



**Daffodil**  
*International*  
**University**

**Internship Report**  
**On**  
**Financial Performance Analysis**  
**of**  
**METROCEM GROUP OF COMPANY**



**SUBMITTED TO**

**Dr. Sayedul Anam**  
Associate Professor  
Department of Business Administration  
Faculty of Business & Entrepreneurship

**SUBMITTED BY**

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**Date of Submission: June-2023**

## Letter of Transmittal

**Date:**

**To**

**Dr. Sayedul Anam**

Associate Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

**Subject: Submission of the Internship Report.**

Dear Sir,

With due regard and humble request to express that I am Nafiujjaman Rakib is submitting my Internship Report on 'Financial Ratio Analysis of Metrocem Group of Company. For your kind consideration as a piece of precondition in finishing my BBA program. The report contains general data about the Financial Ratio Analysis of Metrocem Group.

I might want to offer my heartiest thanks for your kind collaboration and direction in making this report informative and time arranged. There may have been some unintentional missteps and omissions. You are a form to believe those as excuses.

I made every effort to incorporate all pertinent details when writing this report in order to make it thorough and practical.

I thus believe you will have fun reading this report enjoyable.

Thank You Sincerely Yours,



**Nafiujjaman Rakib**

ID: 193-11-936

Major: Finance

Department of Business Administration (BBA)

Daffodil International University

## CERTIFICATE OF APPROVAL

This is to certify that the Internship Report On “Financial Ratio Analysis of Metrocem Group of Company is prepared by Nafiujjaman Rakib, ID: 193-11-936 as a partial fulfillment of Department of Business Administration (BBA) requirements at Daffodil International University.

The Internship Report has been completed under my bearing and is a record of the real work done efficiently.

I wish him success in life.

*S. Anam*  
.....

**Dr. Sayedul Anam**  
Associate Professor  
Department of Business Administration  
Faculty of Business & Entrepreneurship

## STUDENT'S DECLARATION

I herewith genuinely pronounce that the expansion given in this internship report has been expert by me and has not been once submitted to some other university for an academic certificate.

There is no copyright leak in the presentation I presented.

I also resolve to repay the University, confronting any misfortune or destruction and rising my separation from the above commitment.

Yours sincerely,



**Nafuujaman Rakib**

ID: 193-11-936

Department of Business Administration (BBA)

## Acknowledgment

Completion of anything requires support from various sources. I am very much fortunate to get sincere guidance and supervision from an in severable.

First of all, I am deeply indebted to my supervisor **Dr. Sayedul Anam**, Associate Professor, Department of Business Administration, Faculty of Business & Entrepreneurship for his whole-hearted supervision of me. Without her supportive hand and recommendation, it would be difficult for me to complete this study.

My heartiest gratitude also goes to **Mrs. Shanjida Sikha**, first Sr. Executive Officer of Metrocem Group who has been so kind and helpful to me during my internship period. They helped me in every possible way even though they used to remain busy all through the day. Their contribution to this report is worth more than ever.

It was a great honor to work with such kind, hand- working and helpful officers.

Thanks, from all from the core of my heart.

## Executive Summary

My internship report is based on an analysis of the financial performance of Metrocem Group of Company which is prepared for the partial requirements of the BBA program.

The beginning of the report, chapter one is the introduction of which conduct, the origin of the report, scope, method, logy, and limitations. The objective of this report is to know the Overview of the financial performance of Metrocem Group. The report is prepared based on primary and secondary data. All there had some limitations was the insufficiency of information. Corporate's office employees can't provide the information due to security and other corporate obligations.

The second chapter is an overview of the Metrocim Group. The Group began its adventure in 1988 with a building materials trading house. Following years of experience, the Group was eager to start producing building materials. It began its "Metrocem Cement Ltd." cement manufacturing company in 2000, "Metrocem Steel Ltd." TMT 500W bar manufacturing

company in 2008, and "Metrocem Auto Bricks Ltd." brick manufacturing company in 2012. The organization's goal is to help the people of the nation by providing them with high-quality building supplies and services at a reasonable cost. To achieve the intended goals that set us apart from the competition, the group has been working with an experienced, visionary management team.

Chapter Third the name is an analysis of the financial performance of Metrocem Group of Company. In this chapter, I have done a comparative analysis of the finance performance related activities of the past five years. Here the analysis Financial Performance of Metrocem Group of Company is described deeply. In those descriptions different types of financial statements, Components of Financial Statements, Classification of Assets, and Liabilities of Financial Statements, and Ratio Analysis of Metrocem Group of Company.

In the fourth chapter, there have some findings, recommendations, and conclusions. In the findings, important issues are mentioned related to the financial performance of the company according to that I have made some recommendations. In this report, I try to cover all the aspects one needs to know about the financial performance activities of Metrocem Group of Company. Here one can out what are essential requirements to get oneself avail the financial performance activities and what procedure the company will follow in case of the liquidity ratio, asset turnover ratio, market ratio, etc.

## TABLE OF CONTENTS

Topics	Page
Letter of Transmittal	ii
Students Declaration	iii
Supervisors Declaration	iv
Acknowledgment	v
Executive Summary	vi
<b>CHAPTER-1: INTRODUCTION</b>	1-3
1.1 Background of the Report	02
1.2 Objectives of the Report	03
1.3 Methodology of the Report	03
1.4 Scope of the Report	03
1.5 Limitations of the Report	03
<b>CHAPTER-2: OVERVIEW OF Metrocem Group of Company.</b>	<b>4-12</b>
2.1 History of Background Metrocem Cement:	05
2.2 Organogram of Metrocem Cement:	06
2.3 Mission, Vision & Core Values Core Values	06
2.4 Objective of Metrocem Cement	07
2.5 Product of Metrocem Group	08
2.6 Raw Material Used for Metrocem Cement Ltd.	09
2.7 Metrocem Cements Quality Policies:	09
2.8 SWOT Analysis of Metrocem Group:	09-12

<b>CHAPTER-3: FINANCIAL PERFORMANCE ANALYSIS</b>	<b>13-34</b>
3.0 Financial Performance Analysis of Metrocem Cement	14
<b>CHAPTER-4: FINDINGS, RECOMMENDATIONS &amp; CONCLUSION</b>	<b>35-39</b>
4.1 Findings of the Report	36
4.2 Recommendations	37
4.3 Conclusion	38
Bibliography	39



# **Chapter-1**

## **Introduction**

## **1.0 Introduction:**

Metrocem Cement Ltd. has been a pioneer in stimulating the nation's cement industry since its inception. The dynamic top management team of this organization represents each individual's surrogate of their flaw. Despite being the leading cement manufacturer in the nation, Metrocem Cement has established, captured, and dominated a sizeable share of the cement industry's market. This is thanks to the organization's effective technological capabilities in both its products and decision-making processes.

The society as a whole was influenced by Metrocem Cement's reorganization and inception of a revolution in the cement industry, which appears to be their cunning goal. The goal of Metrocem Cement is to become an expert and a national leader in the cement industry. Its goal is to gain supremacy in the market it is operating in the production and selling of cement and environmental goods were the company's main business endeavors throughout the year. My topic choice was an evaluation of the financial performance of Metrocem Cement Ltd. since, as a going concern, financial performance measurement is a good instrument to get a sense of a firm like Metrocem Cement.

Performance refers to carrying out a planned course of action. Performance might include managerial and financial performance. When we talk about an organization's financial performance, we imply how well it manages its finances. In order to determine whether a concern is financial or not, financial performance thus represents the financial condition. A system for assessing and evaluating a company's financial performance is provided by financial performance analysis. So, the most crucial approaches for evaluating a firm's financial health are financial analysis. Ratio analysis, common size analysis, trend analysis, and distress analysis through Z score are all heavily emphasized in financial analysis. After reviewing the aforementioned, it would be simple for us to evaluate the financial performance of Metrocem Cement Ltd.

## **1.1 Background of the report:**

As part of the requirements for finishing the Bachelor of Business Administration (BBA) degree with a major in Finance at Daffodil International University's Faculty of Business and Entrepreneurship (FBE), I was assigned to write my internship report. I interned at Metrocem Group of Companies in the Accounts and Finance Department. My report's title is "Financial Ratio Analysis of Metrocem Group of Companies." This report is the official documentation of the internship program.

## 1.2 Objectives of the report:

The goal is as follows:

- To analyze the financial performance of the Metrocem Group of Companies.
- To identify Metrocem Group's difficulties in Financial Performance.
- To make some recommendations to overcome the difficulties.

## 1.3 Methodology of the report:

The methodology explains how data is gathered, processed, and interpreted. I gathered information/data from the following sources to assist me in creating this report.

The source is separated into two categories, primary and secondary, as stated below:

- **Primary sources include:**
  - Face-to-face chat with the branch's officers and personnel.
  - Informal conversation with clients.
- **Secondary sources:**
  - Metrocem Group's official website.
  - Relevant books, research papers, and periodicals.
  - Various publications on corporate functions.
  - Matrocem Group's annual statement.

## 1.4 Scope of the report:

This report was created to provide a comprehensive picture of Metrocem Group's financial performance analysis during the previous five fiscal years (2018-2022). Throughout my whole experience, I attempted to incorporate all facts about Metrocem Group's financial performance. I quickly discussed several quantitative components of the Fund's borrowed and dispensed funds, developments in equity, assets, profits, retained earnings, dividends, and other operations. I also attempted to present several comparative evaluations of various financial statement components. The report's objective is to provide a detailed picture of Metrocem Group of Company's financial health. Due to business policy, my scope as an intern was limited. However, I did my best to characterize their financial success level.

## 1.5 Limitations of the report:

There are certain constraints in preparing this report. The following are the limits encountered while creating the report:

- The biggest impediment to the report was a lack of information. Because of security and other company requirements, office personnel are unable to share the information.
- The duration of the report was too short to have a thorough understanding of the overall the organization.
- In many cases, current data was not published. Because the company personnel were extremely busy, they were unable to give me enough time to complete the report.
- Many elements are not explored in this research due to time limitations.

# **Chapter-2**

## **Overview of Metrocem Cement**

## 2.1 Historical background of Metrocem Cement:

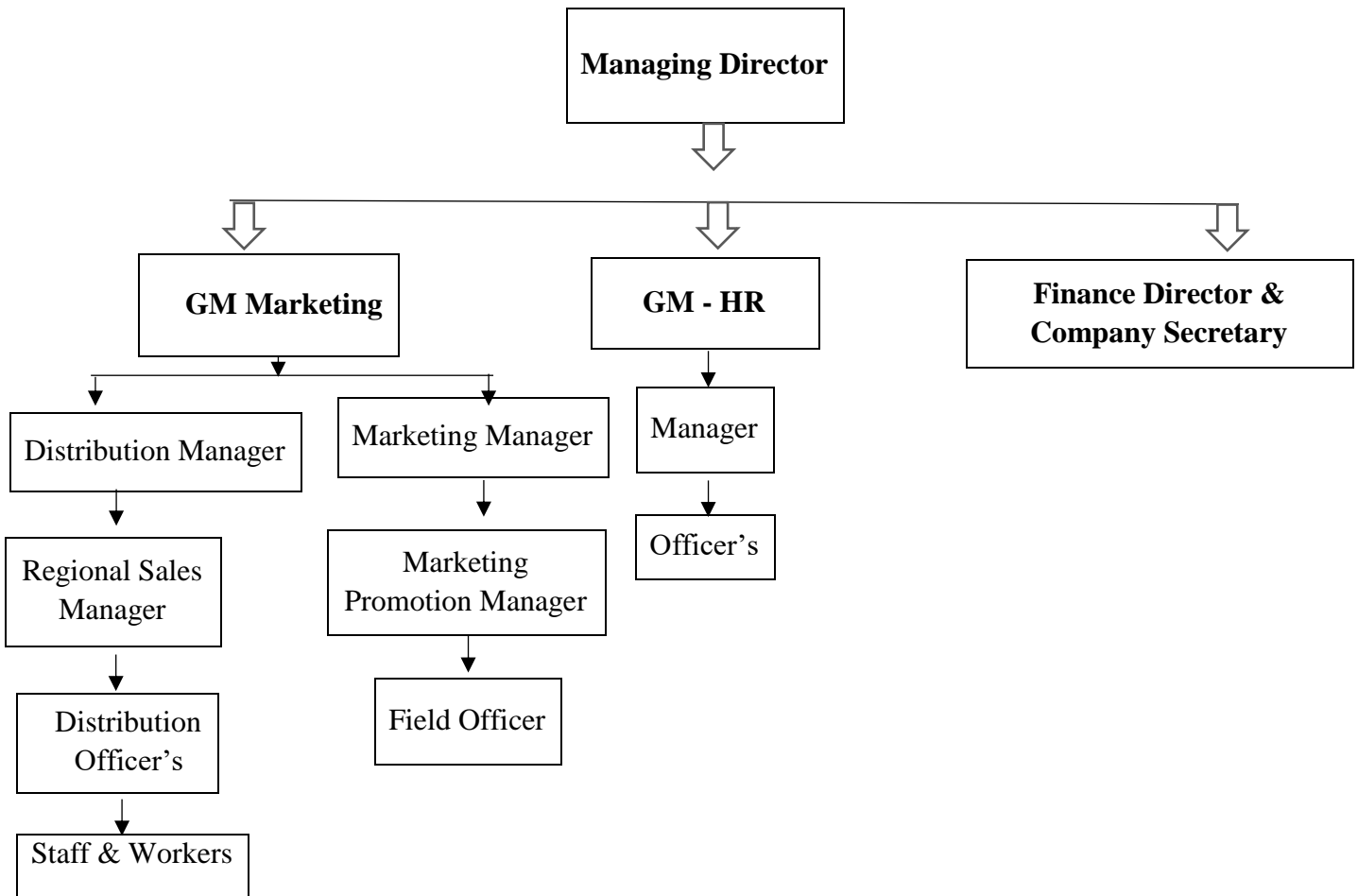
Metrocem Cement Factory Ltd. is a public limited corporation that is one of the largest cement makers in Bangladesh. On December 31, 1994, it began its journey with the intention of supplying cement of excellent quality to the country. The brand name "Metrocem Cement" is well-known both domestically and internationally.

The factory was initially designed to produce 600tpd (ton per day) of Portland cement. The demand for Metrocem cement grew steadily over time. As a result, the sponsors increased the project three times. Metrocem Cement quickly gained acceptance both at home and abroad as a result of its high quality, necessitating the expansion of the plant from its initial 600tpd (ton per day) capacity to an 800tpd second unit in 2002, a 1400tpd third unit in 2006, and a 3000tpd fourth unit in 2011, bringing the entire capacity of production to 5800tpd, or 1.740 million metric tons per year.

In 2011, the firm was listed on the Dhaka Stock Exchange and the Chittagong Stock Exchange. Its aggressive expansion strategy was well received by shareholders, and it earned the trust of investors. Its efforts in backward and forward integration have given its growth platform additional dimensions. **Metrocem Polymer Bagging Ltd.**, **Metrocem Ispat Ltd.**, **Metrocem Auto bricks Ltd.**, and **Metrocem Cement Concrete & Building Materials Ltd.** have been established and are now in operation with this goal in mind. In addition, the corporation has purchased a useful max size ocean going ship to assist the shipment of raw materials from overseas. These new growth platforms are intended to help Metrocem Cement create new dimensions and frontiers.

The plant has excellent connectivity facilities, both by water and by road. It is situated in West Mukterpur, Munshigonj, on the banks of the Dhaleswari River. It is linked to the rest of the nation by a metallic road (Dhaka-Munshigonj Highway).

## 2.2 Organogram of Matrocem Cement Ltd.



## 2.3 Mission, Vision & Core Values Core Values

### Our mission:

As a contemporary cement firm, we produce cement (Brand name: Metrocem Cement) to satisfy the demands of our clients via innovative products and services that provide value to all of our stakeholders.

### Our Vision:

We believe business as a tool for the prosperity of shareholders, employees, and society at large, generating riches via material and ethical advantages as a byproduct of the development of human civilization.

## Core Values:

- Our priority is our clients.
- We value professional ethics and strive for excellence at all levels.
- We believe in being a responsible corporate citizen.
- We communicate what we believe in, and we encourage participative management.

## Slogan:

**"Let's Make Magic Happen"** considering the motto, country's leading cement company Metrocem Cement Limited observed its "Team Magnificent: Annual Sales.

## 2.4 Objectives of Metrocem Cement:

- 1 We in Metrocem cement strive, above all, for top quality health care products at the least cost reaching the lowest rungs of the economic class of people in the country.
- 2 We value our social obligations.
- 3 We owe to our shareholders and strive for protection of their capital as well as ensure highest return and growth of their assets.
- 4 We strive for best compensation to all the employees who constitute the back-bone of the management and operational strength of the Company through a pay-package composing salary/wages, allowances, bonus, profit participation, leave salary and superannuation & retirement benefits.
- 5 We strive for best co-operation of the creditors & debtors the banks & financial institutions who provide financial support when we need them, the suppliers of raw materials & suppliers who offer them at the best prices, the providers of utilities-power, gas & water etc. and the customers who buy our products & services by redeeming their claim in time by making prompt payment and by distributing proper product on due dates.
- 6 We strive for fulfillment of our responsibility to the Government through payment of entire range of due taxes, duties, and claim to various public agencies.
- 7 We strive, as responsibilities citizen, for a social order devoid of malpractices, anti-environmental behaviors, unethical and corruptive dealings.

- 8 We strive for practicing good governance in every sphere of activities covering inter alia not being limited to, disclosure & reporting to shareholders holding AGM in time, distribution of dividends and other benefits to shareholders, reporting/dissemination of price sensitive information. acquisition of share by insiders, recruitment & promotion of staff, procurement & supplies, sale of assets etc. all that directly and indirectly affect the interest of concerned groups - the shareholders, the creditors, suppliers, employees, government and the public in general

## 2.5 Product of Matrocem Group:

### PRODUCT OF MATROCEM GROUP

<b>CEMENT</b>
<b>ISPAT</b>
<b>BRICKS</b>
<b>CONCRETE</b>
<b>BUILDING PRODUCTS</b>



## 2.6 Raw Material Used for Metrocem Cement Ltd.

As raw materials, we have been utilizing clinker, fly ash, slag, limestone, and gypsum that are of the highest quality available and directly imported under our supervision from countries like Japan, Indonesia, Thailand, Malaysia, and Korea. The imported raw materials are stored in a climate-controlled environment to retain the materials' high quality. In addition, before raw materials are imported, a test certificate is obtained from a reputable international "quality assurance" company like the SGS or Lloyd to ensure their standard and quality. The identical is also examined in our own laboratory to guarantee quality.

## 2.7 Metrocem Cements Quality Policies:

We guarantee constant quality control throughout the whole production process. Our factory is fully backed by a robust internal laboratory equipped with cutting-edge technology for quality control and ongoing product enhancement. Our highly skilled foreign-trained chemists and technicians, who have extensive expertise in the field of cement and are completely devoted to their job, are available in addition to the well-furnished and equipped chemical and physical laboratories.

Before being imported, raw ingredients are checked in this lab, and cement samples are tested hourly while being produced. Cement is tested on many factors for quality assurance. In its laboratory, Metrocem Cement Factory Ltd.'s scientists perform the compressive strength test on concrete/mortal cubes of various test ages, including 3 days, 7 days, and 28 days in accordance with ASTM C-150 and 2 days and 28 days in accordance with EN (European Standard). Consequently, we are able to provide our clients with cement of the highest quality.

## 2.8 SWOT Analysis of Metrocem Group:

SWOT analysis is a method for determining a company's strengths, weaknesses, threats, and opportunities with regard to its internal and external environments.

### Strengths:

- Quality control and premium product: Metrocem Cement Ltd. manufactures premium Portland composite cement and regular Portland cement utilizing state-of-the-art European equipment and a European process. The business has its own testing facilities where highly trained specialists and chemists regularly assess the quality of the cement using cutting-edge European machinery. In addition to testing cement's mortar strength, they also use a piece of autoclave equipment to evaluate cement's expansion. The BUET provides additional help for quality control.

- **Equipment and technology that meet European standards:**

To create their goods, Metrocem Cement employs equipment and technology that meet European standards. This provides them with a competitive advantage because few cement businesses in Bangladesh employ the equipment and technology needed to create cement of the highest quality quickly.

**High level of training:** As Metrocem Cement Ltd. is an emerging cement firm in the country, they are continually working hard to boost their output. Hence, they give significant priority to educating their personnel. There are training courses for the engineers, masons, retailers, and dealers of the firm that are held all throughout Bangladesh at different times of the year. On the other hand, the industrial workers in the plant of Metrocem Cement Ltd. are also taught from time to time. This training generally occurs when new machinery or a process system is deployed in the industry. The staff of various departments working in the corporate office of Metrocem Cement Ltd. are also trained from time to time. For the new employees of the organization, each department arranges intensive training sessions.

**Convenient location:** Metrocem Cement Ltd.'s factory is situated in Munshiganj's West Muktarpur. The land is situated in such a way that the Dhaka-Munshiganj Road is on the front side, and the Shitalakhya and Dhaleshwari rivers meet and flow together around two kilometers downstream to form the great river Meghna. As a result, the corporation can access both the land (for its factory, for example) and the river (for the purpose of moving goods) from that position.

- **Big marketing staff:** Since sales, marketing, and customer care are all handled by the same department, the company has a sizable marketing team that is actively managing these tasks. This results in a time- and flexibility-efficient flow of work.

- **Better management practices:** Premier Cement Limited has between 120 and 130 staff working in its corporate office. The company's directors and managers have effective control over their employees because there are fewer of them. Since this business is still in its early stages of development, they are constantly open to fresh perspectives and ready to adopt innovative ideas that will help them perform well and expand.

As a result, there is potential for ongoing development and progress, which is mostly driven by the company's managers as they contribute their management and execution skills and talents.

## **Weaknesses:**

The current distribution system cannot reach all parts of the nation. Even though Metrocem Cement Ltd. has an organized distribution system, its size and lack of resources prevent it from serving all parts of the nation.

The company hasn't yet been able to reach its goal market share. The company hasn't yet been able to reach its target market share. However, neither the desired market share number nor the reasons for falling short of it were made public.

The organization's HR department is very young, as was noted in the report above, which is why it has a poor structure. Maybe that's why it's still so unorganized and unstructured. However, this department is crucial because, without the right human resources, It is impossible for an organization to run efficiently and accomplish its objectives.

**Low level of marketing:** Despite Metrocem Cement allocating a sizable budget for marketing activities and covering nearly all types of tools to promote their product, they should still step up their marketing efforts to compete with their rivals and reach their target market group throughout Bangladesh.

## Opportunities:

**Export potential:** Metrocem Cement already exports its goods internationally. However, there is a strong chance for the business to sell its goods to nations like Nepal and Sri Lanka. Additionally, they are receiving bids from various African nations to export their goods.

**Chance to expand marketing and distribution channels:** The Company has the chance to expand their marketing and distribution channels all the way down to the root level of each division across the whole nation. Wider client coverage across the nation will result from this.

**New website development:** As was already reported, Metrocem Cement is currently building a new website. The organization will have additional options to connect with a larger proportion of clients once this website is online, both domestically and abroad. It will provide the nation with a competitive advantage, much like other rivals.

**Excellent prospect for business expansion and long-term profitability:** Given the state of the nations cement sector, there is a significant possibility for the company to increase its operations and generate more revenue in the future. Along with the cement business, PCML is also in the product life cycle's growth stage. On the other hand, because of the several significant development projects the nation's government has undertaken, the demand for cement is projected to increase in the future. Demand growth would influence sales growth, which would result in a position where the businesses could make profits.

## Threats:

**Competition:** Metrocem Cement faces several domestic and international rivals in the cement industry. These businesses, particularly the international ones like Heidelberg, Holcim, and Lafarge, pose a serious challenge to Metrocem Cement due to their resources, expertise, and ability to adopt foreign management techniques.

**Price Increase in the International Market:** Metrocem Cement is also concerned about the price increase in the international market. Due to the fact that most individuals in our nation now have significantly lower purchasing power parity than those in the majority of other nations abroad, this might also force Bangladeshi cement producers to raise their prices, which could then result in a decline in sales.

**Global raw material market expansion:** The majority of the raw materials used to make composite cement are imported from other countries. Therefore, Metrocem Cement and other cement businesses would have to raise their prices and total costs if the price of the raw materials increased.

**Political unrest:** The nation now experiences significant political unrest. The efficient operation of Metrocem Cement and other cement firms around the nation may occasionally experience pauses as a result of this.

**Exchange rate volatility:** There is always a chance that the exchange rate will vary. The cost and final price of cement are adversely affected by this.

**Excessive inflation:** Because of excessive inflation, a similar circumstance may potentially develop.

**Irrational duty and VAT structures:** The government of Bangladesh may impose irrational duty and VAT structures on cement, and other foreign nations may also raise the import tax on cement. If this were to happen, it would be challenging to lower the price of cement and import it to other countries. Cement exports from Bangladesh were completely nonexistent in 1998 as a result of an increase in import taxes on cement by India.

# **Chapter-3**

## **Analysis of Financial Performance of Merocem Cement Ltd.**

## 3.0 Financial Performance Analysis

By accurately establishing the link between the items on the balance sheet and the profit and loss account, financial performance analysis helps to discover the firm's financial strengths and weaknesses. Financial performance analysis is useful for both short- and long-term forecasting, and it may be used to identify growth. According to the definition, "analysis" is to resolve or divide a thing into its constituent pieces or elements in order to trace their connections to the object's entirety and to other things. The process of analyzing a financial statement involves assessing how its components relate to one another in order to have a better understanding of the firm's situation and performance. The management of the company may do this analysis, or it may be done by parties other than the name, owners, creditors, investors, and pauses.

### 3.1 Liquidity Ratio

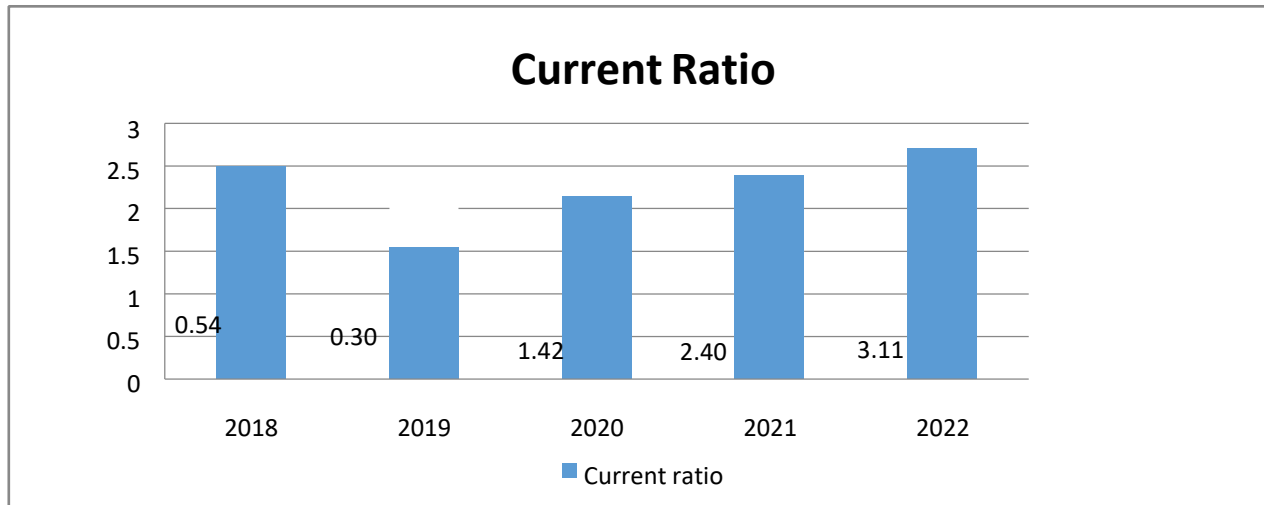
#### 3.1.1 Current Ratio

The current ratio, one of the most commonly cited financial ratios, measures the firm's ability to meet its short-term obligations.

$$\text{Current Ratio} = \text{Current Asset} / \text{Current Liability} * 100$$

Table-1 for Current Ratio:

Year	2018	2019	2020	2021	2022
Current asset	74,608	92,291	738,309	40,220,127	103,080,808
Current liabilities	137,831.81	306,967.58	518,759.44	16,776,125.40	33,188,103.42
Current ratio	0.54	0.30	1.42	2.40	3.11



Source: annual report (2018-22)

**Figure-1 for Current Ratio**

**Interpretation:**

The graph demonstrates the declining trend of Metrocem Cement's current ratio, which went from 0.54 in 2018 to 3.11 in 2022. This suggests that during this period of the year, the firm's liquidity situation has improved.

**3.1.2 Net Working Capital Analysis**

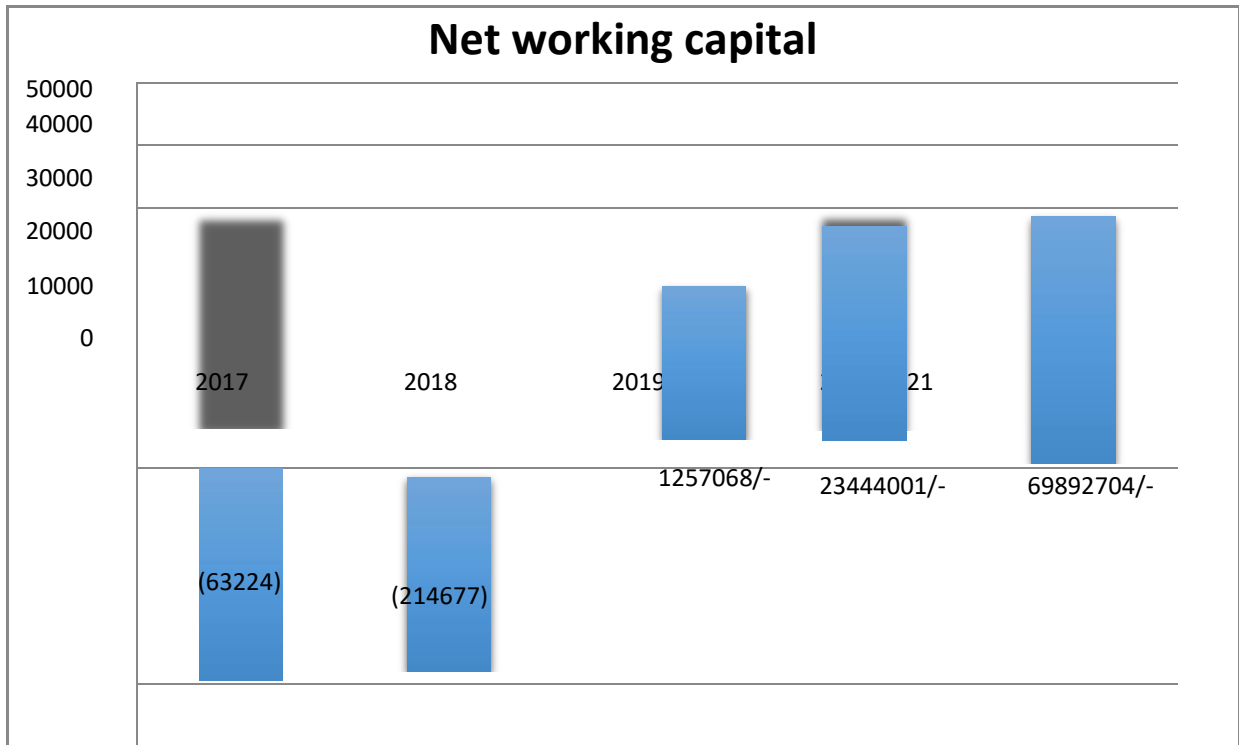
Net working capital, although not a ratio is a common measure of a firm's overall Liquidity. It is a measure of the liquidity ratio. The bank's NWC is given in the following table.

$$\text{Networking capital} = \text{Total current assets} - \text{Total current liabilities}$$

**Table-2 for Net Working Capital:**

Year	2018	2019	2020	2021	2022
<b>Current asset</b>	<b>74,608</b>	<b>92,291</b>	<b>738,309</b>	<b>40,220,127</b>	<b>103,080,808</b>
<b>Current liabilities</b>	<b>137,831.81</b>	<b>306,967.58</b>	<b>518,759.44</b>	<b>16,776,125.40</b>	<b>33,188,103.42</b>
<b>Net working capital</b>	<b>(63224)</b>	<b>(214677)</b>	<b>1257068</b>	<b>23444001</b>	<b>69892704</b>

Source: annual report (2018-22)



**Figure-2: Graphical representation of Net working capital**

### Interpretation:

Between 2018 and 2019, there was a declining trend. However, from 1257068 in 2020 to 69892704 in 2022, the net working capital has grown. since in 2018 and 2022, both current assets and current liabilities rose.

### 3.2.1 Total Asset Turnover Ratio

The total asset turnover indicates the efficiency with which the firm can use all its assets to generate sales.

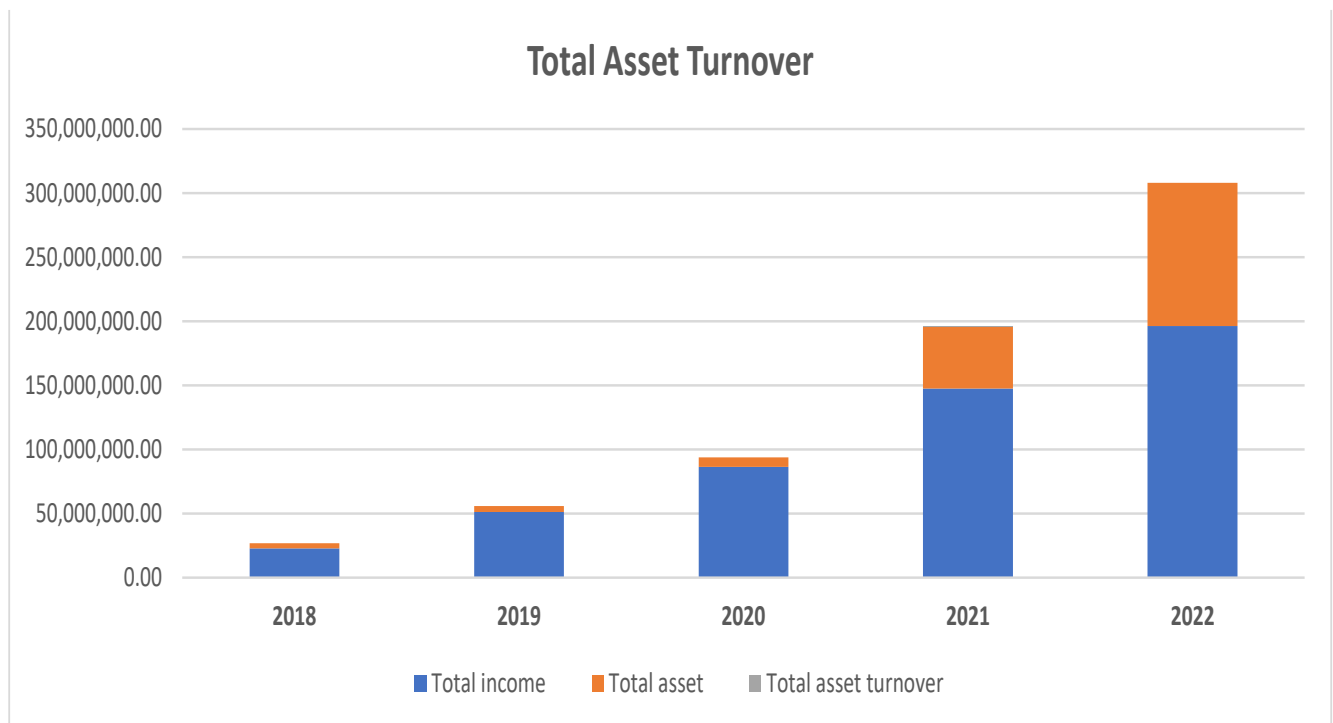
- Total asset turnover =  $\frac{\text{Operating income}}{\text{Total asset}}$



**Table-3 for Total Asset Turnover**

Year	2018	2019	2020	2021	2022
<b>Total income</b>	22,971,968.39	51,161,262.85	86,459,906.45	147,692,158.69	196,195,699.58
<b>Total asset</b>	4,008,432	4,677,568	7,389,359	47,908,178	111,993,384
<b>Total asset turnover</b>	<b>5.73</b>	<b>10.93</b>	<b>11.70</b>	<b>3.08</b>	<b>1.75</b>

Source: annual report (2018-22)



**Figure-3: Graphical representation of Asset turnover**

**Interpretation:**

The graph demonstrates how the overall asset turnover has declined over time. Although the overall asset turnover climbed from 5.73 in 2018 to 11.70 in 2020, it fell from 3.08 in 2021 to 1.75 in 2022. The total asset turnover ratio for Metrocem Cement is declining daily, which is a terrible indicator.

### 3.2.2 Cash Ratio

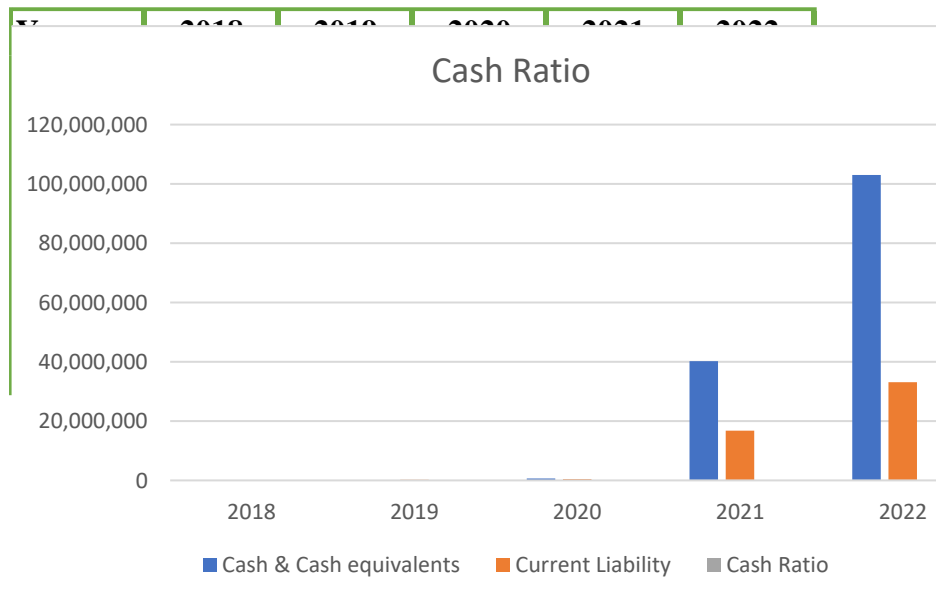
Company's liquidity is evaluated using the cash ratio. It particularly determines the proportion of current liabilities to total cash and cash equivalents held by a corporation. The indicator assesses a company's capacity to pay off its short-term debt using cash or resources that can be converted into cash quickly, including readily tradable securities. When determining how much money, if any, they would be prepared to loan a firm, creditors might utilize this knowledge to their advantage.

Table and graphical presentation of the Cash ratio of Metrocem Cement from 2018 to 2022 is given below: -

Cash Ratio=Cash & Cash Equivalents/Current Liability

**Table-4 for Cash Ratio:**

<b>Year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Cash &amp; Cash equivalents</b>	<b>74,608</b>	92,291	738,309	40,220,127	103,080,808
<b>Current Liability</b>	<b>137,831.81</b>	306,967.58	518,759.44	16,776,125.40	33,188,103.42
<b>Cash Ratio</b>	<b>0.54</b>	<b>0.30</b>	<b>1.42</b>	<b>2.40</b>	<b>3.11</b>



**Figure-4: Graphical representation of Cash ratio**

**Interpretation:**

Although the firm is doing extremely well day by day, but if we say in one word that the corporation's health is not excellent, according to this graph.

Company's ability to pay off its short-term debt with cash or resources with short-term cash flow, such as immediately marketable securities, is measured by its cash. According to this graph, the cash ratio was 0.54 in 2018, which is extremely low. However, if we look ahead to 2022, the cash ratio will be 3.11, which is significantly higher than it was in 2018. Therefore, we may claim that the firm is doing well.

**3.1.3 Debt Ratio**

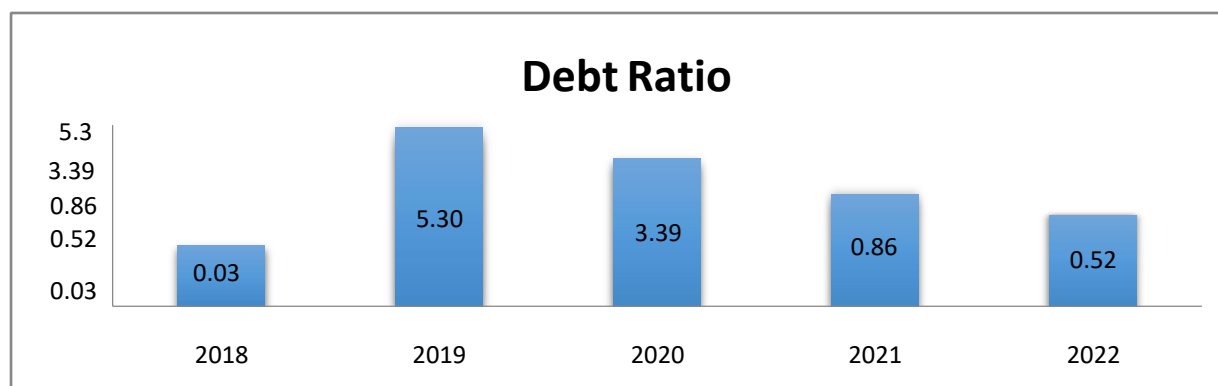
The debt ratio measures the preparation of total assets provided by the firm’s creditors.

$$\text{Debt Ratio} = \frac{\text{Total liabilities}}{\text{Total assets}}$$

**Table-5 for Debt Ratio:**

Year	2018	2019	2020	2021	2022
Total liabilities	137,831.81	24,806,967	25,018,759	41,276,125	57,688,103
Total asset	4,008,432	4,677,567	7,389,359	47,908,178	111,993,384
Debt ratio	0.03	5.30	3.39	0.86	0.52

Source: annual report (2018-22)



**Figure-5: Graphical representation of Debt ratio**

### Interpretation:

The debt ratio calculates what percentage of the company's total assets comes from its creditors. This graph demonstrates how the company's debt ratio has changed over time. The overall debt ratio for Metrocem Cement climbed from 0.03 in 2018 to 5.30 in 2019, and then it dropped from 3.39 in 2020 to 0.52 in 2022.

### 3.1.4 Profitability Ratio

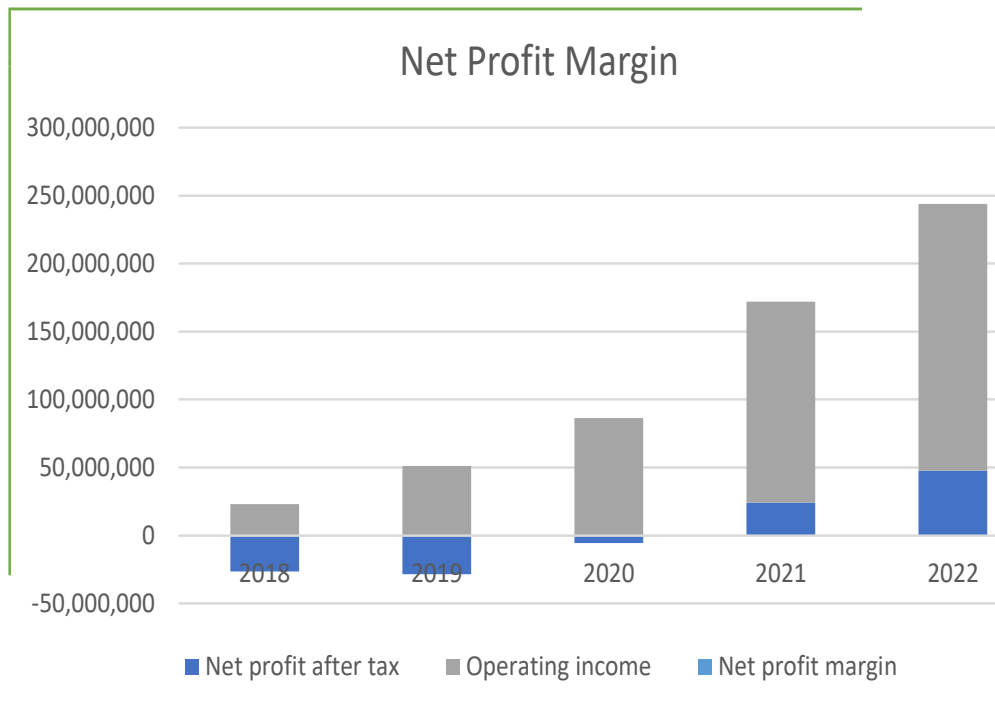
#### 4.4.1 Net Profit Margin

The net profit margin calculates the portion of each amount of sales that is left over after all costs, including taxes, have been paid. Better is a net profit margin for the company that is higher.

$$\text{Net profit margin} = \frac{\text{Net profit after taxes}}{\text{Operating profit}}$$

**Table-6 for Net Profit Margin:**

Year	2018	2019	2020	2021	2022
Net profit after tax	(26,573,389)	(28,317,589)	(5,543,954)	24,261,453	47,673,228
Operating income	22,971,968	51,161,263	86,459,906	147,692,159	196,195,699
Net profit margin	-116%	-55%	-6.41%	16.43%	24.30%



**Figure-6: Graphical representation of net profit margin ratio**

**Interpretation:**

Over the years, Metrocem Cement's bank net profit margin has changed. The performance of the company in terms of earnings on revenue is gauged by the net profit margin. But as we can see, the net profit margin has fallen from -116% in 2018 to -6.41% in 2020, before rising by 16.43% in 2021 and then to 24.30% in 2022.

**3.4.2 Cost-to-Income Ratio**

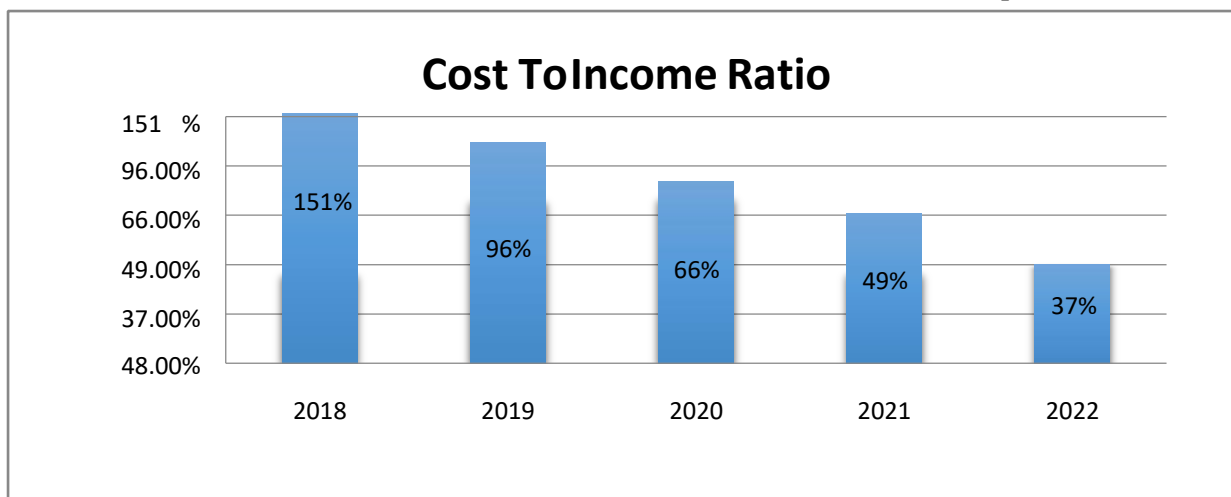
It compares how much it costs to maintain a piece of property to the revenue it generates. It is preferable if the cost-to-income ratio is lower.

- Operating cost to income ratio =  $\frac{\text{Total expense}}{\text{Total income}}$

**Table-7 for Cost to Income Ratio:**

Year	2018	2019	2020	2021	2022
<b>Total Expense</b>	34838776	49621547	<b>57534385</b>	<b>72491399</b>	<b>74445475</b>
<b>Total income</b>	22,971,968	51,161,263	86,459,906	147,692,158	196,195,699
<b>Cost-to-income ratio</b>	1.51%	<b>0.96%</b>	<b>0.66%</b>	<b>0.49%</b>	<b>0.37%</b>

Source: annual report (2018-22)



**Figure-7: Graphical representation of Cost to income ratio**

### Interpretation:

The cost-to-income ratio gauges how well management keeps costs under control.

According to the graph, the company's cost-to-income ratio rose by 151% in 2018 and will gradually decline over the next two years, from 96% in 2019 to 37% in 2022. This shows that the business has been successful in lowering its costs over time.

### 3.4.3 Return on Asset (ROA)

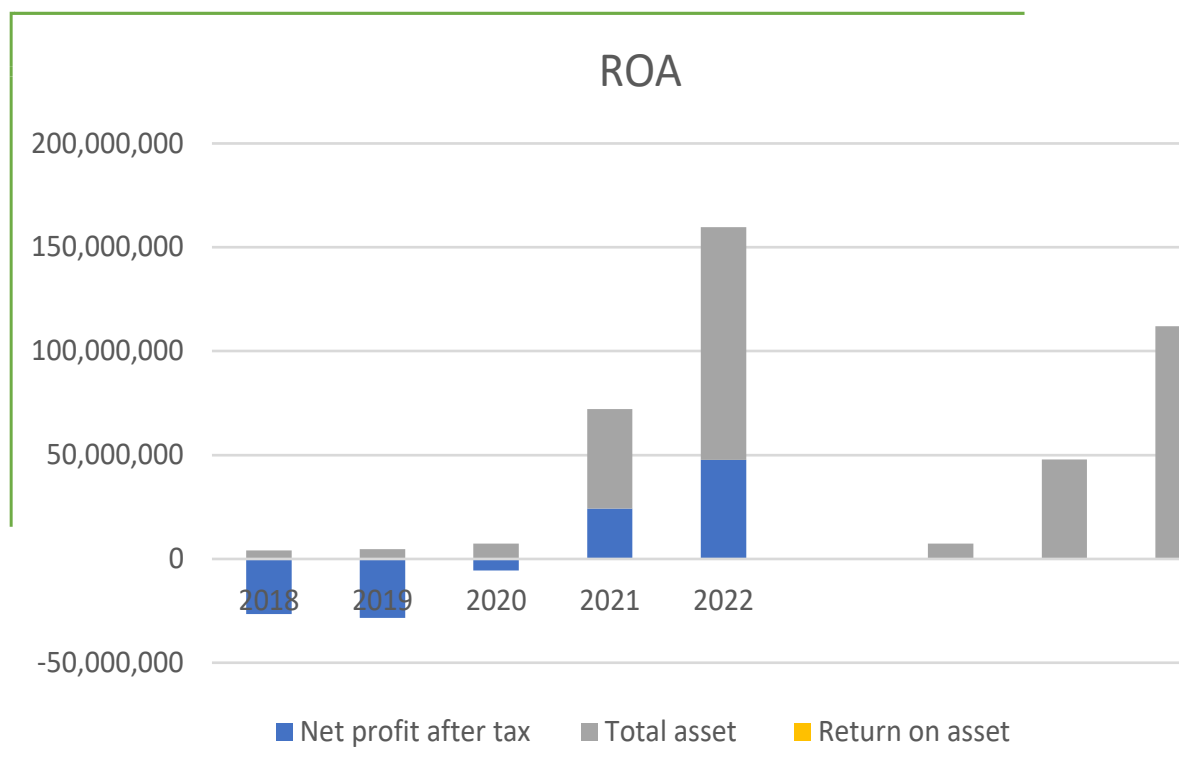
The return on asset (ROA), often known as the firm's return on total assets, gauges how well management uses its available assets to generate profits overall. Better is a greater ratio.

The formula for return on assets (ROA) =  $\frac{\text{Net profit after tax}}{\text{Average total assets}}$

**Table-8 for ROA:**

Year	2018	2019	2020	2021	2022
Net profit after tax	(26,573,389)	(28,317,589)	(5,543,954)	24,261,453	47,673,228
Total asset	4,008,432	4,677,567	7,389,359	47,908,178	111,993,384
Return on asset	-6.6	-6.05	-0.75	0.50	0.42

Source: annual report (2018-22)



**Figure-9: Graphical representation of Return on asset**

**Interpretation:**

The graph demonstrates how the return on assets has changed over time. It gauges how successfully the company as a whole produce's profits using its available resources. Metrocem Cement's ROA increased from 0.50 in 2021 to 0.42 in 2022 after decreasing from (6.6) in 2018 to (0.75) in 2020, which is a positive development for the company.

### 3.4.4 Return on Equity (ROE)

The owner's investment, made by both preferred and common stockholders, is measured by the return on equity. In general, the owner is better off with a higher return.

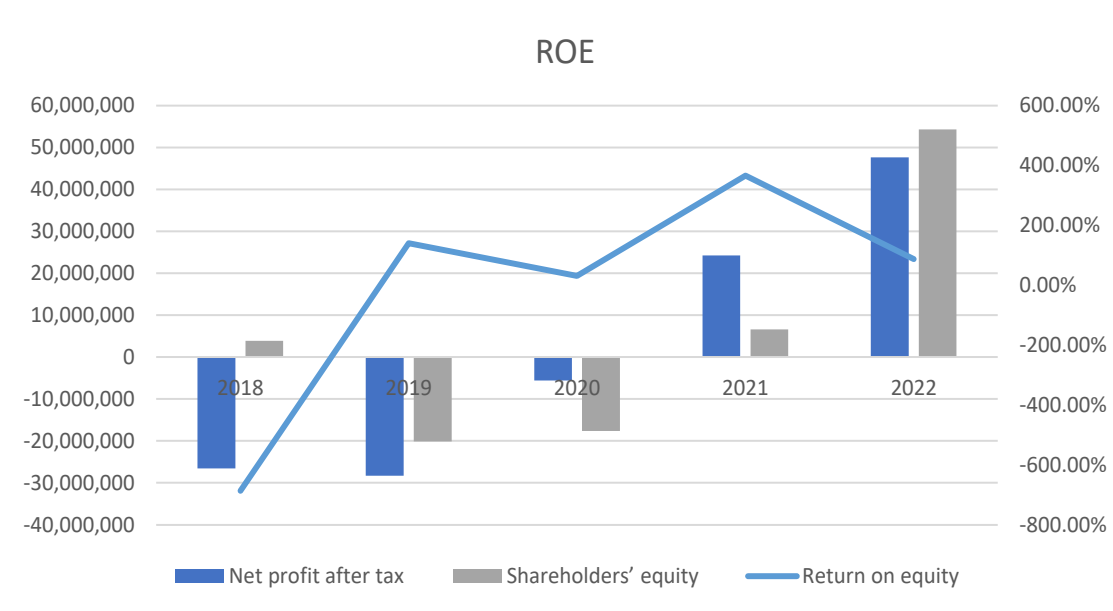
$$\text{Return on equity (ROE)} = \frac{\text{Net profit after tax}}{\text{Shareholder's equity}}$$

**Table-10 for ROE:**

<b>Year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Net profit after tax</b>	(26,573,389)	(28,317,589)	(5,543,954)	24,261,453	47,673,228
<b>Shareholders' equity</b>	3,870,600	(20,129,400)	(17,629,400)	6,632,052	54,305,280
<b>Return on equity</b>	<b>-686.54%</b>	<b>140.68%</b>	<b>31%</b>	<b>365.82%</b>	<b>87.79%</b>

*Source: annual report (2017-21)*





**Figure-10: Graphical representation of Return on equity**

**Interpretation:**

The graph demonstrates the year-over-year decline in Metrocem Cement's ROE. Metrocem Cement's ROE fell from -686.54% in 2018 to 140.68% in 2019, and then it increased steadily after that. It increases to 87.79% in 2022. That suggests the organization is in a good position, but more work is needed to raise the ratio.

**3.4.5 Gross Profit Ratio**

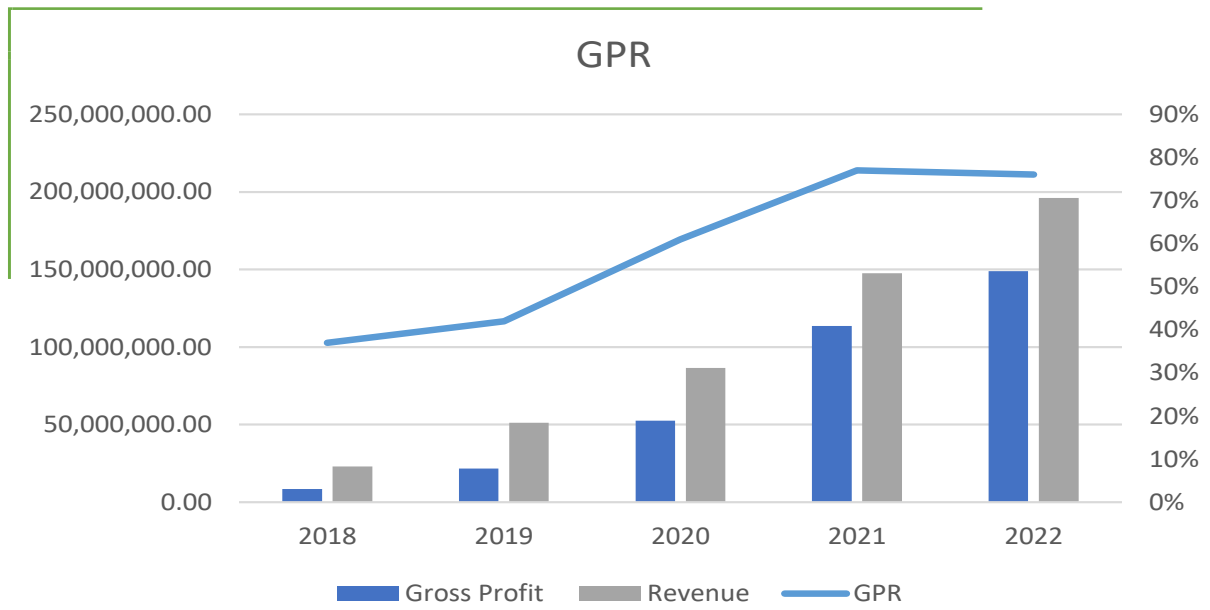
Gross profit ratio (or gross profit margin) shows the gross profit as a percentage of net sales. The ratio provides an indication of the company's pricing policy. The Gross Profit Ratio are calculated as follows:

$$GPR = (\text{Revenue} - \text{COGS} / \text{Revenue} * 100) \text{ or } \text{Gross Profit} / \text{Revenue} * 100$$

**Table-11 for Gross Profit Margin:**

Year	2018	2019	2020	2021	2022
<b>Gross Profit</b>	8,413,218.39	21,620,926.41	52,519,191.33	113,538,977.34	148,938,447.02
<b>Revenue</b>	22,971,968.39	51,161,262.85	86,459,906.45	147,692,158.69	196,195,699.58
<b>GPR</b>	<b>37%</b>	<b>42%</b>	<b>61%</b>	<b>77%</b>	<b>76%</b>

**Source: annual report (2017-21)**



**Figure-11: Graphical representation of Gross Profit**

**Ratio**

**Interpretation:**

As we can see, businesses are doing quite well and are in great health. The graph demonstrates how the company's GPR has changed over time. Nevertheless, the GPR rises from 37% in 2018 to 77% in 2021 before falling to 76% in 2022. Therefore, organizations must spend more money on doing their best.

### 3.1.5 Return on Capital Employed

An accounting ratio called return on capital employed is utilized in accounting, valuation, and finance. It is a helpful metric for assessing the relative profitability of businesses once the amount of capital invested has been taken into consideration.

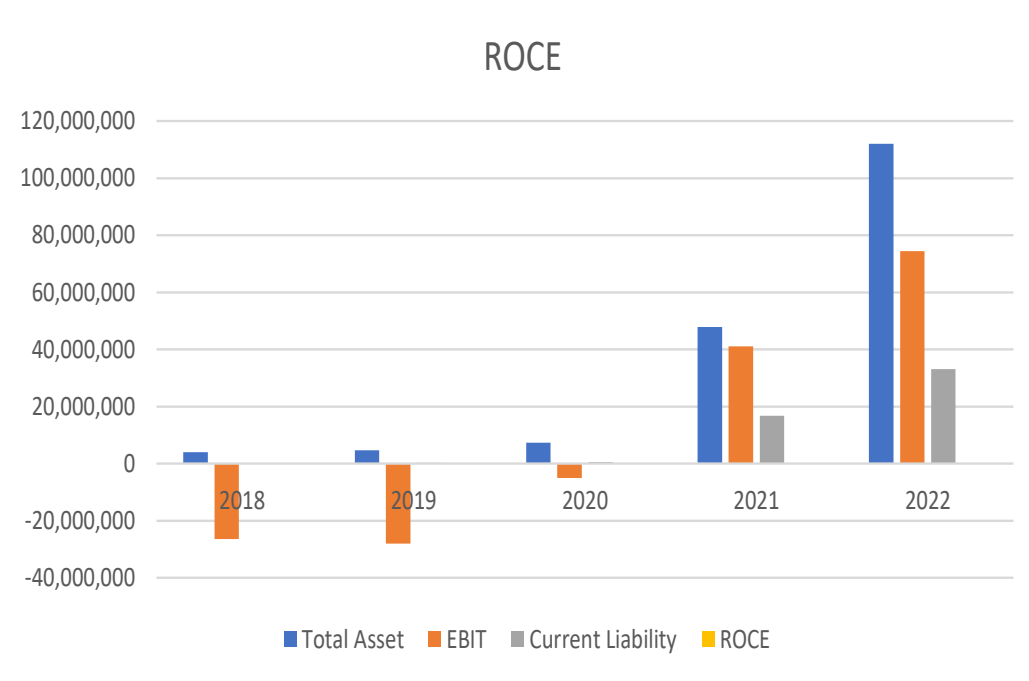
The ROCE ratio is calculated as follows:

$$\star \text{ ROCE} = \text{EBIT} / \text{Capital Employed} * 100$$

Table-12 for ROCE:

Year	2018	2019	2020	2021	2022
Total Asset	4,008,432	4,677,567.58	7,389,359	47,908,178	111,993,384
EBIT	(26,425,557.59)	(28,000,621.13)	(5,015,194.52)	41,047,578.00	74,492,971.40
Current Liability	<b>137,831.81</b>	306,967.58	518,759.44	16,776,125.40	33,188,103.42
ROCE	<b>-6.83</b>	<b>-6.41</b>	<b>-0.73</b>	<b>1.32</b>	<b>0.95</b>

Source: annual report (2018-22)



**Figure-12: Graphical representation of ROCE ratio**

**Interpretation:**

This graphical chart & ROCE ratio indicates that the firms’ performance has improved over the years.

The graph shows that the ROCE ratio of Metrocem has decreased over the years. The ROCE ratio has decreased from -6.83 in 2018 to -0.73 in 2020. ROCE rises from 1.32 in 2021 to 0.95 in 2022.

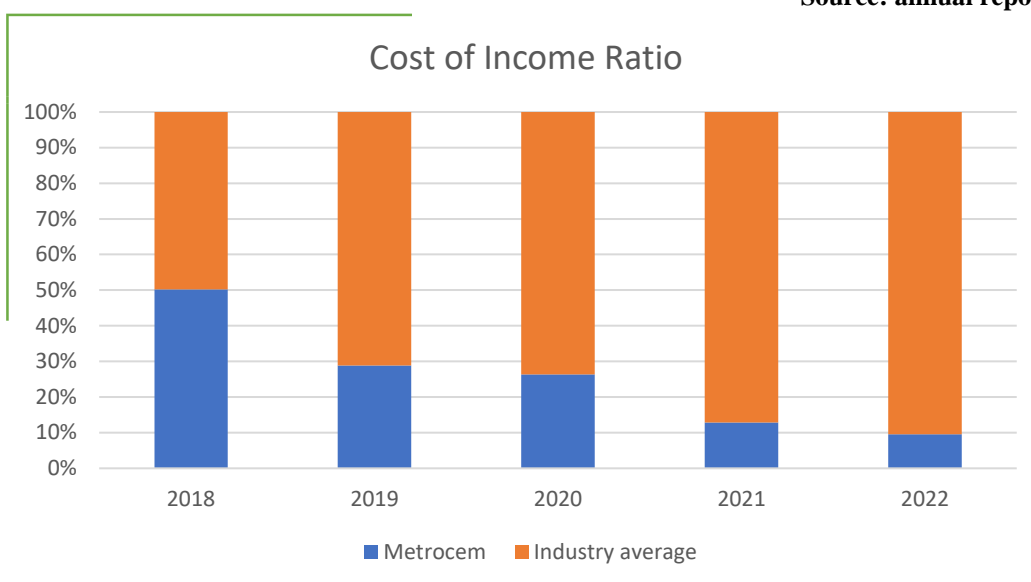
**3.1.6 Costs to Income Ratio**

$$\text{Operating cost to income ratio} = \frac{\text{Total expense}}{\text{Total income}}$$

**Table-13 for Cost to Income Ratio:**

Year	Metrocem Cement	Industry average
2018	<b>1.51%</b>	1.5%
2019	<b>0.96%</b>	2.37%
2020	<b>0.66%</b>	1.85%
2021	<b>0.49%</b>	3.32%
2022	<b>0.37%</b>	3.5%

Source: annual report (2018-22)



**Figure-13: Graphical representation of Cost to income ratio**

**Interpretation:**

The graph demonstrates that throughout the course of a year, Metrocem Cement's cost-of-income ratio was lower than the industry average. Therefore, Metrocem Cement is outperforming the industry standard. The cost of income for the sector as a whole has gone up over time, while Metrocem Cement's cost to income ratio has changed over time.

### 3.1.7 Cash Ratio

Cash ratio

Table 13: Cash ratio

Table-14 for Cash Ratio:

Year	Metrocem Cement	Industry average
2018	<b>0.54</b>	2.1
2019	<b>0.30</b>	1.5
2020	<b>1.42</b>	1.3
2021	<b>2.40</b>	1.85
2022	<b>3.11</b>	2.50

Source: annual report (2018-22)

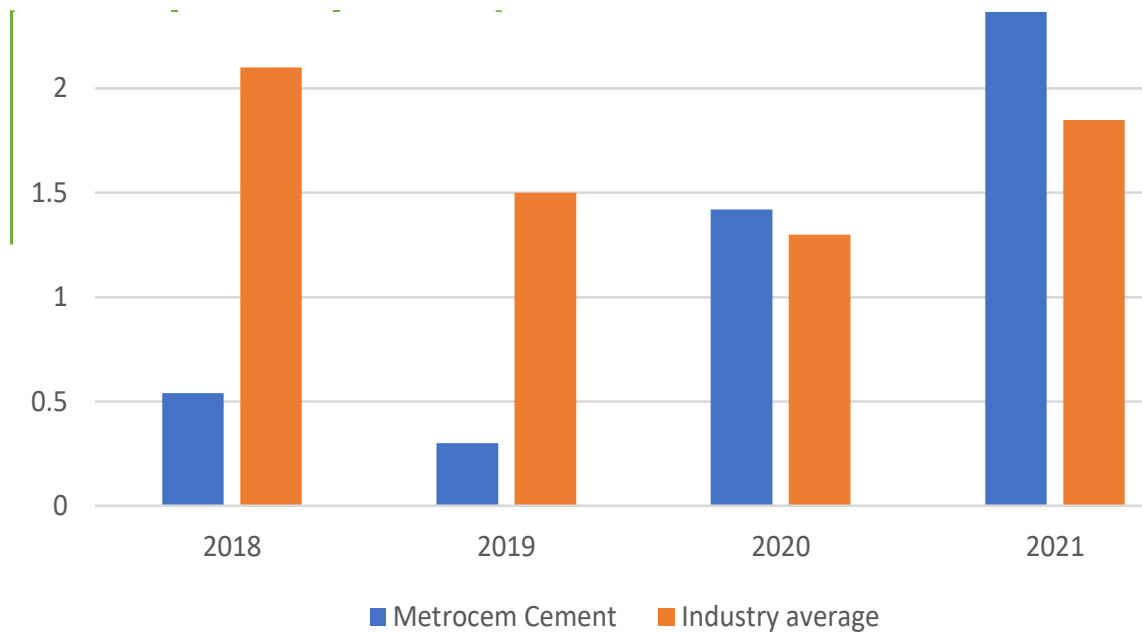


Figure-14: Graphical representation of Cash ratio

**Interpretation:**

The picture demonstrates that Metrocem's categorized loan ratio was lower than the industry average for each of the examination years from 2018 to 2019 and after the business performed exceptionally from 2020 to 2021. This shows that it performs better than the majority of other companies in the cement sector when it comes to collecting or recovering Metrocem Cement.

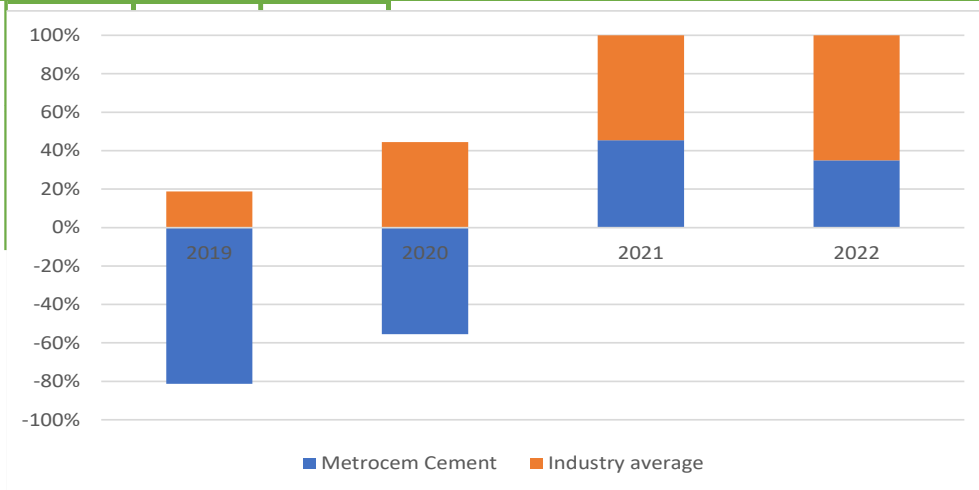
**3.1.8 Return on Asset**

The formula for return on assets (ROA) =  $\frac{\text{Net profit after tax}}{\text{Average total assets}}$

**Table-14 for Return on Asset:**

**Source: annual report (2019-22)**

Year	Metrocem Cement	Industry average
2019	-6.5%	1.5%
2020	-0.75%	0.6%
2021	0.50%	0.6%
2022	0.42%	0.78%



**Figure-14: Graphical representation of Return on Asset**

**Interpretation:**

The graph shows that the ROA of Metrocem Cement is better than the industry averages from 2021 to 2022 year. This indicates that the performance of Metrocem Cement in ROA is higher than most company in the cement industry.

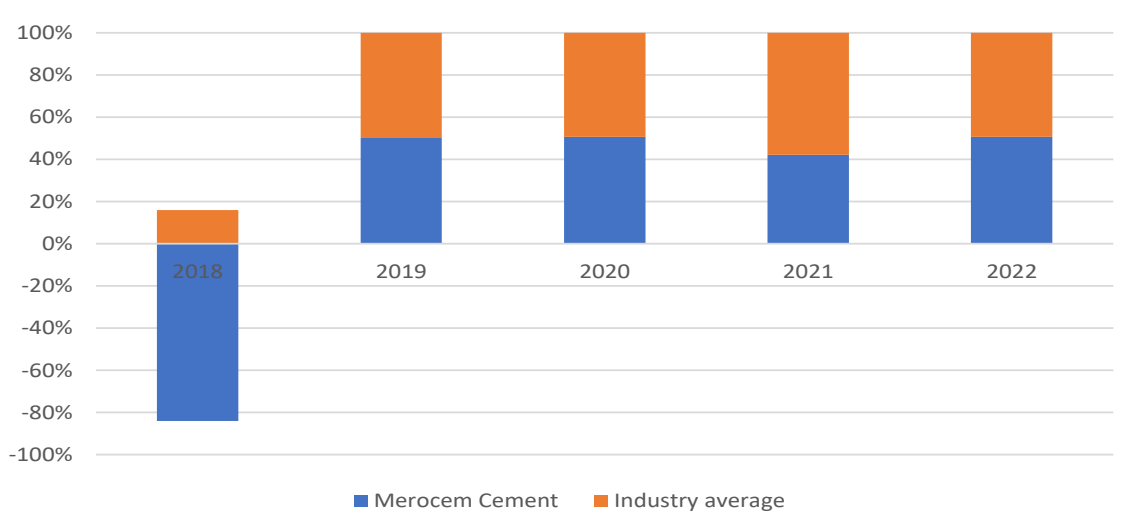
### 3.1.9 Return on Equity

$$\text{Return on equity (ROE)} = \frac{\text{Net profit after tax}}{\text{Shareholder's equity}}$$

**Table-15 for Return on Equity:**

Year	Merocem Cement	Industry average
2018	<b>-68.65%</b>	13.0%
2019	<b>14.06%</b>	14.0%
2020	<b>31%</b>	30.2%
2021	<b>36.58%</b>	50.2%
2022	<b>87.79%</b>	85.45%

Source: annual report (2018-22)



**Figure-15: Graphical representation of Return on equity**

#### Interpretation:

The graph shows that the industry average of ROE has fluctuated over the years. The ROE of Metrocem has also decreased over the years. The ROE of Metrocem is higher than the industry averages each year. This indicates that the performance of Metrocem in ROE is better than most Companies in the cement industry.



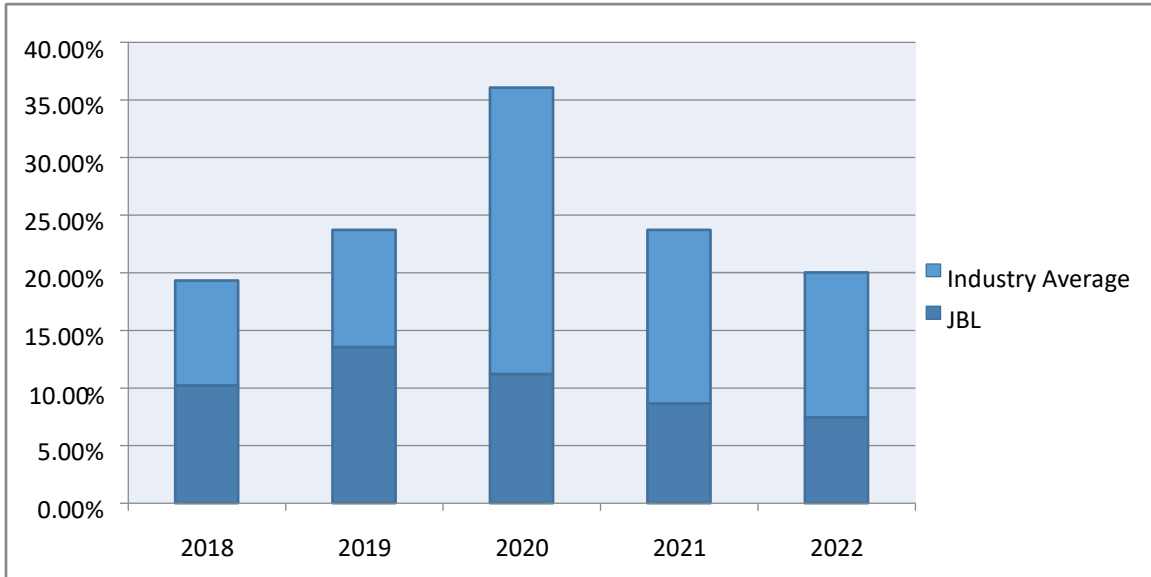
### 3.1.10 Price Earnings Ratio

$$\text{Price-earnings ratio (P/E)} = \frac{\text{Market price per share}}{\text{Earnings per share}}$$

**Table-16 for Price Earnings Ratio:**

Year	Metrocem	Industry average
2017	10.21	9.10
2018	13.55	10.16
2019	11.21	24.86
2020	8.64	15.07
2021	7.46	12.57

**Source: annual report (2017-21)**



**Figure-16: Graphical representation of Price earnings ratio**

**Interpretation:**

The diagram shows that the price-earnings ratio of the Metrocem is lower than the industry average over each year except in 2020. This indicates that investors are less confident in the firm’s performance in comparison to most of the banks in the banking industry.

# **Chapter-4**

## **Findings & Recommendations**

## 4.1 Findings of the Report:

After collecting and analyzing of data I have got some findings. These findings are completely from my point of view. Those are given below

The analysis of the financial performance of Metrocem Cement reveals the following major findings:

- The current ratio for the firm is on the decline. Since the industry norm is 2:1, Metrocem's current ratio has declined from 2018 to 2019, which is unfavorable for the business, on the other hand companies' current ratios will rise after 2019; they were 1.42 in 2020 and 3.11 in 2022, which is positive for the business.
- From 2018 to 2020, Metrocem's total asset turnover grew; from 2021 to 2022, it fell. Which implies that the company cannot use asset turnover.
- The cash ratio, which was 3.11 in 2022, showed a rising tendency, although it was greater than the industry average for each year of the research when expressed as a percentage of total cash ratio. And that's beneficial for the organization.
- Metrocem's situation has changed as a result of an increase in its debt ratio from 2018 to 2022.
- From 2018 to 2022, Metrocem Cement's ROA declined. The ROA of the business is greater than the industry standard.
- The cost Income ratio has increased from 2018 to 2022. The cost-income ratio is lower than the industry average.
- The price-earnings ratio has decreased from 2018 to 2022.
- From 2018 to 2022, Metrocem' ROE dropped. Although Metrocem's ROE is greater than the industry standard.

## 4.2 Recommendations

The following recommendations can be suggested to improve the financial performance of Metrocem Cement Ltd.

- The Metrocem Cement Ltd. should increase its current assets against current liabilities to meet short-term obligations.
  
- The debt ratio of the bank has increased over the years. Therefore, the organization should reduce its debt position.
- The cost-income ratio of Metrocem has increased over the years. Therefore, the organization should reduce the cost of funds, and operating expenses and increase the service area to have an increasing trend in profitability.
  
- The borrowers should be monitored properly to ensure the proper use of loans for specified purposes to avoid moral hazard.
  
- The reduction of debt may be another cause of the lower rate of ROA and ROE of Metrocem Cement Ltd. Therefore, the organization should increase its debt financing to increase its profitability.
  
- The organization should properly analyze the creditworthiness of the creditors by examining the five Cs of the borrower to reduce the classified loan ratio.

### 4.3 Conclusion

Since I've been interested in internships, I've discovered that the majority of my seniors are working as interns in the FMGC sector, financial institutions, and the telecom business. My choice to work for a cement firm was very distinct from this general tendency. But because I had little to no prior experience of the nation's cement sector before beginning my internship, I was unsure of what to anticipate from it. I never imagined working with Metrocem Cement Ltd. would be so intriguing and rewarding.

Even though my time with the firm was brief, it was a fortunate thing that I had the chance to work with practically every department of MCCL's corporate office. Since there aren't many human resources employed in the MCCL corporate office, practically everyone interacts with almost everyone in some capacity. This intimate contact helped me since I was able to learn a lot about the business and the sector by paying attention, doing the duties I was given, and cooperating with MCCL workers.

I believe that the scale of the business and my exposure to all of its departments actually enabled me to have a comprehensive understanding of how the business operates and the industry in Bangladesh. If I had been working for a really large corporation or in a certain department, this would not have been conceivable. It was also quite fascinating for me to go on a field trip to the company's plant in Muktarpur and Munshiganj, as well as to the engineer's and the mason's meetings, where I learned some useful information. Overall, I had a good time working with MCCL during my internship.

One of the nation's younger but most promising industries is cement production. This sector in Bangladesh has a ton of opportunity to develop in the foreseeable future. I believe that many students can now consider starting their careers with the nation's cement industries as a result. If given the opportunity, I would be happy to contribute as well, because this business not only offers to construct people's houses but also aids in the general growth of the nation.

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