



Internship Report
On
“Financial Performance of
Ace Bangladesh Ltd.”

Submitted To

**Department of Business Administration
Faculty of Business Studies
Sonargaon University (SU)
Green Road, Dhaka - 1215**

Submitted By

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ID: BBA2003021016
Program: BBA (Major: Finance)
Semester: Spring 2022
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Dhaka-1215.**

Internship Report

on

Financial Performance of Ace Bangladesh Ltd.

Supervised By:

Md. Shahbub Alam

Lecturer

Department of Business Administration

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Dhaka -1215.

Submitted By:

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**Submitted for the Partial Fulfillment of the Requirements for the Degree of Bachelor of
Business Administration**



Sonargaon University (SU)

Dhaka-1215

Date of Submission: 12th May, 2022

Ace Bangladesh

'Freight' 'Logistics'

**Financial Performance
Of
Ace Bangladesh Ltd.**

Letter of Transmittal

May 12, 2022

Md. Shahbub Alam

Lecturer,

Department of Business Administration

Sonargaon University (SU)

Subject: **Submission of Internship report.**

Dear Sir,

With humble honor and respect, I am submitting my internship report on “Ratio Analysis & Financial Performance of Ace Bangladesh Ltd.”. As per partial accomplishment of the requirements for the BBA degree this internship has been carried out under the supervision of you.

This report is an integral part of our academic courses in completion of the BBA program which has given me the opportunity to have an insight into the core part of topic. I hope this report reflects on the contemporary issues on the finance area that are being practiced by organizations in our country.

In completing the report, I tried my best to blend all my knowledge and imparted every available detail and also attempted to avoid unnecessary amplification of the report.

I humbly request you to accept this report for your kind evaluation.

Sincerely,

Md. Roman Khan

ID: BBA2003021016

Department of Business Administration Sonargaon

University (SU)

Certificate of Supervisor

This is to certify that Md. Roman Khan student of BBA, ID No: BBA2003021016, Department of Business Administration, Sonargaon University (SU), Dhaka has successfully completed his “internship report “entitled “Financial Performance of Ace Bangladesh Ltd.” under my supervision for the partial fulfillment of his BBA Program.

He has done his work according to my supervision and guidance. He has tried his level best to do this report successfully. I think this task will help him in future to create a better career.

I wish him all the best in his future endeavors.

Md. Shahbub Alam

Lecturer

Department of Business Administration

Faculty of Business Studies

Sonargaon University

Dhaka-1215

Declaration of Student

This is, Md. Roman Khan, a student of Bachelor of Business Administration, ID: BBA2003021016 from Sonargaon University hereby declare that the Internship Report entitled “Financial Performance of Ace Bangladesh Ltd.” has been submitted as the requirement for the degree of Bachelor of Business Administration.

I hereby declared that this Project report or any part of it has not been submitted elsewhere for the award.

Sincerely Yours,

Md. Roman Khan

ID: BBA2003021016

Department of Business Administration

Faculty of Business Studies

Sonargaon University

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Acknowledgement

At the very beginning I would like to express my deepest gratitude to almighty for giving me the strength and the composure to finish the task. I am also grateful to Sonargaon University for the academic life of BBA that I have passed and enjoyed here entirely.

Secondly, I would like to acknowledge my deepest gratitude to my honorable supervisor Md. Shahbub Alam, Lecturer, Department of Business Administration, Sonargaon University. Without his guidance and help I would not have completed my internship report. He gave me enough motivation and time for my report. Whenever I needed any kind of help regarding preparation of my internship paper, I found him as my guardian.

Finally, I express my gratefulness to all those who have been helpful in the preparation of this internship report. It certainly would not have been possible without the help of many people and I would like to acknowledge my pleasure to all those who had helped me during this entire process.

Executive Summary

This internship paper discusses about the freight forwarding industry in Bangladesh. Especially Ocean freight and Air freight for Ace Bangladesh Ltd (ABL). I have tried to gathered information about the achievement and gap between ABL and freight forward industry and assess the opportunities to grow the company as a whole. There are certain factors that perpetuate our organization one of the leading in the industry and as an exclusive agent of Aitken Spence, Jas Forwarding and others, gives us brand name in the market and easy access to potential consumers. Because Aitken Spence, Jas Forwarding and others have vast network in the world. ABL is the largest in Air Freight and second largest in Ocean Freight and first in Rail Freight in the world in terms of revenue and Tue.

The aim of ABL and in particular Aitken Spence and Jas Forwarding are to provide its customer smooth operation support with minimum error from customer to buyer end. ABL responsible for delivering customers goods intact and untouched. And provide continues support as long as it required to satisfy the ultimate customers.

My job as a Sr. executive (Accounts & Finance) for last 3.11 years has given me valuable insight into the reality of the freight forwarding industry regarding Bangladesh. In addition to my job responsibilities at ABL, I am expected to submit reports of our accounts & finance to my line manager within strict deadlines. As a Sr. executive (Accounts & Finance), I have to follow precise codes of professionalism, attend professional development training sessions and also foster relationships with stakeholders at my organization as well as outside of the organization.

The report continues to assess the organization through a SWOT analysis. I have further identified a few areas of growth for accounts & finance team and the organization as a whole. The suggested ways of overcoming those issues and challenges have been elaborated in the recommendations section.

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CHAPTER: 1

Introduction

1.1 Introduction

A freight forwarder, forwarder, or forwarding agent, is a person or company that organizes shipments for individuals or corporations to get goods from the manufacturer or producer to a market, customer or final point of distribution. Forwarders contract with a carrier or often multiple carriers to move the goods from one country to another.

A forwarder does not move the goods but acts as an expert in the logistics network. The carriers can use a variety of shipping modes, including ships, airplanes, trucks, and railroads, and often use multiple modes for a single shipment. For example, the freight forwarder may arrange to have cargo moved from a plant to an airport by truck, flown to the destination city and then moved from the airport to a customer's building by another truck.

International freight forwarders typically handle international shipments and have additional expertise in preparing and processing customs documentation and performing activities pertaining to international shipments.

Information typically reviewed by a freight forwarder includes the commercial invoice, shipper's export declaration, bill of lading and other documents required by the carrier or country of export, import, and/or transshipment.

The FIATA shorthand description of the freight forwarder as the "Architect of Transport" illustrates the commercial position of the forwarder relative to its client. In Europe, some forwarders specialize in "niche" areas such as rail-freight, and collection and deliveries around a large port. Modern freight forwarders offer an end-to-end process i.e. shipping the goods from the place of origin to the final destination. Together with Freight Tracking Technology, freight forwarding agents can view real time freight information.

1.2 Origin of the Report

Practical knowledge makes a man expert in the real-life situation. Bachelor of Business Administration (BBA) course requires to prepare a report assigned by the supervisor in the organization and endorsed by the faculty advisor. I took the opportunity to do my Project Report on Ratio Analysis and Financial Performance of Ace Bangladesh Ltd. My faculty supervisor Md. Shahbub Alam, Department of Business Administration, Sonargaon University., also approved the topic and authorized me to prepare this report as part of the fulfillment of BBA requirement. The report thus was titled as „show “Financial Performance of Ace Bangladesh Ltd.”

1.3 Objectives

Objective of this report includes two types of objectives. They are broad objective and specific objectives. A broad objective and some specific objectives are included in this report. They are:

Broad Objective

To describe the information gathered from practical experience of working in a Reputed Freight Forwarding Company.

Specific Objectives

The specific objectives of this report are given below:

- ❖ To know about Ace Bangladesh Ltd (ABL) operational activities which is based on forwarding operations.
- ❖ To discuss about the Performance Evaluation of ABL.
- ❖ To discuss about the Ratio Analysis of ABL.
- ❖ To relate the practical knowledge with theoretical knowledge.
- ❖ To develop the practical knowledge by observation and analysis.

1.4 Methodology

Methodology describes the manner in which data is collected, analyzed and interpreted. For prepare this report I used Microsoft office, excel, graph and internet browser. The data that will present in this research paper would collect from primary data source. The sources are mentioned below:

Secondary Sources of Data:

Secondary data are data collected for some purpose other than the main facts. Secondary data are quick source of background information. In this report the information collected from indirect source will be considered as secondary data sources. The secondary data source that will be used in here would be:

- Annual Report of Ace Bangladesh Ltd.
- Progress report of the forwarding industry.
- Internet.
- Observation.
- Newspapers, Journals and Text
- Books and Magazines
- Search Engines

Based on the relevant secondary data, an analysis has been done so as to find out “*Financial Performance of Ace Bangladesh Ltd.*”

1.5 Limitation of the Study

For preparing this report some difficulties have been faced. These difficulties can be considered as limitations. The limitations are as following:

- ✚ **Time Limitation:** Due to time limitations many aspects may not be discussed properly in the report.
- ✚ **Unwillingness to Reveal Confidential Data:** The authority provided restriction to use some confidential organizational data. So, confidentiality of data is another important barrier that had been faced during preparing the report.
- ✚ **Stress Factors:** Preparing this report required lots of work. After doing fulltime office, it was tough to do the report. So, work pressure posed stress. This would hinder the speed of working. So, stress factor is one of the limitations.

CHAPTER: 2

“An Overview of Forwarding Sector in Bangladesh”

2.1 Freight Forwarding Sector

The logistics and freight industries in Bangladesh have been thriving for years in line with the steady growth of exports and imports, according to industry insiders. In Bangladesh, the industry came into being in 1991-92. Initially, there was no guideline and policy regarding the industry and even government officials, exporters and importers had a scarce idea on how to operate the industry.

In the current context, foreign companies mostly open joint ventures with our local companies and this collaboration built the foundation for further accumulation of domestic logistical expertise. It is worth mentioning that logistics companies carry out all responsibilities, including loading and unloading until goods reach warehouses.

2.2 Market Dynamics

In the context of Bangladesh, the development of export-related logistics has been stimulated by foreign freight forwarders and 3PL, i.e. foreign parties that integrate warehousing, transportation and other logistic services.

These foreign parties usually conclude joint venture agreements with local Bangladeshi parties. These forms of collaboration create a foundation for the further cultivation of domestic logistical expertise.

Currently, about 1,600 local and 20-30 international logistics and freight forwarding companies are providing necessary support to the export and import sector in Bangladesh.

The total business hovers around US\$1.5 billion to US\$2 billion and the industry directly generated about 40,000 jobs in the last three decades.

About the logistics business in Bangladesh, the dominating subsector is the freight transport services sector. It is worth mentioning that Bangladeshi export-related logistics, especially that of food and textile, are operationally advanced while the rest of the logistics sector in Bangladesh is unsophisticated.

The Agility Emerging Market Logistics Index (AEMLI) identifies: air cargo carriers, shipping lines, freight forwarders and distribution property companies will have the highest business viability in the logistics sector of Bangladesh.

2.3 Dominant logistics subsectors in Bangladesh

Various studies identified several subsectors in this area evident in Bangladesh, such as (1) wholesale trade services; (2) retail trade services; (3) freight transport services; (4) cargo handling services; (5) storage and warehousing services; (6) postal and courier services; and (7) 4PL.

However, a study by Nyenrode Business Universiteit, the Netherlands pinpointed the subsectors having a strong dominance in this business, they are as follows:

- Freight transport agency services;
- Air and space transport services of freight and
- Cargo handling services.

In the context of Bangladesh, rail and road freight are major segments for inland services. Shipping freight's share in the export and import business in Bangladesh stands at 80%, while that of air and road is 20%. In general, logistics companies provide transport services of freight through sea, road and airways. However, the rail transport of freight for exports and imports is yet to be introduced in Bangladesh.

2.4 The annual turnover scenario in the Bangladesh

The study conducted by Nyenrode Business Universiteit, the Netherlands, further found that most of the logistics businesses in Bangladesh are MSMEs and have an annual turnover of Tk. 15 million up to Tk. 100 million. On the other hand, well-renowned companies (i.e. both MSMEs and large) see an average annual turnover of Tk. 100 million or more, but at least less than Tk. 1 billion. Additionally, newly established MSMEs and large conglomerates showed an annual turnover trend of less than Tk. 15 million or more than Tk. 1 billion.

2.5 Governance

Nine (9) ministries and more than 20 government agencies play roles in setting policies and regulations, planning, operating infrastructure, and providing services.

- **Major private sector associations:**
- Bangladesh Freight Forwarders Association (BAFFA);
- Bangladesh Cargo Vessel Owners Association (BCVOA);
- Coastal-Ship Owners Association of Bangladesh (COAB);
- Bangladesh Master Stevedores Association (BMSA);
- Bangladesh Shipping Agents Association (BSAA);
- Cargo Handling Agents' Association (CHAA);
- Outsourcing and Logistic Service Provider Association of Bangladesh (OLSPAB).

2.6 Regions of business concentration

Dhaka and Chittagong are the largest logistics business clusters because these two cities are (a) major hubs of manufacturing units (b) Origin of EXIM trade and (c) largest consumption centers of the country. Dhaka has evolved as a central warehousing hub of the country.

Chittagong, being the gateway for international trade & accounting for 90% of export-import cargo, has become the most important center for EXIM based warehousing. These two clusters jointly occupy 70% of warehousing space.

However, various other regional logistics business clusters or distribution hubs such as Khulna, Barisal, Bogura, Rangpur, Comilla have also emerged as logistics and warehousing destination primarily for catering domestic consumption market.

2.7 Major challenges impeding logistics business growth in Bangladesh

- Nine ministries and more than 20 government agencies play roles in setting policies and regulations, planning, operating infrastructure, and providing services. The fragmented governance of the logistics sector exacerbates the coordination problem intrinsic to infrastructure development, leading to transport modes that developed and evolved in silos and basic mismatches of infrastructure standards, such as bridges that are narrower than approach roads.
- Service providers cannot track and trace shipments. Because of the low quality of services, many manufacturing firms provide their logistics needs in-house to better control the performance of their supply chains.
- There is no competition in logistics service markets in Bangladesh. The involvement of unions and associations prevents direct interaction between service providers and shippers. As service providers are not rewarded for the quality of their services, they have no incentive to provide high-quality services or innovate.
- High trucking rates due to inefficiencies in the transportation and logistics system, low truck utilization, extreme levels of congestion in roads and ports, and a large number of trips of empty trucks are the main causes. Truck owners count that 35 percent of the trips have empty trucks.
- Instances of unprofessional behavior by logistics service providers. Most truck drivers are low skilled and illiterate.
- Lack of skill-training relating to modern warehousing (i.e. temperature-controlled transport & storage), cross-docking, inventory management, efficient customer service, cold chain, etc.

CHAPTER: 3

The Organization

3.1 Background of Ace Bangladesh Ltd:

Ace Bangladesh Ltd was Founded in 1996 as a joint venture company between Aitken Spence PLC, A blue chip conglomerate in Sri Lanka and Bengal Airlift Group, A pioneer Freight, Logistics solutions and airline GSA provider in Bangladesh.

Ace, quickly grew to become one of the largest and most reliable Freight forwarding and Logistics companies in Bangladesh that endured all the challengers and operating in limited transportation infrastructure markets.

Currently present in four locations with its own flag namely, Sri Lanka, Bangladesh, Maldives and Myanmar has put the company further to become a true regional player.

3.2 Nature of business:

We provide our services as a Carrier, Logistics Operator, and Freight Forwarder for international and domestic air freight, sea freight, inland transport as well as providing our service in Logistics and Supply chain Management.

Our services for exporter and importer encompass many areas. Starting from strategic planning of raw materials, temporary storage, warehouse service and distribution center. Goods distribution and transport, packaging and labeling as well as custom clearance for general cargo, mail business and handling of hazardous chemical, dangerous goods and temperature-controlled goods. Our service also extends to freight forwarder and cargo agents.

3.3 Vision of ABL:

We aim to be The Leading Logistics Group with Sustainable Growth in Southeast Asia.

3.4 Mission of ABL:

Deliver logistics services and innovative logistics solutions that provide competitive advantage to our customers and partners.

Become a valuable business alliance to our customers and partners by building a long-lasting relationship and sustainable growth.

Conduct business responsibly through Corporate Governance for the best interest of all stakeholders, community and society.

3.5 Strategies of ABL:

The group company's goal is to build strengths and create growth in all business groups. The main strategies are:

Revenue Generation: the group company's goal is to create business growth by expanding its existing platform which consists of customers, business partners and products.

Cost Management and Enhancement of Operational Efficiency: through continuous investment in information technology system and human resources development in order to increase competitiveness and provide satisfaction to customers and trade partners.

Development of personnel to be knowledgeable and capable.

Increase of Business Opportunities: through development of existing products and innovations in logistics and business expansion domestically and internationally.

3.6 Motto/Slogan:

"Committed to cordial service"

3.7 Corporate Information:

Name of the Company	Ace Bangladesh Ltd.
Legal Form	A Joint Venture company incorporated in Bangladesh on 12 th December 1996 under the companies Act 1994.
Commencement of Business	12th January 1997
Corporate Head Office	Landmark Building, 7th Floor 12-14, Gulshan North Circle- 2, Dhaka 1212, Bangladesh.
Telephone No.	+ 88 02 9884106
Fax No.	NA
Website	www.acebangladesh.com
SWIFT	CCEYBDDH
E-mail	cussvcs1@acebangladesh.com
Chairman	Barrister Mehnaz Mannan
Managing Director	Arif Rahman
Auditors	Ahmed Zaker & Co., Chartered Accountants Green City Edge, (level-10), 89 Kakrail Dhaka - 1000, Bangladesh Phone: +88 02-8300509
Tax Advisor	Ahmed Zaker & Co., Chartered Accountants Green City Edge, (level-10), 89 Kakrail Dhaka - 1000, Bangladesh
No. of Branches	3

Subsidiary Company	Ace Aviation Services Limited. Landmark Building, 7th Floor 12-14, Gulshan North Circle- 2, Dhaka 1212, Bangladesh
No. of Employees	65
Authorized Capital	Tk. 20 million
Paid up Capital	Tk. 35.3 million

3.8 ABL Products:

We provide our services as a Carrier, Logistics Operator, Freight Forwarder for international and domestic air freight, sea freight, inland transport as well as providing our service in Logistics and Supply chain Management.

Our services for exporter and importer encompass many areas. Starting from strategic planning of raw materials, temporary storage, warehouse service and distribution center. Goods distribution and transport, packaging and labeling as well as custom clearance for general cargo, mail business and handling of hazardous chemical, dangerous goods and temperature-controlled goods. Our service also extends to freight forwarder and cargo agents.

3.9 List of Application Software of ABL:

Ace Bangladesh Limited provides best customer services to their customer by using different software which are:

SL	Name of software	Use	Name of Supplier
1.	Cargo aims	Accounts and Operations	AIMS
2.	EMPulse HRIS	HR Management & Payroll Management	In-house Development
3.	Microsoft Office	Day to day operation official use	Microsoft Corporation
4.	Outlook	Mail communication	Microsoft Corporation
5.	Windows server operating system	Server computer operation	Microsoft Corporation
6.	Google & Mozilla Firefox	Internet & other web-based software browsing	Open source software

CHAPTER: 4

“Financial Performance & Ratio Analysis”

4.1 Five Years Financial Summary of ABL:

Review of Balance Sheet					
All figures are in BDT					
Ace Bangladesh Limited	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Assets					
Non-Current Assets	4,033,916	1,141,018	853,685	1,150,044	1,475,293
Property Plant & Equipment	4,033,916	1,141,018	853,685	1,150,044	1,475,293
Current Assets	198,080,124	111,117,068	120,360,358	89,878,772	104,064,361
Trade and Other Receivable	162,708,570	98,633,487	104,305,880	76,312,326	97,906,625
Investment in FDR	11,835,165	5,277,395	4,795,617	4,686,658	4,374,359
Cash and Cash Equivalent	23,536,389	7,206,186	11,258,861	8,879,787	1,783,377
Total Assets	202,114,040	112,258,086	121,214,043	91,028,816	105,539,654
Equity and Liabilities					
Share Holders Equity	96,249,941	65,670,285	55,486,299	21,432,335	19,663,366
Authorized Capital	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Paid up Capital	35,300,000	35,300,000	35,300,000	12,000,000	12,000,000
General Reserve	-	-	-	-	-
Retained Earnings	60,949,941	30,370,285	20,186,299	9,432,335	7,663,366
Current Liabilities	105,864,099	46,587,800	65,727,744	69,596,482	85,876,288
Trade and Other Payable	84,513,094	26,517,481	45,727,744	49,596,482	75,876,288
Provision for Income Tax	1,351,005	70,320	-	-	-
Company Overdraft	20,000,000	20,000,000	20,000,000	20,000,000	10,000,000
Total Equity and Liabilities	202,114,040	112,258,086	121,214,043	91,028,816	105,539,654

Review of Profitability Statement

All figures are in BDT

Freight Operation - Ace BD	2020-2021	2020-2021	2019-2020	2018-2019	2017-2018
Gross Turnover	1,933,237,179	606,708,233	471,415,036	511,330,698	308,581,876
Gross Profit	153,631,382	63,307,224	67,596,403	51,495,085	42,228,345
<i>GP Margin %</i>	<i>8%</i>	<i>10%</i>	<i>14%</i>	<i>10%</i>	<i>14%</i>
Overhead	65,765,743	49,366,655	56,783,638	49,373,006	40,803,380
Net Profit before Tax (Ace BD)	87,865,639	13,940,569	10,812,765	2,122,079	1,424,965

4.2 Ratio Analysis & Graphical Presentation:

In the report I have analyzed the performance of Ace Bangladesh Ltd. in terms of –

- Liquidity Ratio
- Leverage Position
- Profitability
- Activity (Efficiency)
- Real Estate Metric Ratio

1. Liquidity Ratio

- Current Ratio

2. Leverage Position:

- Debt to Equity Capital Ratio
- Debt to Total Assets Ratio

3. Profitability

- Net Profit Margin
- Net Operating Margin
- Return on Equity (ROE)
- Return on Asset (ROA)

4. Efficiency

- Tax management ratio
- Degree of Asset Utilization
- Operating Efficiency Ratio

5. Real Estate Metric

- Net asset Value Per Share

4.2.1 Liquidity Ratio:

1. Current Ratio

Current Ratio = Current Assets / Current Liabilities

Table 1.1: Current Ratio from 2017-18 To 2021-2022

(All figures are in BDT)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Current Asset	198,080,124	111,117,068	120,360,358	89,878,772	104,064,361
Current Liability	105,864,099	46,587,800	65,727,744	69,596,482	85,876,288
Current Ratio	1.87	2.39	1.83	1.29	1.21

(Source: ABL Management Report: 2018-2022)

According to the result of the ratio of Ace Bangladesh Ltd was 1.21 in the year 2017-18, 1.29 in 2018-19, 1.83 in 2019-20, 2.39 in 2020-21 and 1.87 in the year 2021-22. It means that the company had following current assets in against of 1 tk. liability. Most of the years, it was increased from the previous year excluding 2021-22 which is a good sign for the company. Because it proves that ABL has ability to pay off its current liabilities with its current assets. Its fact the higher current ratio is better for the organization as it helps to prevent getting default and pay short term debt swiftly.

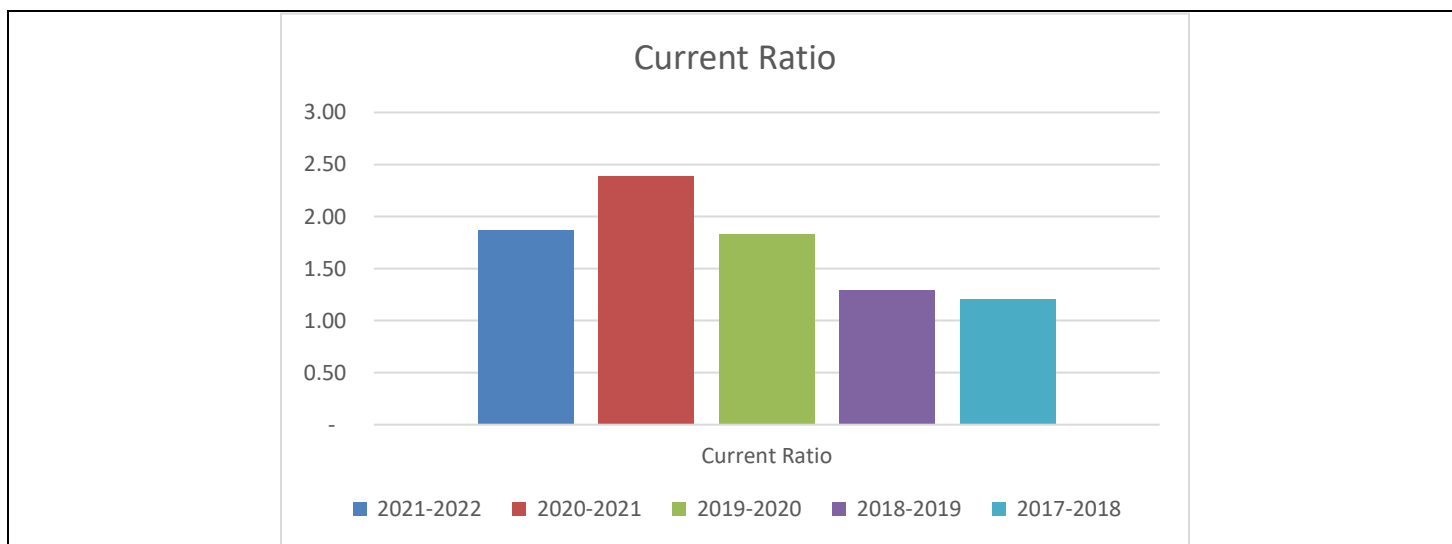


Fig-1.1: Current Ratio from year 2017-2018 to 2021-2022

4.2.2 Leverage Position:

1. Debt to Equity Capital Ratio

Debt to Equity Capital Ratio = Total Debt / Total Equity

Table: 2.1 Debt to Equity Capital Ratio 2017&18 – 2021&22

(All figures are in BDT)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Total Liability	105,864,099	46,587,800	65,727,744	69,596,482	85,876,288
Total Equity	96,249,941	65,670,285	55,486,299	21,432,335	19,663,366
Debt Equity Ratio	1.10	0.71	1.18	3.25	4.37

(Source: ABL Management Report: 2018-2022)

There is an unstable trend in the debt-to-equity capital ratio of Ace Bangladesh Ltd from 2017-18 to 2021-22. The debt-to-equity capital ratio of Ace Bangladesh Ltd has increased from 4.37 in 2017-18 to 1.10 in 2021-22 over 5 years period of time. It means that their liability is decreasing at a lower rate than their equity capital from 2017-18 to 2021-22. But it decreases form year 2019-20 to 2021-22. This higher outcome over years not only decreases the risk but also increases the profit. Overall, this implies that their leverage and overall risk is decreasing. Additionally, it also means that their expected earnings might increase due to escalating leverage.

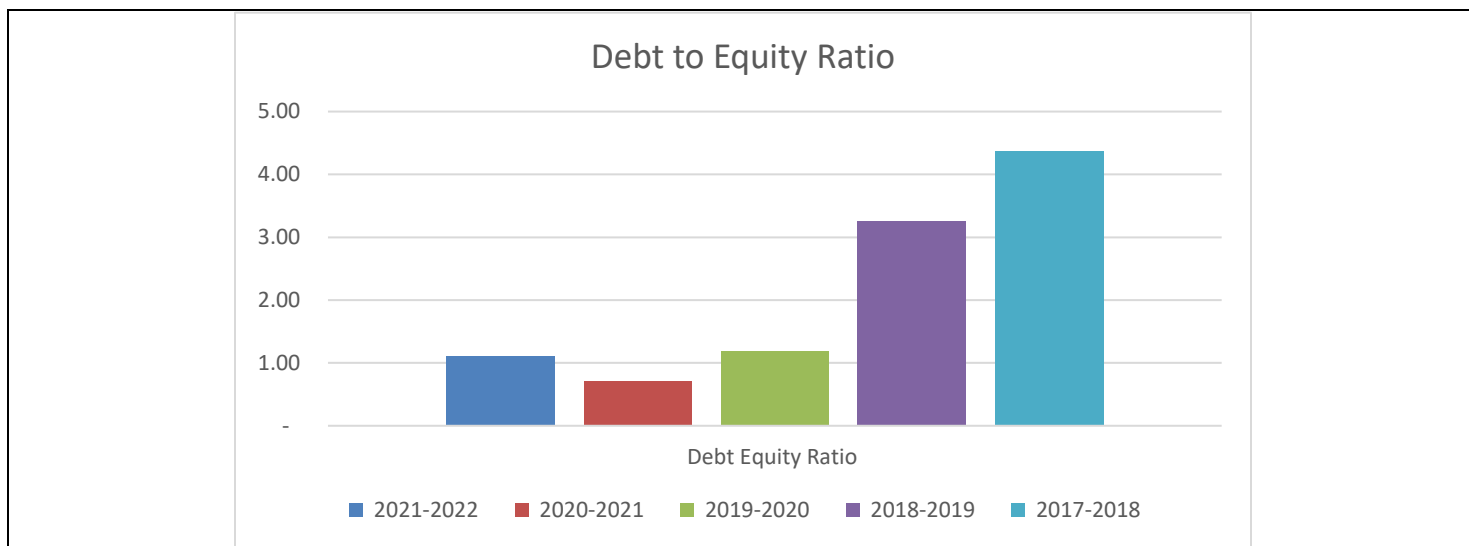


Fig-2.1: Debt to Equity Capital Ratio 2017-2018 to 2021-2022

2. Debt to Total Assets Ratio

Total debt to Total Asset ratio = Total Debt / Total Assets

Table: 2.2 Total debts to Total Asset ratio 2017&18 – 2021&22

(All figures are in BDT)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Total Liability	105,864,099	46,587,800	65,727,744	69,596,482	85,876,288
Total Assets	202,114,040	112,258,086	121,214,043	91,028,816	105,539,654
Debt Assets Ratio	0.52	0.42	0.54	0.76	0.81

(Source: ABL Management Report: 2017-2021)

Though there are slight fluctuations, Ace Bangladesh Ltd has been able to maintain an average debt ratio of 0.81 from 2017-18 to 2021-22. Their total asset and their liabilities are increasing mostly in various ranges. But it has slightly decreased from 0.81 to 0.52 in 2017-18 to 2020-21. This is not good from a risk perspective, because lower leverage means lower earnings.

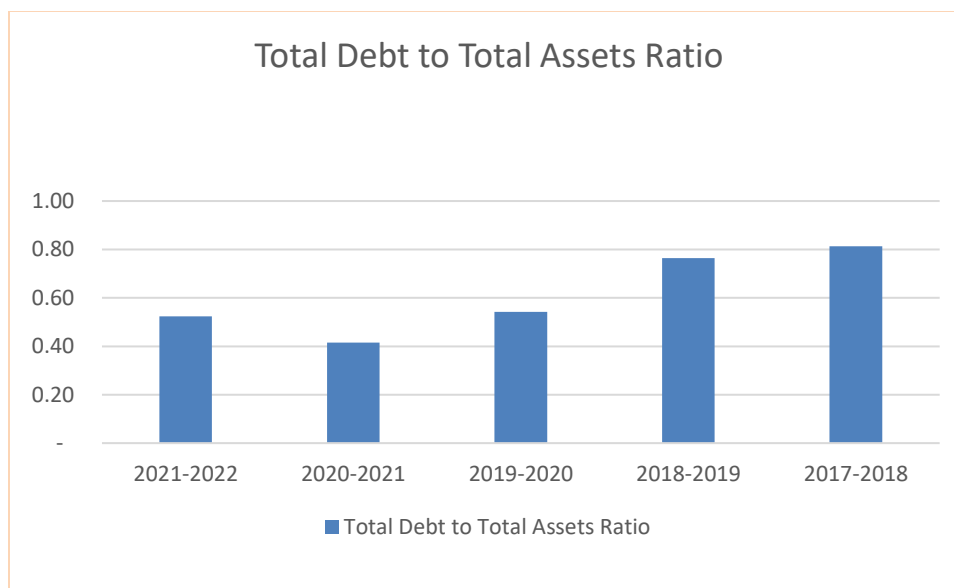


Fig-2.2: Total Debt to Total Assets Ratio 2017-2018 to 2021-2022

4.2.3 Profitability Ratio:

1. Net profit Margin:

Net Profit Margin = Net Profit After tax / Total operating Revenue

Table: 3.1 Net Profit Margin 2017-2021

(All figures are in BDT)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Net Profit After Tax	61,505,947	9,409,884	7,028,297	1,379,351	926,227
Total Operating Revenue	87,865,639	13,940,569	10,812,765	2,122,079	1,424,965
Net Profit Margin	70%	68%	65%	65%	65%

(Source: ABL Management Report: 2017-18-2021-22)

The Net Profit Margin ratio of ABL is showing a fluctuations trend. From 2017-18 to 2021-22 the Net Profit Margin has increased incredibly. It increased because the increase in their total operating revenue is higher than the increase in net income after tax. It indicates that the company performance outcome is that much up to the mark.

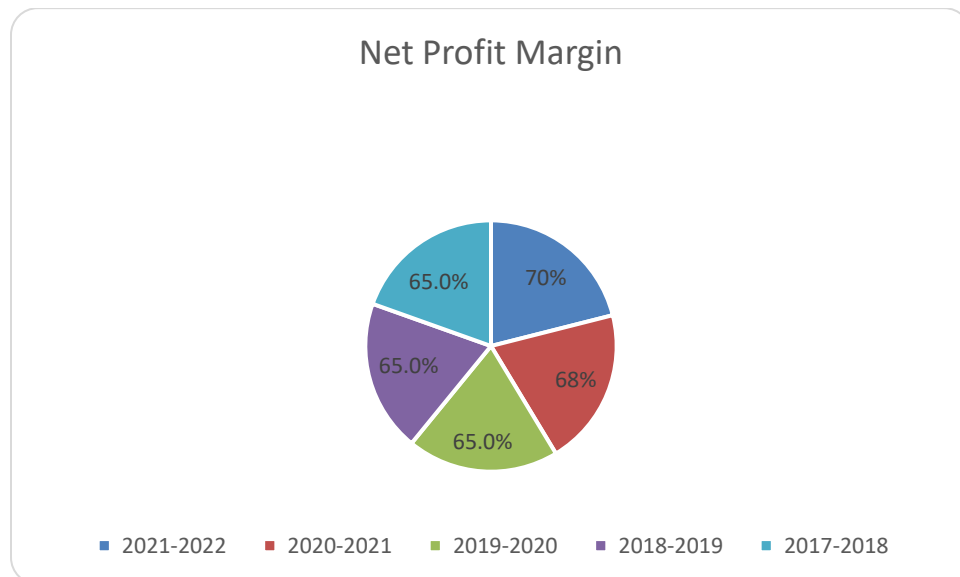


Fig 3.1: Profit Margin Ratio 2017-2018 to 2021-2022

2. Net Operating Margin

Net Operating Margin = (Operating revenue – Operating Expense) / Total Revenue

Table: 3.2 Net Operating Margin 2017-2021

(All figures are in BDT)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Net Profit Before Tax	87,865,639	13,940,569	10,812,765	2,122,079	1,424,965
Total Revenue	1,933,237,179	606,708,233	471,415,036	511,330,698	308,581,876
Net Operating Margin	5%	2%	2%	0.42%	0.46%

(Source: ABL Management Report: 2017-2021)

From the year 207-18 to 2021-22, the performance of Ace Bangladesh Ltd was increasing and decreasing in terms of net operating margin. It has decreased significantly from 0.46% in 2017-18 to 0.42% in 202018-19 and rest of the years from 2019-20 to 2021-22 is increased respectively. This occurs as heir operating income was increased than their operating expenses. This is a very good sign for the company.

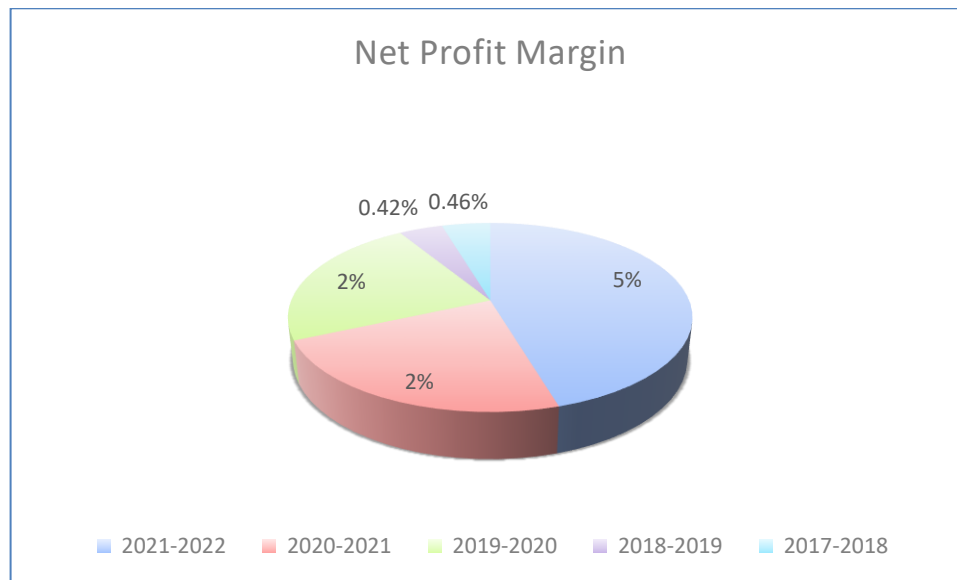


Fig 3.2: Net operating Margin 2017-2018 to 2021-2022

3. Return on Equity (ROE):

Return on Equity (ROE) = Net Profit After Tax / Total Equity Capital

Table: 3.3 Return on Equity

(All figures are in BDT)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Net Profit After Tax	61,505,947	9,409,884	7,028,297	1,379,351	926,227
Total Equity Capital	96,249,941	65,670,285	55,486,299	21,432,335	19,663,366
Return on Equity	64%	14%	13%	6%	5%

(Source: ABL Management Report: 201 6-2020)

ROE is very popular ratio toward the shareholders of any company. The higher the percentage is the better for the company as well as for shareholders. But the ROE of Ace Bangladesh Ltd shows that the shareholders are receiving increasing rate of returns throughout the all years.

Return on Equity

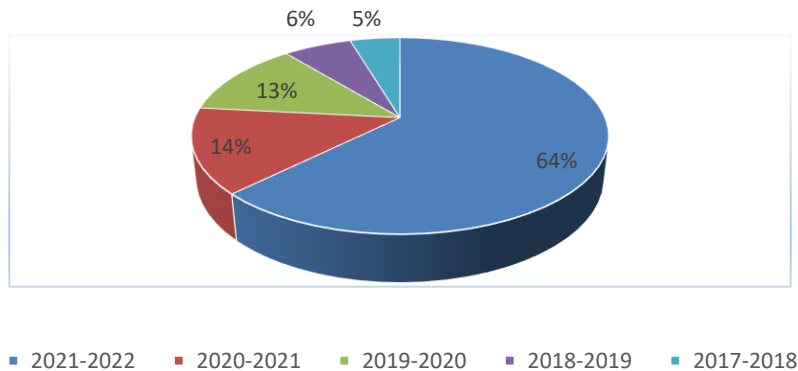


Fig 3.3: Return on Equity 2017-2018 to 2021-2022

4. Return on Asset (ROA):

Return on Asset = Net Profit After Tax / Total asset

Table: 3.4 Return on Asset

(All figures are in BDT)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Net Profit After Tax	61,505,947	9,409,884	7,028,297	1,379,351	926,227
Total Assets	202,114,040	112,258,086	121,214,043	91,028,816	105,539,654
Return on Asset	30%	8%	6%	2%	1%

(Source: ABL Annual Report: 2017-2021)

ROA is the most used profitability ratio. As ABL was a part of forwarding industry and its most of the assets come from the service which was the reasons for its high net profit as well as higher ROA. As a result, the ABL had high ROA in the year of 2021-22 which was 30%. In the year 2021-22 the net profit of the company had increased that much.

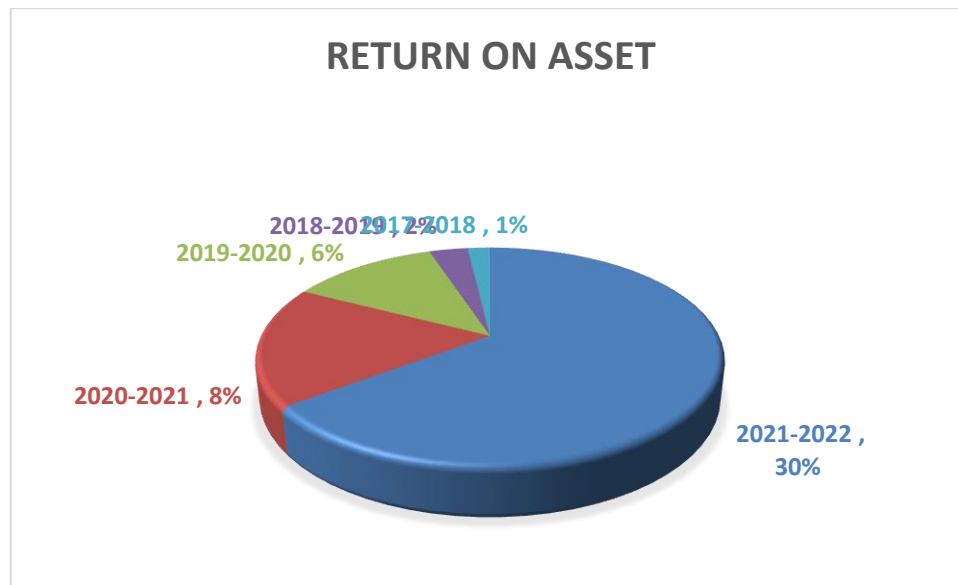


Fig 3.4: Return on Asset 2017-2018 to 2021-2022

4.2.4 Efficiency Ratio:

1. Tax Management Ratio:

Tax Management Ratio = Net Profit After tax / Net Profit before Tax Table: 4.1

Tax Management Ratio 2017-2021

(All figures are in BDT)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Net Profit After Tax	61,505,947	9,409,884	7,028,297	1,379,351	926,227
Net Profit Before Tax	87,865,639	13,940,569	10,812,765	2,122,079	1,424,965
Return on Equity	70%	68%	65%	65%	65%

(Source: ABL Management Report: 2017-2021)

We can observe that from the year 2017-18 to 2021-22, the Tax Management ratio of ABL has been fluctuating from 65% to 70%. This trend is seen because of fluctuation in net income after taxes and also in net income before security gains and losses. It is good for the company to increase this ratio. The management should try to maximize this ratio as much as possible because the tax is a direct cash expense which lowers the net income.

2. Degree of Asset Utilization:

Degree of Asset Utilization = Total Operating Revenue / Total asset

Table: 4.2 Degree of Asset Utilization 2017-2021

(All figures are in BDT)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Total Operating Revenue	87,865,639	13,940,569	10,812,765	2,122,079	1,424,965
Total Asset	202,114,040	112,258,086	121,214,043	91,028,816	105,539,654
Degree of Asset Utilization	43%	12%	9%	2%	1%

(Source: ABL Management Report: 2017- 2021)

There is a slight increase in the asset utilization ratio of ABL from 2017-18 to 2021-22. The ratio was decreasing from 2017-18 to 2021-22. It increases considerably because their total asset increased at a lower rate compared to their operating income. This rise in Asset Utilization indicates that more and more assets are becoming exploited which is a good sign for the company.

3. Operating Efficiency Ratio:

Operating Efficiency Ratio = Total Operating Expenses / Total Operating Revenue

Table: 4.4 Operating Efficiency Ratio 2017- 2021

(All figures are in BDT)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Total Operating Expenses	1,779,605,797	543,401,009	403,818,633	459,835,613	266,353,530
Total Operating Revenue	1,933,237,179	606,708,233	471,415,036	511,330,698	308,581,876
Operating Efficiency Ratio	92%	90%	86%	90%	86%

(Source: ABL Management Report: 2017-2021)

There is an increase in the operating efficiency ratio of ABL from 2017-18 to 2021-22. It has increased from 86% times to 92% times from 2017-18 to 2021-22. On the other hand, it decreased from 2018-19 to 2019-20i.e.90% to 86%. It implies that the company has been able to efficiently utilize its revenues to cover the operating expense for the last five years. This increasing trend reflects that the operating revenue is increasing at a higher rate than the operating expense. The increasing of this ratio was because of a significant decrease in their total operating expense.

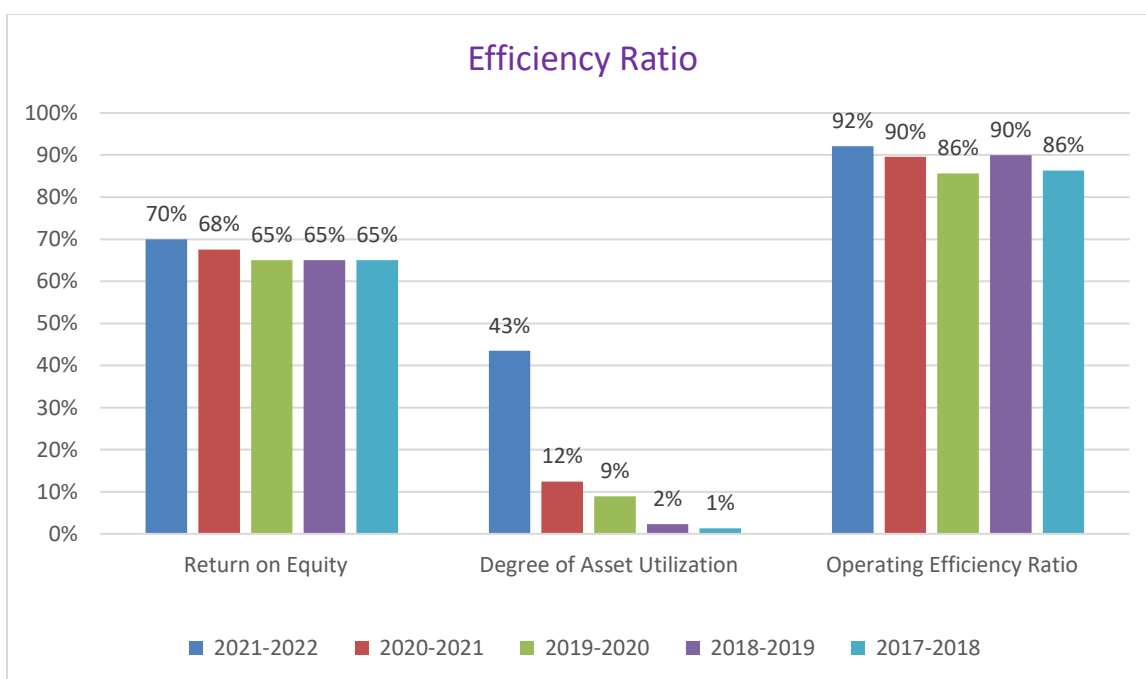


Fig 4.1-3: Efficiency Ratio 2017-22

4.5 Net Asset Value Per Share:

Net Asset Value Per Share = Total Equity / No. of Share

Table: 5.1 Net Asset Value Per Share

(All figures are in BDT)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Total Equity	96,249,941	65,670,285	55,486,299	21,432,335	19,663,366
No. of Share	353,000	353,000	353,000	120,000	120,000
Net asset Value Per Share	273	186	157	179	164

(Source: ABL Management Report: 2017-2021)

The net asset value per share can be defined as an expression for net asset value that indicates the value per share for a fund (exchange-traded, mutual, and closed-end) or a company. Ace Bangladesh Ltd has highest Net Asset Value Per Share is 273 in 2021-22 and lowest Net Asset Value Per Share is 157 in 2019-20.

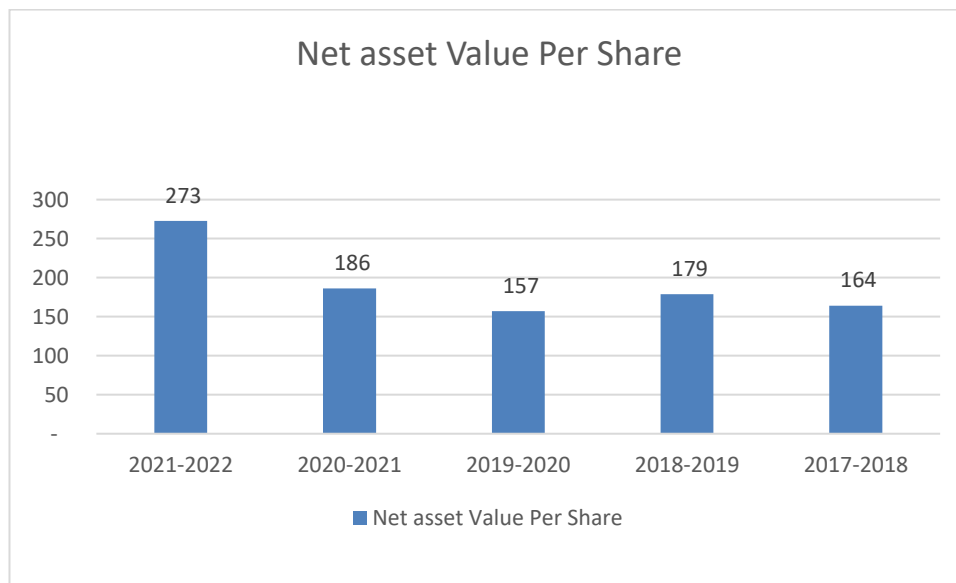


Fig 5.1: Net Asset Value Per Share 2017-2018 to 2021-2022

CHAPTER: 5

Findings & Recommendations

5.1 Findings of the report:

After analyzing the performance of Ace Bangladesh Ltd, I have found some important things regarding the company. These are given below:

- The company attains around 80% growth of assets in the year 2021-22 from 2020-21 which is a good sign for the company.
- In 2021-22 Ace Bangladesh Limited's liabilities amplified from the previous year. It increased by around 127%.
- Total assets of ABL in the year 2020-21 were Tk. 1,141,017.98 but it has increased in 2021-22 and it was Tk. 4,033,915.92. So, the growth rate is around 254% in 2021-22.
- Profit before tax was increased of the company (Tk. 10,812,765 in 2019-20, Tk. 13,940,569 in 2020-21 and Tk. 87,865,639 in 2021-22).
- Profit after tax was increased of the company (Tk. 7,028,297 in 2019-20, Tk. 9,409,884 in 2020-21 and Tk. 61,505,947 in 2021-22).
- The investment of the company in FDR was increased from 2019-2020 to 2021-22. (Tk. 4,795,617 in 2019-200, Tk. 5,277,395 in 2020-21 and Tk. 11,835,165 in 2021-22). So, Ace Bangladesh Ltd has maintained the minimum requirement.
- The net asset value per share of the company was increased from 2017-18 to 2021-22 i.e. Tk.164, Tk. 179 TK. 157 TK. 186 and 273respectively, which is a good sign for the company.
- There were significant deviations in 2017-18 and 2018-19 operating result. The performance of those years is mainly caused by strategic issues and economic instability of the country.

5.2 Recommendations of the Study:

Through this study I myself gained some practical knowledge. I want to put some suggestion here which I think if followed would definitely help Ace Bangladesh Ltd. to Improve their performance and thereby its contribution in the whole economy.

Suggestions are-

- Ace Bangladesh Ltd needs to put some special look on some ratios which fluctuates more.
- To attract more clients Ace Bangladesh Ltd should sought new marketing strategy, which will increase the company sales and overall performance.
- Introduction of various policy to increase the sales which will help to increase remittance.
- An Effective and efficient initiative is necessary to recover the default debtors.
- They should invent another type of sales rate to attract more customers which is different from other companies.
- Ace Bangladesh Ltd should maintain more cash and deposit balances with other companies. Because it is desirable that companies keep their cash and balance with other company to such extent so that it can minimize the chance of liquidity crunch.
- Ace Bangladesh Ltd had fair leverage ratios in where it uses the debt most to increase revenue rather than the equity. It may increase the risk of the company. So, to minimize the risk I think ABL should finance more equity.
- Ace Bangladesh Ltd is needed to reach the brand value to the customers for building up ideal relationship to create loyal customer.

5.3 Conclusion:

Ace Bangladesh Ltd (ABL) is a joint venture Company, with a small number of manpower in Bangladesh Branch office. Hence, I had the opportunity to work with the total organizations finance department. My study was based on “financial performance analysis of Ace Bangladesh Ltd”. Hence this report is based on the information that disclosed by the management of ABL and in Annual Report. Ace Bangladesh Ltd is one of the country’s largest integrated international freight forwarder, logistics and terminal companies established by Bengal Airlift Ltd and Ace Cargo (Pvt.) Ltd in 1996. As one of Bangladesh's most recognized global brands, Ace Bangladesh Ltd provides customers with fully-integrated logistics and containerized transportation services, with a network that encompasses Asia, Europe, North America and Australasia.

Today ABL is well respected in the industry with a reputation for providing customer- focused solutions, a quality-through-excellence approach and continual innovation. ABL is one of the leading international forwarders serving China, providing a full range of logistics and transportation services throughout the country. It is also an industry leader in the use of information technology and e-commerce to manage the entire cargo process.

5.4 References:

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