

Internship Report on

“Financial Performance Analysis of GEEBEE Garments Bangladesh LTD”



Supervised By

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Letter of Transmittal

Date:

To

Md. Arif Hassan
Assistant Professor & Head
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University Bangladesh

Subject: Submission of Internship report Titled “Financial Performance Analysis of GEEBEE Garments Bangladesh LTD.”

Dear Sir,

With Due Respect, I would like to express my feelings that it gives me pleasure and honour to prepare an internship report on **“Financial Performance Analysis of GEEBEE Garments Bangladesh LTD”** which is mandatory requirements of Daffodil International University to complete BBA degree. I took the responsibility to prepare this report in a proficient way by following the instructions you gave and selecting a meaningful subject. I believe that, working in GEEBEE Garments Ltd Bangladesh my experience and learnings will help me to cope with my future job life. Sincere gratitude for your kind support, this report wouldn't have been accomplished without your Support. I tried my best to provide a compelling report.

I'm hoping that it would be kind of you to approve my report.

Sincerely yours



Nilotpall Sikder Nayan

ID: 172-11-5613

Program: BBA

Major: Accounting

Daffodil International University

Declaration

I, Nilotpal Sikder Nayan, ID: 172-11-5613, student of Bachelor of Business Administration (BBA), under faculty of Business and Entrepreneurship sincerely declare that the internship report on “**Financial Performance Analysis of GEEBEE Garments Bangladesh LTD.**” which has only prepared for Daffodil International University due to the compulsory requirements for pursuing BBA degree that is genuine and authentic.

I also acknowledge that the information represented in my internship report is concentrated on my personal effort and experience. The information is up to date and precise.

Nilotpal Sikder Nayan

Nilotpal Sikder Nayan

ID: 172-11-5613

Program: BBA

Major: Accounting

Daffodil International University

Letter of Approval

This is to certify that Nilotpai Sikder Nayan, ID: 172-11-5613, a student of Business Administration, under faculty of Business and Entrepreneurship, Daffodil International University has completed the internship report titled “**Financial Performance Analysis of GEEBEE Garments Bangladesh LTD**” under my supervision. He has completed his internship at “**GEEBEE Garments Bangladesh Ltd**”. I'm glad to state that he put a lot of effort into preparing this report & furthermore, he was able to establish a favourable view of the company. The findings & information seems to be original and authentic

I wish him the best of luck in his future endeavours.



Md. Arif Hassan

Assistant Professor and Head
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Acknowledgement

First and foremost, I want to express my gratitude to the Almighty for giving me the strength & chance to submit this internship report successfully. I also want to express gratitude and love to my parents for their support, passion, and encouragement which enhance me to finish the report with all possibilities.

I would like to express gratitude & thanks to my honourable Supervisor **Mr. Md. Arif Hassan, Assistant Professor and Head, Department of Business Administration, Faculty of Business & Entrepreneurship**. Without his continuous supervision and regular guidance & advice I wouldn't have completed this internship report. He is an inspiration to me. I wish him a healthy & long life.

I would like to thank **Mr. Shahin Miah, Assistant Accounts Officer, GEEBEE Garments Bangladesh Ltd** for giving me the opportunity to work as an intern for three-month long in **GEEBEE Garments Bangladesh Ltd** under his supervision.

I am sincerely grateful the executives and staff at ACI Limited who provided their unwavering support to me throughout the whole period of my internship. Those people are amazing above anyone else's expectations.

Finally, I really want to give my heartiest thanks to each and every one of them who have helped me through giving me valuable time, frequent guidance and showing me different ways to make the report. It gives me a great pleasure to thank the wonderful Business & Entrepreneurship faculty and every member at Daffodil International University for the honest advice & sincere cooperation I got to maintain and gain knowledge.

Executive Summary

As a part of the BBA program this internship report is compulsory to prepare & the internship program completed at GEEBEE Garments Bangladesh Ltd, GEEBEE Garments Bangladesh Ltd is a Foreign owned company and it is under GEEBEE group, the root of the garment's is actually from a family business which started in Karachi in 1892 & established their business in Dubai in 1950. GEEBEE Garments has 3 manufacturing units in Bangladesh with 6000 workers in Chittagong. The internship report on financial performance analysis, which is a glance of GEEBEE Garments Bangladesh Ltd financial performance for (2016-2020).

The main focus of this report is to know about the uses of tools to measure the financial performance analysis, to know about the financial performance & provide few suggestions regarding the findings of this garment's company over five years (2016-2020).

The report is divided into five chapters consecutively. The first chapter of this report mainly discussed the introduction of this company showing the origin, objectives, scope, methodology & limitations of the report.

Second chapter relates to some theoretical concept & profile of GEEBEE Garments Bangladesh that shows about this company profile, mission, vision, strategies, board of director, product & lastly capabilities of this company, third Chapter reflects the theoretical knowledge, financial methods & techniques where it will provide vast ideas about different methods of financial tools such as use of trend analysis, ratio analysis & common size income statement.

Chapter four is the main focus of this report making which presents different types of calculations and financial ratio analysis, which reflects the performance of this company. In this part it encompasses the performance of horizontal analysis (Trend Analysis) that shows (revenue, operating profit, profit after tax, total assets & liabilities, common size income statement & ratio analysis that shows (liquidity, debt, activity, Profitability). The result after analysis wasn't so good. There were some findings after the analysis

Chapter five will present some suggestions regarding the financial condition of this company that can help to improve this company's financial performance. Lastly, a conclusion is given over the report.

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Chapter 01:

Introduction

1.1 Introduction

In any organization, financial statements are main tools to convey the financial information to the shareholder, creditors & those who are interested with the information. To know about the financial condition every company must create four financial statements with extensive financial data during a time frame. These four financial includes over assets, liabilities, shareholders, equity to total income & lastly cash flows.

From a company's financial statements where it includes exclusive financial data by which shareholder's & creditors can consider that why they invest in that company. Financial statements are very important to the internal managers & executives because they can take the decision that how efficiently they need to give their effort to the company. It is also important to the supplier as they are giving the main materials to the company.

GEEBEE Garments, one of the renowned names in the garments industry of the world, which offers manufacturing and garments supply services with multi partners over numerous nations for over 130 years. This Garments is a foreign owned company. The Head office of this company is in Dubai & operating successfully. GEEBEE believes in integrity, Beliefs, words & actions that actually enables them for long to run the organization.

To analyse this report on financial performance analysis, few financial methods & tools have been used to get the result like horizontal analysis (Trend Analysis), common size income statements & ratio analysis.

1.2 Background of The Study

As the internship program is a compulsory integral part of BBA program by which practical knowledge can be achieved along with theoretical knowledge. Theoretical knowledge is not enough to cope with the practical job life or business world, as every student of BBA completes graduation under the BBA program to learn how to cope with the practical business world. So, the internship program has no substitute for managing practical business world or job. This internship application is very fruitful to any student.

From the internship time frame students are engaged in an organization where they have to work with the regular staff along different situations & activities. By which a student can handle the pressure of work out of theoretical knowledge. Such a program enhances the encouragement of any student's spirit to join such organization to get a job.

1.3 Origin of the Report

As the Department of Business Administration under Faculty of Business & Entrepreneurships of Daffodil International University offers BBA program in which every student has to complete an internship program mandatorily. The internship program is developed for students pursuing a bachelor's degree in business administration. It aims to enable them to get experience in the field while also enhancing their academic studies. By which every student can learn and gain knowledge of corporate life where they will have to walk alone in future. In such a program the student can face realistic situations rather than studying theories in books.

The program enables students of accounting major to learn about the software work of a corporate office that how the company's deals with the regular practical financial work. As a part of internship at GEEBEE Garments Bangladesh Ltd, I prepared this internship report to facilitate the use of the method under the supervision of **MD. Arif Hassan** (Assistant Professor and Head, Department of Business Administration, Faculty of Business & Entrepreneurship) & **Mr. Shahin Miah** (Assistant Accounts Officer, GEEBEE Garments Bangladesh Ltd). The supervisor provided competent direction in choosing the topic.

1.4 Objectives of the Report

The main objective of the report is to analyse financial performance of GEEBEE Garments Bangladesh Ltd. The following list represents the specific objectives of the study's –

1. To know about the tools & methods to measure the financial performance.
2. To assess the financial performance of GEEBEE Garments Bangladesh Ltd for five years (2016-2020)
3. To suggest recommendations based on the findings.

1.5 Methodology

Several relevant and appealing information and insights that were widely used:

1. Secondary Sources

- Financial statements.
- Business journals.
- Different websites.

The following tools were applied to conduct the ratio analysis for the study:

- ❖ Horizontal Analysis.
- ❖ Common size income statement.
- ❖ Ratio Analysis.

1.6 Limitation of the report

There are some limitations given as followings -

- Writing a report in a formal manner for the first time.
- Difficulty to get information, as the Garments company is a foreign originated company.
- To protect confidentiality there was some information that was restricted to present.
- Lack of getting information from the clients, as the clients are not from Bangladesh.
- Preparing a report within a short-term time period.

Chapter 02:

Company Profile

2.1 About GEEBEE Garments Bangladesh LTD:

GEEBEE Group is a family-owned company which is known as one of the best industrial houses in the gulf region. This business was started from a family over 130 years ago from Karachi Pakistan. In 1950 it also was established in Dubai, as all persons know that Dubai is highly connected with world class transport infrastructure, which actually gives very simple ease of access to the Garments company.

The GEEBEE Group has expanded with a range of endeavours, including production, export, import, trade, and distribution. It has widened its sector of the economy into the United States, Europe, the GCC, and South Asian nations.

It has over 5600 strong work-force to provide best services to the clients. In 2005 the Garments company started its operations with a factory in Dhaka EPZ with 600-workers. They have expanded their manufacturing power with another manufacturing unit in Chittagong in Karnaphuli EPZ and in 2013 they again acquired another manufacturing unit in Karnaphuli EPZ. An industrial facility in Dhaka doubled its capacity in 2014. The company has 03 manufacturing unit in Bangladesh.

They have received ACCORD and ALLIANCE approval and that adhere to the utmost ethical and regulations. They have WRAP, Sedex, ISO 9001, ISO 14001 and OHSAS 18001 those are the common certifications in Bangladeshi factories, which make their customer reliable on them.

2.2 Vision of GEEBEE Bangladesh Ltd.

- GEEBEE garments vision is to lead the way as a constantly expanding vendors options and well-known provider of innovative and high-quality goods and services in all regions.
- To establish themselves world's best leading providers of specialized services and supply chains.

2.3 Mission of GEEBEE Bangladesh Ltd.

- Our mission is to provide a wide choice of products internationally while also assisting clients in achieving success.
- To develop long-term, strategic business interactions with customers by providing them with premium services and goods that fulfil the most exacting requirements.
- To ensure cost -affordability and on-time shipments.

2.4 Strategies of GEEBEE Bangladesh Ltd.

- The Company has some dedicated team of specialists that promises to their client world-class premium services without even any negotiations in emergency situations.
- In addition to setting up logistics, we seek and acquire high-quality items at the greatest prices.
- By offering top-notch services that are creative, they go above and beyond for their clients.

2.5 The Board of Director's GEEBEE Bangladesh Ltd.



Mr. Girish Jethwani
Managing Director



Mr. Deepak Jethwani
Managing Director

2.6 Products of GEEBEE Garments Bangladesh Ltd.

GEEBEE Garments Bangladesh Ltd manufactures different types of garments wearing's those are Work wear, Formal Wear, Casual Wear & Uniforms for different types organization all over the world.

Work wear: they are manufacturing different type of work wear for different professionals like Health care workers, Hotel staffs, industry workers.



Sample images of work-wear.

Formal Wear: They manufacture formal wear for several business and office territories like corporate offices, business firms & many other organizations where formal dress is mandatory wear. Those products are mainly shirts, pants, ties & formal suits.



Sample images of formal-wear.

Casual wear: They manufacture different types of stylish casual wear for different age of people of different taste & culture. The casual wears are t-shirt, half sleeve shirt, full sleeve shirt, half pant, full pant, trousers, jackets, for both male & female people.



Sample images of casual-wear.

Uniform: The company also manufactures Uniforms & Personal Protective Equipment (PPE) for different law enforcement organizations along with other wearing's. They manufacture uniforms for medical teams, fire fighters, security guards & schools.



Sample images of uniform.

2.7 Capabilities of GEEBEE Garments Bangladesh Ltd.

- **Product Development:** The Entire Development Process is handled by a Technically Qualified & Experienced Team. Develop patterns and prototyping samples with the help of committed pattern masters and technical professionals. As they assist their clients for new product launches, product development in factories accelerates their time to market.
- **Quality Management:** They have a strong quality management system. Their Quality Assurance staff keeps an eye on every step of the process, from beginning to finished, packaged garment. The consistency of operations may be improved and maintained by standardizing work and developing explicit SOPs.
- **Material Management:** The Quality Department inspects all incoming material for quality. To ensure compliance with AQL policy, the fabric and trim quality is examined. They are in charge of keeping track of the material's agreed-upon inventory. to close demand and supply gaps and increase stock availability in the business in order to guarantee that our clients have the necessary amount of inventory.
- **Sampling & MTM:** For their clients to meet the demands of MTM and small order numbers, their sample capacity offers extraordinary versatility. Our professionals make sure the product is made with the proper placement, function, and performance.

➤ **Production Planning:**

- Planning and production tracking by industrial engineer.
- The IE created the line to maximize production and efficiency.
- To speed up delivery, use line planning and line balancing.

➤ **Material Synergies:** Their proficiency with diverse materials is well renowned. Their wide range of products necessarily requires the sourcing and handling of various materials, and the fact that they are located in a free zone makes it simple to move goods, allowing us to provide their clients with quick and dependable turnaround times that guarantee a short time to market and enable quick response to trends. To maintain their product lines updated and, in many cases, first-to-market, their clients frequently take use of this capability.

2.8 Objectives of GEEBEE Garments Bangladesh Ltd.

However, Dubai, Chittagong, and Dhaka offer support for design, development, marketing, manufacturing, and logistics in sync with the interests of the customers.

- Providing One stop shopping for all of Customer's needs and supply reliability.
- Focused on recognizing the brands and aligned to enable higher mobility with superior quality.
- Produce goods in shorter production times
- Provide as much as low pricing to compete with competitive pricing.

Chapter 03:

Financial Performance Analysis

3.1 Financial Performance Analysis

Various financial ratios, including profitability, liquidity, operation, business, debt, solvency, quality, and coverage ratios, are all used to represent an organization's continuous financial performance. Say for example current ratio, return on equity, debt-equity ratio etc.

Financial statement analysis commonly uses ratio analysis as an effective technique. It facilitates evaluations of certain aspects of a firm's performance by numerous interested parties.

In this report making, three different methods were applied to analyse financial performance analysis, those are mentioned in below-

- A. Horizontal Analysis
- B. Common Size Income Statements
- C. Financial Ratio Analysis

3.2 Financial Performance Analysis methods

A. Horizontal Analysis:

The process of comparing previous economic documents across different accounting years is known as horizontal analysis. Through horizontal analysis, shareholders and experts can identify trends and rising patterns in a corporation's economic activity over a set of years. This analysis is also popularly known as trend analysis. From a company's financial statement of a single particular year, we can know about the financial condition of the company. But, from horizontal analysis we can compare data of financial statements for moreover one year.

In this report, I have applied horizontal analysis in which shows the amount decrease or increase over five years from 2016 to 2020.

B. Common Size Income Statement:

In a common size income statement, every item from the income statement commonly shows every value of revenue or net profit as a percentage. In this analysis every amount is compared with another over several years. So, it becomes simple for the analyst to know about the actual activity in previous years along with the present year. However, financial ratio analysis and a common-size income statement both have the same intention. It makes easier to compare things similarly over firms, industries, and different accounting periods.

C. Ratio Analysis:

Ratio analysis is a procedure used to compute financial ratios, or, to put it another way, to determine a company's financial health. by examining the balance sheet and income statement of the company's financial statements. Fundamental equity study is built on ratio analysis. The figures used to calculate a company's financial ratios are taken from its financial statements.

Types of Financial Ratios:

Financial ratios can be assessed in some basic categories, given below-

- I. Liquidity Ratio.
- II. Profitability Ratio.
- III. Debt Ratio.
- IV. Activity Ratio.

Liquidity:

The capacity of a company to fulfil its current debts is measured by liquidity ratios. The measurement helps to assess whether an organization can utilize its liquid, or current, assets to pay its current liabilities. There are three liquidity measures that are typically applied: current ratio, quick ratio, and cash ratio.

Three main methods to assessing liquidity

- Current ratio
- Quick Ratio
- Cash Ratio
- Net working Capital Ratio

Current Ratio:

The capacity of a business to pay short-term financial commitments that are due within a year is measured by the current ratio. Basically, says that, Current liabilities can be liquidated to pay for current assets since the ratio, which is current assets divided by current liabilities. The current ratio is calculated by dividing the sum of all current assets by the sum of all current liabilities.

Formula:

$$\text{Current Ratio} = \frac{\text{current assets}}{\text{Current liabilities}}$$

Quick Ratio:

The Quick Ratio, popularly called as Acid-test ratio, assesses a company's capacity to meet its short-term obligations by identifying the proportion of its assets that can be quickly converted into cash.

Formula:

$$\text{Quick Ratio} = \frac{\text{Cash} + \text{CE} + \text{MS} + \text{AR}}{\text{Current liabilities}}$$

CE = Cash Equivalent

MS = Marketable Securities

AR = Accounts Receivables

Cash Ratio:

A company's liquidity is evaluated using the cash ratio. It particularly determines the proportion of a company's overall cash and cash equivalents to its existing debts. The measurement assesses the firm's capacity to pay off its short-term debt using cash or resources that can be converted into cash quickly, including readily accessible securities.

Formula:

$$\text{Cash Ratio} = \frac{\text{Cash \& Cash Equivalent}}{\text{Current liabilities}}$$

Net working Capital Ratio:

Net working capital, or NWC for short, is a company's measure of its short-term liquidity. The difference between current assets and current liabilities on a company's balance sheet is commonly known as net working capital (NWC). It serves as a measurement of a firm's liquidity and capacity to pay short-term debts and sustain ongoing operations.

Formula:

$$\text{Net Working Capital} = \text{Current Assets} - \text{Current Liabilities}$$

Profitability Ratio:

A sort of accounting ratio called a profitability ratio that assists in assessing the company's economic health at the closing of an accounting period. Profitability ratios demonstrate a business's capacity to generate revenues from its economical activities. When these ratios rise over a growth curve or are seen favourably in comparison to the outcomes of rival businesses, they are deemed favourable. In the profitability category I have used Gross profit margin ratio.

Gross Profit Margin Ratio:

This Ratio demonstrates the amount a company generates after deducting the expenditures necessary to manufacture its products and services. This ratio of a business is a useful indicator. However, this specific analysis necessitates familiarity with significant data on the firm's revenue and expenditures.

Formula:

$$\text{Gross Profit Margin Ratio} = \frac{\text{Gross Profit}}{\text{Net Sales}} \times 100$$

Debt Ratio:

The quantity of assets a business purchased with debt may be determined using a debt ratio. The ratio of total debt to total assets, represented as a digit or percentages, is referred to as the debt ratio. The valuation of the company's total assets takes into account both of its short-term and long-term assets.

Formula:

$$\text{Debt ratio} = \frac{\text{Total Debts}}{\text{Total Assets}}$$

Activity Ratio:

Activity ratio is a kind of economic indicator that measures how effectively a business is using the assets on its balance sheet to produce profits and cash. This ratio also known as efficiency ratios that allows analysts to assess how well a firm manages its goods

Total Asset Turnover:

This ratio is frequently used by external parties to assess how effectively a firm is running. It assesses the capacity of a company to sales revenues. A business that has a higher asset turnover ratio than its rivals run efficiently than who have lower ratios.

Formula:

$$\text{Total Asset Turnover} = \frac{\text{Net Sales}}{\text{Total Average Assets}}$$

Inventory Turnover Ratio:

This ratio shows the time frame between the day a business purchases or manufacture a product and the moment it is managed to sell. perfect turnover means When an organisation sells all of its goods, it deducts any items those can be lost or broken. Inventory refers to any products, whether they are unfinished or completed, that a business keeps on hand with the purpose of selling them.

Formula:

$$\text{Inventory Turnover Ratio} = \frac{\text{Cost of Good Sold}}{\text{Average Inventory}}$$

$$\text{Days Takes to Turns in} = \frac{365}{\text{inventory Turnover}}$$

Return on Asset:

With regard to the worth of its assets a firm's sales or earnings are compared using the asset turnover ratio. The economy that a business uses its assets to produce income may be determined by looking at this ratio. the greater the asset turnover ratio when the more effectively a business generates income by its property.

Formula:

$$\mathbf{ROA} = \frac{\mathbf{Net\ Income}}{\mathbf{Total\ Asset}} \times 100$$

Chapter 04:

Analysis & Findings Part

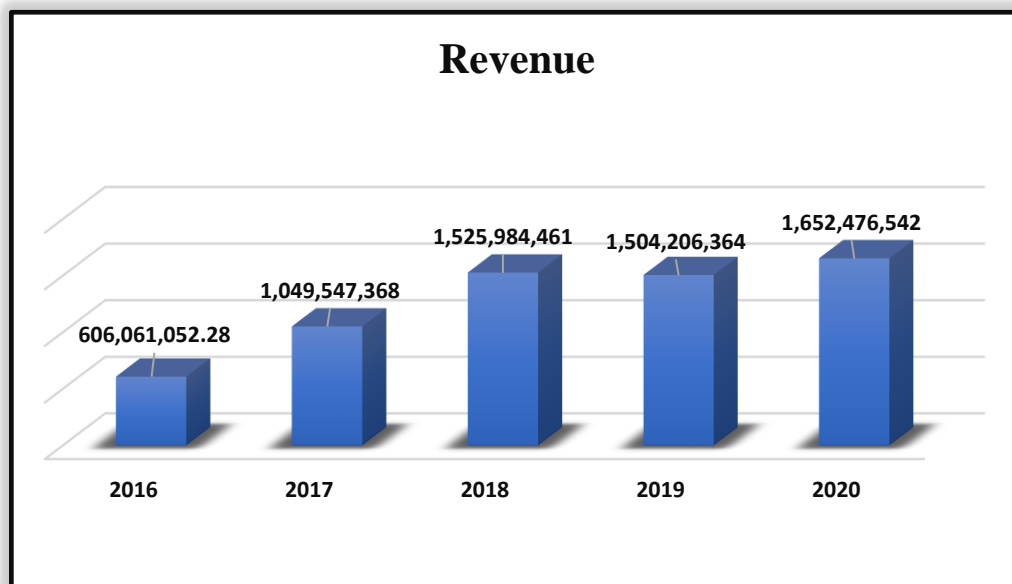
4.1 Horizontal Analysis

Horizontal analysis of GEEBEE Bangladesh Ltd. is given below in table-

i. Revenue

Revenue					
Particulars	2020	2019	2018	2017	2016
Revenue	1,652,476,542	1,504,206,364	1,525,984,461	1,049,547,368	606,061,052.28
Increase or decrease	148,270,178	-21,778,097	476,437,093	443,486,315.72	

Graphical Presentation:



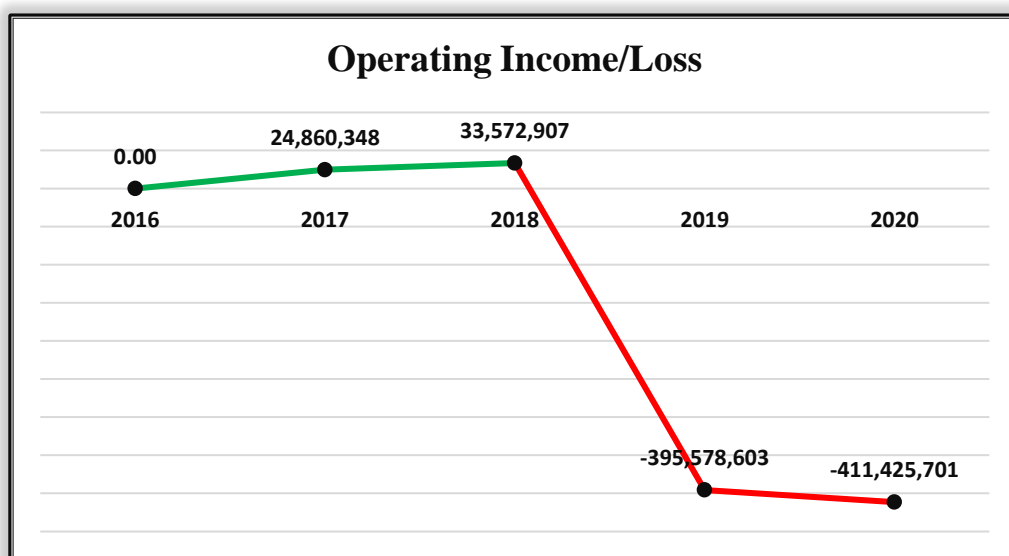
Interpretation:

From the above graph of total revenue of five years (2016-2020) shows that this company's total revenue has increased. But in 2019 the revenue declined by 1.43% compared with other consecutive years. Their highest revenue increased in 2018 which is 45.39%. The highest amount of revenue has accelerated in 2020 among other five years. So, it can be said that the revenue growth needs to be boosted up through taking new marketing & promotional strategies though the revenue graph shows an increasing trend but the company faced a declining revenue growth in 2019.

ii. Operating Profit

Operating Profit/loss					
Particulars	2020	2019	2018	2017	2016
Operating Profit	-411,425,701	-395,578,603	33,572,907	24,860,348	0
Increase or decrease	-15,847,098	-429,151,510	8,712,559	24,860,348	

Graphical Presentation:



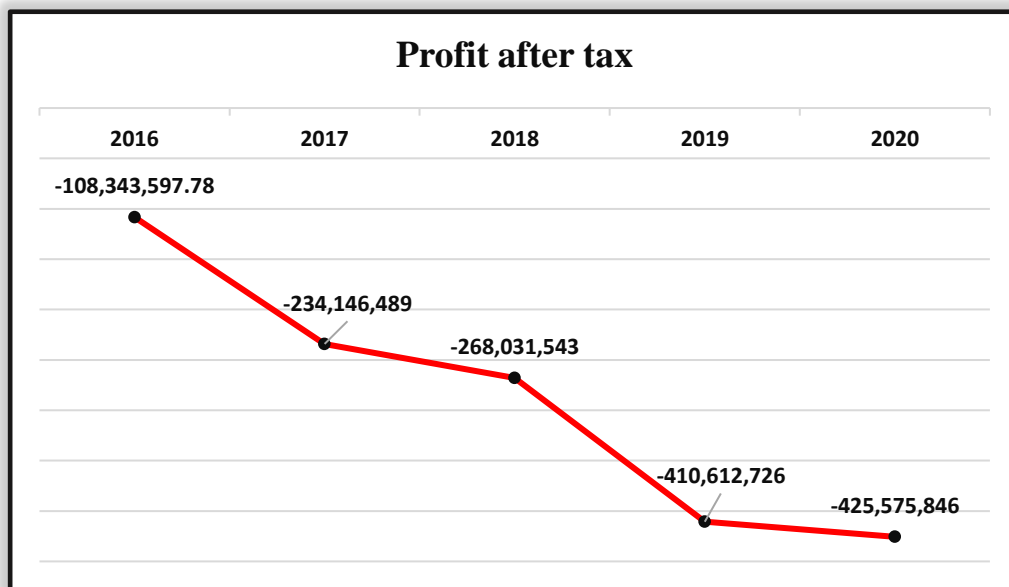
Interpretation:

This graph presenting that the operating income of this company went downward (2016-2020). In 2016 this company started failing to gain operating profit. The company escalated operating profit in two years (2017-2018). The company faced operating losses in last two years rapidly (2019-2020). The highest operating profit increase in 2018 which is 35.05%. This company started losing from 2019. The highest operating revenue was in 2018. So, its very clear that the company's operating profit was in declining position in these years (2016-2020). Which is a massive threat to the company's existence. The company needs to reduce its operating expenses to earn operating income.

iii. Profit After Tax

Profit after tax					
Particulars	2020	2019	2018	2017	2016
Profit after tax	(425,575,846)	(410,612,726)	(268,031,543)	(234,146,489)	(108,343,597.78)
Increase or decrease	-14,963,120	-142,581,183	-33,885,054	-25,802,891.2	

Graphical presentation:



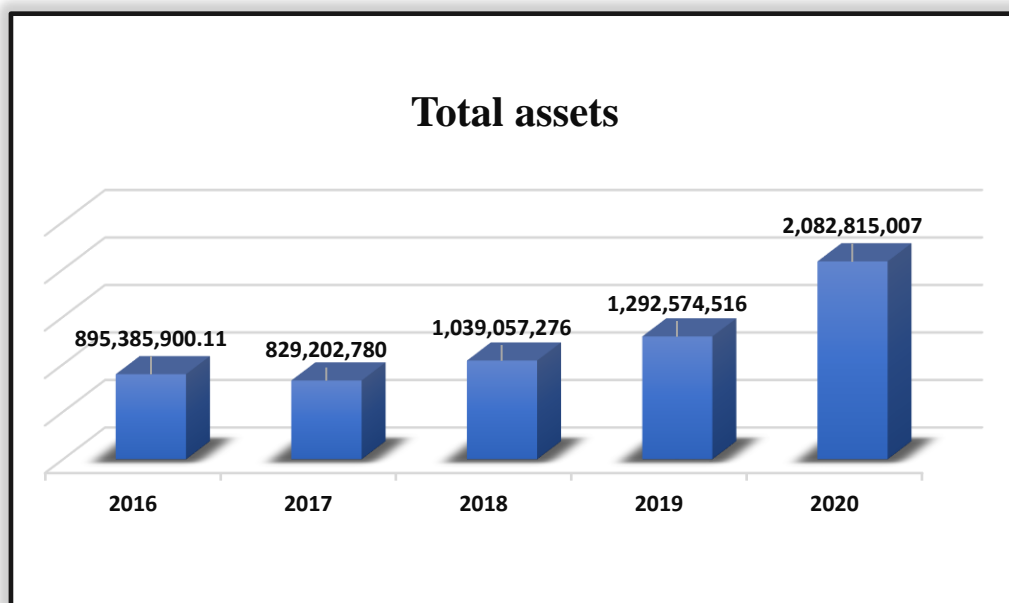
Interpretation:

During the five years (2016-2020) the company failed to pick up its profit, on the other hand the company's loss increased terribly. The company's loss enhanced from 2016 till 2020 & the amount of loss is also increased extremely. The company's loss increased rapidly in 2019 which is 53.11%. it can be said that as the company has no profit so this company also has no tax. This company's loss decreased in 2020 compare to the other five years which is 3.64%. The highest loss amount was in 2020. it seems that the company's financial condition is very critical. The company need to reduce its administrative expenses as much as possible.

iv. Total Assets:

Total assets					
Particulars	2020	2019	2018	2017	2016
Total Assets	2,082,815,007	1,292,574,516	1,039,057,276	829,202,780	895,385,900.11
Increase or decrease	790,240,491	253,517,240	209,854,496	-66,183,120.11	

Graphical Presentation:



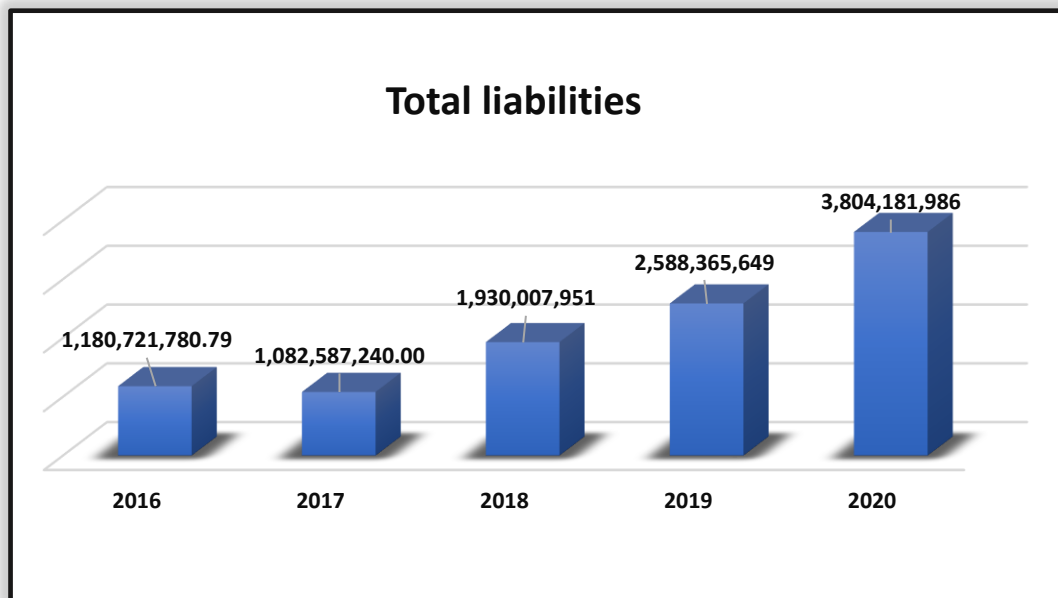
Interpretation:

Throughout the five years (2016-2020) GEEBEE Garments Bangladesh total assets expanded. In 2017 the company's total assets decreased than other years. Total assets increased its peak in 2020 which was 61.14% compare to the other five financial years. On the other year 2017 it can be said that company's total assets diminished. Ultimately it is clear that the company's total assets increasing level is adequate. The company need to hold the expansion of total assets.

v. **Total Liabilities**

Total liabilities					
Particulars	2020	2019	2018	2017	2016
Total liabilities	3,804,181,986	2,588,365,649	1,930,007,951	1,082,587,240	1,180,721,780.79
Increase or decrease	1,215,816,337	658,357,698	847,420,711	-98,134,540.79	

Graphical Presentation:



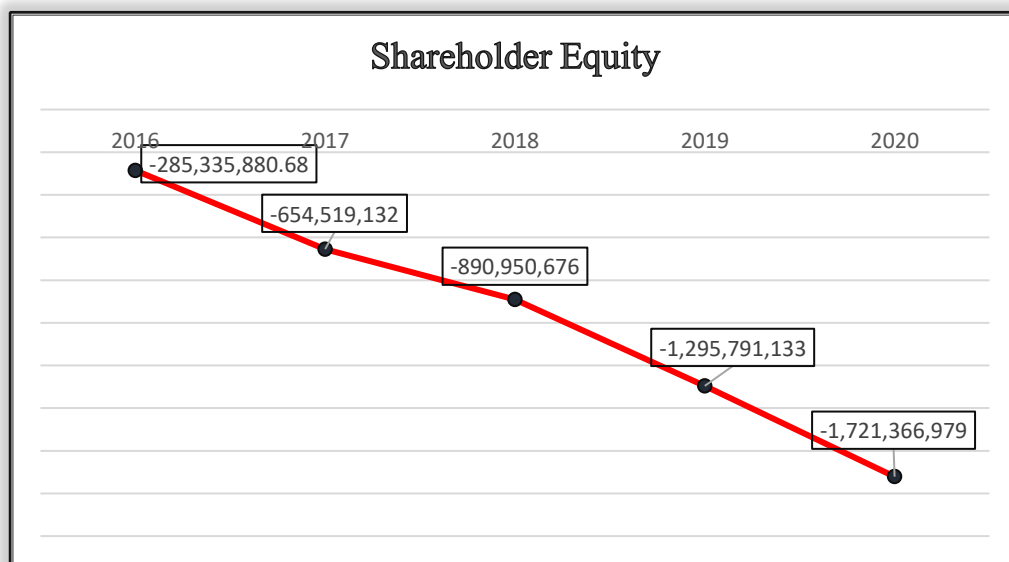
Interpretation:

The above graph reflects the growing trend of total liabilities. Over the five years (2016-2020) the company's liabilities were increasing year by year. In 2020 total liabilities rise high which was 46.97% compared with the other years (2016-2020). This company's total liabilities decreased in 2017 which was 8.31% among the five years. This is simple to understand that the company's liabilities need to reduce otherwise the company will be in a massive risk.

vi. Shareholder's Equity

Shareholder's equity					
Particulars	2020	2019	2018	2017	2016
Shareholder equity	(1,721,366,979)	(1,295,791,133)	(890,950,676)	(654,519,132)	(285,335,880.68)
Increase or decrease	- 425,575,846	- 404,840,457	- 236,431,544	-369,183,251.3	

Graphical Presentation:



Interpretation:

Throughout the five years (2016-2020) the company's total shareholder equity remained very unfavourable. The shareholder equity highly decreased in 2020 which was 32.84%. After analysing the five years financial statements the result shows that there was no shareholder equity. The shareholder equity results were in negative figure as we can see in the above graph, that indicates the company is in extreme threat to its existence. The shareholder needs to give more focus on raising capital & increase the revenue of the company so that the shareholder equity can increase rapidly.

4.2 Common Size Income Statements

Years	2020	2019	2018	2017	2016
Revenue	100%	100%	100%	100%	100%
(-) Cost of goods Sold	-114%	-109%	-108%	-111%	-104%
Gross Profit/(Loss)	-14%	-10%	-8%	-11%	-4%
(-) Operating expense	-11%	-17%	-12%	-14%	-13%
(+) Operating income	0%	0%	2%	2%	0%
Net operating income/(Loss)	-25%	-26%	-18%	-23%	-18%
(-) Financial Expenses	-1%	-1%	0%	0%	0%
Income/(Loss) before tax	-25.8%	-27.3%	-17.6%	-23.2%	-17.9%
Net income/(Loss) after tax	-25.8%	-27.3%	-17.6%	-23.2%	-17.9%
Net comprehensive income/(Loss)	-25.8%	-27.3%	-17.6%	-23.2%	-17.9%

Interpretation:

Throughout the five years (2016-2020) this company's cost of goods sold increased & varies year by year showing above common size income statement. It can be said that the cost of goods sold amount is higher than the revenue amount. The cost of goods sold increased in 2020 which was 114% & decreased in 2016 which was 104%. In terms of gross profit/loss the company has no profit rather than the company maximizing gross loss day by day. The gross profit increased in 2020 which was 14% loss & minimum loss was in 2016 that was 4% loss than other years. From the table there was a very insignificant amount of operating income which was in (2017)-2018). It can be said that after the analysis this company has no tax throughout the all five years (2016-2020) because the company didn't get any profit over these five years. The company 's loss increased in 2019 which was 27% & loss decreased in 2018 which was 17.6% compared with other years. Ultimately, the company needs to reduce its administrative & operating expenses, moreover need to lower the unit cost to produce a product.

4.3 Financial Ratio Analysis

Liquidity Ratio:

Quick Ratio:

Formula:

$$\text{Quick Ratio} = \frac{\text{Cash} + \text{CE} + \text{MS} + \text{AR}}{\text{Current liabilities}}$$

CE = Cash Equivalent

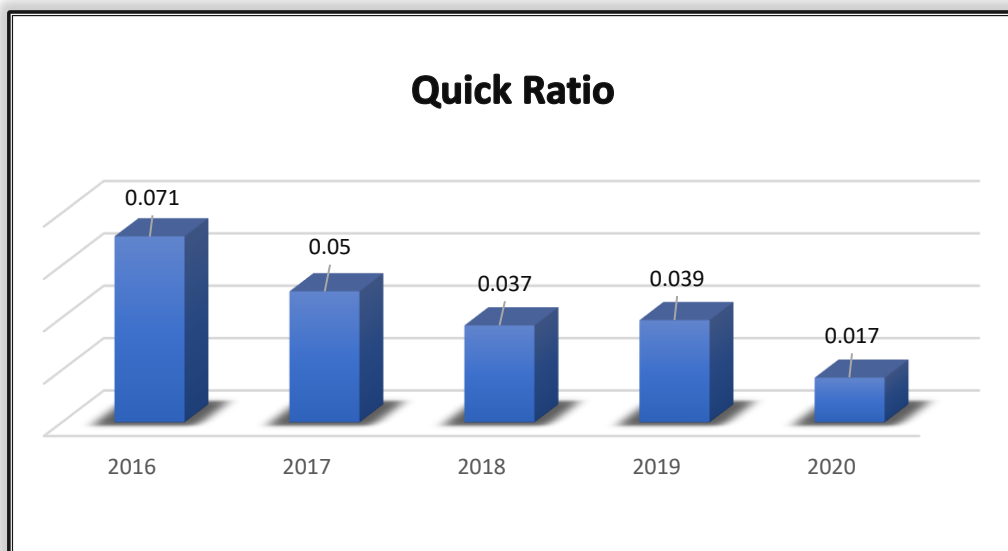
MS = Marketable Securities

AR = Accounts Receivable

Calculation:

Quick Ratio					
Particulars	2020	2019	2018	2017	2016
Cash+CE+MS+AR	52,415,477	84,254,429	61,779,794	47,120,171	65,886,019.09
Currents Liabilities (TK)	3164,359,103	2176,863,465	1676,623,491	934,094,831.59	927,337,320.63
Results	.017	.039	.037	.050	.071

Graphical Presentation:



Interpretation:

Here we can see a decreasing trend in quick ratio from the above graph of quick ratio. In 2020 the ratio was reduced by .017 compare to the other five years. In 2016 the quick ratio seen more developed than other years. As we know the ideal standard quick ratio is 1:1. But, the result of

this company didn't meet the ideal standard of quick ratio, the result of quick ratio is very poor than standard. So, it is clear that the company's liquidity condition is in massive risk. The company needs to increase liquidity by improving the Collection Period & payment cycle so that it can capable to pay its liabilities.

Current Ratio:

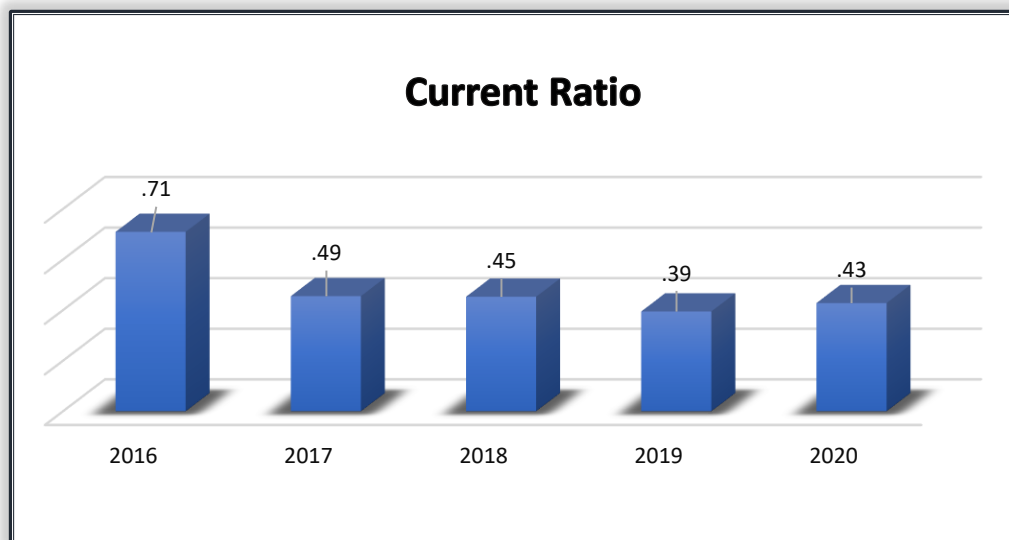
Formula:

$$\text{Current Ratio} = \frac{\text{current assets}}{\text{Current liabilities}}$$

Calculation:

Current Ratio					
Particulars	2020	2019	2018	2017	2016
Current Assets (TK)	1353,664,994	858,752,857	758,831,896	458,526,035.91	657,523,720.60
Currents Liabilities (TK)	3164,359,103	2176,863,465	1676,623,491	934,094,831.59	927,337,320.63
Results	.43	.39	.45	.49	.71

Graphical Presentation:



Interpretation:

Observing the above graph, showing that GEEBEE Garments Bangladesh current ratio was very insufficient during these five years consecutively (2016-2020). The graph shows the diminished trend of current ratio. in 2016 the ratio was higher than the other years. In 2019 and 2020 the company's current ratio reduced extremely. As we know the ideal standard current ratio is 2:1. Their value of current ratio was below 1.0 which indicates that the company is

underlying from liquidity problems. Which could be drive to the risk. If the company doesn't raise up its liquidity, they would be unable to pay its creditors. If the company sell their unnecessary assets & control the overhead expenses, they can boost up the current ratio.

Cash Ratio:

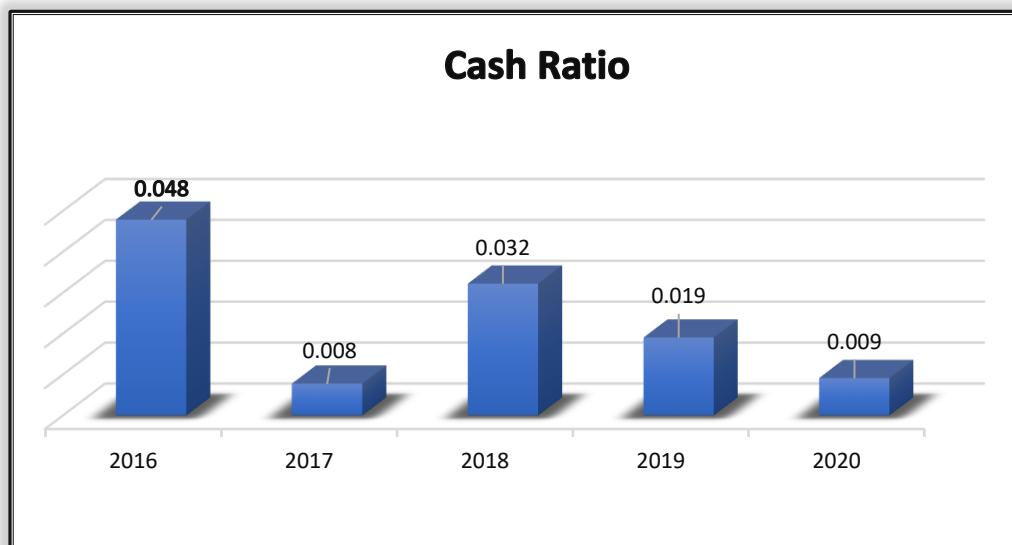
Formula:

$$\text{Cash Ratio} = \frac{\text{cash \& Cash Equivalent}}{\text{Current liabilities}}$$

Calculation:

Cash Ratio					
Particulars	2020	2019	2018	2017	2016
Cash & Cash Equivalent (TK)	28,844,821	41,386,550	53,983,702	9,531,734.76	44,351,734.83
Currents Liabilities (TK)	3164,359,103	2176,863,465	1676,623,491	1,230,337,452	927,337,320.63
Results	0.009	0.019	0.032	0.008	0.048

Graphical Presentation:



Interpretation:

The Graph of Cash ratio shows the sensitive results of five years (2016-2020), we can observe from the graph that the quantity of cash & Cash equivalent against its total current debt the company has. Comparatively among five years in 2016 was higher than the other years and in 2017 was very inferior than other. However, in 2020 the cash ratio also minimized severely. We know the standard of cash ratio is 1:1. Here, the result of cash ratio was below 1 & the scenario of the cash ratio that the company is suffering problem with their insufficient cash & cash equivalent against their current debt, because their results of this ratio are very poor. Monitoring the drawings amount for non-business purpose may help to enhance cash ratio.

Net Working Capital:

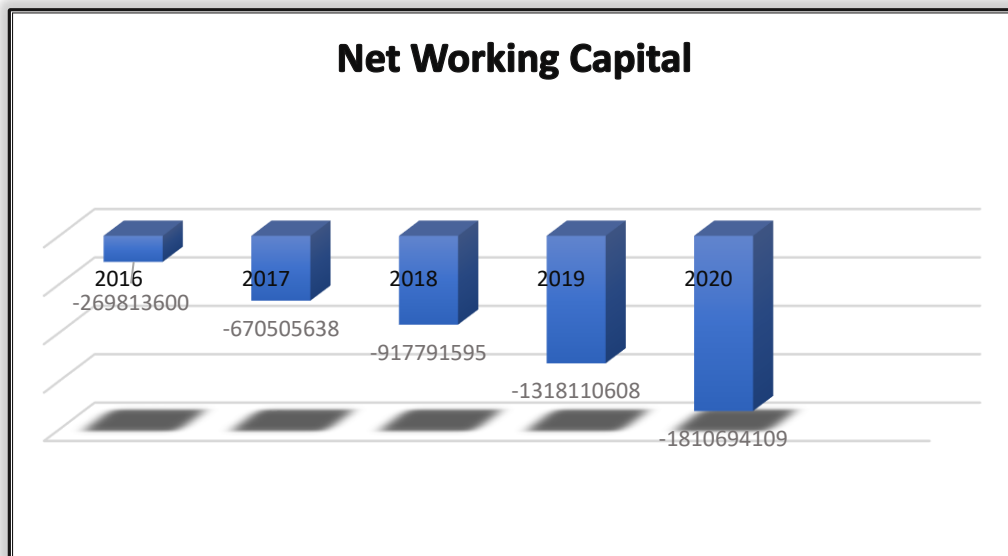
Formula:

$$\text{Net Working Capital} = \text{Current Assets} - \text{Current Liabilities}$$

Calculation:

Net Working Capital					
Particulars	2020	2019	2018	2017	2016
Current Assets (TK)	1353,664,994	858,752,857	758,831,896	559,831,814	657,523,720.60
Currents Liabilities (TK)	3164,359,103	2176,863,465	1676,623,491	1,230,337,452	927,337,320.63
Results	(1,810,694,109)	(1,318,110,608)	(917,791,595)	(670,505,638)	(269,813,600.03)

Graphical Presentation:



Interpretation:

In this above ratio shows the ultimate position of liquidity of this company. The above scenario say's that the company has a very poor position in working capital. In 2020 the net working capital was terribly disaster. In 2016 the results were better than other years & consecutively it went high till 2020. The graph shows negative values of every year among these five years (2016-2020). So, it can be said that the company is struggling with its liquidity. The company have to shorten its operating cycles, reduce bad debt & utilize trade credit insurance.

Profitability Ratio:

Gross Profit Margin Ratio:

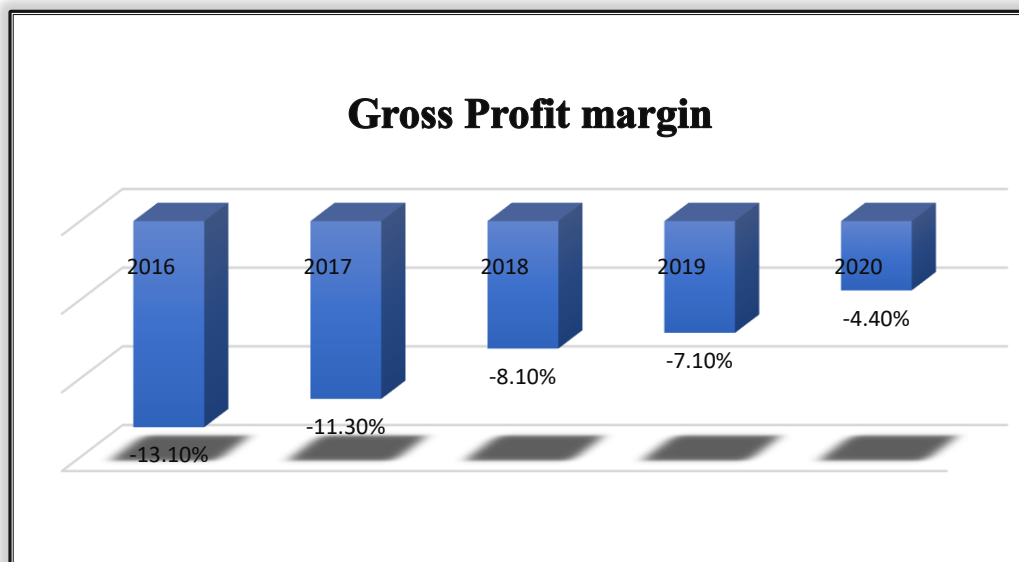
Formula:

$$\text{Gross Profit Margin Ratio} = \frac{\text{Gross Profit}}{\text{Net Sales}} \times 100$$

Calculation:

Gross Profit Margin Ratio					
Particulars	2020	2019	2018	2017	2016
Gross Profit (TK)	(26,615,694.35)	(70,087,817.33)	(123,638,927)	(134,191,185)	(231,341,841)
Net Sales (TK)	606,061,052.28	991,413,778.80	1,525,984,461	1,504,206,364	1,652,476,542
Results	-4.4%	-7.10%	-8.10%	-11.3%	-13.10%

Graphical Representation:



Interpretation:

The Graph showing the extremely weakened gross profit margin of this company. The company was underlying from gross loss and net loss among all of these five years (2016-2020). In 2016 the loss drift very excessive which is (-13.10%) & loss lowered in 2020. Though the company was improving but unfortunately there were no profit among these years. That indicates the

company went through alarming situation. Increase efficiency, productivity, optimize its sells & cut off the cost to produce products so that the company can earn some gross profit.

Return on Asset:

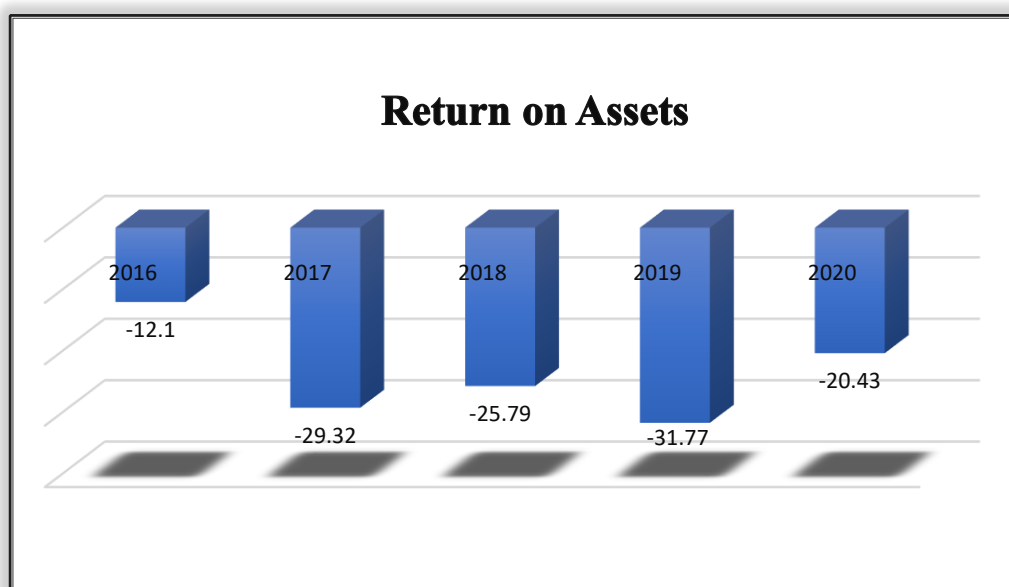
Formula:

$$\text{ROA} = \frac{\text{Net Income}}{\text{Total Asset}} \times 100$$

Calculation:

Return On Asset					
Particulars	2020	2019	2018	2017	2016
Net Income/Loss (TK)	(425,575,846)	(410,612,726)	(268,031,543)	(243,146,489)	(108,343,597.78)
Total Asset (TK)	2,082,815,007	1,292,574,516	1,039,057,276	829,202,780	895,385,900.11
Results	-20.43	-31.77%	-25.71%	-29.32%	-12.10%

Graphical Presentation:



Interpretation:

The above graph shows the negative value of return from asset of GEEBEE Bangladesh. In 2016 it was slightly improved than other years and it got terrible in 2019 which value is -31.77 which is very alarming for GEEBEE Bangladesh Ltd. So, there is no question of getting any return from its assets as the company went through net loss during these years (2016-2020). Improving the efficiency of current assets & fixed assets can assist to improve return on assets of this company.

Debt Ratio:

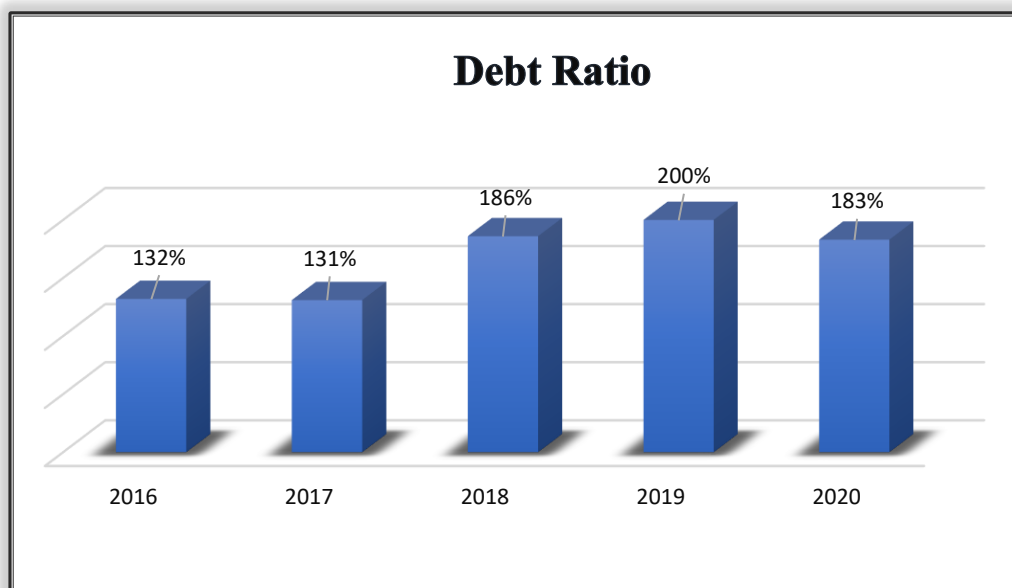
Formula:

$$\text{Debt ratio} = \frac{\text{Total Debts}}{\text{Total Assets}}$$

Calculation:

Debt Ratio					
Particulars	2020	2019	2018	2017	2016
Total Debts (TK)	3,804,181,986	2,588,365,649	1,930,007,951	1,082,587,240.00	1,180,721,780.79
Total Assets (TK)	2,082,815,007	1,292,574,516	1,039,057,276	829,202,780	895,385,900.11
Results	1.83 or 183%	2.0 or 200%	1.86 or 186%	1.31 or 132%	1.32 or 132%

Graphical Presentation:



Interpretation:

In this ratio presenting the unstable amount of leverage which has been used by this company throughout five years (2016-2020). The results are very immense that all of the years result exceeds 100%. This excess of debt started to increase from 2016 & it was slightly decline in 2017 but it's getting higher in 2018 to 2020. In 2019 the debt exceeds the previous year record which is 200%. So, as this company exceeds 100% of its debt ratio then the company must go through risks of facing the debt. To improve this situation the authority have to avoid taking more debt, hold up its large purchase & proper management of inventory.

Total Asset Turnover:

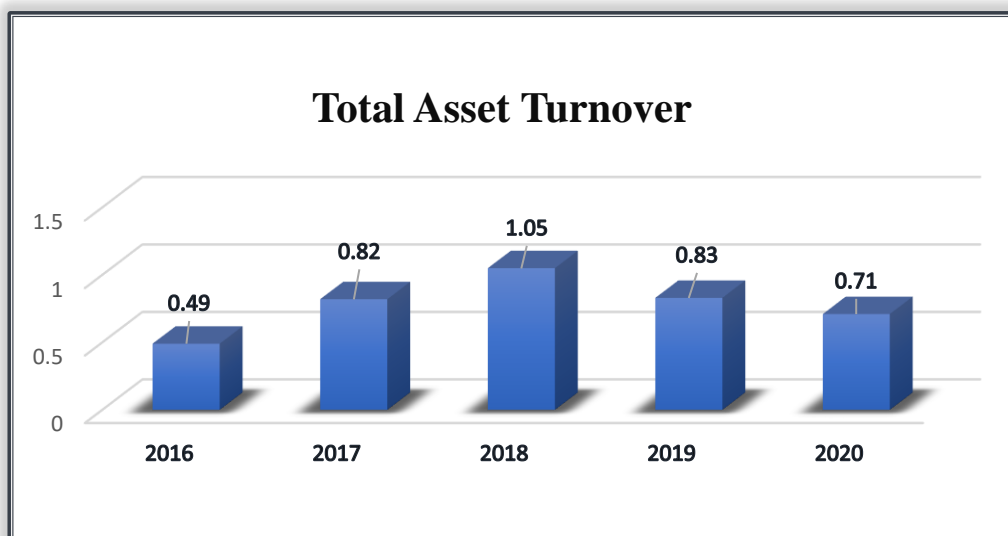
Formula:

$$\text{Total Asset Turnover} = \frac{\text{Net Sales}}{\text{Total Average Assets}}$$

Calculation:

Total Asset Turnover					
Particulars	2020	2019	2018	2017	2016
Net Sales (TK)	1652,476,542	1504,206,364	1,525,984,461	1,049,547,368	606,061,052.28
Total Average Assets (TK)	2,333,982,020	1,812,103,154	1,453,658,666	1,276,895,730.06	1,235,849,760.99
Results	.71	.83	1.05	.82	.49

Graphical Presentation:



Interpretation:

As we can see, the graph is showing the asset turnover from the net sale of this company. In 2016 the ratio results declined by .49 that means for every single taka in assets GEEBEE Garments earns .49 paisa. In 2018 the result of asset turnover was high which was better than any other five years (2016-2020). The standard of this ratio is good when the ratio is higher. But in 2020 we can see significant downward trend of asset turnover. So, it can be said that this garments manufacturing company needs to boost up its asset turnover by taking few steps like leasing assets rather than buying new assets.

Inventory Turnover Ratio:

Formula:

$$\text{Inventory Turnover Ratio} = \frac{\text{Cost of Good Sold}}{\text{Average Inventory}}$$

$$\text{Days Takes to Turns in} = \frac{365}{\text{inventory Turnover}}$$

Calculation:

Inventory Turnover					
Particulars	2020	2019	2018	2017	2016
Cost of Good Sold (TK)	1,883,818,384	1,638,397,549	1,649,623,388	1,168,246,116	632,676,746
Average Inventory (TK)	1537282563	835671291.5	364094204.5	309307710.3	287658881
Results	1.23	1.96	4.53	3.78	2.19

Days takes to turns in Inventory	
2020	297
2019	186
2018	81
2017	97
2016	167

Graphical Presentation:



Interpretation:

This graph is showing the significant changes in inventory turnover ratio. This graph shows how many days GEEBEE Garments turns its inventory. In 2018 turnover ratio enhanced by 4.53 & in 2020 the ratio declined terribly by 1.2. The ideal standard of inventory ratio is 5-10. Here the findings reflect that the company's inventory turnover ratio over five years (2016-2020) did not match the standard. In 2020 the company took 297 days to turn in inventory & in 2018 it took 81 days to restock the inventory. The standard time period to restock the inventory is 30-60 days. In that case it can be said that the company is capable to restock its inventory. To improve the inventory turnover ratio the company can bring adjustments in pricing & the company can improve its demand forecasting accuracy.

4.4 Finding's:

In any business organization's activities those plays significant role in firm's total assets, liabilities, shareholder equity, quick ratio, current ratio, cash ratio, debt ratio, return on asset inventory turnover etc. performance analysis shows the both positive & negative findings. From the above financial performance analysis of GEEBEE Garments Bangladesh Ltd by using some financial tools & techniques demonstrated are given below-

A. Horizontal Analysis:

- i. **Revenue:** From the revenue earnings there we can see the increasing trend. But in 2019 the revenue amount decreased which was 1.43%. Every year during these five years the revenue increased. Though revenue is growing but its not enough for the company to gain profit
- ii. **Operating profit:** Here we can see that the company's operating profit was in only two years (2017-2018) after 2018 the company started getting loss. The highest operating profit was in 2018 which was 33,572,907TK. Which is alarming indicator for the company.

- iii. **Profit after tax:** From these five years the company did not get any profit except loss. The loss increased in 2019 which was 53.11% & decreased in 2020 than other years. Which is terrific situation for the company
- iv. **Total assets:** The company's total assets increase in 2020 which was 61.14% comparing other years assets growth. It can be said that the growth of total assets has increased.
- v. **Total liabilities:** The total liabilities decreased in 2017 which was 8.31% & increased in 2020 which was 46.97%. It is good to know the company decline its debt but the amount was not very decent. Moreover, the amount of debt is very high than total assets.
- vi. **Shareholder's equity:** From the shareholder's equity part it is observed that the figure was in terribly negative value. The shareholder equity decreased mostly in 2020 which was 32.84. The figure is very horrible for the owners of the company.

B. Common Size Income Statement:

From the analysis of the common size income statement, the all-percentages growth was not satisfactorily good. The percentages of most items were increased but in negative value. The company has no profit, every year the company gets a loss. The highest & recorded was made in 2019 which was 27.3% compare to the other five years (2016-2020). So, it is very clear & simple to say that the financial position of GEEBEE Garments Bangladesh Ltd was not so good in those years.

C. Financial Ratio Analysis:

- i. **Liquidity Ratio:** After analysing the liquidity it is observed that the liquidity condition did not match the standard value. In **Quick Ratio** the standard value is 1:1, again here the company's value did not meet the standard value of quick ratio because the highest value was .071 in 2016. In **Current Ratio** the standard is 2:1 and the highest value of this company was .71 in 2016 which is very lower than the standard value. In **Cash Ratio** the value of the company also did not meet the standard value. The highest cash ratio was .048 in 2016. In **net working capital** every figure of value is negative. The highest negative value was (1,810,694,109) in 2020. So, net working capital is very poor condition.
- ii. **Profitability Ratio:** after analysing profitability ratio the most important observed fact was the company has no profit gaining record during these five years. The **Gross Profit Margin Ratio** result is in negative figure. The highest result in negative value was (-13.10%) in 2016. In **Return on Assets** the result also is in negative. The mostly high negative result we can see (-25.71%) in 2017. So, it can be said that the profitability condition of this company is very poor.

- iii. **Debt Ratio:** The debt ratio of this company was very high in those years which was above hundred percent. The debt ratio was extremely high in 2019 which was 200% than other years. The debt ratio of this company did not meet the standard criteria of debt ratio.
- iv. **Activity ratio:** In most years the company's **Total Assets Turnover Ratio** was below than 1, the highest ratio was 1.05 in 2018 by which it is observed that the company got some return in 2018. The **Inventory Turnover Ratio** which also didn't meet the standard criteria except year 2018, the standard is 4:1. The company's highest ratio of inventory turnover was 4.53 in 2018 which is an improvement.

Chapter 05:

Recommendations, Conclusion

5.1 Recommendations:

GEEBEE Garments Bangladesh Ltd is a big company & an integral part of GEEBEE Group, it is actually a very hard task for me to give some suggestions for this kind of giant economic organization regarding this financial performance analysis. From my last four years learning & studies I am trying to give the followings suggestions-

1. The company has to upgrade some new marketing & promotional strategies to increase its net sales. Because the sales in the previous year were not enough to gain profit
2. The company need to reduce its administrative & operating expense. Because the amount of cost of goods sold & administrative expenses are much higher than their revenue. Taking these initiatives may help to earn profit.
3. GEEBEE Garments Bangladesh Ltd needs to increase their liquidity to face the current liabilities in further years. Say for example, controlling overhead expense, selling unnecessary assets & monitoring the drawings amount for non-business purpose may help to increase company's liquidity. So that the company can be safe in terms of facing their current debt.
4. To maintain a good economical condition the company needs to raise working capital through shorten its operating cycles, reduce bad debt & utilize trade credit insurance. The authority of this company needs to be cautious regarding their net working capital as the value of the net working capital was in negative form.
5. GEEBEE Garments need to be very sensitive regarding the return on assets because they are not earning a single taka rather than the company is in loss. They have to utilize their assets very carefully. The company can improve its return on asset through improving efficiency of current assets & fixed assets.
6. As the company debt is more than their total asset, The authority has to avoid taking more debt, hold up its large purchase & proper management of inventory
7. In asset turnover the company's ratio is very poor as the net sales is not up to the mark so, the company also has to increase the sale to get the good asset turnover by taking some initiatives such as leasing assets rather than buying new assets.
8. As the company is a manufacturing company so its inventory turnover ratio needs to improve as soon as possible by taking adjustments in pricing with developing its demand forecasting accuracy.

5.2 Conclusion:

Honestly, I can say that in this internship period I had learnt many things which were beyond my expectations. This was the best use of time in my life in GEEBEE Garments Bangladesh Ltd (Chittagong office). I have learned practical knowledge from different interesting people. I have learned how to deal with different types of accounting software & how to analyse audit reports. Moreover, the people of GEEBEE tried a lot to make me cope with a corporate office in a short time period.

GEEBEE Garments Ltd is a family-based group of companies. The company has many manufacturing plants in different countries, in Bangladesh the company has three distinct manufacturing plants. Though GEEBEE garments Bangladesh is going through a bad time, but my belief is that the company must earn profit from other manufacturing plant & other businesses. As the manufacturing plant in Chittagong is well-equipped, the company must have to be focused on positive work effort with all their ability. Otherwise, there are many competitors. Those companies can be threat to GEEBEE Garments Bangladesh Ltd.

In a nutshell, I must say I had experienced an excellent time completing this report and internship in GEEBEE Garments. I had no experience of working in such a work-friendly office before this internship opportunity given Daffodil International University.

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