



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

## **Financial Performance Analysis of BRACNet Limited**

**(A study on Axis Delvistaa (Level-3) 7/1, Aurangajeb Road, Block-A  
Mohammadpur Housing Estate, Mirpur Road, Dhaka-1207 Bangladesh)**

**Submitted to:**

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**Date: 02/12/2018**

# Letter of Transmittal

Date:

Mr. Mahbub Parvez

Associate Professor

Faculty of Business & Entrepreneurship

Daffodil International University.

Dear Sir,

I am very zealous to submit my internship report on performance evaluation of BRACNet limited after completion my intern. It was my best consideration to follow all of point of this BRACNet how far I can. It was my blessings to follow your instruction and time schedule. All of those areas have covered which was mention to me in the meantime of discussion.

All of topics are visualize which relate to this internship paper. I would like to devote my heartiest gratitude for you; to supporting me your best. This helps me a lot to prepare this report properly.

Thanks for your consideration.

Sincerely yours

Md. Ashrafuzzaman Papon

ID: 152-11-4590

Batch: 41th (BBA)

Major: Finance

## Certificate of Approval

This is my pleasure to mention that the report entitled “Financial performance analysis of BRACNet Limited” have completed by Md. Ashrafuzzaman Papon ID: 152-11-4590, Department of Business Administration, Daffodil International University.

He was placed in the BRACNet Limited which is one of the glorious organizations. BRACNet is also priority to give the innovative internet service in Bangladesh and the extraordinary customer service to all the clients.

The BBA Internship report, he has submitted on the topic, is up to the mark in terms of quality and the organization.

I wish his every success in life.

-----  
Mr. Mahbub Parvez

Associate Professor

Faculty of Business & Entrepreneurship

Daffodil International University

## Preface

Industrial internship is a program, which is guided to compile practical knowledge. It is hardly observed that practical working realization will attach advance in our future life, which may support to attain our aim and ambition too. It provides a scope to acquire knowledge from global business and earmark for executives. It places the practical phenomena including risk and opportunities and enables to take probable alternative decisions too. The sense is the best on gathering experience. It is really a great pleasure that, I have completed my internship program in BRACNet Ltd, Mohammadpur, Dhaka.

This report has been prepared to full-fill the academic curriculum as required under the program BBA. While preparing this report, I gathered practical experience of working and also participating in the internship program. Finally, I would like to say that tireless struggle would become successful when any person or organization will get benefit from this report.

## Acknowledgment

Thanks to Almighty Allah for giving the capability of completing this internship report. I am also grateful to my family for supporting me during the making period of this report.

Then I would like to thanks my supervisor Mr. Mahbub Parvez, Associate Professor for his valuable guideline which assists me to complete easily my report. It may concern to say that without his cooperation it was impossible to complete.

Moreover, I also thank to Branch manager and Vice president of BRACNet Limited who help me a lot to learn about organization activities. Not only has that I also thanked to all employees of the organization who collaborates with me to learn about how they actually work.

It is my gladness to thank all of my senior brothers and sisters who advise me to complete my paper on an appropriate way.

Paying my heartiest appreciation to all of these remarkable people for their tremendous cooperation, this will always be remembered by me in my entire life.

## Executive Summary

The report tries to analyze the financial performance of BRACNet Limited. It is a private organization in Bangladesh a Joint venture company with US investors Net/DEFTA Partners since 2005. BRACNet is premier information and communication technology (ICT) solution provider and Internet Service provider(ISP).

Basically this report focused on last five years' financial data. Therefore, ratios such as capital adequacy, leverage ratio, percentage of classified loans, net profit margin, earning per share, return on equity etc. are used to determine its performance.

Having analysis results, BRACNet has been showing that its ROE has decreased. But on the other side its ROA increased in each year. That's why it is capable to use its assets as desire. But BRACNet is using own fund for making new policies which reduce the cost of total assets. It increases the operating expenses. But cash ratio is now in good position comparing the peer company of it.

Now a day whole economic sector in Bangladesh going through an insufficient fund. For this BRACNet also having some problem to face. And It is trying to overcome these situations by taking new initiatives. It's my belief that BRANet will keep a crucial role in developing Bangladesh economy to build up in Digital Bangladesh project in near future as like before.

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# Chapter-1

## Introduction

Computer and computer networks exchange data using TCP / IP (Transmission Control Protocol / Internet Protocol) to communicate with each other. Computers are connected through telecommunications networks and the Internet can be used for access to information on e-mailing, file transfers and the World Wide Web.

Like many developed and developing countries, the internet has increased significantly in Bangladesh. Although there are many obstacles to expanding Internet access and usage, the development of internet and information technology is a high priority. Internet users in Bangladesh increased by 80.483 million in December 2017 [1] On February 19, 2018 Bangladesh started 4G network services.

Bangladesh is a small country but it has a large population. Most of them are uneducated and unemployed. The Bangladesh government wants to educate all and get jobs. The government wants to digitize the country for this purpose. BRACNet is providing internet services across the country to be part of this great work of the government.

### **1.1 Origin of the report**

This internship report is eligible for all student of Daffodil International University who have completed other course credit. To complete BBA every student has to complete an internship course to a reputed organization. The students are sent in various organizations to enlarge their out apt about real-life experience of job life. After completed 3 credit hour program, to accomplish an internship report, every student need to maintain a schedule with university supervisor. Basically this report indicates all of relevant topics about the particular company.

### **1.2 Objectives of the study**

The main objective of the study is to scrutinize the Financial data of BRACNet Ltd. from the period of 2013 to 2017 and evaluates the performance.

The other objectives of this study are: -

- To evaluate the financial position and performance of BRACNet Ltd from the period of 2013 to 2017.
- To estimate the factors affecting performance of the organizations.
- To find out the trend of profitability of BRACNet.
- To measure the managerial efficiency of the firm as well as earning capacity of BRACNet in future.
- To suggest better ways for enhancing the performance of the organizations.

### **1.3 Purpose**

Knowledge will become more perfect when it gets a combination with practical learning. Just like Bangladesh, in job surviving market, it tough for every student to get practical knowledge about an organization without having a job. It is so much helpful for fresher's to secure a job after getting practical aptitude or sometimes offer a job. Moreover, it is helpful to develop to communicate with corporate people and make a well-known contact with them. That's why practical orientation raises a veritable impact in professional area.

#### **1.4 Scope**

Through this report, it has shown the whole performance of BRACNet for last five years. Not only their market conditions but also analyzing their organizational activities to show how actually they deal with their customers.

#### **1.5 Methodology**

This response has been prepared on the basis of experience that gathered from my internship period. The performance evaluation of BRACNet Ltd. has been shown in this report based on financial report (2013-2017). These findings represent via graphs, charts and tables in the interpreting part. According to my supervisor instructions all of information was applied successfully.

#### **1.6 Area of the study**

This report will show financial performance curve of bracket limited in communication industry of Bangladesh.

#### **1.7 Sources of Information**

In order to completion of this response I have collected data from both initial and minor sources.

Primary sources:

- Employees
- Clients
- Supervisor

Method of collecting primary data:

- Practical experience on their branch.
- Face to face conversation with office employees.
- Conversation with branch visited customers.
- Studying office file in the meantime of working.

**Secondary sources:**

- Annual report of BRACNet Ltd.
- Official website of BRACNet ([www.BRACNet.net](http://www.BRACNet.net))
- Various book articles and journal

## **1.8 Limitations of the study**

- Personnel are not compelled to answer of every question.
- Maintaining conceal of BRACNet I have to consider some data in this report.
- Data restrictions and personal inability of understanding some financial terms.
- Lack of actuality and some decisions are made on assumption.
- Due to less time in our internship period it is so tough to know properly about an organization.

# Chapter-2

## Organizational Part

### **Company profile:**

BRACNet is Bangladesh's ISO certified premier Internet Service Provider (ISP), established in 1996 as BRAC's IT/ISP wing, it later formed a Joint Venture company with US investors get/DEFTA Partners in 2005. KDDI – the second largest cellular operator and Wireless ISP in Japan entered into a partnership with BRACNet having 50% stake in the company. By the end of 2009, BRACNet expanded its broadband Internet and Intranet (data) services in 64 districts, 470 Upazilas of Bangladesh.

Its network today is based on Fixed WiMAX and fiber optics technology to serve 2000+ Banks branches, 100+ Government Offices, 800+ large corporations and thousands of Small and Medium Enterprises (SME) and Educational institutions throughout the country. From the beginning BRACNet Limited is working to reach remote people to provide services. For enlightening education, treatment, communication, commerce, cultural awareness among the people. From the year 2008 BRACNet started e-hut project for proving internet service to the people live in the remote villages. E-hut is a local community base combined digital shop, where people had required different type of it enabled and other limited service access facility like; web browsing, phone calling in other country to relatives, IT training, chatting, printing, courier, photocopy, etc. All available services in a cyber cafe were also available in the e-hut.

Inspiring by the Bangladesh Government Digital Bangladesh policy, INFO Starker project we are ready to support. Beside this our investor Largest NGO BRAC is also supporting for implementing the service expansion project in the remote area. BRACNet will connect all the branches of BRAC about 4,500 branches all over the Bangladesh. So, BRACNet is committed to support BRAC as well as providing service to union level. We are hopeful that our Wi-Fi hotspot will be available in the 50 location in this year 2017 and another 250 locations Wi-Fi hotspot will be covered by the next year in 2018. From this project BRACNet expecting yearly revenue around 216 million.

### **Vision:**

To become premier Internet Service Provider by developing state-of-the-art technology to build a connected Bangladesh.

### **Mission:**

Achieve customer satisfaction by providing round the clock reliable & quality service.

## Commitment:

Helping the government to make and present Bangladesh as a digital country. Provide net services to every human being in Bangladesh. Encourage all traders by paying tax in a timely manner.

### 2.1 Market Information and Analysis:

Before launching a new product, it is very important the market analysis regarding the product we find out that our competition regarding this product will against big telecommunication companies, several Nationwide ISPs and local ISPs. So, we take step by step procedure and did physical survey of 14 locations. Make demography of market size and sort out the requirements.

### SWOT Analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"><li>▪ The investors. BRAC, KDDI and DEFTA Partners are not only stakeholder but technology partner also.</li><li>▪ Strong network coverage. BRACNet has network coverage in 64 district and 300+ own PoP in 411+ upazila.</li><li>▪ Dedicated work force. 300+ professional and trained workforce ensuring industry standard (ISO 9001-2008) 24/7 service support.</li><li>▪ Large investment capacity.</li><li>▪ Strong customer relationship management. 2000+ Bank and corporate satisfied customer, Government Offices, Multinational and International organizations.</li><li>▪ Wide experience of the market</li></ul>	<ul style="list-style-type: none"><li>▪ Limitation in brand awareness.</li><li>▪ Slow rate of product diversification,</li><li>▪ Declined bandwidth price.</li><li>▪ NTTN &amp; E1 Dependency.</li><li>▪ Smaller consumer or home user.</li><li>▪ Inefficient power supply in the remote places.</li><li>▪ Frequent switch of operator by customer.</li><li>▪ Moveable customer</li><li>▪ Support</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>▪ 4,500 BRAC Offices connectivity</li><li>▪ Connectivity to government offices. Government high priority on Country's ICT sector for INFO Sarkar implementation.</li><li>▪ Connectivity to schools. Digital classroom concept actualization in the school level education.</li><li>▪ Connectivity prospect to SPZ,s, IT &amp; Software park</li></ul>	<ul style="list-style-type: none"><li>▪ Mobile operator</li><li>▪ High budget requirement for Network equipment, technology and backbone deployment.</li><li>▪ Smaller market but unethical higher competition.</li><li>▪ Insecure overhead fiber and cut by government authority.</li></ul>

### Demography and Market Size Identification:

As per below table sample population 925,725, area 6.94 Km<sup>2</sup>, density 1334 person/ km<sup>2</sup>, and literacy 58%.

Sl.	POC	Union/Thana	Population	Area (Sq. Km)	Literacy Rate
1	Zanjira	Zanjira paurashava, Shariatpur	21,251	17.94	56%
2	Munshirhat,	Dhobaura, Mymensingh	33,939	40.22	37.5%
3	Panchagarh	Panchagarh paurashava, Panchagarh Sadar Upazila	45,589	20.72	70.3%
4	Bhadeshwar	Bhadeshwar, Gopalganj , Sylhet	36,272	32.9	61.2%
5	Beanibazar	Beani Bazar Paurashava, Beani Bazar, Sylhet	7,709	16.43	63.5%
6	Tongibari, Munshigonj	Tongibari, Tongibari upazila, Munshigonj	197,173	140.91	57.1%
7	Kutubdia	Kutubdia Upazila, Cox's Bazar	125,279	215.79	34%
8	Singra, Natore	Singra Paurashava, Singra Upazila	33,192	70.37	56.8%
9	Puthia, Rajshahi	Puthia Paurashava, Puthia Upazila,	20,610	13.51	59.2%
10	Baneshwar, Puthia, Rajshahi	Baneshwar union, Puthia Upazila, Rajshahi	35,452	25.74	53.6%
11	Satkhira	Satkhira Paurashava, Satkhira Sadar, Satkhira	1,13,322	32.02	69.3%
12	Tala	Tala union, Tala Upazila, Satkhira	33,027	24.74	53.7%
13	Hazigonj	Hajiganj Paurashava, Hajiganj Upazila, Chandpur	63,892	20.24	66.6%

Sl.	POC	Union/Thana	Population	Area (Sq. Km)	Literacy Rate
14	Chandpur Sadar	Chandpur Paurashava, Chandpur Sadar Upazila, Chandpur.	159,021	25.61	67.4%
Total			925,725	694.14	57.59%

Before launching a new product, it is extremely important to complete the market-related analysis of the product. Otherwise, there is a huge potential for failure. In the last few months we will go against our competition regarding this product against major telecommunications companies, ISPs and local ISPs nationwide. So, we conducted a physical survey of 14 locations in a phased manner to create market-size population and to create requirements.

#### **Type of user:**

We have divided the user under three different categories. These are:

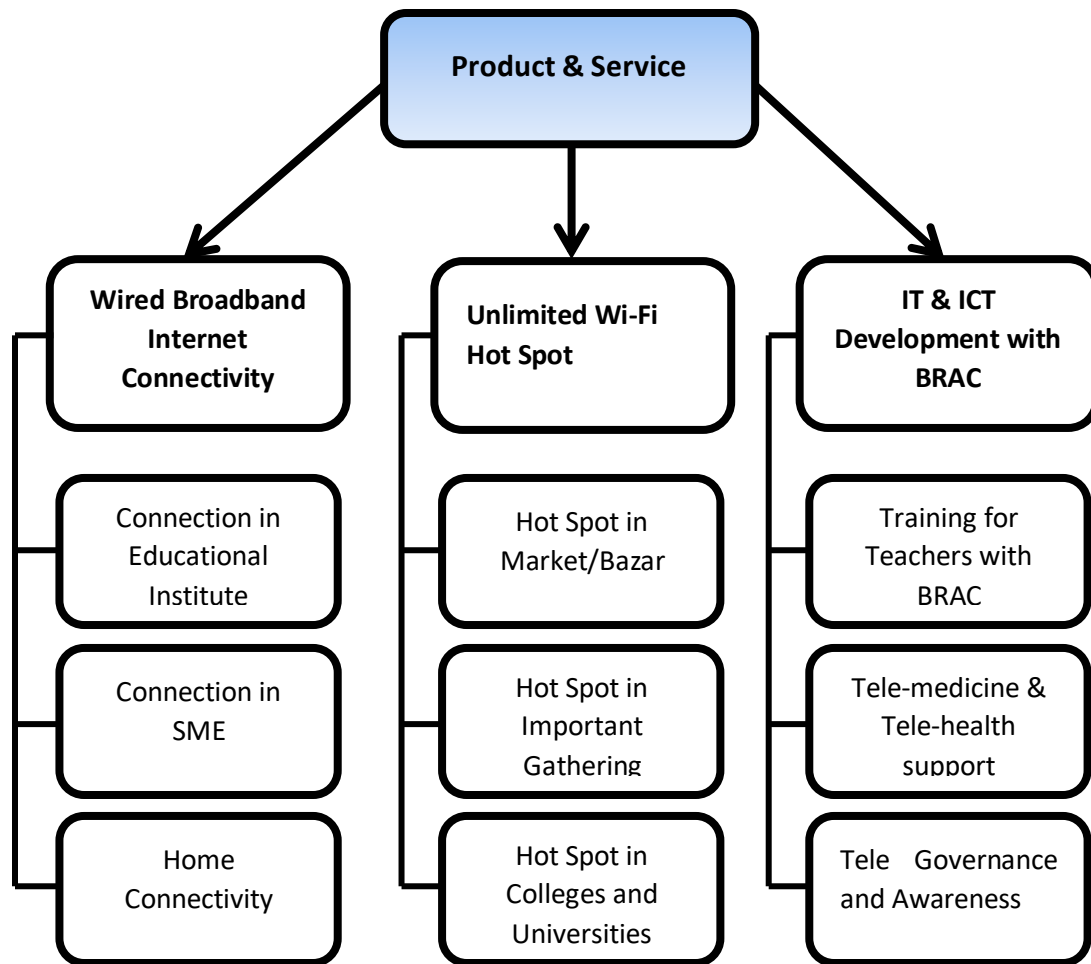
- i. Hat/Bazar locations (Regular Users)
- ii. Educational Organizations (A certain time limit or customized sites and services)
- iii. Government offices (Certain time-limited service)

#### **2.2 Product & Service Description:**

Based on BRACNet services below products & services will be offered in the project area:

- Wired and P2P Radio Broadband internet connectivity
- IT & ICT development training
- Unlimited Wi-Fi Hotspot Connection





### **Pricing & Packages:**

We are introducing a new way of business. So we have to determine the price accordingly. Within a few days of running the business, we will face a deadly market competition from other providers; So we will combine pricing strategies together.

- 1. Cost Based Pricing**
- 2. Value Based Pricing**
- 3. Demand Based Pricing**

On basis of that we have decided to divide the pricing on two stages;

### **Initial Stage Pricing:**

The initial stage price is how we start the pricing strategy at the beginning. Here we will combine the first two pricing strategies. Cost based and price based So we will determine the total costs spent on specific areas and prices based on the sites created. So to follow that we are going to focus on the below aspects:

- Customer needs
- Preferences
- Expectations
- Financial resources
- Competitors' offerings

Hence we are going to start our business in the rural areas, these points really need to take on account while price setting.

### **Matured stage Pricing:**

After one or two years of running these projects in around 20 locations, we are going to emphasize the demand-based prices. According to their needs we can offer many customized offers to gain more and more customer base. So there will be different packages in the market to meet the different needs of anxiety.

### **Market Centric/Sensitive Pricing:**

We will also define a policy for mature markets that will have new customized offers from competitors; we will wait to see how long we will be there. The time that we will not pay anything. We will keep our silence and wait until the end of their offer, high-priced offers will not last for a lifetime and will end in a specific time, and it is our highest time for marketing.

### **Competitive Analysis of Pricing:**

Primarily we are setting a price packages as follows:

We have designed our packages of different products targeting the actual user.

- Broadband Internet Connection package will be offered in two different ways
  - Dedicated Internet
  - Shared Internet

- IT Training will consist of
  - Skill development in IT field
  - School Teacher Training (according to Teach the teacher)
  
- Wi-Fi Hotspot Package

**Primarily we are setting a price packages as follows:**

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Refill Cards containing Balances:</li> <li>1. 10 Taka</li> <li>2. 50 Taka</li> <li>3. 100 Taka</li> <li>4. 150 Taka</li> <li>5. 200 Taka</li> </ul> | <ul style="list-style-type: none"> <li>• Unlimited Bandwidth Packages:</li> <li>1. 350 Taka for 30 Days</li> <li>2. 200 Taka for 15 Days</li> <li>3. 150 Taka for 10 Days</li> <li>4. 75 Taka for 5 Days</li> <li>5. 50 Taka for 3 Days</li> <li>6. 30 Taka for 2 Days</li> </ul> |
|--|---|

\*All the package will have user Terms and Conditions.

**2.3 OUR SERVICES**

**INTERNET FOR CORPORATE USERS:**

BRACNet has been serving as an internet communication service provider since 1997. We are in a position to provide the entire arena of internet connectivity and its related services for our clients. We provide internet connectivity solution through prudent and tested Radio technology as well as fiber. Our state-of-the-art Radio system operates on 3.5 GHz licensed frequency used by BRACNet which guarantees interference-free operation. We are connected with both the Submarine cable (SME4).

Some basic features of our dedicated service are:

MRTG Graph help our clients to know their usage

Provide static real IP address for servers

Mail exchange entry / MX entry and 24/7 monitoring and support

## **INTRANET FOR CORPORATE USERS:**

It enables users to share information inside of their own network. Especially corporate users having several branches are using such kind of services. We do provide the service to make this happen. It is typically discussing equipment that is designed to provide or gather information needs to communicate beyond itself, to similar equipment or to a dissimilar system.

## **VALUE ADDED SERVICES:**

**1) Google Apps:** BRACNet Limited authorized enterprise and SMB reseller of Bangladesh. Basic plans include email addresses with custom domains (@ yourcompany.com), video and voice calls, calendars, 30GB storage, collaboration documents, spreadsheets, presentations and sites, security and privacy controls, and 24/7 phone and email support.

**2) Web Hosting and Domain Registration:** BRACNet is especially for providing secure and reliable web hosting on Linux and Windows servers. Our shared web hosting package is for small, medium and big businesses and e-commerce websites. All of our servers are located in the specification and our data center (BRACNet Dhaka Office and the United States). The Windows Web Hosting Server is located on BRACNet.

**3) Software and Web Development:** We provide full-cycle services for software development, web-based enterprise solutions, web applications and portal/website development. We offer progressive end-to-end web solutions by mixing our strong business domain experience, technical expertise, latest industry trends and deep knowledge of quality-driven distribution models.

## **IP PHONE:**

IP telephony technology is a method for the distribution of voice communication and multimedia sessions on Internet Protocol (IP) networks, as well as a methodology and technology group. Internet telephony, broadband telephony, and broadband phone service specifically mentions the provisions of public Internet communications services (voice, fax, SMS, voice-messaging) instead of Public Switched Telephone Network (PSTN). The steps and policies that arise in IP phone calls are similar to traditional digital telephony and include digitization, digitization, and digitization of along voice signals and encoding. Instead of being transmitted over a circuit-switch network; however, digital data is packaged and the transmission happens as an IP packet in a packet-switched network. They run audio streams using special media delivery protocols that encode audio and video with audio codes and video codes.

Due to low bandwidth of bandwidth efficiency and IP telephony technology, businesses worldwide are being migrated from traditional copper-wire telephone system to IP phone systems to reduce their monthly phone costs.

BRACNet provides an attractive IP phone package for their customers.

## **CLOUD SERVICES:**

Our cloud services ensure that our customers can access 24/7 data from anywhere.

## **GLOBAL ACCESS:**

From the first Internet client to the dial-up fiber optic network Every year, technological advances bring new speed, power and power to voice, information and IP communications. As the development of this technology, you have the risk of losing your organization's leading edge or competition. Therefore, it is necessary to align your business with industry practice.

## **SMART HOME:**

Smart home building automation includes residential extensions and lighting controls, heating (such as smart thermostats), ventilation, air conditioning (HVAC), and security, as well as home appliances such as washer / dry, oven. Using WiFi for remote monitoring of refrigerators/freezers. Modern systems are usually referred to as a central hub with switches and sensors are sometimes called "gateways", through which the system is controlled with a user interface that is interacted with wall-mounted terminals, mobile phone software, tablet computer or web interface. But not always through the Internet cloud service. Smart Home Solutions offers a complete package of 'traditional telephone and cable services, high-speed internet and connectivity, home theater, whole house audio, auto lighting/film, central vacuum, video distribution, page and intercom system, phone system, and User-Friendly Control.

## **DATA CENTER:**

Simplify your IT. Solve your business challenges. Gain the agility and scalability to support your organization's long-term strategy using BRACNet Data Center Services:

Server co-location: Flooring room equipped with server cabinets, network switches, network connections, and power delivery equipment.

- Internet and data connection.
- IT benefits to help set up and support system administrators.
- System monitoring and notification on customer request.
- Physical safety and limited access.
- Information security according to national standards.
- Built-in electrical and mechanical infrastructure designed to maintain and maintain parallel: Engineer for zero downtime.
- Climate control, fire suppression, and power system management.

The raised floor space at the Data Center provides environmentally-controlled facilities for housing servers and related IT equipment:

- Server cabinets.
- Top-off-rack switch for unnecessary connection to customers' network.
- Power strips and power distribution equipment for uninterrupted power supply.
- Patch cables for connecting servers to top-of-the-counter switches.

BRACNet staffers determine the server position based on the power and cooling management and customer business needs.

## **VIDEO CONFERENCING:**

Video conferencing uses audio and video telecommunication to bring people together on different sites. It can be as simple as a conversation between people in private offices (point-to-point) or in multiple locations in large rooms like multi-point sites. In addition to audio and visual transmission of interviews, combined video conferencing technologies can be used to share documents and display information on whiteboards. BRACNet offers better access and control over video conferencing and video surveillance solutions.

## **Responsibilities I have performed during my internship period:**

I was assigned to BRACNet for completing my internship. They appointed me as a financing accountant department. Those are the list of activities which I have performed in my internship-

- I have done file management work.
- Some time they instruct me to draft their bank cheque.
- I usually checked payment voucher, credit voucher, money received book etc.
- I have done fill up accounting calculate then excel data sheet.
- Income tax Rashid was cleared by me.

# Chapter-3

## Learning part

### Financial Performance Analysis

#### **About Ratio:**

Financial ratios, calculated from the information of financial statements, are used to analyze a firm's past financial performance. To predict the future condition of investment. Financial ratios are used to compare the risk and return of different firms in order to help investors and creditors make intelligent investment and credit decisions. Ratios are intended to provide meaningful relationship among the individual values in the financial statements. Ratios are meaningful, if we compare with-

- Aggregate economy
- Industry average
- Major competitors or peers
- Time series analyses or previous performance compare

For taking a proper investment decision role of ratio is invulnerable. But there is some purpose of ratio analysis-

- Ratios can be used to compare the risk and return relationships of different firms of different sizes.
- Ratios can provide a profile of a firm, its economic characteristics and competitive strategies, and its unique operating, financial and investment characteristics.
- Given the differences between industries and of the effect of varying capital structures, and differences in accounting & reporting methods, changes (trends) in a ratio and variability over time may be more informative than the level at any point in time.

#### **Users of financial ratios include parties external and internal to the company:**

External users: Financial analysts, retail investors, creditors, competitors, tax authorities, regulatory authorities, and industry observers

Internal users: Management team, employees, and owners.

#### **Financial ratios are grouped into the following categories:**

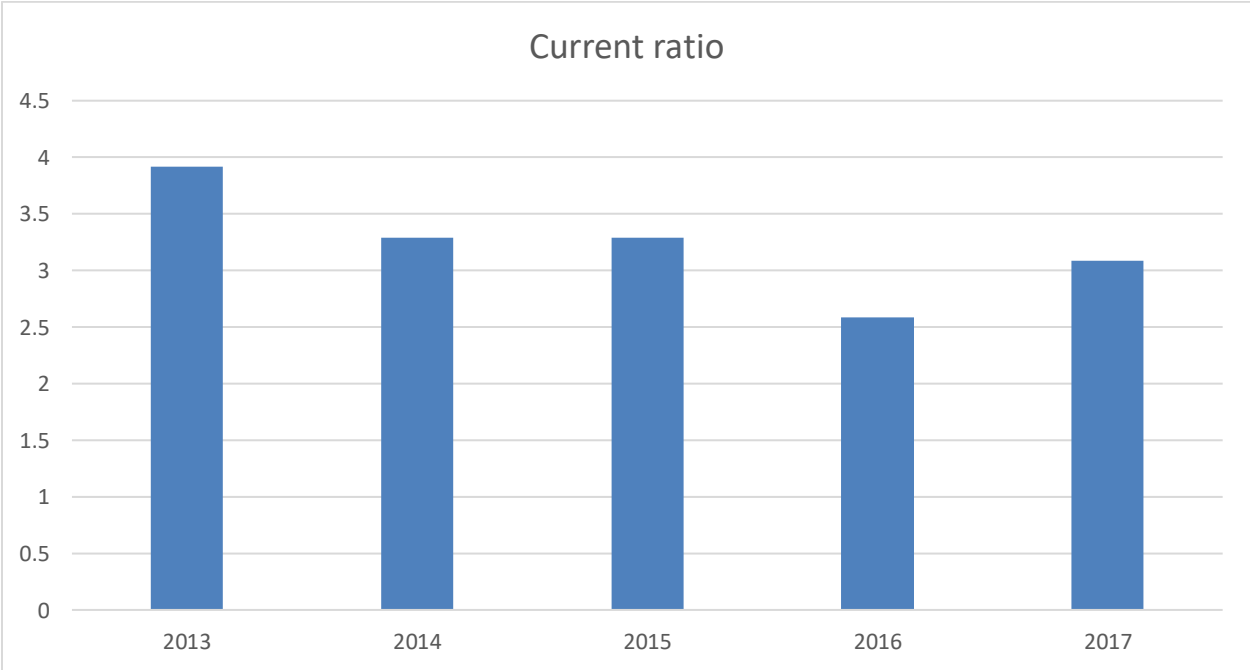
- Liquidity ratios
- Leverage or solvency ratios
- Efficiency or activity ratios
- Profitability ratios
- Market value ratios



1 **Current ratio:** The current ratio is a liquidity ratio that measures the company's ability to provide short-term and long-term obligations. Calculating the ratio, analysts compared current assets to current liabilities.

**Current Ratio = Current Assets / Current Liabilities**

Particular	2013	2014	2015	2016	2017
Current ratio	3.92	3.29	3.29	2.59	3.08

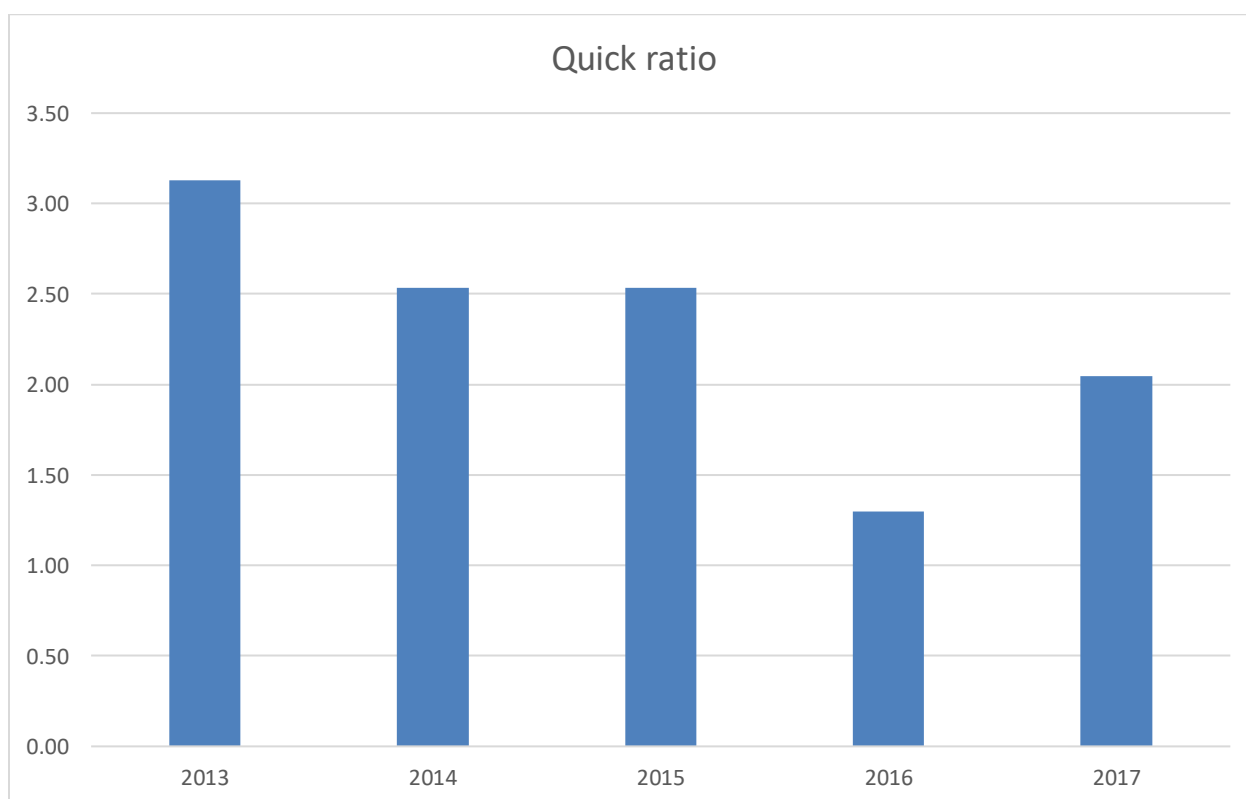


**Interpretation:** Here above in the graph the current ratio of 2014 & 2015 was constant and highest current ratio was in 2013 and lowest was in 2016 but in 2017 it was roughly same as 2014 & 2015.

**2. Quick ratio:** The quick ratio is an indicator of the company's short-term liquidity position, and its company's ability to meet short-term obligations with liquid assets.

**Quick ratio:  $(\text{Current Assets}-\text{Inventory})/\text{Current liability}$**

Particular	2013	2014	2015	2016	2017
Quick ratio	3.13	2.53	2.53	1.30	2.04

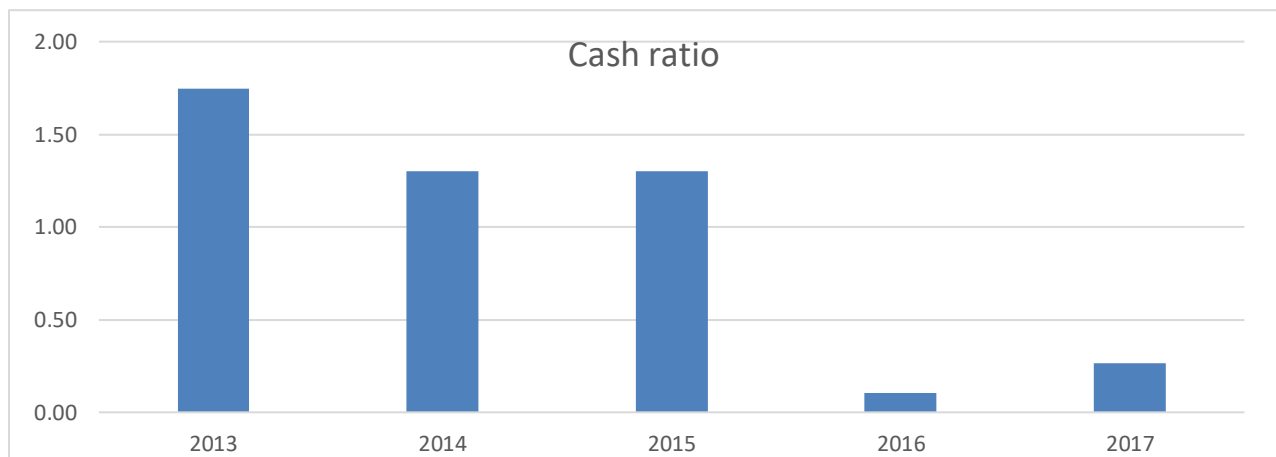


**Interpretation:** In 2013 & 2016 Quick ratio of the company was respectively higher and lower but except those years it was roughly constant.

**3. Cash ratio:** The cash ratio is the ratio of current liability to a company's cash and cash equivalents. This is an extreme liquidity ratio because the cash and cash equivalents are compared to current liabilities. It only measures the efficiency of a business to reinstate its current liabilities using its cash and cash equivalents and anything else.

**Cash ratio: (Cash+ Cash equivalents)/ Current liabilities**

Particular	2013	2014	2015	2016	2017
Cash ratio	1.74	1.30	1.30	0.11	0.26

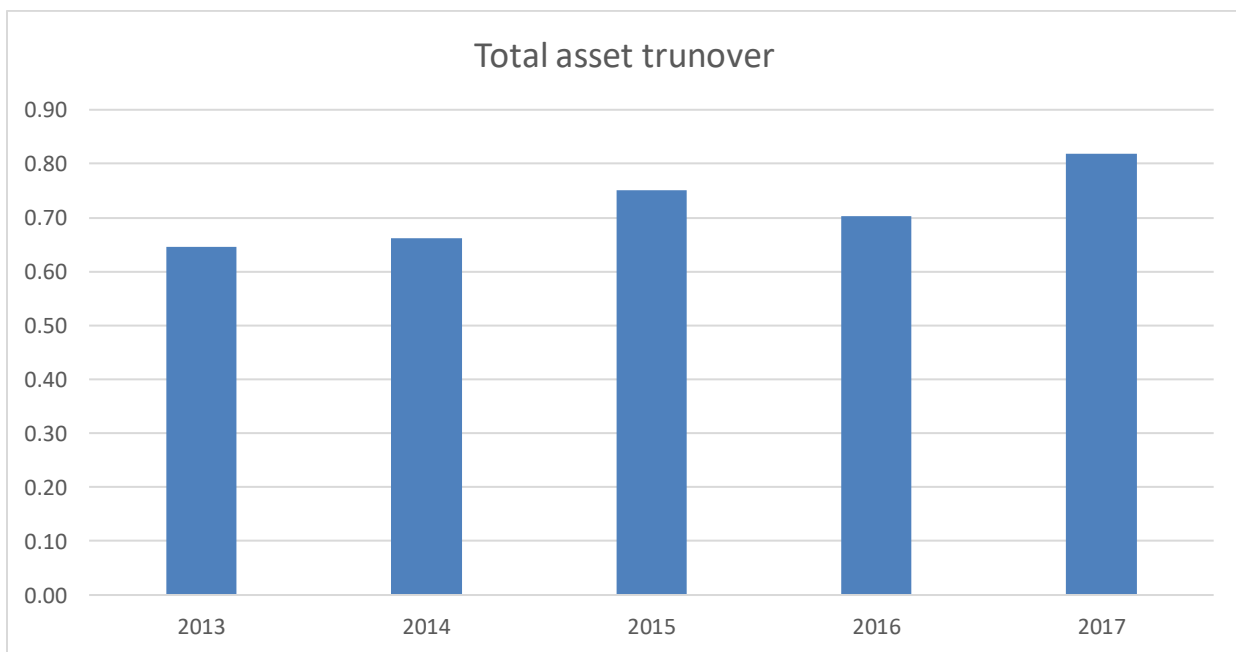


**Interpretation:** Cash ratio of the company was good in 2013 to 2015 but it was dramatically dropped in 2016 & 2017 which is not good for the company at all.

- 4. Total assets turnover:** The asset turnover ratio measures the value of the revenue from the sale of an organization or its asset value. The wealth turnover ratio can be used as an indicator of efficiency, with which a company is using its resources to achieve revenue.

**Total assets turnover: Net sales/Total assets**

<b>Particular</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Total asset turnover	0.65	0.66	0.75	0.70	0.82

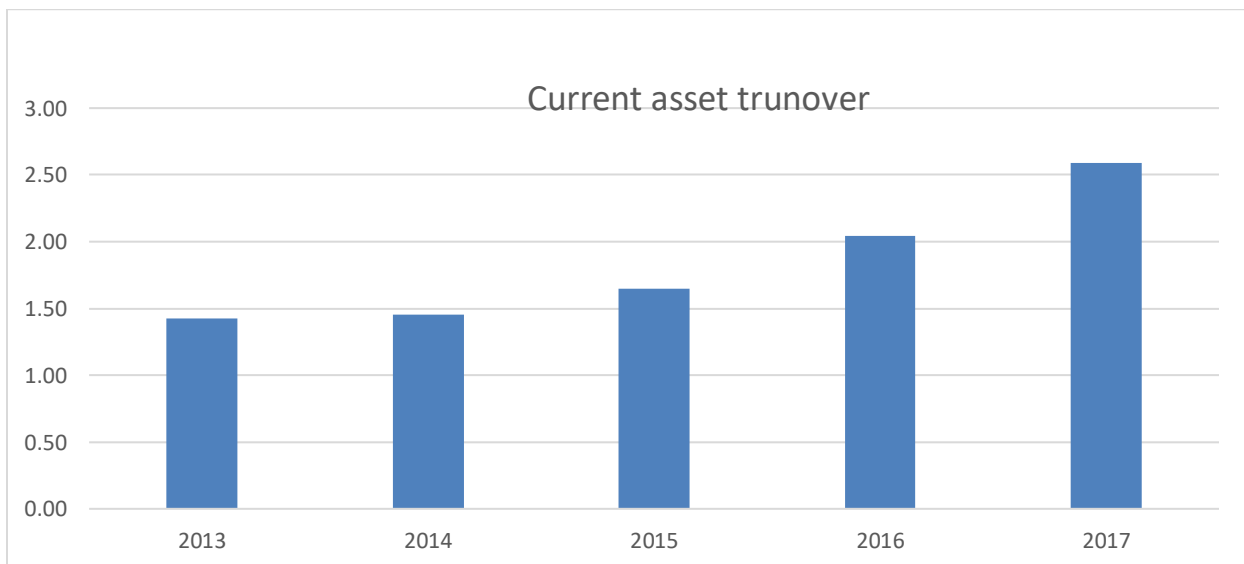


**Interpretation:** Total asset turnover is pretty constant throughout five years, which is not neither good nor bad for the organization at all. But it needs to increase, then it will boost up the operation performance of the company.

**5. Current assets turnover:** Current assets turnover Ratio that indicates how efficiently it is using its current resources to generate revenue.

**Current assets turnover: Sales Revenue / Average Current Asset.**

Particular	2013	2014	2015	2016	2017
Current asset turnover	1.43	1.45	1.65	2.05	2.59

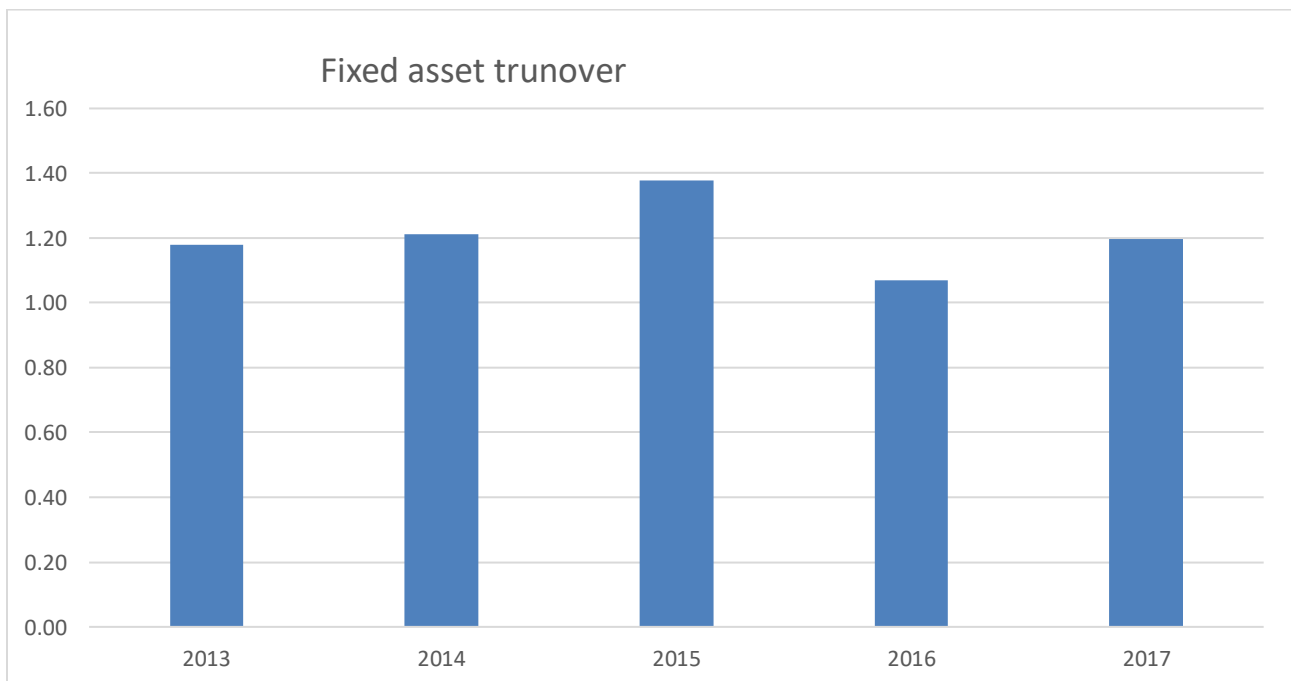


**Interpretation:** Here in the graph we can observe from 2014 to 2017 the current asset turnover was increases simultaneously and it is good for the company.

**6. Fixed assets turnover:** A sustainable asset turnover recipe is an activity ratio that determines the success of an organization that uses its fixed assets to earn money. It adds income earning per dollar to investment of fixed assets.

**Fixed assets turnover: Net sales/(Fixed assets-Accumulated depreciation)**

Particular	2013	2014	2015	2016	2017
Fixed asset turnover	1.18	1.21	1.38	1.07	1.20

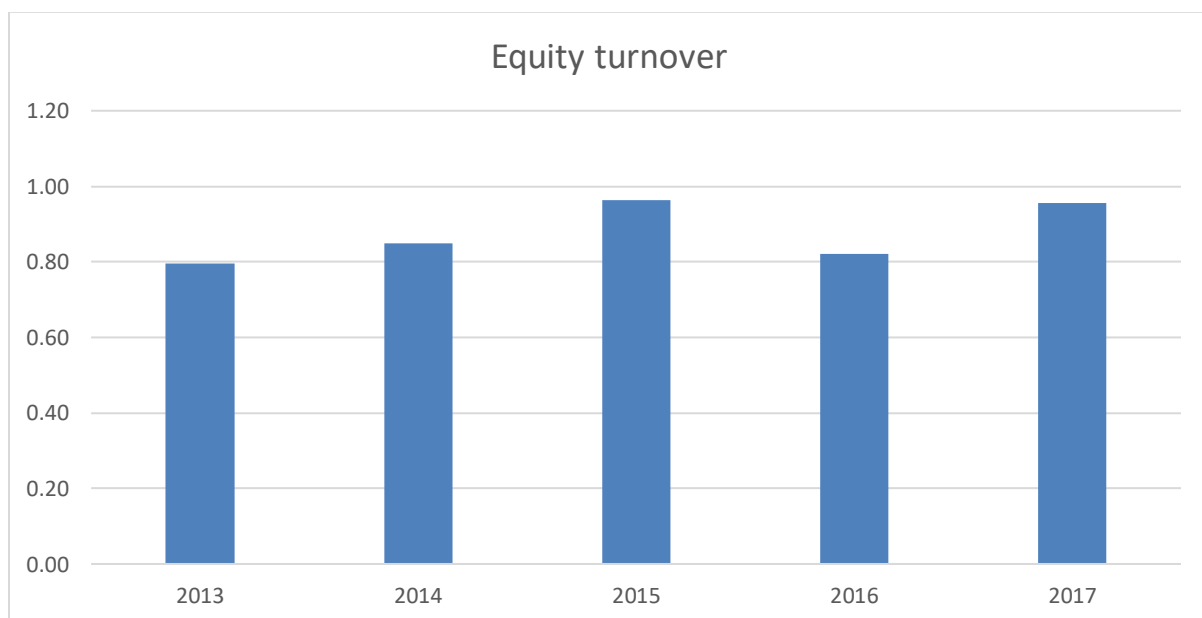


**Interpretation:** Except in 2015 the fixed asset turnover was roughly constant in that four years but in 2016 it was decreases a little bit.

**7. Equity turnover:** Equity turnover is a ratio that measures the company's sales proportion to equity holders of its stockholders. The purpose of measurement is to determine the skill through which the management is using equity for revenue production.

**Equity Turnover Formula = Total Sales / Average Shareholders' Equity**

<b>Particular</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Equity turnover	0.80	0.85	0.96	0.82	0.96

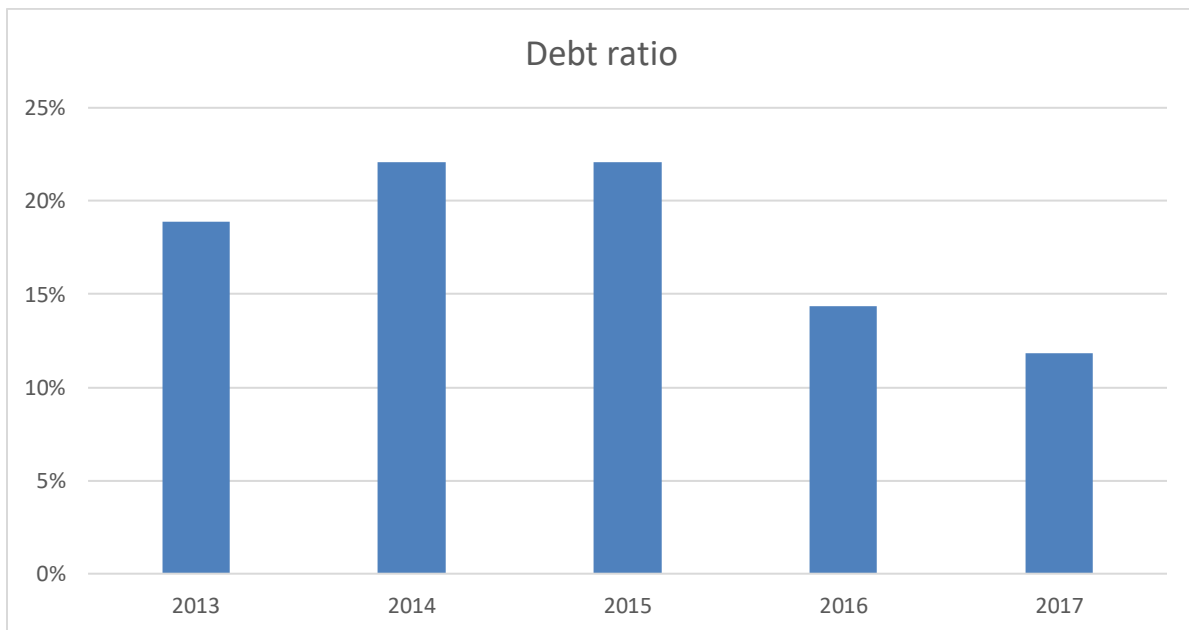


**Interpretation:** Equity turnover is pretty constant in three years, except in 2015 & 2017 which is not either good or bad for the organization at all.

**8. Debt ratio:** The debt ratio is a financial proportion that measures the leverage of a company. The debt ratio is defined as the proportion of total debt to the total assets, which is expressed as decimal or percentage.

**Debt ratio: Total liabilities/ Total assets**

Particular	2013	2014	2015	2016	2017
Debt ratio	19%	22%	22%	14%	12%



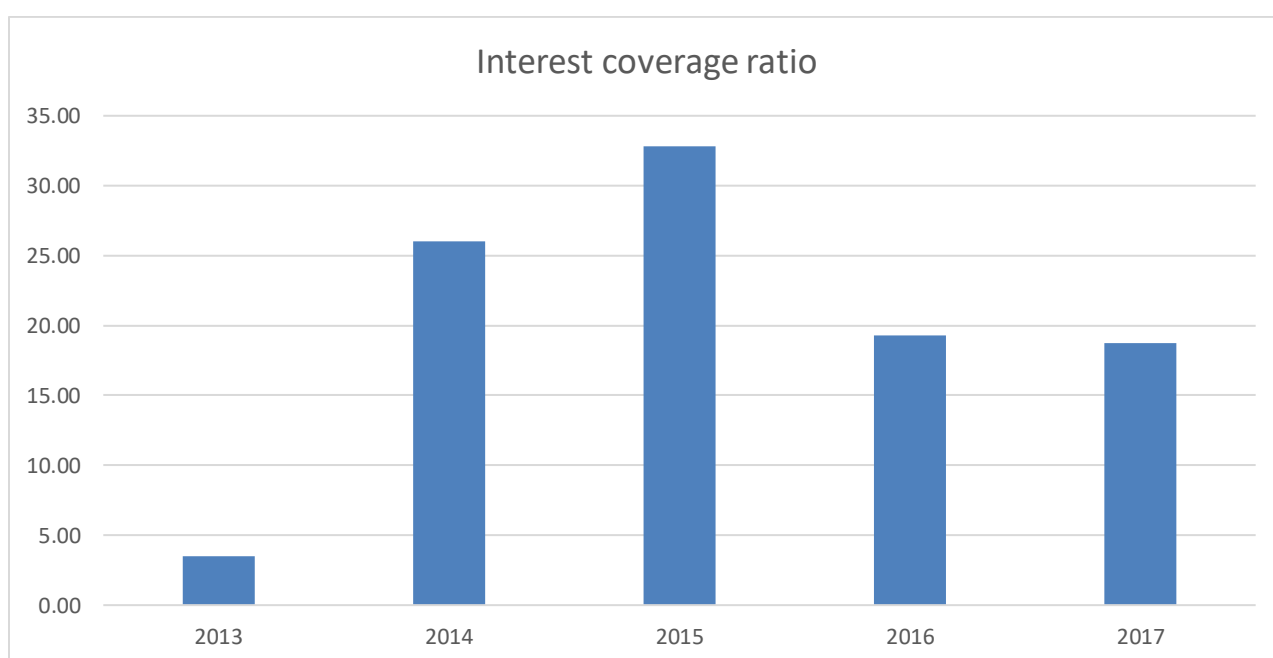
**Interpretation:** Debt ratio of the company in 2014 & 2015 it was higher and then in 2016 & 2017 it was quite dropped but earlier in 2013 it was not so much higher or lower.



**9. Interest Coverage Ratio:** The interest coverage ratio is used to determine how much a company can determine interest on its outstanding loan, which is a debt proportion and profitability ratio.

**Interest coverage: Earnings before interest tax/Interest expense**

Particular	2013	2014	2015	2016	2017
Interest coverage ratio	3.50	26.0	32.79	19.28	18.76



**Interpretation:** Interest coverage ratio is measured the efficiency of taking loan. How much actually a company can use their loan. If the ratio is low then there is a scope of using more debt fund. From this graph we can see that in 2014 and 2015 interest coverage ratio is so high but in last two years it again decreases which indicate that now BRACNet is capable again to use the debt fund.

**10. Gross profit margin:** Gross Profit Margin A metric used to evaluate a financial health and business model, revealing the ratio of the remaining amount after the reckoning of a financial monetary and valuation value.

**Gross profit margin : ( Revenue- Cost of goods sold)/revenue**

Particular	2013	2014	2015	2016	2017
Gross profit margin	20%	29%	34%	29%	29%

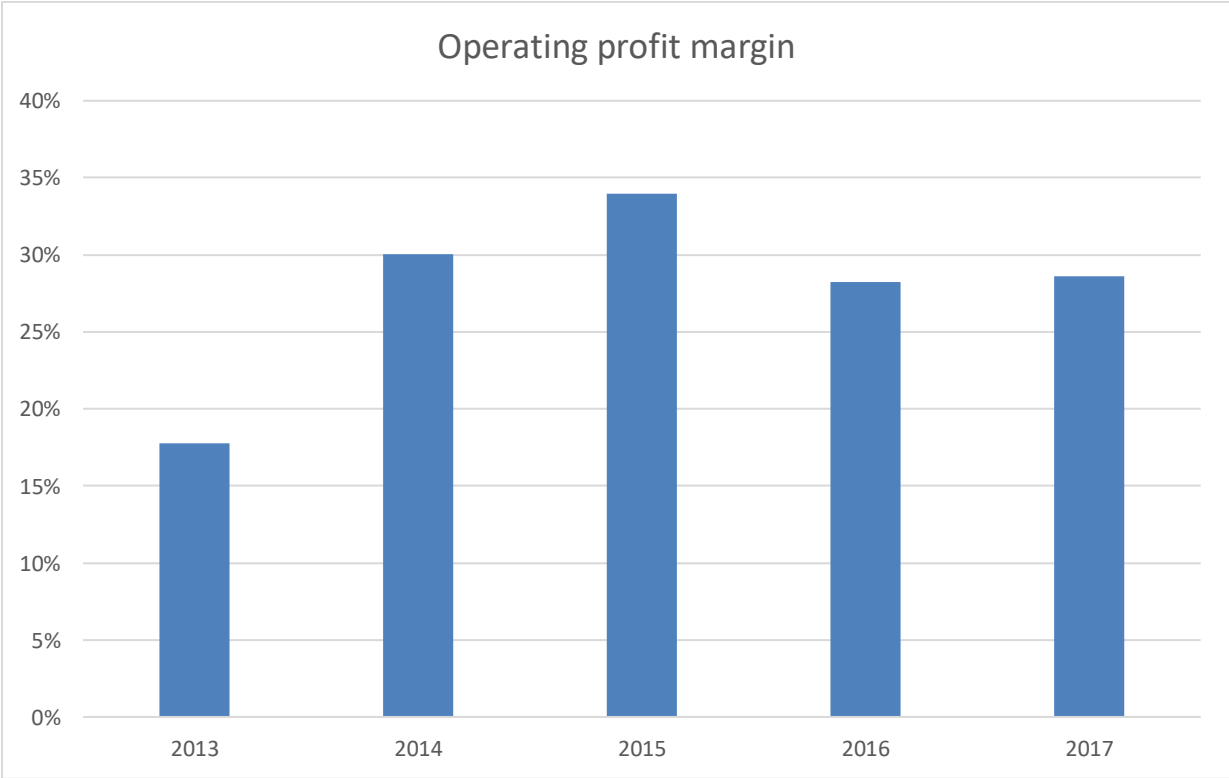


**Interpretation:** Here in the graph gross profit margin reflect some ups and down in five years of the company. Here we can see in 2013 it was lower and in 2015 it was higher than rest of the three years. The performance of the company in last four years was good.

**11. Operating profit margin:** The operating margin measures how much profit a dollar produces after wage and raw materials such as payment of variables for production or payable materials.

**Operating profit margin: Operating income/ total revenue**

Particular	2013	2014	2015	2016	2017
Operating profit margin	18%	30%	34%	28%	29%

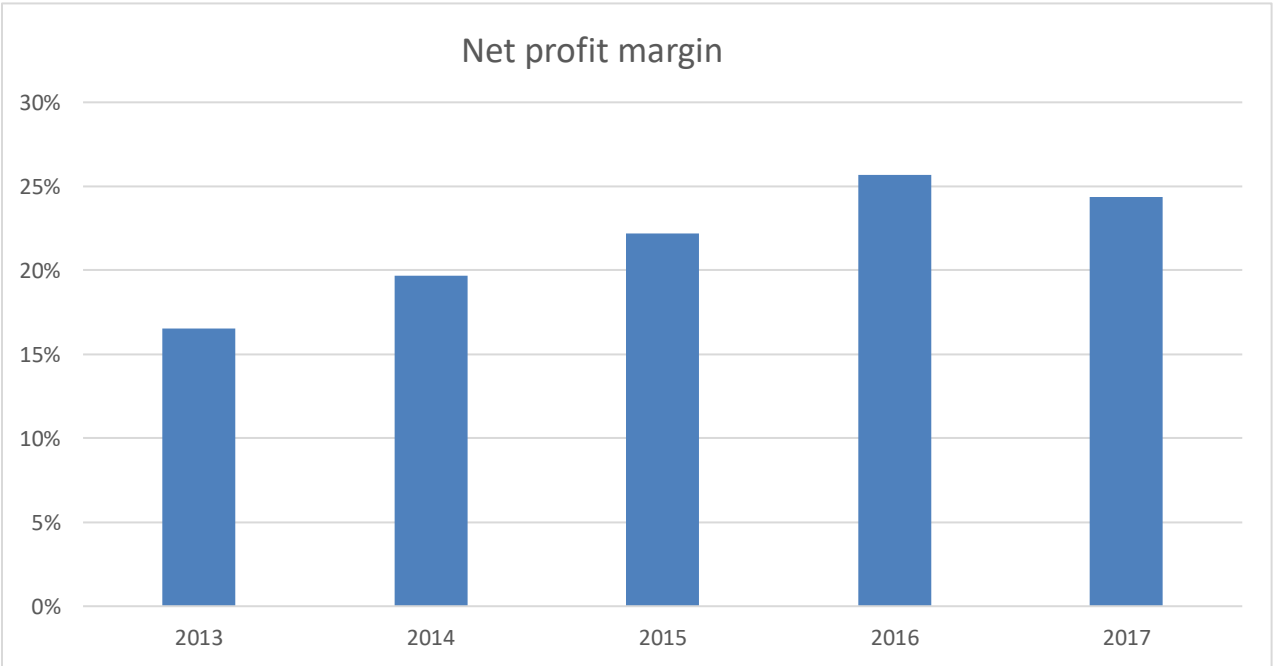


**Interpretation:** Here in the graph the operating profit margin in 2015 it was higher and in 2013 it was lower, but in last four years it was not decreased that much but quite similar which good for the company’s operation.

**12. Net profit margin:** Net profit margins are used to calculate a ratio that is a percentage of the profits generated from a total profit. It measures the amount of net profits earned by each dollar earned on a profit.

**Net profit margin: Net profit/ Revenue**

Particular	2013	2014	2015	2016	2017
Net profit margin	17%	20%	22%	26%	24%

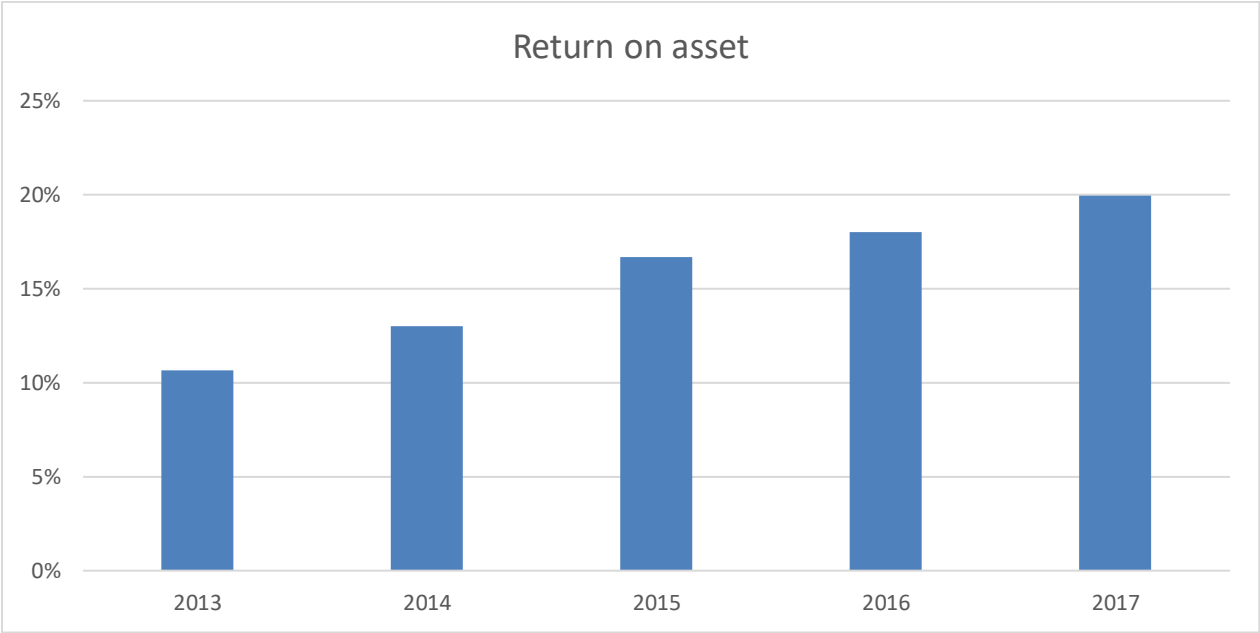


**Interpretation:** Net profit margin from 2013 to 2016 it was increases simultaneously but in last year it was decreased a bit which is not bad either.

**13. Return on assets (ROA):** Property Return (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives an idea to an earner, investor, or analyst, how the earnings of an organization are used by how they earn their earnings.

**ROA: Net income/ Total assets**

Particular	2013	2014	2015	2016	2017
Return on asset	11%	13%	17%	18%	20%

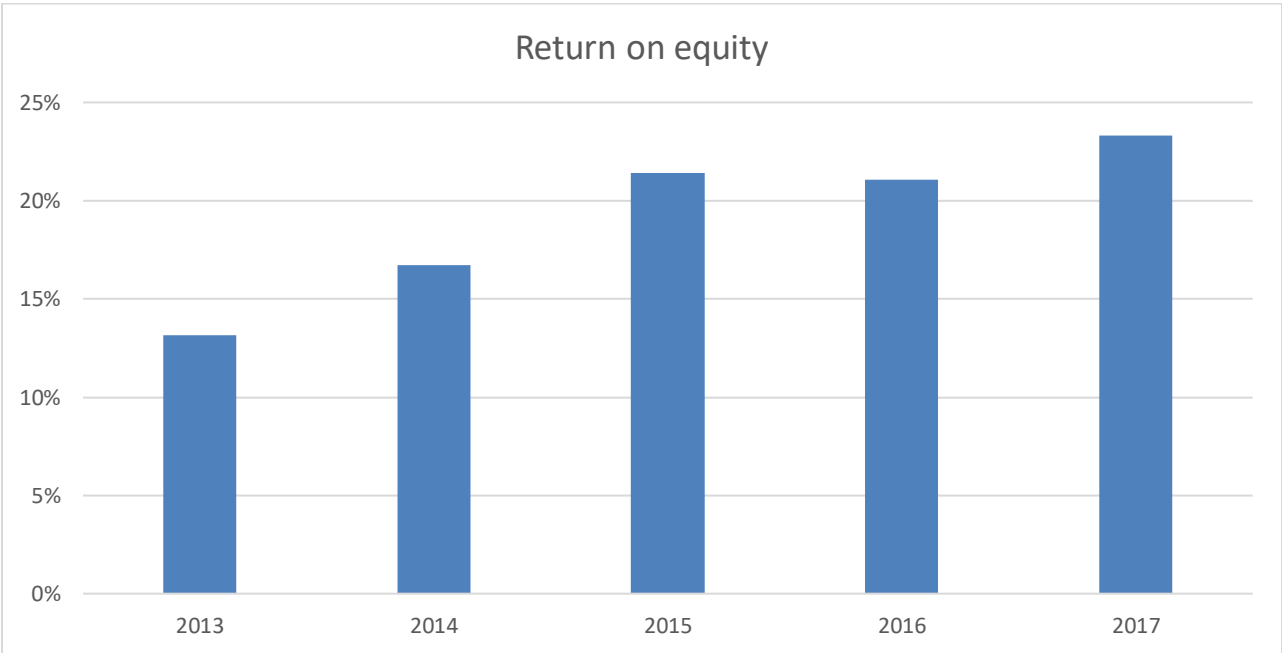


**Interpretation:** Return on asset of the company throughout five years it was increase from 2013 to 2017 consecutively and it is good for the company.

**14. Return on equity:** Equity Return (ROE) is a measure of the financial calculations calculated by dividing the total income by shareholders' equity. Because shareholders' equity is less than their debt equivalent to the assets of an organization, ROE may be considered as returning to net assets.

**ROE: Net income/ Shareholder's equity**

Particular	2013	2014	2015	2016	2017
Return on equity	13%	17%	21%	21%	23%



**Interpretation:** Return on equity of the company throughout five years it was increase from 2013 to 2017 simultaneously but in 2015 & 2016 it was constant. But in last year it was boost up.

## Balance Sheet

### Common Size Analysis

Particular	2013	%	2014	%	2015	%	2016	%	2017	%
Assets										
Non - current assets										
property, plant and equipment	37425 2379	48.8 0%	41989 8284	49.3 2%	57950 3920	64.1 6%	62600 4527	63.2 1%	623230 633	51.3 1%
Capital work-in-process	0	0.00 %	0	0.00 %	0	0.00 %	0	0.00 %	611710 85	5.04 %
Intangible assets	37256 522	4.86 %	33628 493	3.95 %	29721 845	3.29 %	16749 660	1.69 %	203997 28	1.68 %
Advance, deposit and prepayments	88478 99	1.15 %	10769 688	1.27 %	82653 02	0.92 %	77407 31	0.78 %	828751 0	0.68 %
Total non-current assets	42035 6800	54.8 1%	46429 6465	54.5 4%	61749 1067	68.3 7%	65049 4918	65.6 8%	713088 956	58.7 1%
Current assets		0.00 %		0.00 %		0.00 %		0.00 %		0.00 %
Inventories	69978 457	9.12 %	88861 037	10.4 4%	96367 669	10.6 7%	16938 5265	17.1 0%	205365 844	16.9 1%
Trade receivable	87522 315	11.4 1%	93385 433	10.9 7%	90924 931	10.0 7%	76724 905	7.75 %	107320 438	8.84 %
Advance, deposit and prepayments	34758 999	4.53 %	51773 433	6.08 %	73976 414	8.19 %	79831 479	8.06 %	159480 740	13.1 3%
cash and cash equivalents	15428 7321	20.1 2%	15300 7018	17.9 7%	24392 730	2.70 %	13994 104	1.41 %	293765 41	2.42 %
Total current assets	34654 7092	45.1 9%	38702 6921	45.4 6%	28566 1744	31.6 3%	33993 5753	34.3 2%	501543 563	41.2 9%
Total assets	76690 3892	100. 00%	85132 3386	100. 00%	90315 2811	100. 00%	99043 0671	100. 00%	121463 2519	100. 00%

Equity and Liabilities										
Capital and reserves										
Share capital	33809 9999	54.3 5%	33809 9999	50.9 8%	33809 9999	43.7 2%	33809 9999	39.8 6%	338099 999	35.9 9%
Share premium	14913 1807	23.9 7%	14913 1807	22.4 9%	14913 1807	19.2 9%	14913 1807	17.5 8%	149131 807	15.8 7%
Retained earnings	13487 5487	21.6 8%	17594 3119	26.5 3%	28602 4605	36.9 9%	36102 5458	42.5 6%	452299 963	48.1 4%
Total capital and reserves	62210 7293	100. 00%	66317 4925	100. 00%	77325 6411	100. 00%	84825 7264	100. 00%	939531 769	100. 00%
Liabilities										
Non - current liabilities										
Long term loan	39351 599	27.1 8%	48401 831	25.7 3%	23178 890	21.7 2%	0	0.00 %	0	0.00 %
Retirement benefit obligations	17020 981	11.7 6%	22020 140	11.7 0%	14093 201	13.2 1%	10816 386	7.61 %	137475 68	5.00 %
Total non-current Liabilities	56372 580	38.9 3%	70421 971	37.4 3%	37272 091	34.9 3%	10816 386	7.61 %	137475 68	5.00 %
Current liabilities		0.00 %		0.00 %		0.00 %		0.00 %		0.00 %
Short term loan	35247 877	24.3 4%	47002 384	24.9 8%	37002 384	34.6 7%	92799 204	65.2 7%	217903 353	79.2 1%
Trade Other payable	27555 987	19.0 3%	33021 372	17.5 5%	28169 791	26.4 0%	17790 972	12.5 1%	945690 4	3.44 %
Provision for bad and doubtful debts	75889 74	5.24 %	16033 407	8.52 %	11033 407	10.3 4%	58989 77	4.15 %	754613 5	2.74 %
Accrued expenses	10208 723	7.05 %	13514 706	7.18 %	85147 06	7.98 %	89102 34	6.27 %	109818 96	3.99 %
Provision for income tax	78224 58	5.40 %	81546 21	4.33 %	79040 21	7.41 %	49927 61	3.51 %	114934 21	4.18 %
Leave liabilities participatio n fund	0	0.00 %	0	0.00 %	0	0.00 %	96487 3	0.68 %	397147 3	1.44 %



Total current liabilities	88424019	61.07%	117726490	62.57%	92624309	86.79%	131357021	92.39%	261353182	95.00%
total liabilities	144796599	100.00%	188148461	100.00%	106717510	100.00%	142173407	100.00%	275100750	100.00%
Total equity and liabilities	766903892		851323386		879973921		990430671		1214632519	

# Income Statement

## Common Size Analysis

Particular	2013		2014		2015		2016		2017	
Net Operating Revenue	495,085,403	100.00%	562,948,637	100.00%	639,042,428	100.00%	695,520,446	100.00%	738,826,547	100.00%
Direct Operation Expense	87,726,462	17.72%	82,791,162	14.71%	90,685,433	14.19%	99,519,387	14.31%	106,612,398	14.43%
<b>Cost of Goods Sold</b>	<b>306,485,900</b>	<b>61.91%</b>	<b>314,487,358</b>	<b>55.86%</b>	<b>332,411,369</b>	<b>52.02%</b>	<b>395,025,478</b>	<b>56.80%</b>	<b>415,587,214</b>	<b>56.25%</b>
<b>Total Operating expenses</b>	<b>394,212,362</b>	<b>79.63%</b>	<b>397,278,520</b>	<b>70.57%</b>	<b>423,096,802</b>	<b>66.21%</b>	<b>494,544,865</b>	<b>71.10%</b>	<b>522,199,612</b>	<b>70.68%</b>
Gross Operating Profit/(loss)	100,873,041	20.37%	165,670,117	29.43%	215,945,626	33.79%	200,975,581	28.90%	216,626,935	29.32%
Financial Expense	25,141,345	5.08%	6,493,527	1.15%	6,615,749	1.04%	10,182,341	1.46%	11,255,632	1.52%
Amortization of Deferral Expenses		0.00%		0.00%		0.00%	212,800	0.03%	300088	0.04%
Total Administrative and General Expense	25,141,345	5.08%	6,493,527	1.15%	6,615,749	1.04%	10,395,141	1.49%	11,555,720	1.56%
Net operating Profit/(loss)	75,731,696	15.30%	159,176,590	28.28%	209,329,877	32.76%	190,580,440	27.40%	205,071,215	27.76%
Non-Operating Income	8,643,565	1.75%	4,408,511	0.78%	1,945,432	0.30%	173,269	0.02%	145,917	0.02%
Investment Income	3,494,060	0.71%	5,539,347	0.98%	5,629,939	0.88%	5,585,317	0.80%	5,973,289	0.81%
<b>Net Profit</b>	<b>87,869,321</b>	<b>17.75%</b>	<b>169,124,448</b>	<b>30.04%</b>	<b>216,905,248</b>	<b>33.94%</b>	<b>196,339,026</b>	<b>28.23%</b>	<b>211,190,421</b>	<b>28.58%</b>

<b>before tax</b>										
		0.00 %		0.00 %		0.00 %		0.00 %		0.00 %
Provision for Income tax	1,148,972	0.23 %	2,903,578	0.52 %	4,688,150	0.73 %	8,000,660	1.15 %	9,990,549	1.35 %
Deferred Tax Expense (income)	1,846,842	0.37 %	5,801,878	1.03 %	4,804,312	0.75 %	331,182	0.05 %	310,876	0.04 %
Total Provision for Tax	2,995,814	0.61 %	49,705,456	8.83 %	65,492,462	10.25 %	9,431,842	1.36 %	20,759,479	2.81 %
<b>Net Profit after Tax (NOPAT)</b>	<b>81,877,693</b>	16.54 %	<b>110,713,536</b>	19.67 %	<b>141,920,324</b>	22.21 %	<b>178,575,342</b>	25.68 %	<b>180,129,517</b>	24.38 %

## Balance sheet

### Trend Analysis

Particular	2013	2014	2015	2016	2017
Assets					
Non -current assets					
property, plant and equipment	100.00%	112.20%	154.84%	167.27%	166.53%
Capital work-in-process					100.00%
Intangible assets	100.00%	90.26%	79.78%	44.96%	54.75%
Advance ,deposit and prepayments	100.00%	121.72%	93.42%	87.49%	93.67%
Total non-current assets	100.00%	110.45%	146.90%	154.75%	169.64%
Current assets					
Inventories	100.00%	126.98%	137.71%	242.05%	293.47%
Trade receivable	100.00%	106.70%	103.89%	87.66%	122.62%
Advance, deposit and prepayments	100.00%	148.95%	212.83%	229.67%	458.82%
cash and cash equivalents	100.00%	99.17%	15.81%	9.07%	19.04%
Total current assets	100.00%	111.68%	82.43%	98.09%	144.73%
Total assets	100.00%	111.01%	117.77%	129.15%	158.38%
Equity and Liabilities					
Capital and reserves					
Share capital	100.00%	100.00%	100.00%	100.00%	100.00%
Share premium	100.00%	100.00%	100.00%	100.00%	100.00%
Retained earnings	100.00%	130.45%	212.07%	267.67%	335.35%
Total capital and reserves	100.00%	106.60%	124.30%	136.35%	151.02%
Liabilities					
Non -current liabilities					
Long term loan	100.00%	123.00%	58.90%	0.00%	0.00%
Retirement benefit obligations	100.00%	129.37%	82.80%	63.55%	80.77%
Total non-current Liabilities	100.00%	124.92%	66.12%	19.19%	24.39%
Current liabilities					
Short term loan	100.00%	133.35%	104.98%	263.28%	618.20%
Trade Other payable	100.00%	119.83%	102.23%	64.56%	34.32%
Provision for bad and doubtful debts	100.00%	211.27%	145.39%	77.73%	99.44%
Accrued expenses	100.00%	132.38%	83.41%	87.28%	107.57%
Provision for income tax	100.00%	104.25%	101.04%	63.83%	146.93%
Leave liabilities participation fund				100.00%	411.61%
Total current liabilities	100.00%	133.14%	104.75%	148.55%	295.57%
total liabilities	100.00%	129.94%	73.70%	98.19%	189.99%
Total equity and liabilities	100.00%	111.01%	114.74%	129.15%	158.38%

## Income Statement

### Trend Analysis

<b>Particular</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Net Operating Revenue	100.00%	113.71%	129.08%	140.48%	149.23%
Direct Operation Expense	100.00%	94.37%	103.37%	113.44%	121.53%
Cost of Goods Sold	100.00%	102.61%	108.46%	128.89%	135.60%
Total Operating expenses	100.00%	100.78%	107.33%	125.45%	132.47%
Gross Operating Profit/(loss)	100.00%	164.24%	214.08%	199.24%	214.75%
Financial Expense	100.00%	25.83%	26.31%	40.50%	44.77%
Amortization of Deferral Expenses					
Total Administrative and General Expense	100.00%	25.83%	26.31%	41.35%	45.96%
Net operating Profit/(loss)	100.00%	210.18%	276.41%	251.65%	270.79%
Non-Operating Income	100.00%	51.00%	22.51%	2.00%	1.69%
Investment Income	100.00%	158.54%	161.13%	159.85%	170.96%
Net Profit before tax	100.00%	192.47%	246.85%	223.44%	240.35%
Provision for Income tax	100.00%	252.71%	408.03%	696.33%	869.52%
Deferred Tax Expense (income)	100.00%	314.15%	260.14%	17.93%	16.83%
Total Provision for Tax	100.00%	1659.16%	2186.13%	314.83%	692.95%
Net Profit after Tax (NOPAT)	100.00%	135.22%	173.33%	218.10%	220.00%

## Findings:

- The current ratio is decreased in 2014 to 2016. But in 2017 again it is increased which means that BRACNet has now idler cash which is bad for the organization.
- In cash ratio BRACNet reserve more than 1tk against 1tk per liability. So it is bad for this organization. Because they have excessed cash which is idle money for the organization.
- Net profit margin increased in each year which indicate that it is doing well to increasing its Net profit by using best use of its resources. But in 2017 NPM decreased which is bad indication of not using resources properly.
- ROE is fluctuating through 2013-2017. Sometimes it was higher and sometime lower. Which indicate that in some year it was capable to use their equity capital and sometimes it failed.
- ROA constantly increased from 2013-2017 which means that it is capable to use its assets properly to increases profit.
- Gross profit margin increased in 2013 to 2015 but decreased 2016 and constant in 2017 also. Which indicate that it can control its cost properly.
- Average operating income increased means that BRACNet has increased its operating income in total revenue.
- From trend analysis of BRACNet it is clear that overall total liability has increased though 2013 to 2017 which is not good for the company.
- Net operating revenue has increased by comparing 2013 to 2017. But as not expected level.

## Recommendations:

- The current ratio should be well maintained. They can use their resources properly to increase more investment to gain more profit. They can provide more products to engage customers.
- The debt ratio should be kept below. Because of that, they can use their liquid resources and use them instead of loans.
- BRACNet should invest their idle money to gain more profit which has reserved in cash liabilities.
- It should more concern about in equity capital to utilize properly and get a straight increasing result in each year.
- It should control its cost to increased gross profit margin which has decreased in last year.
- Overall liability need to be well maintain. Otherwise it will suffer in liquidity crisis in near future if liability increased more.
- It should need to increased its net operating revenue by using equity capital to cover liability increasing rate and gain its goal.
- BRACNet should use its resources properly to gain a higher NPM in each year which has decreased in last year.

## Conclusion:

Within three months of the internship program on BRACNet, almost all activities have been seen less or less than financial information. Firstly, this practical program has been developed to gain knowledge of practical financial activities to compare this practical comparison with theoretical knowledge. Comparison of practical knowledge with theoretical activities involve identifying weaknesses and recommending to address identified weaknesses. Tried to cover all sections and sections, where I got the chance to acquire real knowledge. Due to time limitations, the activity of each of the branches cannot be depth. However, the maximum effort was made to achieve the purpose of the internship program.



## References:

Audit report 2013

Audit report 2014

Audit report 2015

Audit report 2016

Audit report 2017

Website:

[www.Bracnet.net](http://www.Bracnet.net)