Internship Report

On

"Financial Performance Analysis" of Prefeex Limited

Supervised By

Professor Dr. Mostafa Kamal

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Prepared By

Mst. Mukti Siddiki

ID: 0242310004083088

Program: MBA(R)

Major in Finance

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Date of Submission: 1st June, 2024

Letter of Transmittal

1st June, 2024

Professor Dr. Mostafa Kamal

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report on “Financial Performance Analysis of Prefeex Limited”

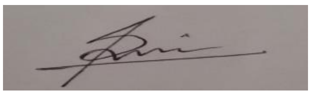
Dear Sir,

After completing my internship, I am submitting the report on "Financial Performance Analysis of Prefeex Limited." It was my best consideration to follow all the points of this Prefeex Limited project as far as I could. It was my blessing to follow your instructions and time schedule. All of those areas have been covered, which were mentioned to me in the meantime of the discussion.

All the topics are visualized, which relate to this internship paper. I would like to devote my heartiest gratitude to you for supporting me at your best. This helps me a lot in preparing this report properly.

Thanks for your consideration.

Sincerely yours,



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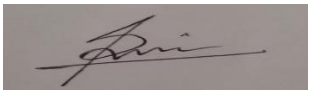
Declaration

I am Mst. Mukti Siddiki, a Daffodil International University MBA student, and I hereby declarethat the internship report titled "Financial Performance Analysis of Prefeex Limited" was prepared following the completion of my internship at Prefeex Limited in Uttara under the close supervision and guidance of Professor Dr. Mostafa Kamal, Department of Business Administration, Daffodil International University.

I further declare that the internship report was written only for academic purposes and was not submitted by anybody else.



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Daffodil International University

Certificate of Approval

This is to certify that **Mst. Mukti Siddiki, ID # 0242310004083088, MBA (Finance),** is a regular student of the Department of Business Administration, Faculty of Business and Entrepreneurship, at Daffodil International University. She has successfully completed her internship programat **Prefeex Limited** and has prepared for this internship under my direct supervision. Her assigned internship topic is **"Financial Performance Analysis of Prefeex Limited."** I think that the report is worthy of fulfilling the partial requirementsof the MBA program. I also declare that the study has been prepared for academic purposes only and that this paper may not be used in an actual market scenario.

I have gone through the report and found it to be a well-written report. She has completed the report by himself. I wish her every success in life.

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....

(Professor Dr. Mostafa Kamal)

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Acknowledgement

In Allah's name, be kind and generous. This work would not have been possible without the guidance and assistance of a number of individuals who participated and assisted in various ways in the preparation and completion of this study.

This internship report was started by me and completed by me. Dr. Mostofa Kamal, Professor, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University, is particularly deserving of praise for his contributions. His advice and encouragement were immensely helpful in ensuring the success and easy running of the internship program. If you could assist, it would be highly appreciated.

I would like to prompt my heart in thanks to Prefeex Limited. For allowing me to complete my internship. By spreading, my heartiest thanks to those Prefeex officials who gave their heartiest cooperation to complete my Internship Report. I am thankful to the people mentioned above for their cooperation in every step to prepare my report successfully.

Executive Summary

Financial Performance Analysis of Prefeex Limited has been designed to have practical knowledge while passing through the theoretical understanding. The report is the result of three months' internship program at Prefeex Limited.

Prefeex Limited is a rising conglomerate promoting the digital transformation of lifestyle. It is providing different types of services like Pmart Online Shop, Bhorosha Super Shop, Prefly Digital, and some other supporting activities. The pricing is executed based on both US dollar and BDT. This company successfully makes the price constant comparison to that of competitors.

This report has organized in five chapters. In this report introduction part has been discussed in chapter one. Introduction, origin of the study, scope of the study, objective of the study methodology and limitations of the study are discussed in chapter one.

In the second chapter over view profile of Prefeex Limited has been discussed. This chapter contains profile of Prefeex Limited, objectives of Prefeex Limited, core values, vision, mission, SWOT analysis of Prefeex Limited.

Third chapter includes theoretical framework, financial tools, measurement techniques and the application of financial performance as like discussed about ratio analysis (liquidity ratio, turnover ratio, profitability ratio, and solvency ratio), common size of balance sheet and income statement.

Fourth chapter is very significant part of the report, which comprises financial performance analysis. It includes the performance of ratio analysis (Liquidity, Profitability, Solvency), Balance Sheet and Income Statement of Prefeex Limited. From the analysis the result is quite satisfactory.

Finally, in the last or fifth chapter made some findings based on analysis, some suggestions or recommendations provide for improvement in financial performance. And over all conclusions is given in this chapter, and attached the plagiarism result.

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Chapter-1

Introduction

1.1 Introduction

In this 4th industrial revolution world, everyone wants to do everything fast and in his or her hand all the time. People need to access their public or private information immediately and also their desired things. In this globalized world, each individual has to respond instantly to be updated and they are so busy that they don't have enough time to go to a shop for their daily breads. For some reason, they cannot travel or live by holding all the things at a time. By considering people's time and energy there are many organizations who provide online delivery facility which helps everyone to accumulate their daily needs from a trustable place and modify them whenever they need. Moreover, this is a very popular way of shopping now a day. And also, they are offering office supplies by their pmart as one stop solution with reliable and affordable manner. From Bhorosha they welfare aims to provide hard working industrial workers and employees with solutions that will bring economic, social and digital transformation.

Prefeex limited is a private company which is the sister concern of Mahmud Group of Company. It was established in 2019 with approximate investment around 2 million takas. It has their own Office building in Uttara sector 4. There are so many companies who work with Prefeex limited as partner like Unilever Bangladesh Ltd, ACI Bangladesh, Bashundhara Group, Teer Bangladesh, Marico Bangladesh, Golden Harvest Company, Rigs herbs and so on. Prefeex is the Organization which provides daily necessity solution through both online and offline. Its sales daily commodities, beverage items, vegetables, fish and meats, fast moving consumer goods etc. As well selling office Supplies which is need by corporate and Organization or an individual. Between the all of the customers, approximately 40% are from rural area and rest 60% are from Urban area. Prefeex Limited in some cases provides one stop solution for its corporate clients for office supplies. Prefeex Limited is a limited startup company in Bangladesh.

1.2 Background of the Study

No information is perfectly finished except if it is completely upheld occasions on ground. Anything that might be the nature of practical and theoretical knowledge.
It is unfinished without actual implication on workplace or ground. This apprehension is more conspicuous in the research of Business Administration, professional experience on workplace plays a prevalent Role.

MBA Program Master of Business Administration is designed with an outstanding amalgamationof non-theoretical, actuals and theoretical feature. I was appointed by daffodil international university to aim for my internship at Prefeex Limited. I try my level best performance forgathering some practical knowledge on trading company. After Pay Attention to My Work Perfectly. Throughout the writing of this report, I have used my observations and conclusions to supplement my findings.

1.3 Objectives of the Study

Board Objective

This report's primary goal is to assert that Prefeex Limited financial performance analysis over five years from 2018 to 2022.

Specific Objectives

1. To identify the present financial system of Prefeex Limited.
2. To analyze the financial performance of Prefeex Limited.
3. To identify the problems of Prefeex Limited.
4. To prescribe appropriate recommendations and suggestions to overcome existing problems of Prefeex Limited.

1.4 Scope of the Study

This Study is completely Based on Financial Activities and Financial Performance of the Prefeex Limited. This Financial Report Gives a Historical and a Present Overview of finance Department of the Prefeex Limited. During my internship in this report, I describe my observed also gained experience.

1.5 Methodology of the Study

This research relies heavily on methodology. It's been built in a very specific way to ensure that the study's objectives are met. All of the information in this research was gathered from both primary and secondary sources. The data is organized, tabulated, and sorted in a fairly systematic way. Both qualitative and quantitative knowledge were employed to conduct this research. This report was organized using the following process. The following are the two processes that are used to collect data:

Primary Sources: The following were the first sources:

i. Face to face communication with the organization's individual employee and officer
ii. Consultation with the customer
iii. Practical work experience from a variety of departments within the company.

Secondary Sources: The secondary sources were collected in the following ways:

i. Annual reports from Prefeex Limited.
ii. The data gathered from the organization's brochure and leaflet
iii. Other pertinent information is gathered directly from associate degree interviewers from various parts of the firm; otherwise, it is gathered from a variety of books, periodicals, magazines, customers, and employees.

1.6 Limitations of the Study

Every work has some limitation in this report have few limitations so those limitations given below:

i. Lack of Proper Time This internship period is not enough to find out everything.
ii. Data Disclose Limitation Company have some protocol for share their information
iii. The task of gathering all authentic data from different employees quit challenging.
iv. Working with different department also Challenging
v. This report did not include all the financial ratios to find out the more specific financial condition.
vi. Research report performance compare only the last five years because of time constraint.

Chapter-2
Organizational Overview

2.1 An Overview of Prefeex Limited

Prefeex Limited is organization which is mostly Dhaka Based. It was founded in 2019 to provide one stop service through off-line and online both. They believe that they are one of the most prominent names in the industry to provide great products, great customer service. At Prefeex Limited, they are striving for greatness. Prefeex Limited is actually established to cope up with the fourth industrial revolution. This company is contributing a large number of services to their clients to introduce their strength to them. This company was established with a vision to become a Pioneer up online service provider of Bangladesh in the corporate, individual and the industrial sector which needs to become updated enough to compete in the Global market. The company was started at around 2 million takas and luckily now this company accumulates more than 3 million takas within 2 years.

Prefeex Limited was established by the hand of a very young entrepreneur named Md. Rafee Mahmud. Established the company with efficient to bring efficiency and professionalism in both online and offline services to the people and the business community of Bangladesh along with all over the world to help the people to cope-up with the fourth industrial revolution. The objective of this company is to create, promote and build long-term company value by giving maximum priority to its stakeholders. A website can bring a lot of potential customers under one roof which is one of the core motives of Prefeex Limited. They help their customers to get one stop supply solution for their companies and also help them by giving fast and effective service. Moreover, Prefeex provides daily necessity solution through both online and offline. Its sales daily commodities, beverage items, vegetables, fish and meats, fast moving consumer goods etc. As well selling office Supplies which is need by corporate and Organization or an individual. Between the all of the customers, approximately 40% are from rural area and rest 60% are from Urban area. Prefeex Limited in some cases provides one stop solution for its corporate clients for office supplies.

2.2 Objectives of Prefeex Limited

1. To establish themselves as a pioneer in both online and offline market to provide one stop solution for helping their clients with all kind of digital services.
2. To ensure the reliable and affordable pricing.
3. To accumulate the brilliant mind of corporate under one roof;
4. To build up a strong communication with the modern world;

5. To extend cooperation and advises to the stakeholders;
6. To create a strong network with suppliers for best outcome.
7. To distribute goods and services effectively and efficiently;
8. To encourage companies to make welfare for their employees by the help of Bhorosha.

2.3 Mission

1. To provide high-quality service.
2. Fast and accurate customer service;
3. Balancing and monitoring all the client needs;
4. Maintain high standard corporate policies and maintain good communication with their clients along with the potential clients;
5. Innovative business supply solution system at a competitive price;
6. Deep communication with the corporate and individual clients;
7. Have attractive & quality officials;

2.4 Vision

Their vision is to create one stop office supply solution in corporate sector and also welfare Initiative for industry workers.

2.5 Core Values

1. Quality
2. Efficiency
3. Principles
4. Service Excellence
5. Equality
6. Commitment
7. Harmony
8. Faster Service
9. Welfare
10. Reliable

2.6 SWOT Analysis

A SWOT analysis is an organized list of business's greatest strengths, weaknesses, opportunities and threats. Strength and weakness are internal of the company and opportunities and threats are the external of the company. New businesses should use a SWOT analysis as a part of their planning process. Here we show the SWOT analysis of Prefeex Limited;

2.6.1 Strengths

- ✓ All the services under one roof.
- ✓ High reserve of financial and human resources.
- ✓ Strong sourcing infrastructure.
- ✓ High quality products and services
- ✓ Dedicated to offering high quality support and customer service.
- ✓ Welfare for industry workers.
- ✓ Highly skilled technical staffs.
- ✓ A professional and strong website.

2.6.2 Weaknesses

- ✓ They are not so much known so far.
- ✓ Lack of systematic issues.
- ✓ Lack of department wise customer service solution.
- ✓ Inconsistent pricing models for products and services
- ✓ Unequal workloads placed upon staff
- ✓ Internal communication problems

2.6.3 Opportunities

- ✓ Easy to expand their markets
- ✓ Number of Loyal customers.
- ✓ Less competition.
- ✓ People are getting more used to on online purchase
- ✓ Collaboration with complementary services.
- ✓ Source development increasing.
- ✓ Number of related product price decreasing.

2.6.4 Threats

- ✓ System security challenge for the website.
- ✓ Disconnects between customer expectations and product performance.
- ✓ Continuous changing of government rules.
- ✓ New and continuing legal and regulation compliance.
- ✓ Increasing competitors.
- ✓ Trust issue among customers.

Chapter-3

Theoretical Framework

3.1 Financial Analysis

To make business decisions, financial analysis examines financial information. Financial analysis basically is a result of company internal and external financial activities. Company yearly annual report is the main and only source for financial analysis. To infer key figures, make pattern lines and make examinations with comparative data for practically identical organization. The result of the monetary investigation can be one of the accompanying choices. What is the right price and amount to invest in a company? What terms should be offered to a business if money is to be released. Provides direction on how to fund the acquisition of an asset,including whether to invest internally or via working capital. Company managers every time check financial information to make company necessary report financial analysis is a kind of tools of reporting therefore the financial analysis is always consulting with them about CompanyCashflow, company profitability and other financial statements.

Financial Ratio Analysis:

Comparing the relationships among different parts of financial data is the purpose of financial ratio analysis. To calculate financial ratio company can use financial statements such as income statement and balance sheet statement. Basically, company evaluate their performance to analysis those ratios and find out company current scenario like solvency, profitability, efficiency and liquidity.

3.2 Ratio Analysis

Ratio analysis is a quantitative examination of the data contained in a company's financial statement. It's used to evaluate a company's operating financial performance from a variety of angles, including liquidity, performance, Solvency, and profitability. Instead of comparing lines from each financial statement, ratio analysis is a method of assessing and comparing finance data by producing meaningful financial statement value percentages. Ratio analysis is a method of assessing a company's operational and financial performance, including efficiency, liquidity, profitability, and solvency. These ratios' trend through time is examined to see if they are improving or deteriorating. It's useful to interpret it as a percentage, rate, or proportion. These analyses are used by a variety of users, including bankers, investors, creditors, and management, to learn about the company's financial situation and to make decisions.

Ratio analysis compares the accounts on financial statements. It implies comparing one income statement and balance sheet to others. A ratio is a mathematical expression of a relationship between two quantities. It can be expressed as a proportion or a percentage rate. Ratio analysis

has become an important technique in financial analysis and management.
Different types of ratios are utilized to make decisions. These are follows:

i. Liquidity Ratio
ii. Profitability Ratio
iii. Return on Equity
iv. Solvency Ratio

3.3 Liquidity Ratio

A liquidity ratio is a financial measure that determines whether a company's present assets will besufficient to cover its debts when they fall due. The timing of cash inflows and withdrawals, as well as future performance possibilities, determine the liquidity ratio. The liquidity ratio measures how quickly an asset may be converted into cash and used to meet a company's short-term obligations.

The following financial ratios are considered to be liquidity ratio:

1. Cash Ratio
2. Current Ratio
3. Quick Ratio
4. Net Working Capital Ratio

Cash Ratio Formula

Compared to other liquidity ratios, the cash ratio is generally a more conservative look at a company's ability to cover its debts and obligations, because it sticks strictly to cash or cash-equivalent holdings—leaving other assets, including accounts receivable, out of the equation.
The formula for a company's cash ratio is:

Cash Ratio = Cash + Cash Equivalents / Current Liabilities

Formula and Calculation for the Current Ratio

To calculate the ratio, analysts compare a company's current assets to its current liabilities.1 Accounting Tools. "Current Ratio Definition."
Current assets listed on a company's balance sheet include cash, accounts receivable, inventory, and other current assets (OCA) that are expected to be liquidated or turned into cash in less than one year.
Current liabilities include accounts payable, wages, taxes payable, short-term debts, and the

current portion of long-term debt.

$$\textbf{Current Ratio} = \frac{\textbf{Current assets}}{\textbf{Current liabilities}}$$

Quick Ratio Formula

There are a few different ways to calculate the quick ratio. The most common approach is to add the most liquid assets and divide the total by current liabilities:

$$\textbf{Quick Ratio} = \frac{\textbf{Current Liabilities}}{\textbf{Quick Assets}}$$

Quick assets are defined as the most liquid current assets that can easily be exchanged for cash. For most companies, quick assets are limited to just a few types of assets:

Net Working Capital Ratio Formula

Net working capital ratio shows how much of a company's current liability can be met with the company's current assets. The net working capital ratio is the measure of a company's capability in meeting the obligations that must be paid within the foreseeable future. Therefore, it shows the liquidity that is available with the company to meet the liabilities.

Formula −

The formula for calculating net working capital ratio is as follows −

$$\textbf{Net Working Capital Ratio} = \frac{\textbf{Current Assets}}{\textbf{Current Liabilities}}$$

3.4 Profitability Ratio

A profitability ratio is a method of evaluating a company's performance by measuring its profitability. Profitability refers to a company's financial performance and how profitable it is. It also shows how well the company's profitable owner's funds have been invested. The ability of a corporation to make a sufficient return on invested capital is referred to as profitability. Earnings are compared to the amount and source of finance to determine return. Profitability affects solvency as well. The importance of important profitability measures in financial statement analysis is discussed in this section.

The following financial ratios are considered to be Profitability ratio:

1. **Return on Asset**

The profitability ratio is measured by Return on asset, or ROA to evaluate how well management
does overall in earning a profit from its available assets.

Return on Asset = (Net Profit / Total Asset) × 100

A business is efficient if it can maximize returns with the least amount of assets. An effective business uses its preserved capital to invest in emerging fields rather than taking on excessive debt for day-to-day operations. As a result, the ROA is regarded as a crucial ratio for assessing the total operational effectiveness of a company as it represents of its profitability on the entire amount of capital utilized.

2. **Return on Equity**

ROE is calculated by comparing the proportion of net income against the amount of shareholder equity. It is calculated as:

ROE= (Net Profit / Shareholder's Equity) × 100

Net income is calculated as the difference between net revenue and all expenses including interest and taxes. It is the most conservative measurement for a company to analyze as it deducts more expenses than other profitability measurements such as gross income or operating income.

Because net income is earned over a period of time and shareholders' equity is a balance sheet account often reporting on a single specific period, an analyst should take an average equity balance. This is often done by taking the average between the beginning balance and ending balance of equity.

3.5 Turnover Ratio

Efficiency, performance, and activity ratios are other names for turnover ratios. It shows numerous components of financial statements to meet the demands of various stakeholders with an interest in the company. These ratios indicate how effectively the company's assets and liabilities are leveraged toward generating revenue. It also shows how well various assets are utilized to enhance a business. The quantity of times assets is converted into revenue. into revenue is referred to as turnover.

1. **Working Capital Turnover Ratio**

The working capital turnover ratio is utilized to examine how effectively a company generates revenue from its working capital.

Working Capital Turnover Ratio = Net Revenue / Working Capital

A high turnover ratio indicates that business operations are efficient and there is less need for more funding. But, if the ratio increases excessively, it might indicate that a business needs to raise more funds to finance its continued expansion. Conversely, a smaller turnover ratio would indicate inefficient working capital spending and daily administration within the organization.

2. **Fixed Asset Turnover Ratio**

The fixed asset turnover ratio examines how well a business makes use of its fixed assets, such as property, to generate return.

Fixed Asset Turnover Ratio = Cost of Goods Sold / Total Fixed Asset

While a lower ratio could point to inefficiencies in asset utilization, a greater fixed asset turnover ratio shows that the business is more effective in using its fixed assets to generate revenue. The ratios of leverage and profitability are frequently examined in conjunction with the ratio. Additionally, ratio might differ amongst businesses, and the conditions of a certain industry will determine what constitutes an adequate ratio.

3.6 Solvency Ratio

As explained later, there are a couple of other ways to determine a company's solvency, but the main formula for calculating the solvency ratio is as follows:

Solvency Ratio = (Net Income + Depreciation) / All Liabilities (Short-term + Long-term Liabilities)

If you examine keenly, you will notice that the numerator comprises the entity's current cash flow, while the denominator is made up of its liabilities. Thus, it is safe to conclude that the solvency ratio determines whether a company's cash flow is adequate to pay its total liabilities.

1. **Debt – Equity Ratio**

The D/E ratio provides insights into how a company is funded and its level of financial risk.

Debt-Equity Ratio = Total Liabilities / Shareholders Equity

A high ratio of debt to equity implies a greater amount of the company's funding originates from debt, which might increase returns on equity when things are going well but also increase financial risk due to meet debt obligations and faces challenges or downturns. In comparison to corporations with more leverage, a low D/E ratio suggests that a company depends more on equity funding. In contrast, a higher level of debt could potentially lead to financial distress if a company's revenue doesn't cover its interest payments.

2. **Proprietary Ratio**

A financial ratio known as the proprietary ratio calculates how much of an organization's total assets are financed by equity of its shareholders'.

Proprietary Ratio = Shareholder ′s Equity / Total Asset

Strong financial standing and greater protection for creditors are indicated by a high proprietary ratio. Contrary to a low ratio suggests that the business is already largely reliant on debt to fund its activities. The long-term financial efficiency of the company can be determined with the help of the proprietary ratio. Therefore, this is helpful for creditors to evaluate the ratio of shareholders' equity because it helps to evaluate the financial well-being for a company.

3.7 Common Size of Balance Sheet

The numeric value and relative proportion for total asset, total debt, and equity accounts are represented on a typical size balance sheet. Internal and external analysts use standard balance sheets.

Although common-size balance sheets are most commonly used by internal management, they canalso be valuable to outside parties, such as independent auditors. The most important feature of a common size balance sheet is that it facilitates comparison. In addition to actual dollar amounts, the common size balance sheet displays the makeup of a company's various assets and liabilities as percentages.

3.8 Common Size of Income Statement

Income statement with a common size is one in which each line item is expressed as a percentage of revenue or sales. Each line item in a financial statement is provided as a percentage of a base figure within the statement to make comparisons easier, which is a common size income statementused for vertical analysis.

It makes it easier to see what drives a company's earnings and compare its performance to that of its competitors. It's easy to examine how performance has changed over time. Investors can use common size financial statements to discover trends that a raw financial statement would miss. Financial statements of a similar size can also be used to compare a company's performance overtime and against competitors.

Chapter-4

Financial Performance Analysis of Prefeex Limited

4.1 Current Ratio

Current Ratio: Prefeex Limited Current Ratio Calculation are given below:

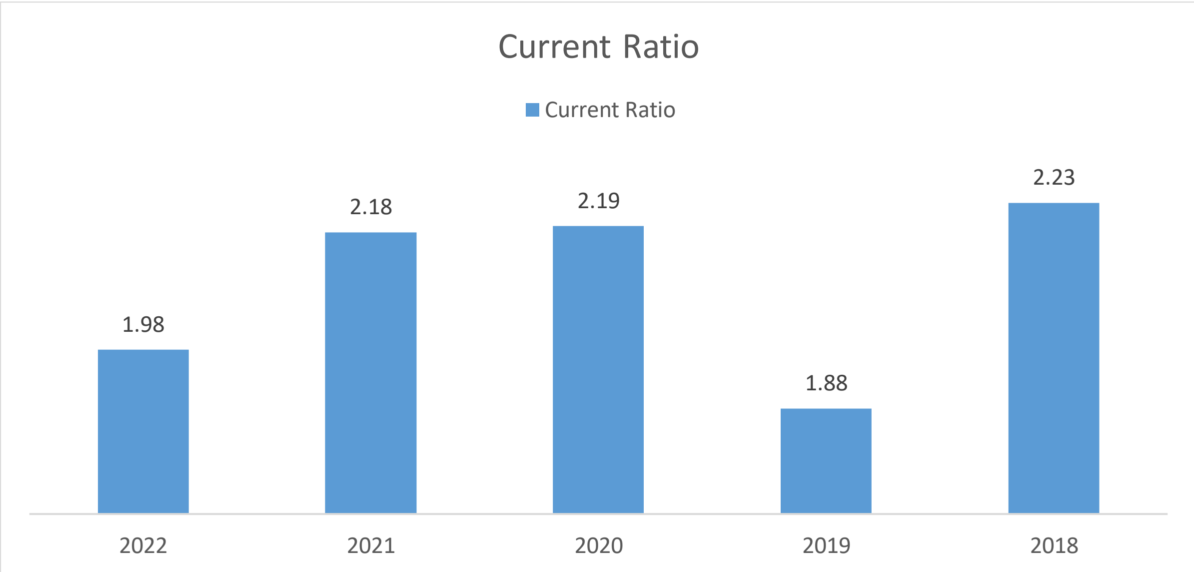
Table 4.1: Current Ratio of Prefeex Limited

Year	2022	2021	2020	2019	2018
Current Asset	6880680	5470401	5305875	4258072	4195041
Current Liability	3470615	2504650	2415061	2256478	1875220
Result	**1.98255354**	**2.184097978**	**2.196994196**	**1.887043437**	**2.237092714**

Sources: Annual Report of current five years.

Graphical Presentation

Years	2022	2021	2020	2019	2018
Current Ratio	1.98	2.18	2.19	1.88	2.23



Interpretation

Based on the above, Current ratio of Prefeex Limited last five years only meet the standard three times and other two years did not meet the standard because in 2019 and 2022 financial year current ratio only 1.88 and most resent year which is 1.98 the standard current ratio is 2:1 in that case Prefeex Limited current ratio was not stable also no good last year also. On the other hand, Prefeex Limited current ratio was 2.23 in 2018, 2.19 in 2020, 2.18 in 2021 which is meet the standardand also good position those three years.

4.2 Quick Ratio

Quick Ratio: Prefeex Limited Quick Ratio Calculation are given below:

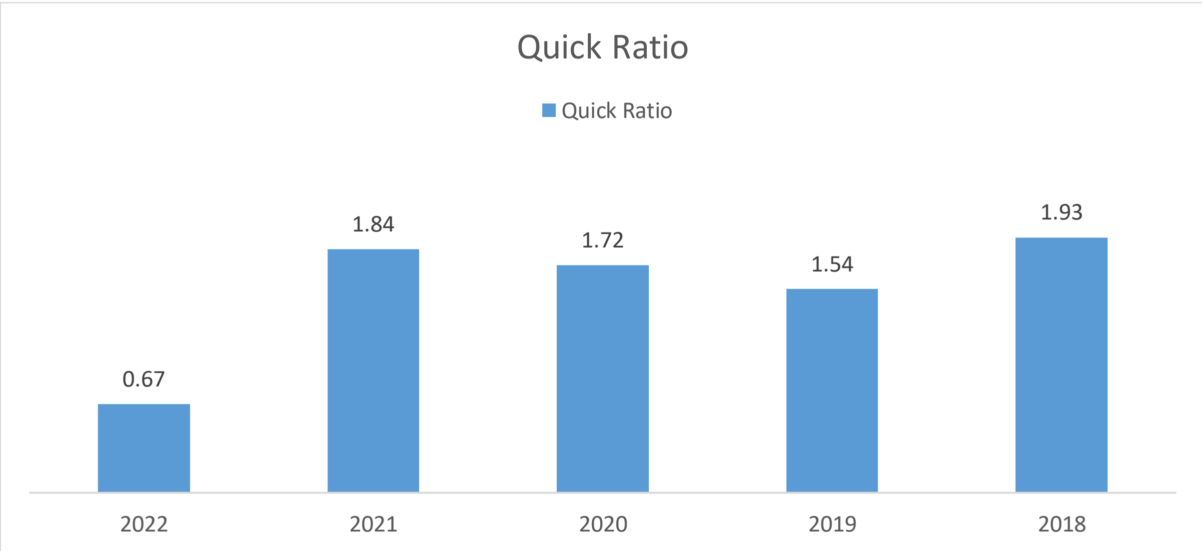
Table 4.2: Quick Ratio of Prefeex Limited

Years	2022	2021	2020	2019	2018
Current Asset	6880680	5470401	5305875	4258072	4195041
Current Liabilities	3470615	2504650	2415061	2256478	1875220
Inventories	4526485	844658	1147214	764885	573267
Result	**0.678322142**	**1.846862037**	**1.721969342**	**1.548070489**	**1.931386184**

Sources: Annual Report of current five years.

Graphical Presentation

Year	2022	2021	2020	2019	2018
Quick Ratio	0.67	1.84	1.72	1.54	1.93



Interpretation: Considering the above table as seen in the result the quick ratio of Prefeex Limited was 0.67 in 2022. Which is not met the standard also below the ideal quick ratio. As we can see year 2021 to2018 quick ratio was 1.84, 1.72, 1.54, 1.93 that's met the standard ratio. The standard quick ratiois 1:1 which was an ideal quick ratio.

4.3 Cash Ratio

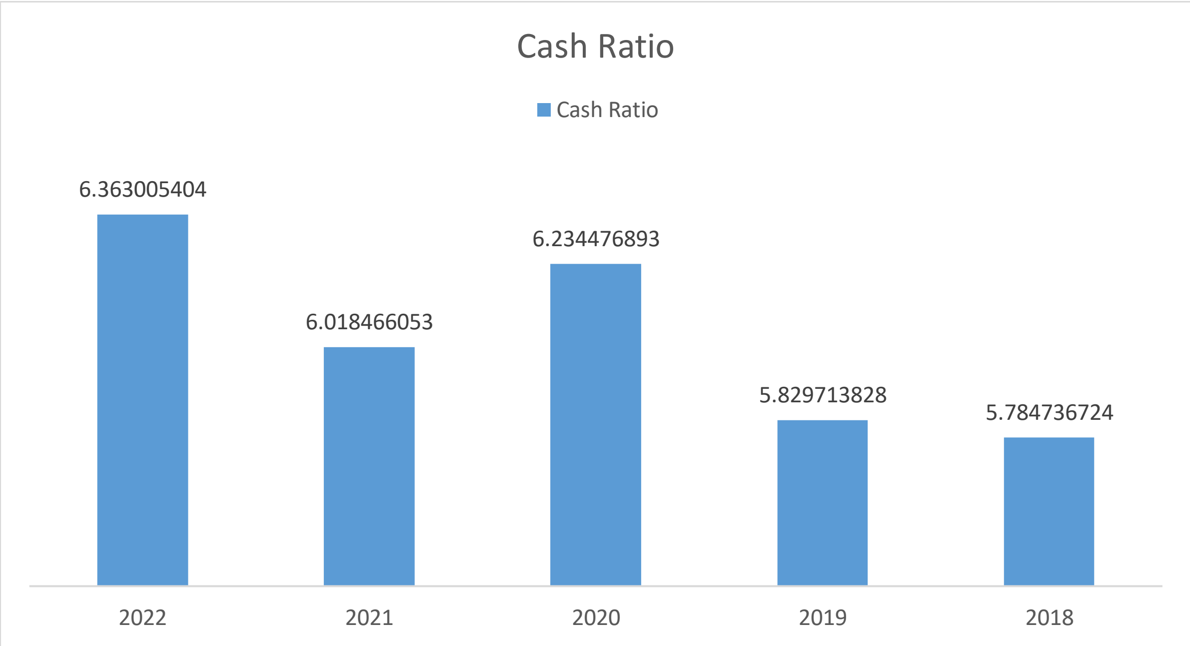
Cash Ratio: Prefeex Limited Cash Ratio Calculation are given below:

Table 4.3: Cash Ratio of Prefeex Limited.

Years	2022	2021	2020	2019	2018
Cash Ratio	6.363005404	6.018466053	6.234476893	5.829713828	5.784736724

Sources: Annual Report of current five years.

Graphical Presentation



Interpretation:

Considering the above table as seen in the result the Cash ratio of Prefeex Limited was 6.3 in 2022and its quit good increase previous years. In 2021 cash ratio was 6 and 2020 cash ratio was 6.2 those three years' cash ratio was highest position on the other hand in 2018 and 2019 cash ratio as5.8, 5.7.

4.4 Net Working Capital Ratio

Net Working Capital: Net Working Capital Ratio Calculation are given below:

Table 4.4: Net Working Capital of Prefeex Limited

Years	2022	2021	2020	2019	2018
Current Asset	**6880680**	**5470401**	**5305875**	**4258072**	**4195041**
Current Liabilities	**3470615**	**2504650**	**2415061**	**2256478**	**1875220**
Result	3410065	2965751	2890814	2001594	2319821

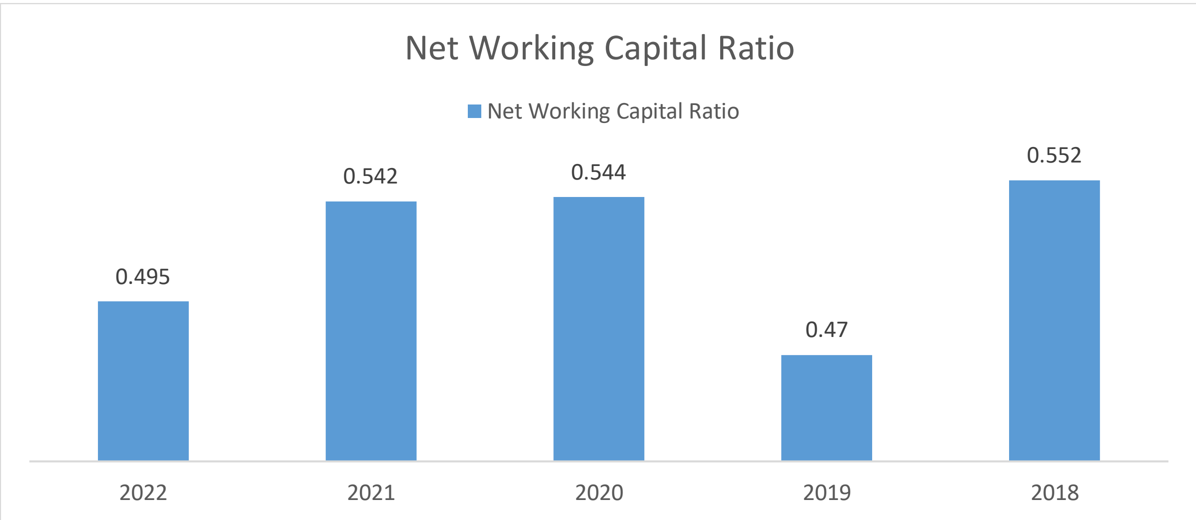
Sources: Annual Report of current five years.

Table: Net Working Capital Ratio of Prefeex Limited

Years	2022	2021	2020	2019	2018
Net Working Capital	3410065	2965751	2890814	2001594	2319821
Current Asset / Net Asset	6880680	5470401	5305875	4258072	4195041
Result	0.4956	0.5421451	0.5448327	0.47007049	0.5529913

Graphical Presentation

Years	2022	2021	2020	2019	2018
Net Working Capital Ratio	0.495	0.542	0.544	0.470	0.552



Interpretation:
Based on the above table the graph shows that net working capital ratio of Prefeex Limited 0.552in 2018 after next year its decrease which was 0.47 in 2019 and 2020,2021 was quite similar 0.544 and 0.542 but in 2022 its again decrease so basically 2019 and 2022 ratio decrease. Sothose two years working capital ratio was too low compare to the other three years.

4.5 Profitability Ratio

Return on Asset (ROA)

Return on Asset is calculated as follows:

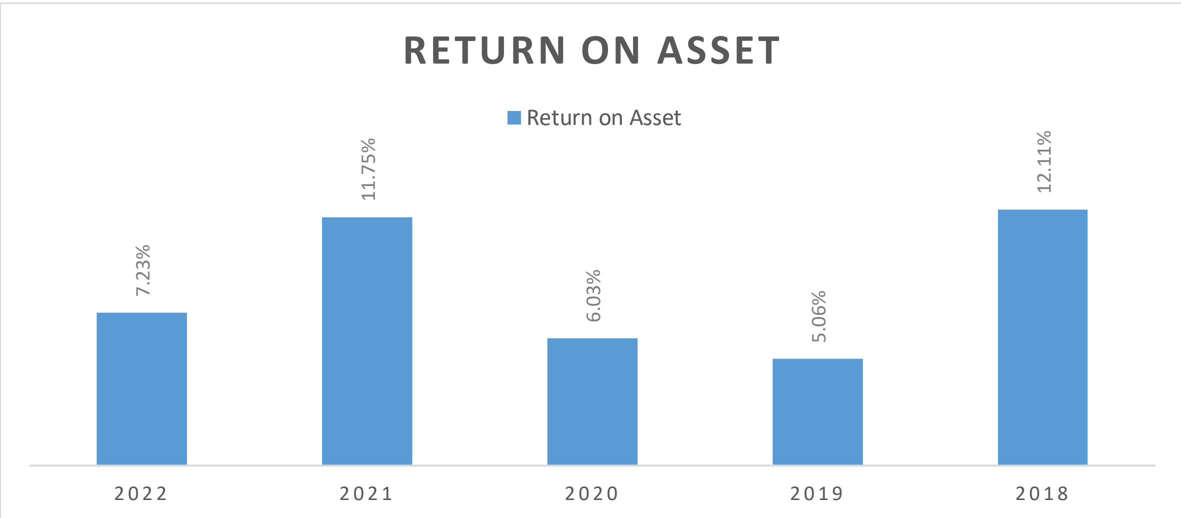
Table 4.5: Return on Asset of Prefeex Limited

Return on Asset	2022	2021	2020	2019	2018
Net Income	2,423,411	2,513,334	1,297,814	920,527	1,891,989
Total Asset	33,490,707	21,389,210	21,509,731	18,177,578	15,615,962
Result	0.0723607	0.117504761	0.060336133	0.050640795	0.121157377

Sources: Annual Report of current five years

Graphical Presentation

Years	2022	2021	2020	2019	2018
Return on Asset	7.23%	11.75%	6.03%	5.06%	12.11%



Interpretation:

Based on the above ratio table the graph shows that Return on Asset of Prefeex Limited was 7.23in 2022, which was decrease last year. In 2021 return on asset was 11.75% that is increase to previous year. so, 2018, 2019,2020,2021 ROA ratio was 12.11%, 5.06% and 6.03%.

4.6 Return on Equity

Return on Equity is calculated as follows:

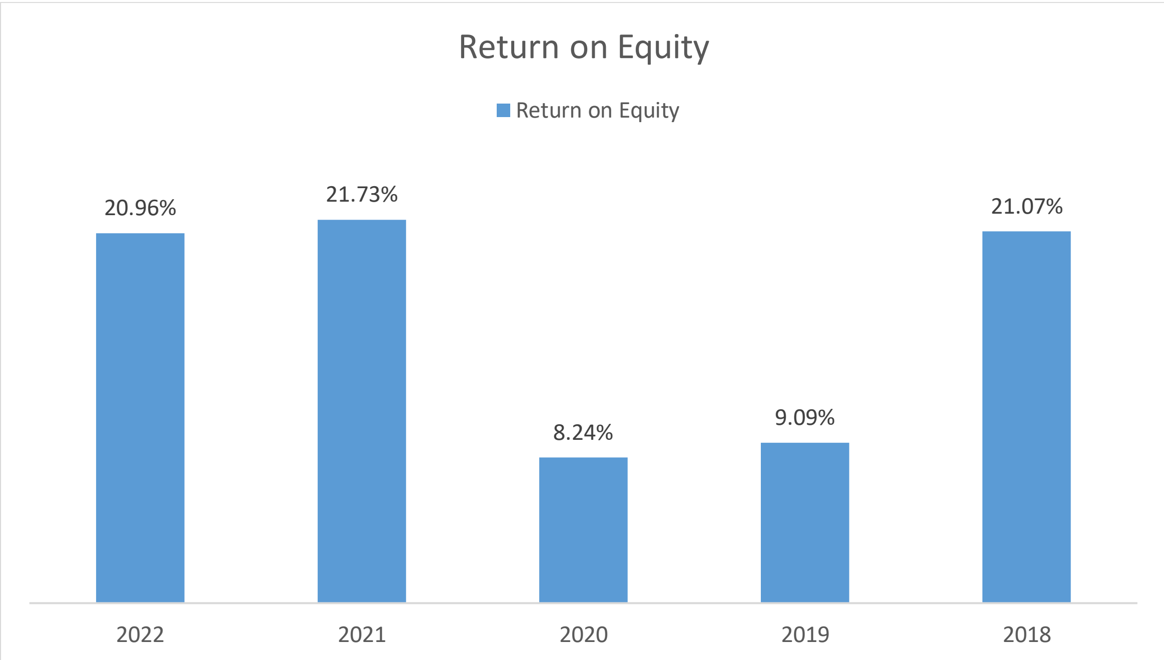
Table 4.6: Return on Equity of Prefeex Limited

Return on Equity	2022	2021	2020	2019	2018
Net Income	2,423,411	2,513,334	1,297,814	920,527	1,891,989
Total Equity	11,557,846	11,560,889	15,736,775	10,122,130	8,975,781
Result	**0.209676699**	**0.217399717**	**0.082470138**	**0.090942025**	**0.210788231**

Sources: Annual Report of current five years

Graphical Presentation

Years	2022	2021	2020	2019	2018
Return on Equity	20.96%	21.73%	8.24%	9.09%	21.07%



Interpretation:

Based on the above ratio table the graph shows that Return on Equity of Prefeex Limited was 20.96% in 2022, which was decrees last year. In 2021 return on Equity was 21.73% that is increase to previous year. so, 2018, 2019,2020,2021 ROE ratio was 21.07%, 9.09% and 8.24%.

4.7 Solvency Ratio

Debt Ratio

Debt Ratio is calculated as follows:

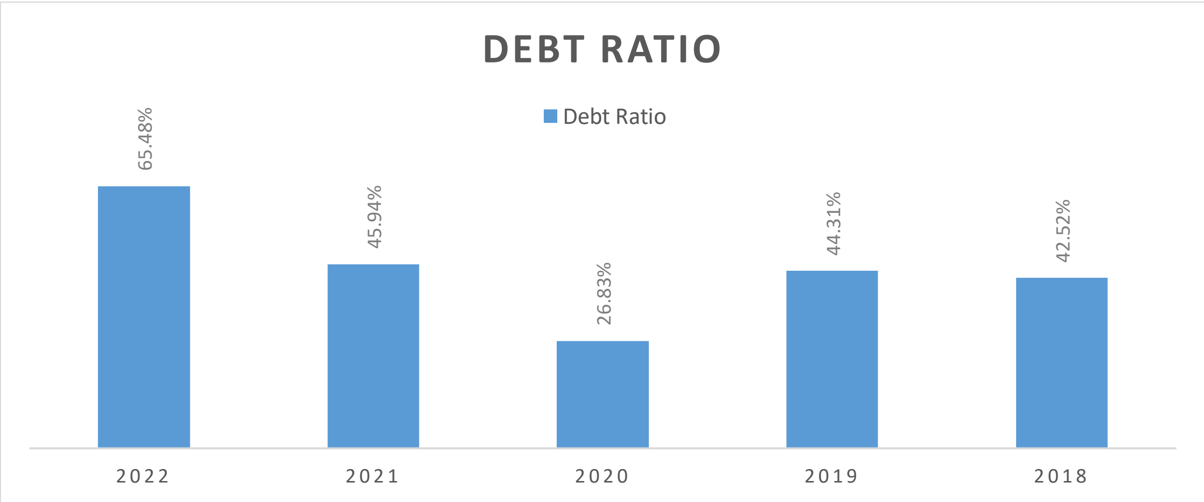
Table 4.7: Debt Ratio of Prefeex Limited

Debt Equity ratio	2022	2021	2020	2019	2018
Total Liabilities	21,932,861	9,828,321	5,772,956	8,055,448	6,640,181
Total Asset	33,490,707	21,389,210	21,509,731	18,177,578	15,615,962
Result	**0.654893938**	**0.459499018**	**0.268388108**	**0.443152988**	**0.425217543**

Sources: Annual Report of current five years.

Graphical Presentation

Years	2022	2021	2020	2019	2018
Debt Ratio	**65.48%**	**45.94%**	**26.83%**	**44.31%**	**42.52%**



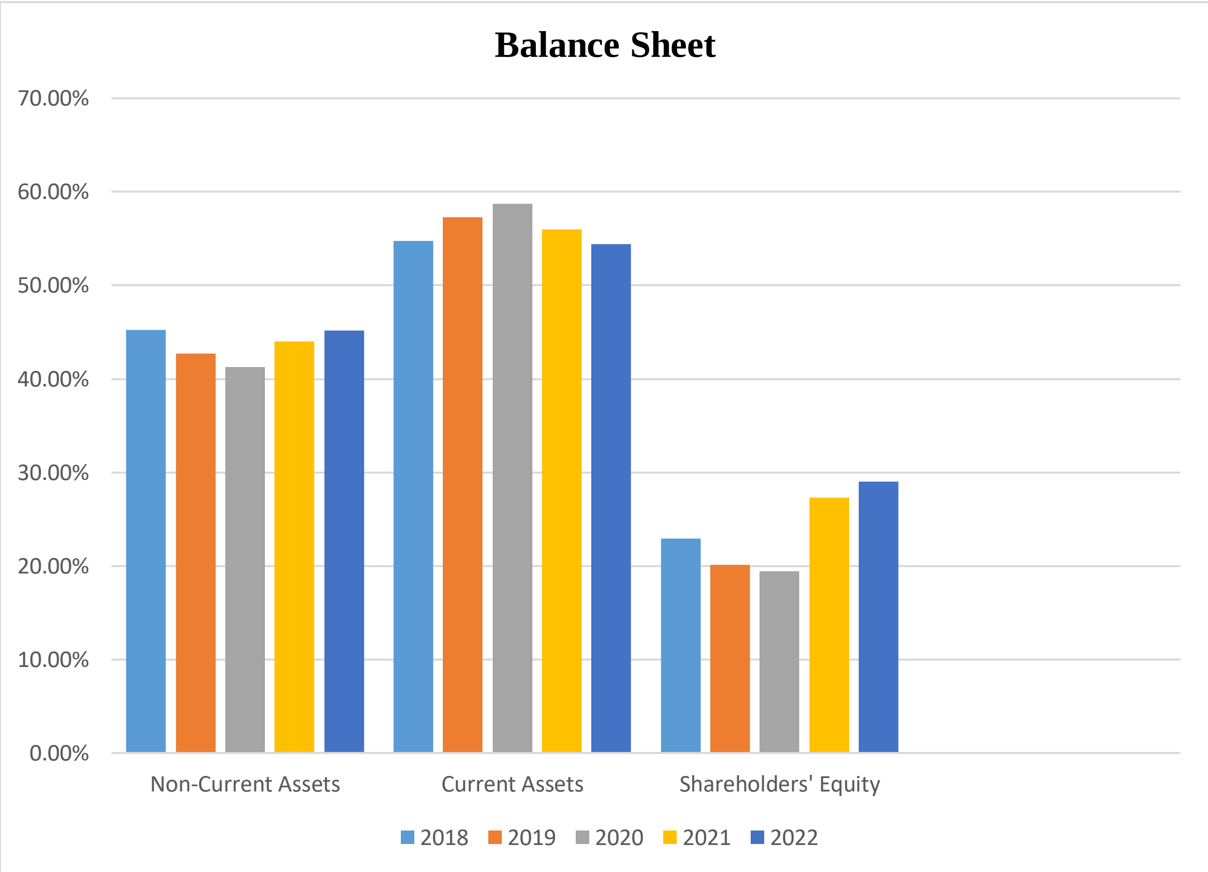
Interpretation:

Based on the above ratio table the graph shows that Debt Ratio of Prefeex Limited was 65.48% in 2022 and was 45.94% debt ratio in 2021 and was 26.83% debt ratio in 2020 that isLower than other years of Prefeex Limited. they took on a higher level of financial risk. From 2019 to 2018 Debt ratio increase compare to the other years that was 44.31%, 42.52% as a result 2022 high debt ratio shows that Prefeex Limited is highly leveraged.

4.8 Balance Sheet of Prefeex Limited

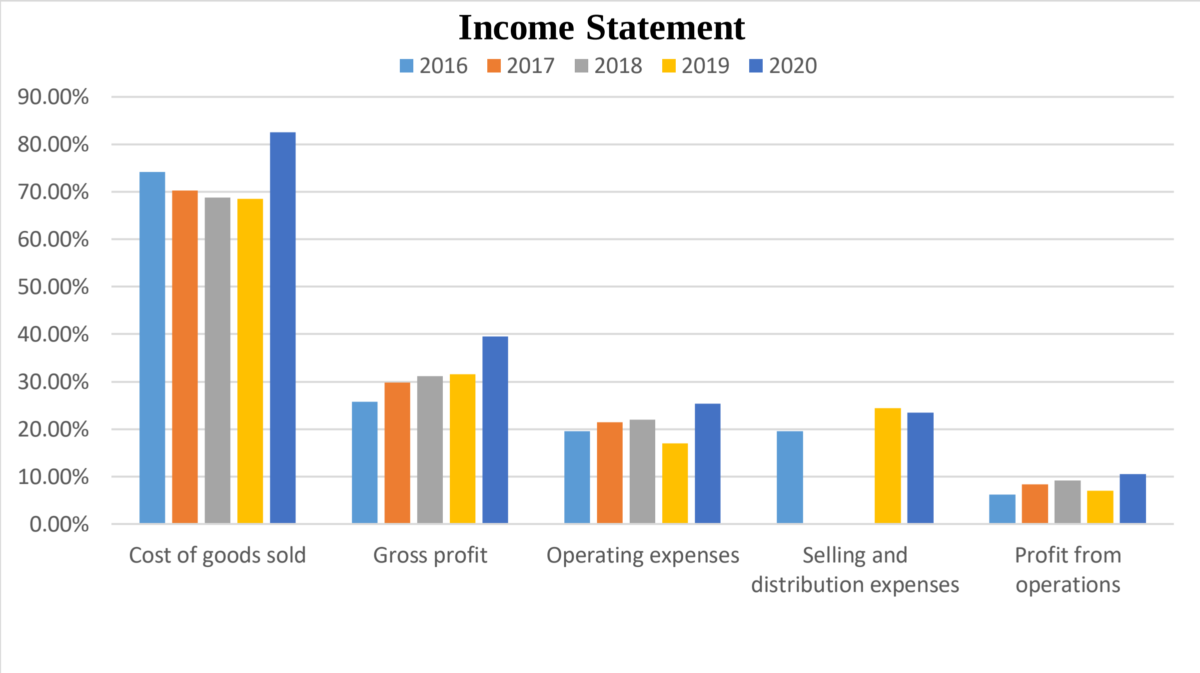
Prefeex Limited					
Balance Sheet					
Common Size Analysis					
Particulars	**2018**	**2019**	**2020**	**2021**	**2022**
Non-Current Assets	**45.26%**	**42.68%**	**41.27%**	**44.03%**	**45.19%**
Property, Plant and Equipment	35.79%	34.68%	36.86%	40.27%	34.78%
Capital work in progress	5.05%	3.80%	0.00%	0.00%	5.32%
Investment in long term assets	3.99%	3.82%	4.23%	0.00%	3.20%
Intangible assets	0.43%	0.37%	0.15%	0.08%	1.00%
Other Investment	0.00%	0.00%	1.00%	1.10%	1.00%
Current Assets:	**54.74%**	**57.32%**	**58.73%**	**55.97%**	**54.42%**
Inventories	24.44%	26.87%	28.07%	23.29%	10.25%
Trade Debtors & Other Receivables	18.94%	18.66%	18.42%	16.36%	19.00%
Advance, Deposits and Prepayments	3.96%	3.55%	7.85%	11.02%	14.00%
Cash and Cash equivalents	4.23%	3.33%	4.39%	3.47%	4.10%
Others Receivable	0.70%	0.86%	0.00%	1.80%	1.50%
Advance Income Tax	2.38%	3.96%	0.00%	0.00%	3.90%
Inter-company receivables	0.09%	0.09%	0.00%	0.04%	1.00%
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Shareholders' Equity	**22.91%**	**20.15%**	**19.42%**	**27.30%**	**29.00%**
Share Capital	1.31%	1.43%	1.56%	1.10%	2.00%
Share Premium	1.77%	1.66%	1.60%	1.12%	1.90%
General Reserve	0.01%	0.56%	0.00%	12.42%	15.54%
Revaluation Reserve	8.35%	7.54%	6.45%	0.00%	9.00%
Other Reserve and surplus	0.78%	0.00%	0.00%	0.00%	1.00%
Retained Earnings	8.72%	7.72%	9.19%	12.27%	17.00%
Minority Interest	0.00%	0.00%	0.00%	0.38%	2.00%
Non-Controlling Interest	1.98%	1.24%	0.62%	0.00%	2,76%
Non-Current Liabilities	12.11%	11.53%	8.13%	11.39%	14.19%
Deferred tax liability	1.84%	1.58%	1.28%	2.01%	4.00%
Liability for gratuity & WPPF	0.00%	0.00%	2.07%	1.77%	2.00%
Other Liabilities	0.00%	0.00%	4.78%	0.00%	3.00%
Current Liabilities	64.97%	68.32%	72.45%	61.31%	54.00%
Creditors for goods	5.05%	6.30%	13.68%	0.00%	10.45%
Short term borrowing	35.55%	39.88%	0.00%	36.62%	37.32%
Bank Overdraft	8.84%	5.11%	3.72%	6.01%	8.54%
Income Tax Payable	2.24%	4.35%	4.19%	0.00%	3.98%

Liabilities for other finance	0.00%	0.00%	0.00%	6.19%	5.34%
Long term borrowings Current maturity	6.29%	5.41%	50.87%	0.00%	56.12%
Payable to Holding Company	0.00%	0.00%	0.00%	4.74%	7.32%
Lease Finance Current Maturity	0.05%	0.06%	0.00%	0.00%	1.00%
Others Liabilities	6.95%	7.22%	0.00%	7.75%	8.54%
Total Liabilities & Shareholder's Equity	100.00%	100.0%	100.0%	100.0%	100.00%



4.9 Income Statement of Prefeex Limited

Prefeex Limited					
Income Statement					
Common Size Analysis					
Particulars	**2018**	**2019**	**2020**	**2021**	**2022**
Turnover	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of goods sold	74.21%	70.24%	68.82%	68.51%	82.56%
Gross profit	25.79%	29.76%	31.18%	31.49%	39.54%
Operating expenses	19.59%	21.45%	21.98%	17.00%	25.40%
Selling and distribution expenses	19.59%	0.00%	0.00%	24.44%	23.44%
Profit from operations	6.20%	8.31%	9.19%	7.05%	10.50%
Other income	0.65%	0.29%	0.33%	0.36%	0.65%
Profit from sale of share	0.00%	0.00%	0.00%	5.71%	4.33%
Share of profit of equity investees	0.34%	0.26%	0.39%	0.48%	0.57%
Financial expenses	5.75%	5.99%	5.43%	3.53%	6.00%
Net profit before WPPF	0.76%	2.87%	4.48%	10.08%	11.00%
Allocation for WPPF	0.28%	0.35%	0.38%	0.41%	0.56%
Net profit before tax	0.47%	2.53%	4.10%	9.67%	10.00%
Provision for income tax	1.75%	2.06%	2.25%	3.36%	3.90%
Net profit after tax	-1.28%	0.47%	1.86%	6.31%	7.00%



Interpretation: The common figure for a common-size balance sheet analysis is total assets. Based on the accounting equation, this also equals total liabilities and shareholders' equity, making either term interchangeable in the analysis. It is also possible to use total liabilities to indicate where a company's obligations lie and whether it is being conservative or risky in managing its debts**.** In total asset, current asset is 55% non-current asset in 45% which is bad indication for the organization. So, Prefeex Limited needs to increase its fixed investment to increase more profit. From total turnover we can see that cost of goods sold has increased rather than profit and profit is less than all of expenses which need to increase. Cash in hand is decreasing from year 2018 to 2019. In 2020 it increases but in 2021 again deceases and 2022 it increases from this it can said that cash in hand is not stable. Investment in long term asset in 2019 has increased but in last two years it has fallen down.

Chapter-05

Findings, Recommendations and Conclusion

5.1 Findings of the Study

In order for a company to be profitable and liquid it must perform the following functions those are company total current asset and fixed asset which is total asset of company, current liabilities and long-term liabilities that means total liabilities, company Current Ratio, Owners Equity, ROE,ROA and Debt ratio. Those ratios can measure any company financial performance so in this reportalso use those ratios for finding actual financial performance. So, after analysis of Prefeex Limited financial performance I point out some findings of my point of view.

Profitability Ratio

i. Prefeex Limited Return on Asset (ROA) in 2019 was 5.06%, in 2020 was 6.03% and finallyin 2022 was 7.23% those three years ROA continuously increasing it did not meet the standard.

ii. Prefeex Limited Return on Equity (ROE) in 2019 was 9.09% and in 2020 was 8.24% so those two years ROE are not meet the standard. Because in 2019 and 2020 ROE did not cross the 10%.

Liquidity Ratio

i. Prefeex Limited Current Ratio resent five years are quite good except 2019 and 2022.in 2019and 2022 company current ratio cannot meet the standard but company can easily meet theshort-term loans. Those two years' company current ratio was 1.88 and 1.98 that cannot meet standard but those ratios are healthy that's way company able to fulfill the short termsliabilities. On the other hand, in 2018, 2020, 2021 company current ratio meet the standard.

ii. Prefeex Limited Quick Ratio 2022 did not meet the standard in 2022 quick ratio was 0.67 that is less then 1.in that case short term trouble for company. Except 2022 other four years'company quick ratio meet the standard.

iii. Prefeex Limited Cash Ratio in 2022 was highest ratio that's can make payment easily against liabilities but 6.3 is not an ideal cash ratio. Not only this year in 2021,2020,2019,2018 was6.0,6.2,5.8,5.7 those are not good position for company.

iv. Prefeex Limited Net Working Capital Ratio in 2019 is lower to other years that is 0.47.

Solvency Ratio

i. Prefeex Limited Debt Ratio in 2022 was higher than other years in 2022 debt ratio was 65.48% that is not ideal debt ratio.

5.2 Recommendations

During this internship period at Prefeex Limited in term of marking up an organization's executionlevel, it's not easy to recommend some suggestions. As a result of proper observation of financial analysis some of the shortcomings have been identified. Following are the recommendations resulting from the observations.

i. Prefeex Limited ROA situation means cannot utilizing asset company need to focus ROE more than 10% every year. So, company improve their ROA need to increaseproduct batter pricing also reduce product cost and better inventory turnover. So, company need to continually maintains asset section properly.

ii. Prefeex Limited Return on Equity (ROE) not stable so need to increase ROE ratio forbatter profitability Capacity.

iii. Prefeex Limited Current Ratio in 2019 and 2022 cannot meet the standard that's means company suffering some problems to fulfill the current liabilities. So, in this situationcompany can additionally finance.

iv. Prefeex Limited Quick Ratio 2022 did not meet the standard in 2022 in that situation company face short term trouble also high liquidity risk. So, company need to increasequick asset for batter ratio.

v. Prefeex Limited Cash Ratio was highest most of the years that is good but its means company cannot utilize company cash efficiently.so need to utilize cash efficiently and effectively.

vi. Prefeex Limited Net Working Capital Ratio almost higher and it's an ideal for companyand better position to meet obligations of creditors. So, need to stable this higher net working capital.

vii. Prefeex Limited Debt Ratio more than 50% so company financial risk also higher needto focus on debt ratio company need to reduce higher risk to decrease ratio should be less than 0.5 for reduce financial risk.

5.3 Conclusion

During the three months of the internship program at Prefeex Limited, almost all the tasks have been observed more or less other than financial facts. This practical program, at first, has been arranged for gaining knowledge of practical financial activities to compare this practical with theoretical knowledge. Comparing practical knowledge with theoretical involves identification of weakness in the activities and making recommendations for solving the weakness identified. Through all departments & sections are tried to cover in which I got the chance to gather practical knowledge. It's not possible to go to the depth of each activity of the branch because of time limitations. However, highest efforts have been given to achieve the objectives of the internship program.

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