.212	0.108	0.181	0.240	0.284
Current Ratio	1.252	1.208	1.308	1.470	1.608
Quick Ratio	1.23	1.183	1.280	1.448	1.586
Financial Leverage	2.125	2.212	2.375	2.557	2.515

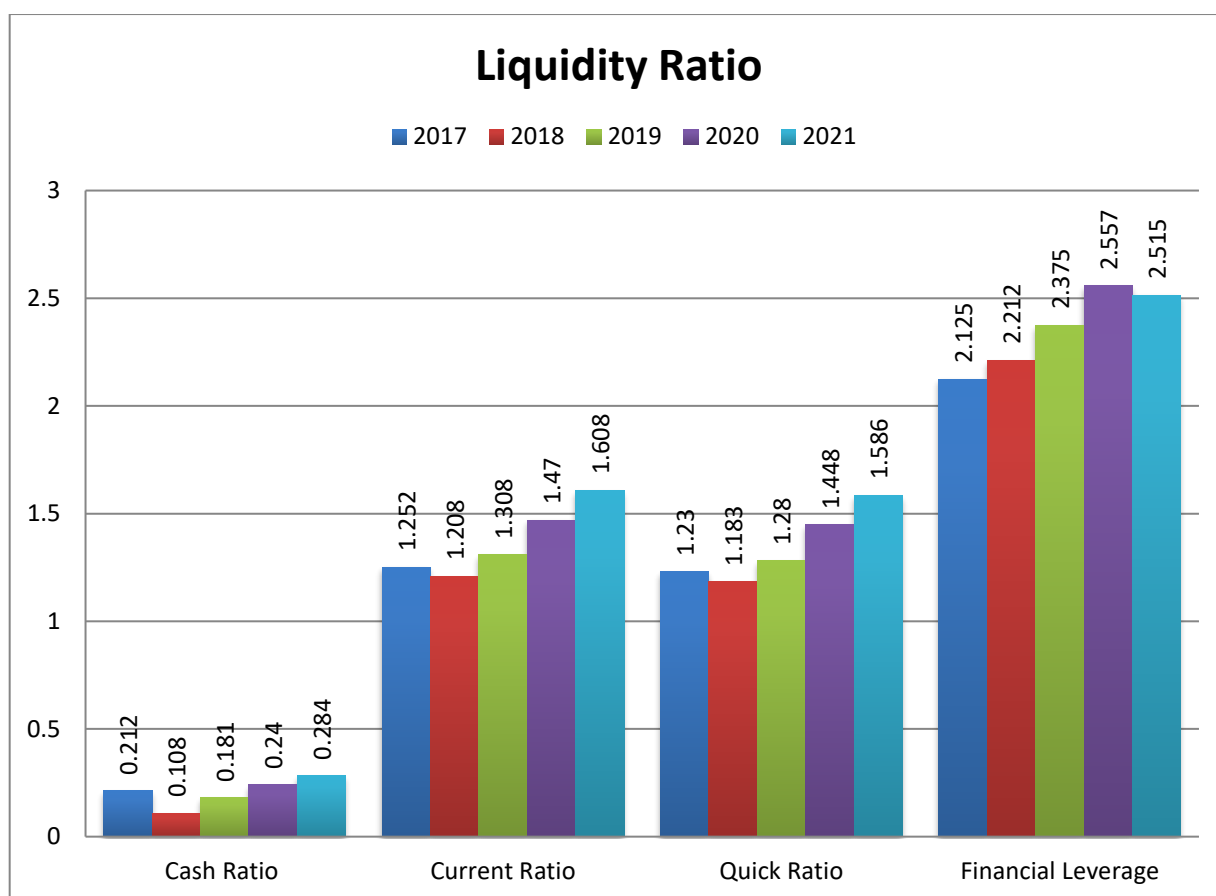


Figure 5: Liquidity Ratio

Interpretation:

Three year information related to cash ratio, current ratio, quick ratio and financial leverage have been represented in above section. By going through those information following interpretation can be made:

Cash ratio represents how much Cash Company has to pay its liability. Cash Ratio is increasing every year. In 2019 the ratio was 0.181, in the next year it increase up to 0.24 and in 2021 it also increase more to 0.284. So company has enough cash to repay its liability. In cash ratio calculation, cash and marketable securities are considered as current assets. And the sum of cash and marketable securities then divided by current liabilities to find out ultimate ratio.

Current ratio is a type of liquidity ratio which used to assess how much current asset used to repay its liability. Current ratio can be calculated by dividing current assets with current liabilities. From the figure we can see that current ratio is increasing every year. In 2019 the ratio was 1.308, next year ratio was 1.47 and in 2021 the ratio increase up to 1.608. So we can say company has good capability to repay its liability.

Quick ratio we consider cash, accounts receivables and marketable securities as current assets and then we will divide them by current liabilities. From the figure we can say company has enough quick assets to meet its liability as the graph shows upward trend every year.

Financial leverage ratio was 2.375 in 2019, in the next year it increase up to 2.557 but in 2021 it decrease little bit to 2.515.

So after considering cash ratio, current ratio, Quick ratio and financial leverage we can conclude that company is in relatively good position compared to other year's performance.

4.2. Activity Ratio

Activity ratio is a type of financial ratio. It is a tool use is used by the organization to measure the capability to converts non-cash assets to cash assets. Total assets turnover, net fixed assets turnover and equity turnover is a tool used under activity ratio by the Titas Gas Transmission and Distribution Company Limited to find out the capability to converts non-cash assets to cash assets. The information related to those has been given in below:

4.2.1. Total Assets Turnover

Table 7: Total Assets Turnover

Year	Total Assets Turnover
2017	0.894
2018	0.947
2019	0.863
2020	0.941
2021	0.990

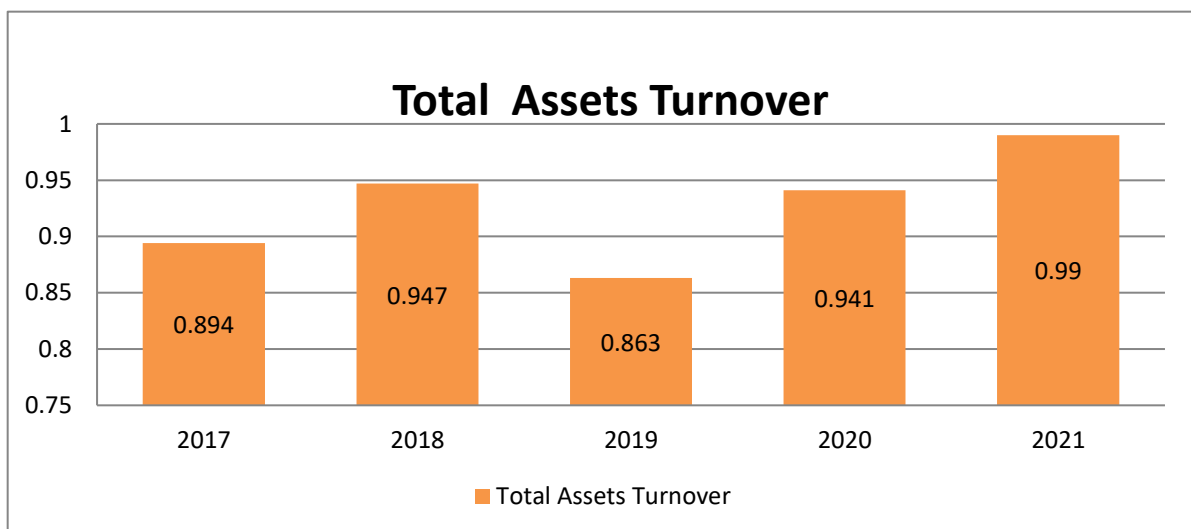


Figure 6: Total Assets Turnover

Interpretation

Total asset turnover used to measure how much company use its assets to increase sells. From the figure we can say total assets turnover increase over the year. In 2019 the ratio was .863, next year it increase up to 0.941 and in 2021 in increase little bit up to 0.99. So we can conclude company has good potential to convert asset to sells. . High turnover indicate company is using its total asset very efficiently but a low turnover refers assets are not used efficiently by a particular organization. As assets turnover is increasing over the year, we can sat company is using its assets very efficiently.

4.2.2. Equity Turnover

Table 8: Equity Turnover

Year	Equity Turnover
2017	1.935
2018	2.136
2019	2.047
2020	2.405
2021	2.489

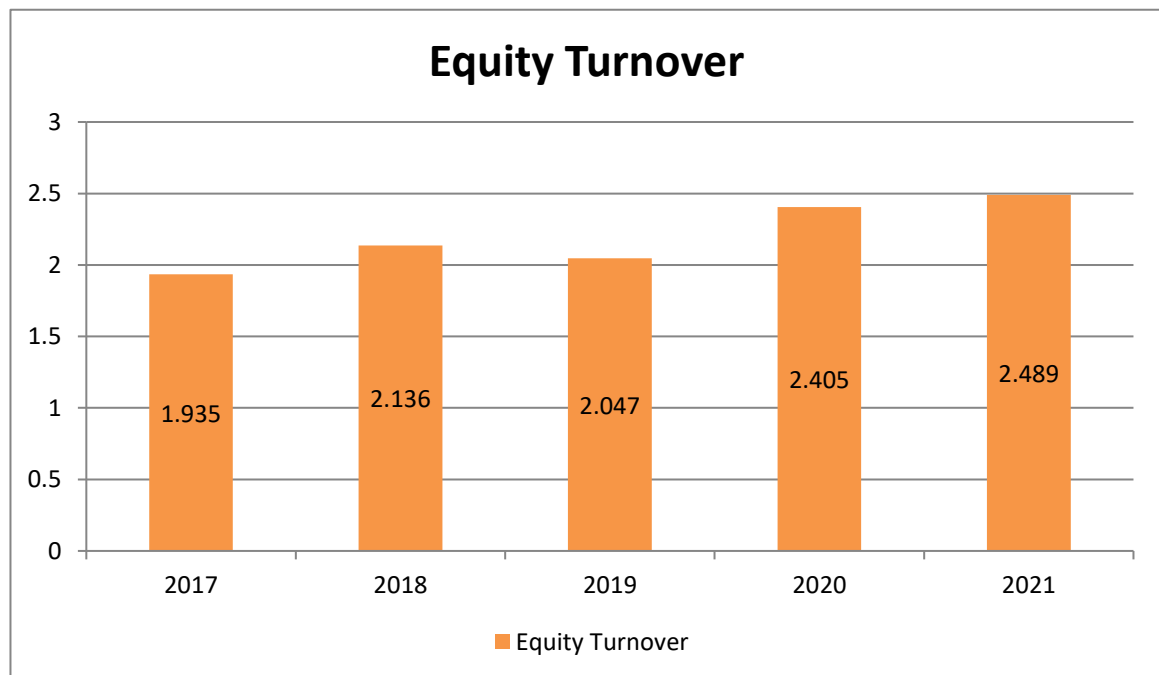


Figure 7: Equity Turnover

Interpretation

It refers the company's capability to convert equity to increase company's sells. From the three year analysis of equity turnover, we can say company can utilize its owner equity to generate sells. It shows equity turnover increase every year. In 2021, it increases up to 2.489. So company has enough ability to convert equity to increase company's sells as turnover increase each year.

4.2.3. Net fixed asset turnover

Table 9: Net Fixed asset turnover

Year	Net Fixed Asset Turnover
2017	13.722
2018	16.147
2019	13.061
2020	16.230
2021	18.246

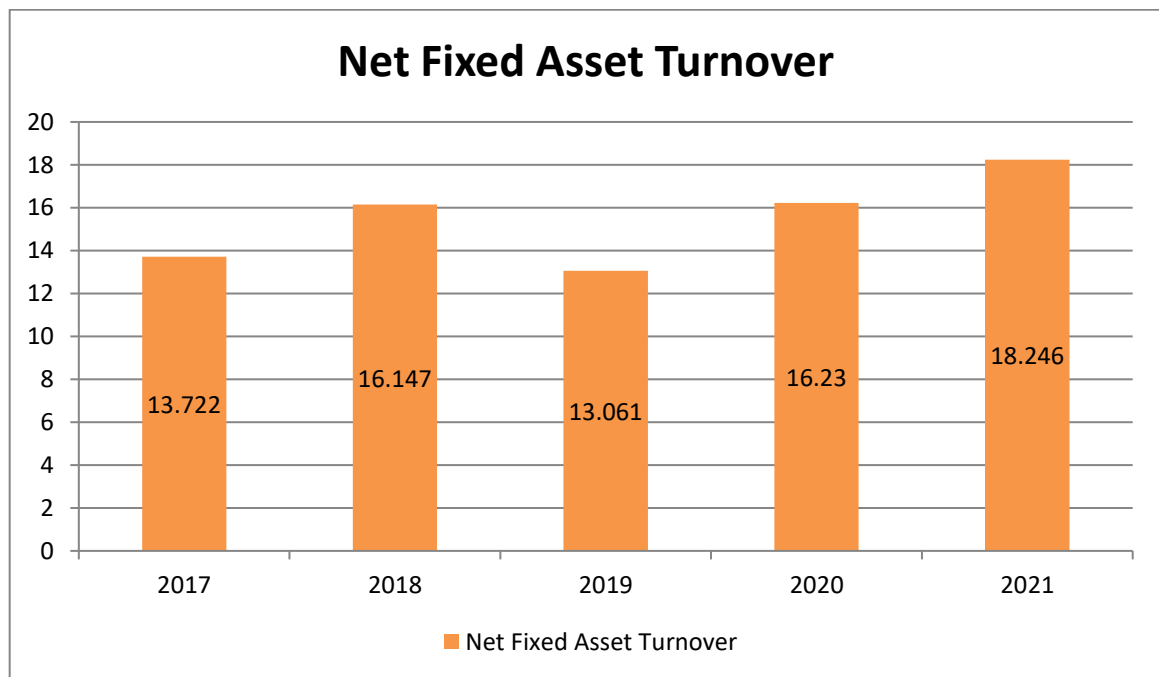


Figure 8: Net Fixed asset turnover

Interpretation

Net fixed asset turnover also show upward trending. Net fixed asset turnover increase over the time. In 2019 the Net fixed asset turnover was 13.061, next year ratio increase up to 16.230 and in 2021 the ratio increase up to 18.246. So we can say company has good capability to utilize it fixed asset to generate sells. High ratio indicate company may need to invest more in capital expenditures and low ratio refers a company to tied up fixed assets. As net fixed asset turnover is increasing so we can say company need to invest more in capital expenditures in upcoming years.

4.3. Efficiency and productivity Ratio

4.3.1. Payables Turnover

Table 10: Payables Turnover

Year	Payables Turnover
2017	3.680
2018	4.014
2019	3.409
2020	3.300
2021	3.916

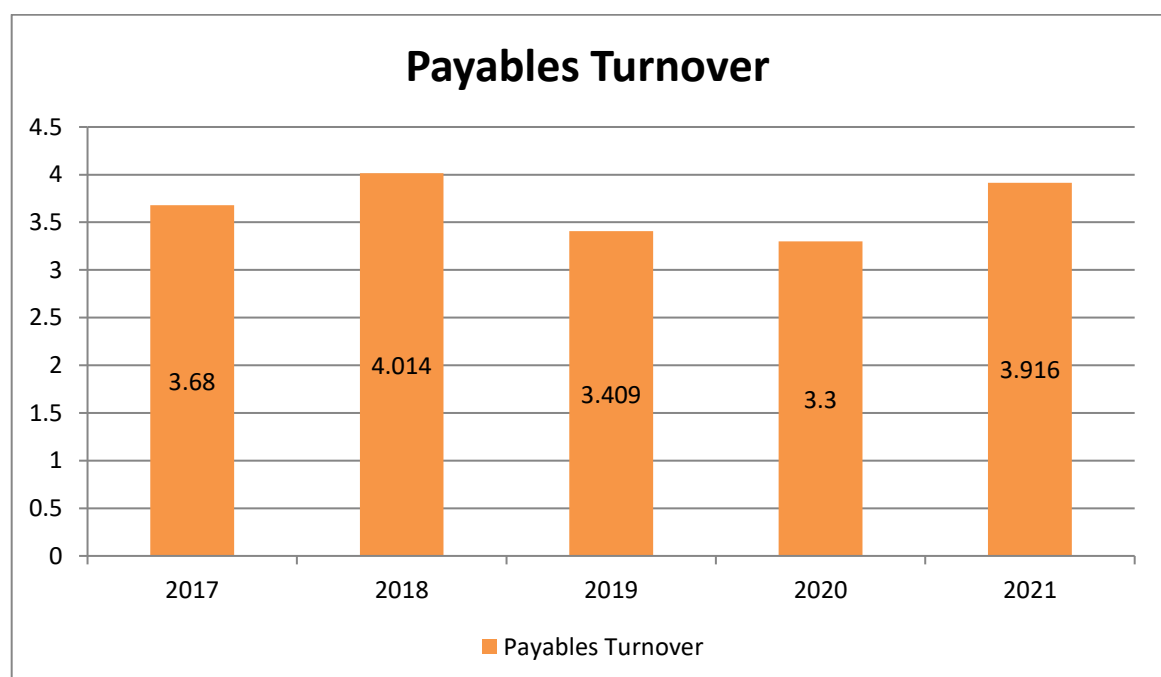


Figure 9: Payables Turnover

Interpretation

Account payable turnover shows upward trend. Generally it indicates the number of times a company makes payment to their account payable. In 2019 the Account payable turnover was 3.409; in 2021 it also increases more to 3.916. So we can conclude, company is paying more times than previous years. . Low turnover indicate inability to pay to its creditors. High turnover refers good capability to make payment to creditors. In 2021 account payable turnover is high so Titas Gas Company has good capability to make payment.

4.3.2. Receivable turnover

Three years information related to receivable turnover of have been given in following section

Table 11: Receivable turnover

Year	Receivable Turnover
2017	3.982
2018	3.906
2019	3.402
2020	2.895
2021	3.093

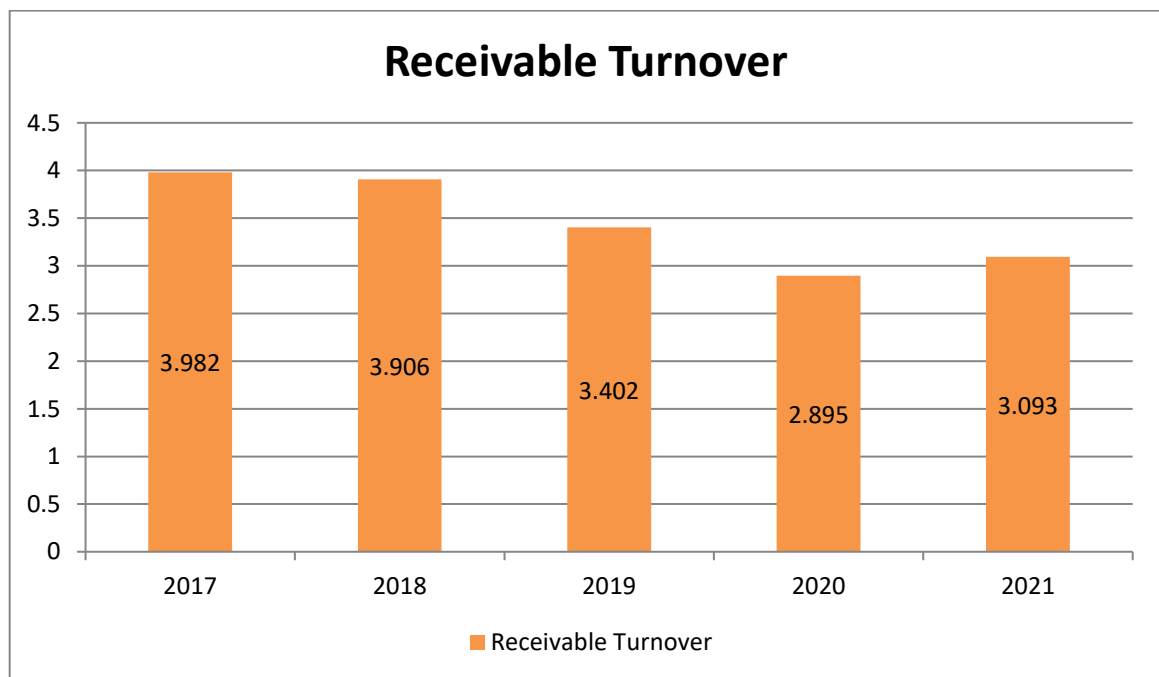


Figure 10: Receivable turnover

Interpretation

Receivable turnover is a type of financial ratio which indicates how many times able to collect money from their receivable. In 2019 the receivable turnover was 3.402. But in 2020, account receivable turnover decrease to 2.895. In 2021 it also increases more to 3.093. Though receivable turnover was decrease in 2020, but in 2021 it increase again and it goes up to 3.093. High turnover refers company has good capability to convert its receivables into cash and low receivables turnover refers low efficiency in collecting money. It can be calculated by dividing revenue with average receivables. In 2019

turnover was high but in next year it decline and 2021in increase little bit. So we can conclude company is less efficient in collecting money.

4.3.3. Inventory turnover

Table 12: Inventory turnover

Year	Inventory Turnover
2017	86.837
2018	85.428
2019	67.404
2020	88.528
2021	96.945

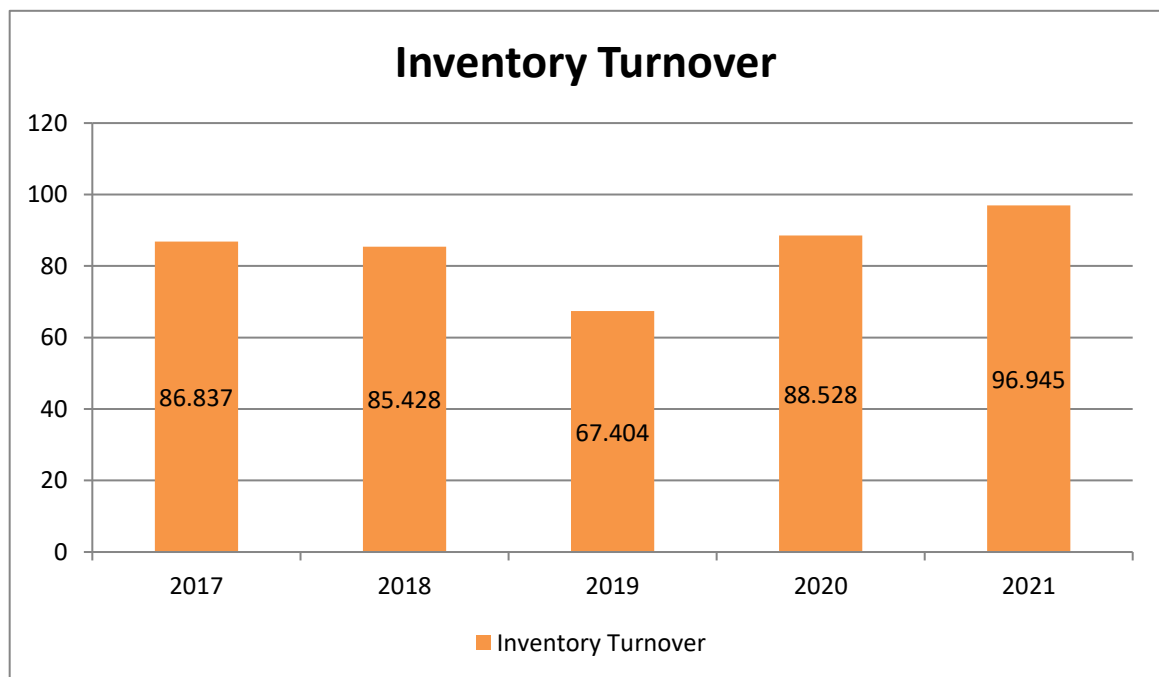


Figure 11: Inventory turnover

Interpretation

How many times inventory sold and replaced within specific period is shown through inventory turnover. Inventory consists of raw material; work in process and finished goods. Inventory turnover how much inventory is sold or replaced within a specific period. In 2019 inventory Turnover was 67.404 and in 2021 it increase up to 96.945. So the tendency to sell and replaced inventory increase over the time. Low turnover inventory is moving slowly. High turnover refers inventory is moving fast. So Titas Gas Company is moving fast their inventory over the year.

4.4. Profitability Ratio

4.4.1. Gross Profit Margin

Table 13: Gross Profit Margin

Year	Gross Profit Margin
2017	5.80%
2018	3.50%
2019	5.1%
2020	3.6%
2021	3.8%

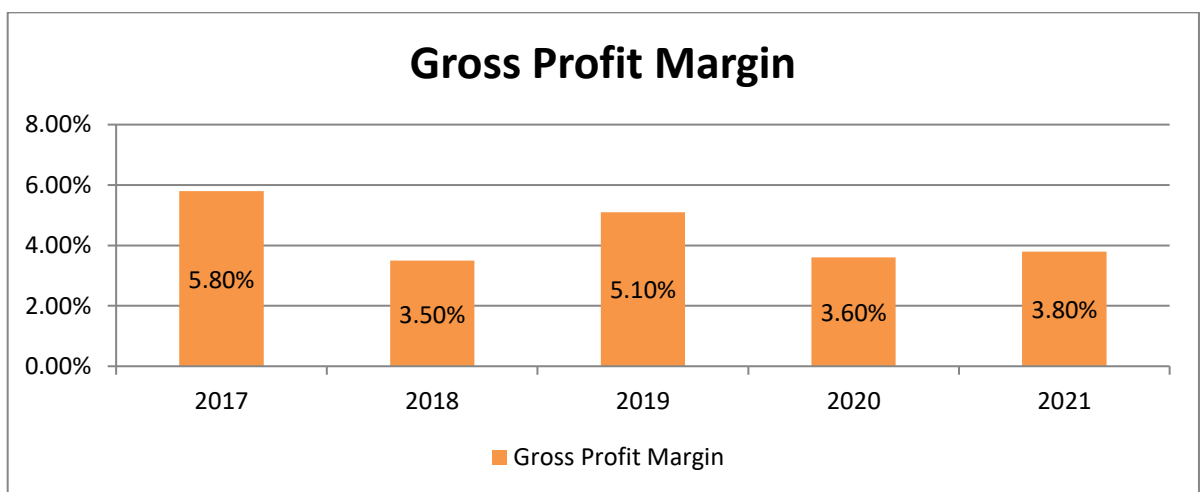


Figure 12: Gross Profit Margin

Higher efficiency of operation is represented by high gross profit. Low margin represent low sales, and low performance. Compare to 2019, in 2021 the Gross Profit Margin is decrease so company is less efficient in operation to produce profit in few years.

4.4.2. Operating Profit Margin

Table 14: Operating Profit Margin

Year	Operating Profit Margin
2017	2.60%
2018	0.60%
2019	1.2%
2020	0.70%
2021	1.80%

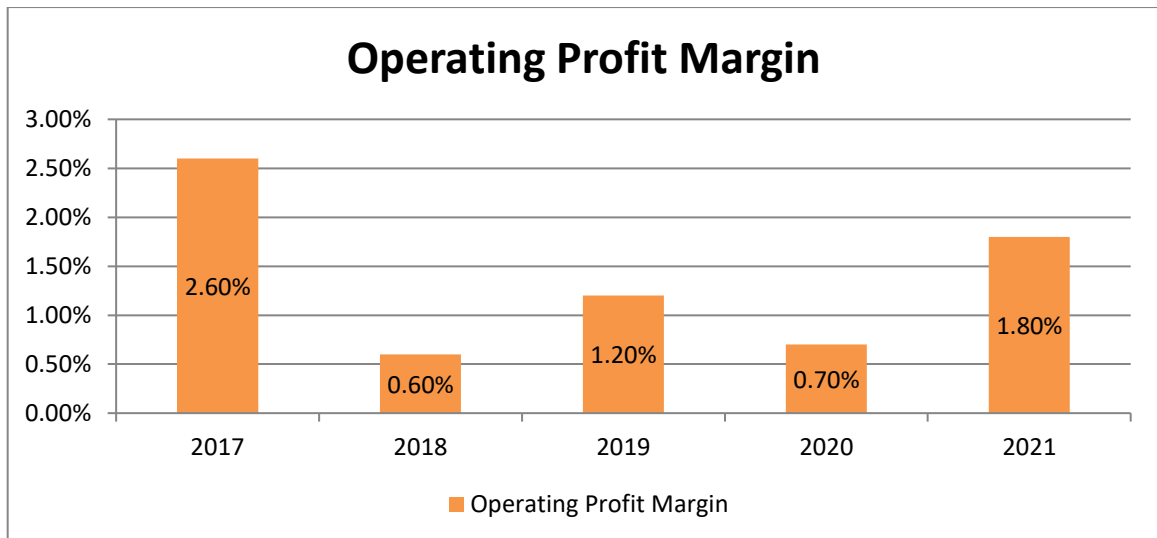


Figure 13: Operating Profit Margin

High margin refers company is well equipped to fixed cost and have better chance to survive. Low margin represent low possibility of surviving. . In 2019 the operating profit margin was 1.2%, next year ratio increase up to .70% and in 2021 the ratio increase up to 1.80%. So we conclude company has good chance to survive in the long run.

4.4.3. Net profit margin

Table 15: Net profit margin

Year	Net Profit Margin
2017	4.00%
2018	2.40%
2019	1.9%
2020	2.1%
2021	3.3%

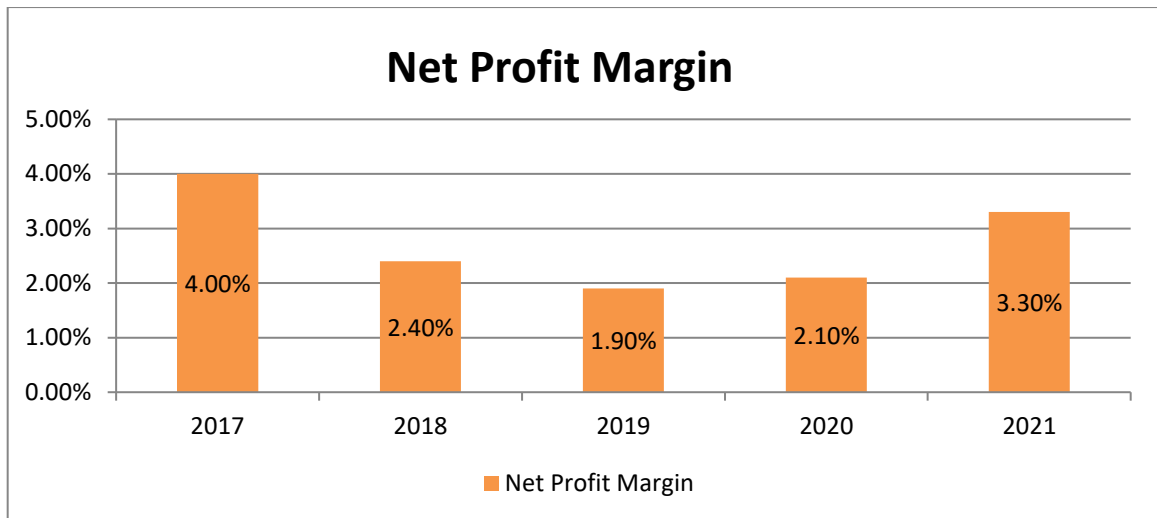


Figure14: Net Profit Margin

Net profit margin calculated by dividing net income by total revenue. The final picture of a company can be represented through net profit margin. The margin calculated after deducting all expenses. Expense includes interest, taxes, transportation, administration etc. in 2021, net profit margin is higher compared to other years we company is in good position compared to other years.

4.4.4. Return on equity

Table 16: Return on equity

Year	Return On Equity
2017	7.80%
2018	5.10%
2019	4.8%
2020	5.1%
2021	6.7%

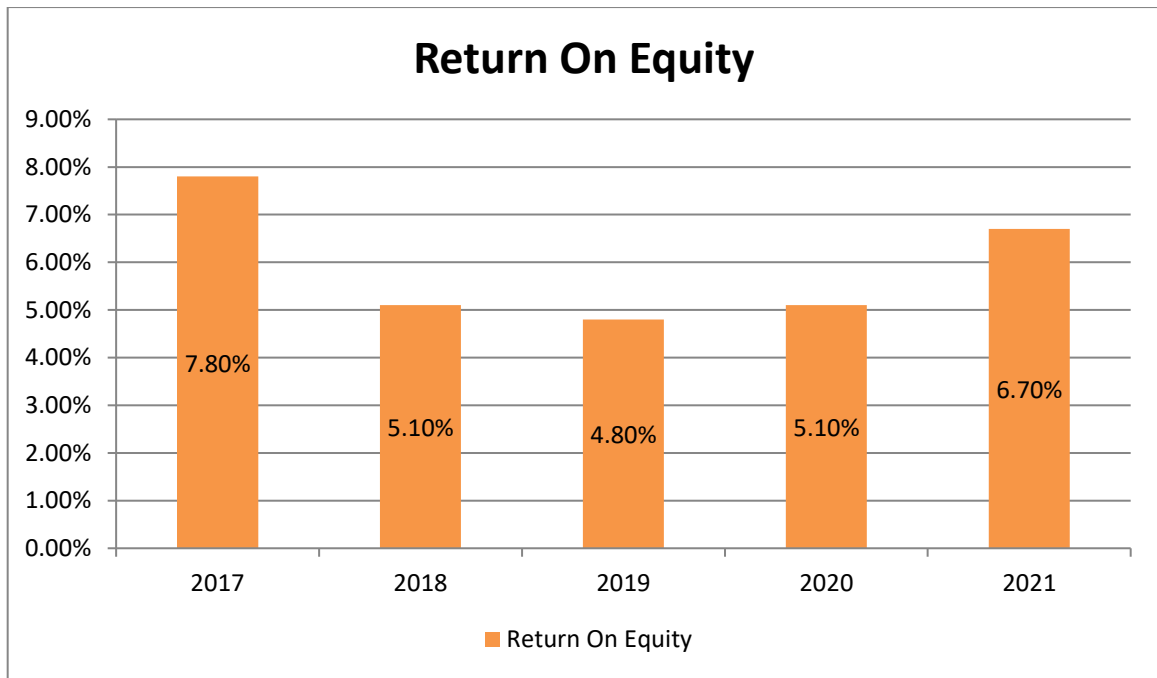


Figure15: Return on equity

High ROE indicates more capability of generating cash internally. And low ROE refers less capability. In 2021 company has highest return on equity so company is more capable to generate cash internally.

4.4.5. Return on assets

Table 17: Return on assets

Year	Return On Assets
2017	3.60%
2018	2.30%
2019	1.9%
2020	2.0%
2021	2.8%

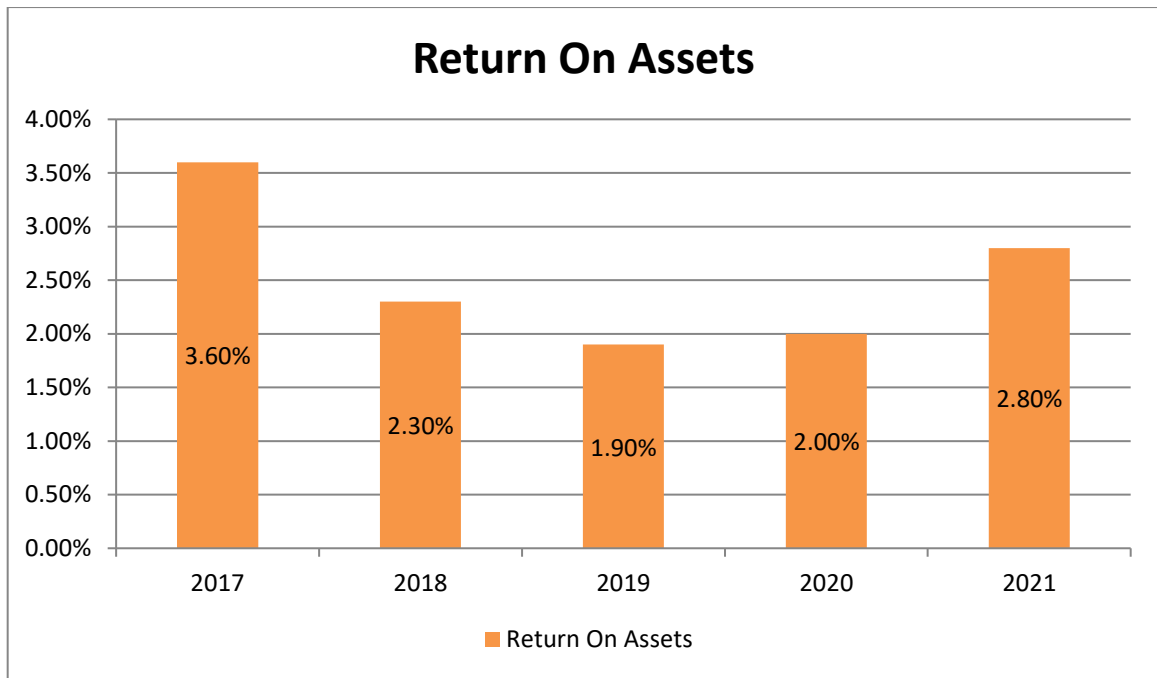
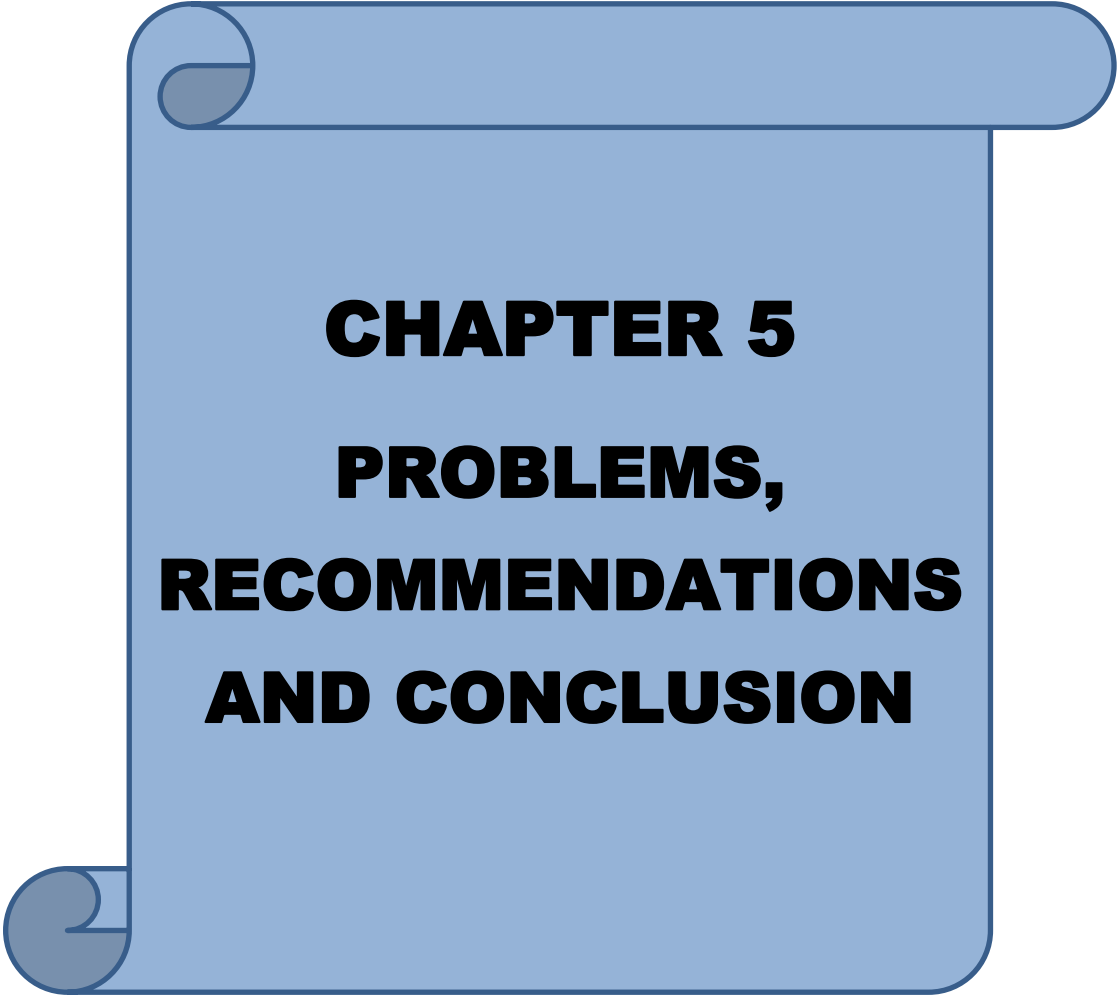


Figure16: Return on assets



CHAPTER 5
PROBLEMS,
RECOMMENDATIONS
AND CONCLUSION

Problems, Recommendations & Conclusion

5.1. Findings

Titas Gas Transmission & Distribution Company Limited helps to ensure efficient use of natural gas. They have efficient manpower that performs all operation and managerial functions properly. But there are some problems in financial performance of Titas Gas Transmission & Distribution Company Limited. Some major problems have been stated in following section:

1. Receivable turnover decrease over the year that means company is less efficient in collecting money from their account receivable.
2. Gross profit margin decrease significantly in present year, which is one of the major matters of concern for the company.
3. Cost of goods sold of the company has been increased which reduce company net revenue.
4. Net profit after tax also has been decreased up to 1.936% which indicates bad performance of the company in present state.
5. Total Assets Turnover, Equity Turnover and Net Fixed Assets Turnover have increased significantly over the year which indicate that company have used their current asset and fixed asset properly.

5.2. Recommendations

I have tried to suggest some recommendations which will help Titas Gas Transmission & Distribution Company Limited to resolve the problems related to their financial performance. Some recommendations have been stated in following section:

1. Managing tangible and intangible resource is essential to resolve those problems.
2. Increase cash transaction in lieu of on account sales and use more terms and conditions on credit sales.
3. Reduce unnecessary cost to increase net profit.
4. Apart from maintaining same standard of using current assets and fixed asset, TGTDCCL also need to focus on their Receivable turnover ratio. Company's Receivable turnover decrease over the year and it refers less efficiency in collecting money. TGTDCCL should take necessary steps before make credit sales to their client and provide proper inspection before making such deals.

5.3. Conclusion

Titas Gas Transmission & Distribution Company Limited is playing a momentous role in economy of Bangladesh. They also directly contribute to harden the socio-economic development of our country. Titas Gas Transmission & Distribution Company Limited also play vital role to save foreign currency. They involve in different activities which help to ensure efficient use of natural gas. Among gas distribution companies, Titas gas is the market leaders. TGTDCCL was established on November 21, 1964. The company was formed under company act 1913. The head office of Titas Gas Transmission & Distribution Company Limited is located in Titas Gas Bhaban, 105 Kazi Nazrul Islam Avenue, Kawran Bazar Commercial Area, and Dhaka-1215. On 19 November, 2014 Titas gas fulfilled 50 years. They also key role to construct, operate, and maintain all natural gas pipeline within the country. Dhaka, Gazipur, Narayanganj, Munshiganj, Manikganj, Netrokona, Kishoreganj, Tangail, Mymensingh, Jamalpur, Sherpur, Narsingdi etc are the major's areas where Titas Gas Transmission & Distribution Company supplies most of the natural gas. Development activates Titas Gas Transmission & Distribution Company Removal and disconnection of illegal gas pipeline, Pipeline propagation and alternation , Conduct Civil work, Energy efficiency and conservation, Prepaid meter installation, Initiating welfare Projects, Annual performance agreement. I have got an opportunity to conduct my internship program at Titas Gas Transmission & Distribution Company Limited. This internship program has given me a great scope or opportunity for gathering experience and knowledge in TGTDCCL by which I can evaluate my skill level and can educate me by understanding the financial performance of TGTDCCL. Throughout this report I will try to provide basic idea about TGTDCCL and will try to conduct financial performance analysis of TGTDCCL. In first and second chapter I gave introduction and company overview. After giving company overview I gave some conceptual overview related financial performance analysis. In chapter four finding and discussion I tried to conduct financial performance analysis of Titas Gas Company. In last chapter I have attached some problems regarding financial performance of Titas Gas. Some recommendations have been given against those problems also included in this report. I have tried my best to conduct financial performance analysis of practice of TGTDCCL and throughout this report I have attached all key findings and facts in this report.

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