



Financial Performance Evaluation of SR ONE Limited

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



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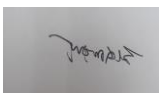
Dear Maam,

This is to inform you that I have completed the report on SR one (Financial Performance Evaluation of SR ONE Limited). The report focuses on the financial service structure of SR one. The report has been prepared for the completion of the Bachelor of Business Administration as Internship. In writing this report, I have followed your instructions for report writing to present my views and understanding in the easiest way. However, I will be glad to clarify any disagreement that may arise.

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Thanks for your consideration.

Sincerely yours



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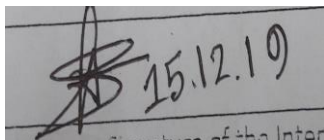
Certificate of Approval

This is my pleasure to mention that the report entitled “Financial Performance Evaluation of SR ONE Limited” have completed by Shojol Kumar Roy ID: 152-11-4727, Department of Business Administration, Daffodil International University.

He was placed in the SR ONE which is one of the glorious organizations. SR one 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 the terms of the quality and the organization.

I wish his every success in life.



Sabrina Akhter

Assistant Professor

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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 SR one 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 God 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 thank my supervisor Sabrina Akhter, Assistant 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 SR ONE 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 SR ONE. It is a private organization in Bangladesh Joint venture company with US investors Net/DEFTA Partners since 2005. SR one 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, SR one 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 SR one 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 SR one 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

Global System of Internet Interconnect Computer Networks. 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 2018 [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. SR one 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 SR one Ltd. from the period of 2014 to 2018 and evaluates the performance.

The other objectives of this study are: -

- To evaluate the financial position and performance Evaluation of SR one Ltd from the Period of 2014 to 2018.
- To estimate the factors affecting performance Evaluation of the organizations from the Season of 2014 to 2018.
- To find out the trend of profitability of SR one from the epoch of 2014 to 2018.
- To measure the managerial efficiency of the firm as well as earning capacity of SR one in future.
- To suggest better ways for enhancing the performance of the organizations.

1.3 Purpose

Information will turn out to be progressively flawless when it gets a mix with down to earth learning. Much the same as Bangladesh, in work enduring business sector, it intense for each understudy to get useful information about an association without having a vocation. It is such a great amount of supportive for fresher's to verify a vocation in the wake of getting pragmatic bent or some of the time extend to an employment opportunity. Besides, it is useful to create to speak with corporate individuals and reach them. That is the reason down to earth direction brings a veritable effect up in proficient territory.

1.4 Scope

Through this report, it has indicated the entire execution of SR one for most recent five years. Their economic situations as well as dissecting their hierarchical exercises to show how really they manage their clients.

1.5 Methodology

This reaction has been set up based on experience that assembled from my entry level position period. The presentation assessment of SR one ltd. has been appeared in this report dependent on money related report (2014-2018). These discoveries speak to by means of diagrams, outlines and tables in the translating part. As indicated by my administrator directions all of data was applied effectively.

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 SR one Ltd.
- Official website of SR one (www.SR one.net)
- Various book articles and journal

1.8 Limitations of the study

- Personnel are not compelled to answer of every question.
- Maintaining conceal of SR one 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:

SR one is Bangladesh's ISO confirmed head Internet Service Provider (ISP), set up in 1996 as BRAC's IT/ISP wing, it later shaped a Joint Venture organization with US financial specialists get/DEFTA Partners in 2005. KDDI – the second biggest cell administrator and Wireless ISP in Japan went into an organization with SR one having half stake in the organization. Before the finish of 2009, SR one extended its broadband Internet and Intranet (information) benefits in 64 areas, 470 Upazilas of Bangladesh. Its system today depends on Fixed WiMAX and fiber optics innovation to serve 2000+ Banks branches, 100+ Government Offices, 800+ enormous partnerships and a great many Small and Medium Enterprises (SME) and Educational organizations all through the nation. From the earliest starting point SR ONE is attempting to contact remote individuals to give administrations. For illuminating training, treatment, correspondence, trade, social mindfulness among the individuals. From the year 2008 SR one began e-cottage venture for demonstrating web access to the individuals live in the remote towns. E-hovel is a neighborhood network base consolidated advanced shop, where individuals had required diverse kind of it empowered and other restricted help get to office like; web perusing, telephone bringing in other nation to family members, IT preparing, talking, printing, dispatch, photocopy, and so on. Every single accessible help in a digital bistro were likewise accessible in the e-hovel. Motivating by the Bangladesh Government Digital Bangladesh arrangement, INFO Starker task we are prepared to help. Alongside this our speculator Largest NGO BRAC is additionally supporting for executing the administration development venture in the remote territory. SR one will interface every one of the parts of BRAC around 4,500 branches everywhere throughout the Bangladesh. In this way, SR one is resolved to help BRAC just as giving support of association level. We are cheerful that our Wi-Fi hotspot will be accessible in the 50 area in this year 2018 and another 250 areas Wi-Fi hotspot will be secured by the following year in 2018. From this task SR one anticipating yearly income around 216 million.

2.1 Vision:

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

2.2 Mission:

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

2.3 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.

2.4 Market Information and Analysis:

Prior to propelling another item, it is significant the market investigation with respect to the item we discover that our opposition in regards to this item will against huge media transmission organizations, a few Nationwide ISPs and neighborhood ISPs. Along these lines, we make stride by step technique and did physical study of 14 areas. Make demography of market estimate and sort out the necessities.

2.5 SWOT Analysis:

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

2.6 Demography and Market Size Identification:

As per below table sample population 925,725, area 6.94 Km², density 1334 person/ km², 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%

Sl.	POC	Union/Thana	Population	Area (Sq. Km)	Literacy Rate
13	Hazigonj	Hajiganj Paurashava, Hajiganj Upazila, Chandpur	63,892	20.24	66.6%
14	Chandpur Sadar	Chandpur Paurashava, Chandpur Sadar Upazila, Chandpur.	159,021	25.61	67.4%
Total			925,725	694.14	57.59%

Prior to propelling another item, it is critical to finish the market-related investigation of the item. Something else, there is an enormous potential for disappointment. Over the most recent couple of months we will conflict with our opposition in regards to this item against significant media communications organizations, ISPs and nearby ISPs across the nation. Along these lines, we led a physical study of 14 areas in a staged way to make advertise size populace and to make necessities.

Type of user:

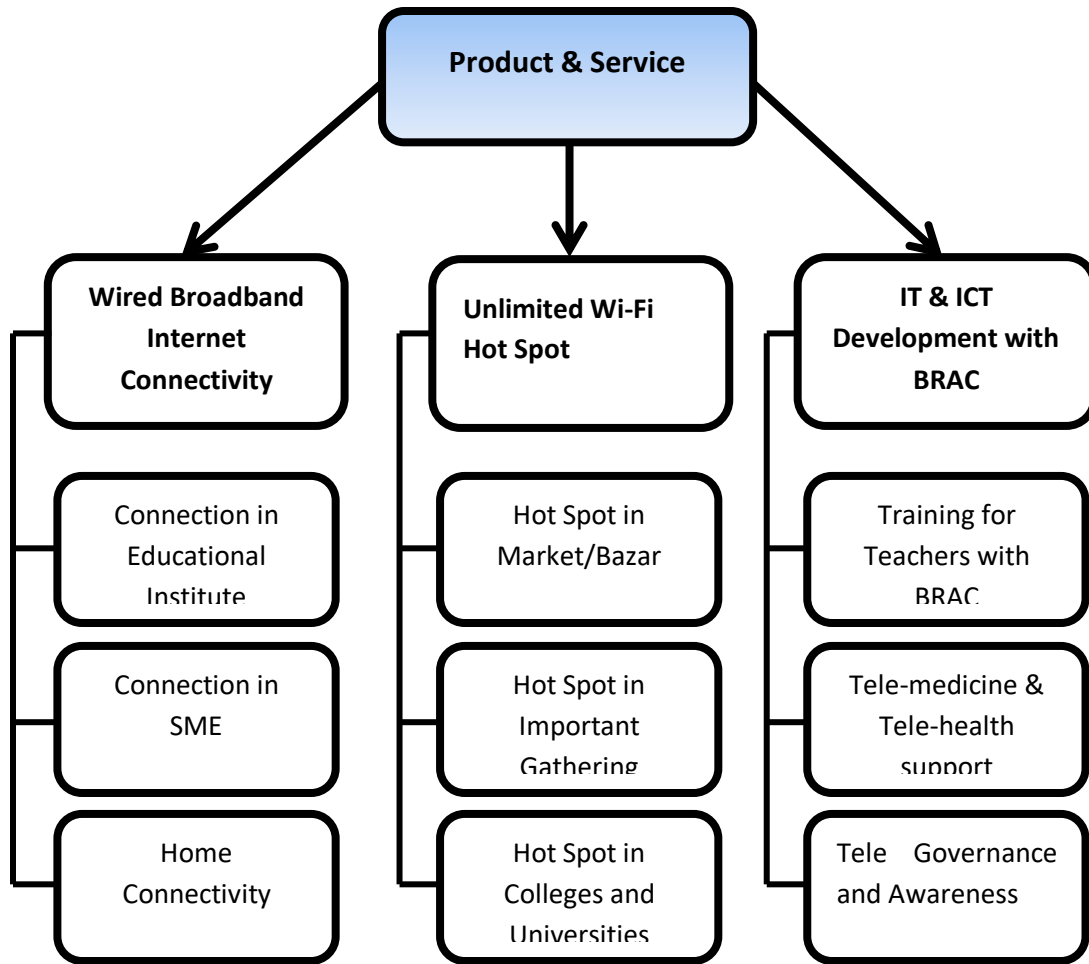
We have divided the user under three different categories. These are:

- 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)

2.7 Product & Service Description:

Based on SR one 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



2.8 Pricing & Packages:

1. We are presenting another method for business. So we need to decide the value likewise. Inside a couple of long periods of maintaining the business, we will confront a fatal market rivalry from different suppliers; So we will join evaluating techniques together.
2. **Cost Based Pricing**
3. **Value Based Pricing**
4. **Demand Based Pricing**

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

2.9 Initial Stage Pricing:

- The underlying stage cost is the manner by which we start the valuing technique toward the start. Here we will consolidate the initial two estimating procedures. Cost based and cost based So we will decide the all-out costs spent on explicit territories and costs dependent on the destinations made. So to pursue that we are going to concentrate on the beneath perspectives
- :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.

2.10 Matured stage Pricing:

Following a couple of long periods of running these activities in around 20 areas, we will underline the interest based costs. As per their needs we can offer many altered ideas to acquire and more client base. So there will be various bundles in the market to meet the various needs of uneasiness.

2.11 Market Centric/Sensitive Pricing:

We will likewise characterize a strategy for develop markets that will have new altered ideas from contenders; we will hold on to perceive to what extent we will be there. The time that we won't pay anything. We will keep our quietness and hold up until the finish of their offer, expensive offers won't keep going for a lifetime and will end in a particular time, and it is our most noteworthy time for promoting.

2.12 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:

- | | |
|-------------------------------------|---------------------------------|
| • Refill Cards containing Balances: | • Unlimited Bandwidth Packages: |
| 1. 10 Taka | 1. 350 Taka for 30 Days |
| 2. 50 Taka | 2. 200 Taka for 15 Days |
| 3. 100 Taka | 3. 150 Taka for 10 Days |
| 4. 150 Taka | 4. 75 Taka for 5 Days |
| 5. 200 Taka | 5. 50 Taka for 3 Days |
| | 6. 30 Taka for 2 Days |

*All the package will have user Terms and Conditions.

2.13 OUR SERVICES

INTERNET FOR CORPORATE USERS:

SR one has been filling in as a web correspondence specialist co-op since 1997. We are in a situation to give the whole field of web network and its related administrations for our customers. We give web availability arrangement through reasonable and tried Radio innovation just as fiber. Our best in class Radio framework works on 3.5 GHz authorized recurrence utilized by SR one which ensures impedance

free activity. We are associated with both the Submarine link (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

24/7 monitoring and support

INTRANET FOR CORPORATE USERS:

It empowers clients to share data within their own system. Particularly corporate clients having a few branches are utilizing such sort of administrations. We do give the support of get this going. It is ordinarily talking about hardware that is intended to give or accumulate data needs to convey past itself, to comparable gear or to a divergent framework.

2.14 VALUE ADDED SERVICES:

1) Google Apps :SR ONE approved venture and SMB affiliate of Bangladesh. Fundamental plans incorporate email addresses with custom spaces (@ yourcompany.com), video and voice calls, schedules, 30GB stockpiling, joint effort records, spreadsheets, introductions and locales, security and protection controls, and day in and day out telephone and email support.

2) Web Hosting and Domain Registration: SR one is particularly for giving secure and dependable web facilitating on Linux and Windows servers. Our common web facilitating bundle is for little, medium and huge organizations and internet business sites. The entirety of our servers are situated in the detail and our server farm (SR one Dhaka Office and the United States). The Windows Web Hosting Server is situated on SR one.

3) Software and Web Development: We give full-cycle administrations to programming advancement, online undertaking arrangements, web applications and gateway/site improvement. We offer dynamic start to finish web arrangements by blending our solid business space understanding, specialized aptitude, most recent industry patterns and profound information on quality-driven circulation models.

IP PHONE:

IP communication innovation is a technique for the dispersion of voice correspondence and sight and sound sessions on Internet Protocol (IP) systems, just as an approach and innovation gathering. Web communication, broadband communication, and broadband telephone administration explicitly makes reference to the arrangements of open Internet interchanges administrations (voice, fax, SMS, voice-informing) rather than Public Switched Telephone Network (PSTN). The means and strategies that emerge in IP telephone calls are like conventional computerized communication and incorporate digitization, digitization, and digitization of along voice flag and encoding. Rather than being transmitted over a circuit-switch organize; be that as it may, advanced information is bundled and the transmission occurs as an IP parcel in a parcel exchanged system. They run sound streams utilizing uncommon media conveyance conventions that encode sound and video with sound codes and video codes.

Because of low transmission capacity of data transfer capacity proficiency and IP communication innovation, organizations overall are being moved from customary copper-wire phone framework to IP telephone frameworks to decrease their month to month telephone costs. SR one 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 principal Internet customer to the dial-up fiber optic system every year, innovative advances bring new speed, power and capacity to voice, data and IP interchanges. As the improvement of this innovation, you have the danger of losing your association's driving edge or rivalry. In this manner, it is important to adjust your business to industry practice.

SMART HOME:

Savvy home structure mechanization incorporates private expansions and lighting controls, warming, (for example, brilliant indoor regulators), ventilation, cooling (HVAC), and security, just as home machines, for example, washer/dry, stove. Utilizing WiFi for remote observing of coolers/coolers. Current frameworks are generally alluded to as a focal center point with switches and sensors are here and there called "doors", through which the framework is controlled with a UI that is associated with divider mounted terminals, cell phone programming, tablet PC or web interface. Be that as it may, not constantly through the Internet cloud administration. Brilliant Home Solutions offers a total bundle of 'customary phone and link administrations, fast web and network, home theater, entire house sound, auto lighting/film, focal vacuum, video dissemination, page and radio framework, telephone framework, 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 SR one 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.

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

VIDEO CONFERENCING:

Video conferencing utilizes sound and video media transmission to unite individuals on various locales. It very well may be as straightforward as a discussion between individuals in private workplaces (point-to-point) or in different areas in huge rooms like multi-point locales.

Notwithstanding sound and visual transmission of meetings, consolidated video conferencing advances can be utilized to share reports and show data on whiteboards. SR one offers better access and power over video conferencing and video reconnaissance arrangements.

2.15 Responsibilities I have performed during my internship period:

I was doled out to SR one for finishing my entry level position. They designated me as a financing bookkeeper office. Those are the rundown of exercises which I have performed in my entry level position-

- 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:

Money related proportions, determined from the data of budget summaries, are utilized to break down a company's past monetary exhibition. To anticipate the future state of speculation. Money related proportions are utilized to think about the hazard and return of various firms so as to support financial specialists and loan bosses settle on insightful venture and credit choices. Proportions are planned to give important relationship among the individual qualities in the fiscal summaries. Proportions are significant, in the event that we contrast and

- 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.

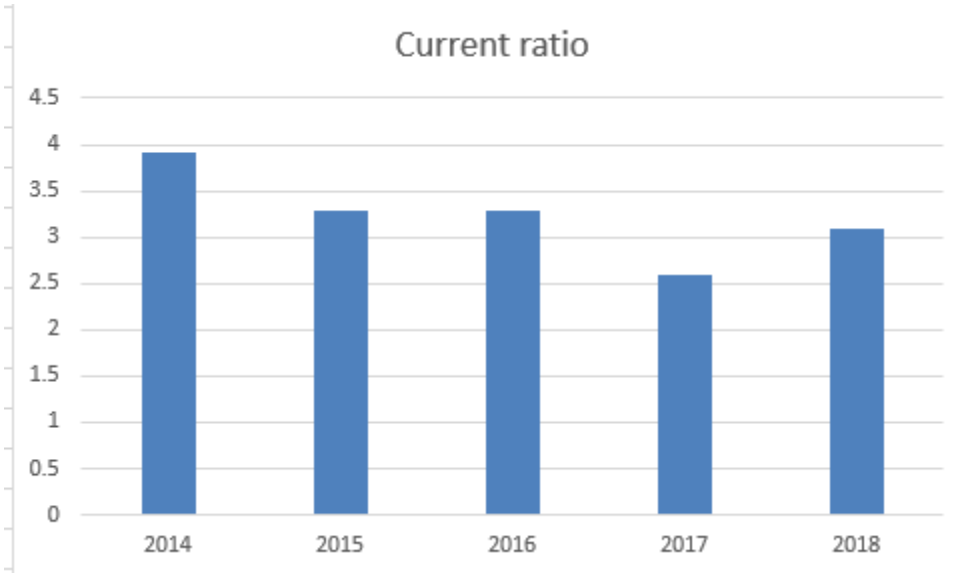
Financial ratios are grouped into the following categories:

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

3.1 Current ratio: The present proportion is a liquidity proportion that estimates the organization's capacity to give present moment and long haul commitments. Computing the proportion, analyzers contrasted current resources with current liabilities.

Current Ratio = Current Assets / Current Liabilities

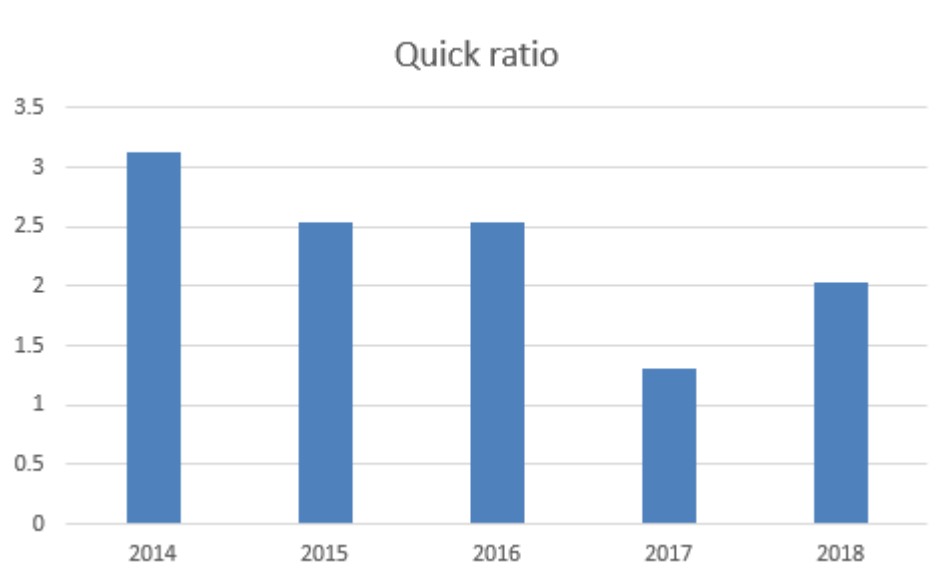
Particular	2014	2015	2016	2017	2018
Current ratio	3.92	3.29	3.29	2.59	3.08



Interpretation: Here above in the graph the current ratio of 2014 & 2015 was constant and highest current ratio was in 2014 and lowest was in 2016 but in 2018 it was roughly same as 2014 & 2015.

3.2 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.

Particular	2014	2015	2016	2017	2018
Quick ratio	3.13	2.53	2.53	1.30	2.04

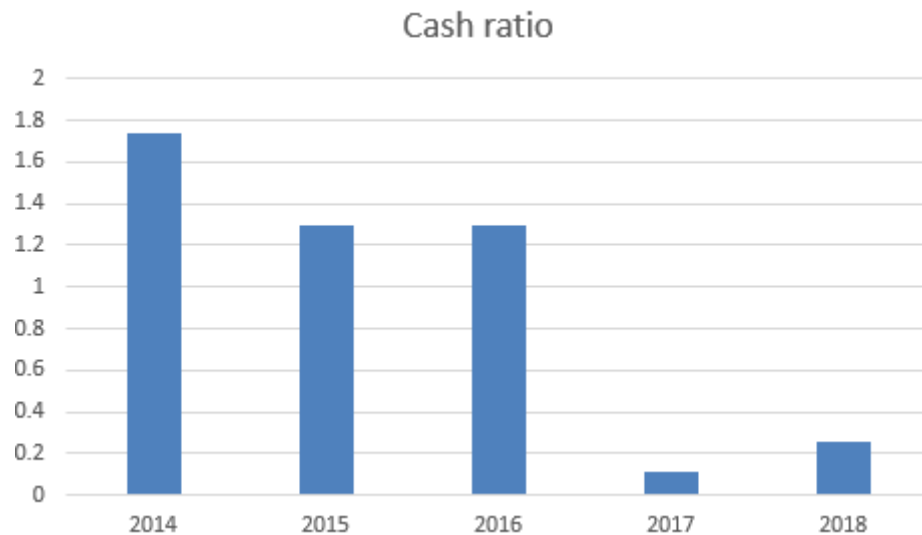


Interpretation: In 2014 & 2016 Quick ratio of the company was respectively higher and lower but except those years it was roughly constant.

3.3 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	2014	2015	2016	2017	2018
Cash ratio	1.74	1.30	1.30	0.11	0.26

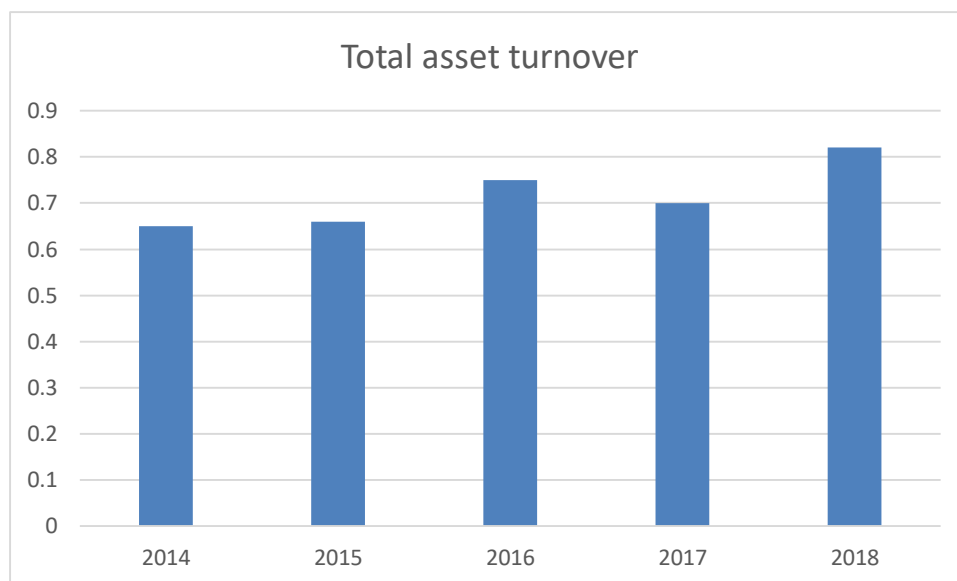


Interpretation: Cash ratio of the company was good in 2014 to 2015 but it was dramatically dropped in 2016 & 2018 which is not good for the company at all.

3.4 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

Particular	2014	2015	2016	2017	2018
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.

3.5 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	2014	2015	2016	2017	2018
Current asset turnover	1.43	1.45	1.65	2.05	2.59

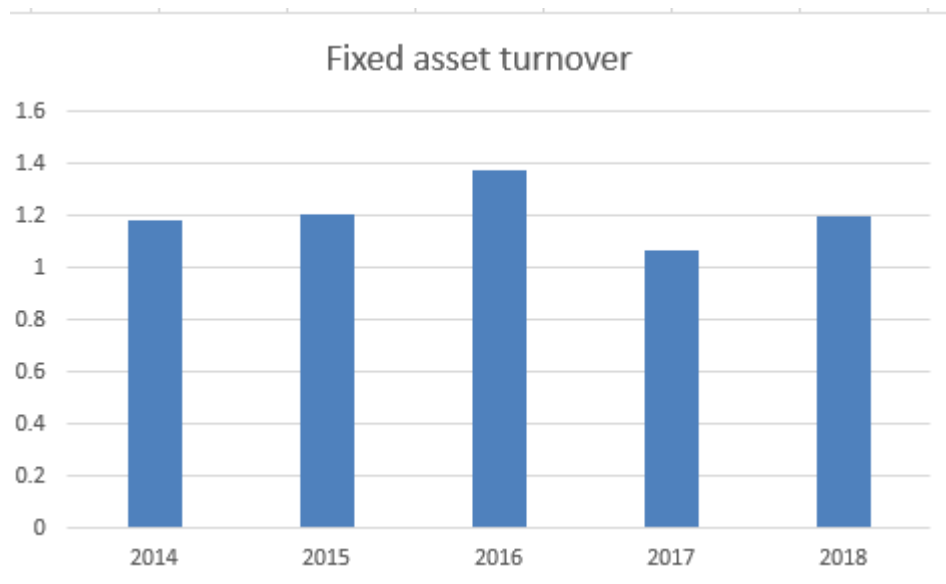


Interpretation: Here in the graph we can observe from 2014 to 2018 the current asset turnover was increases simultaneously and it is good for the company.

3.6 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: $\text{Net sales}/(\text{Fixed assets}-\text{Accumulated depreciation})$

Particular	2014	2015	2016	2017	2018
Fixed asset turnover	1.18	1.21	1.38	1.07	1.20

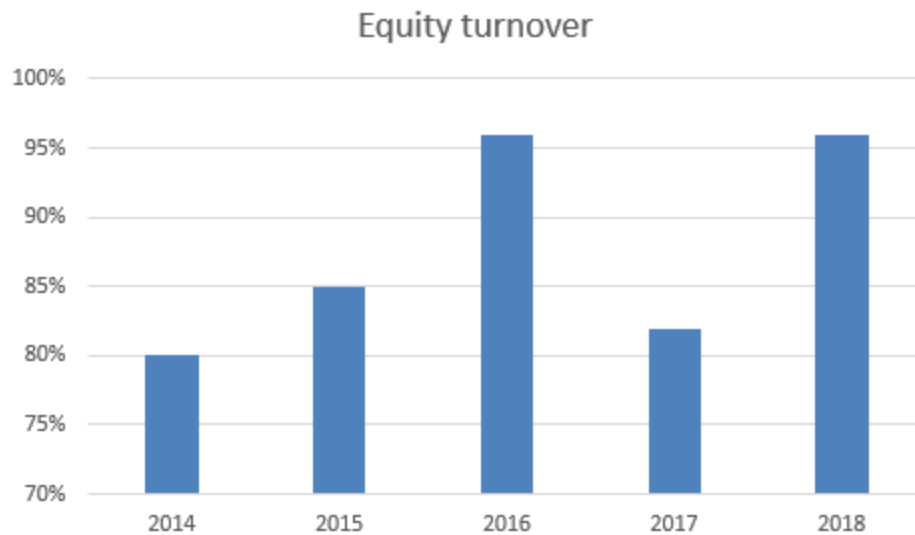


Interpretation: Except in 2015 the fixed asset turnover was roughly constant in that four years but in 2016 it was decreases a little bit.

3.7 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

Particular	2014	2015	2016	2017	2018
Equity turnover	0.80	0.85	0.96	0.82	0.96

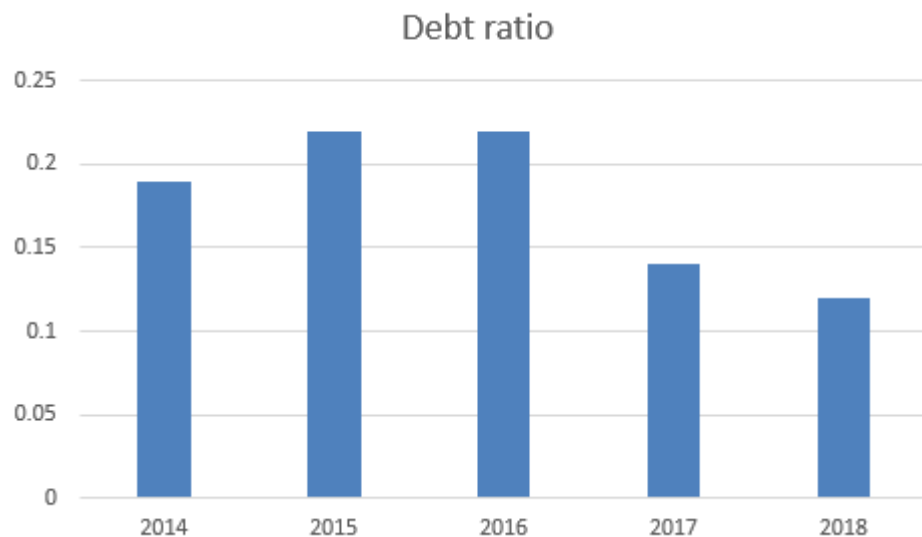


Interpretation: Equity turnover is pretty constant in three years, except in 2015 & 2018 which is not either good or bad for the organization at all.

3.8 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	2014	2015	2016	2017	2018
Debt ratio	19%	22%	22%	14%	12%

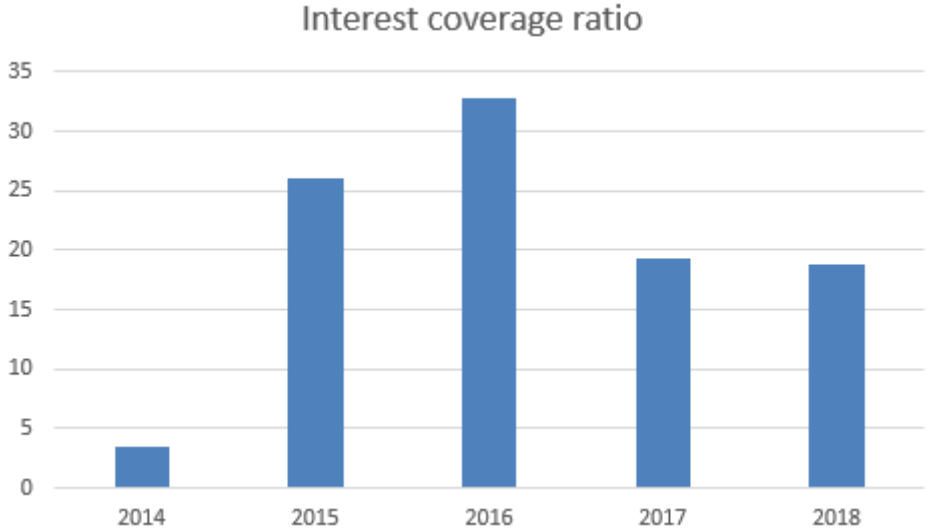


Interpretation: Debt ratio of the company in 2014 & 2015 it was higher and then in 2016 & 2018 it was quite dropped but earlier in 2014 it was not so much higher or lower.

3.9 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	2014	2015	2016	2017	2018
Interest coverage ratio	3.50	26.0	32.79	19.28	18.76

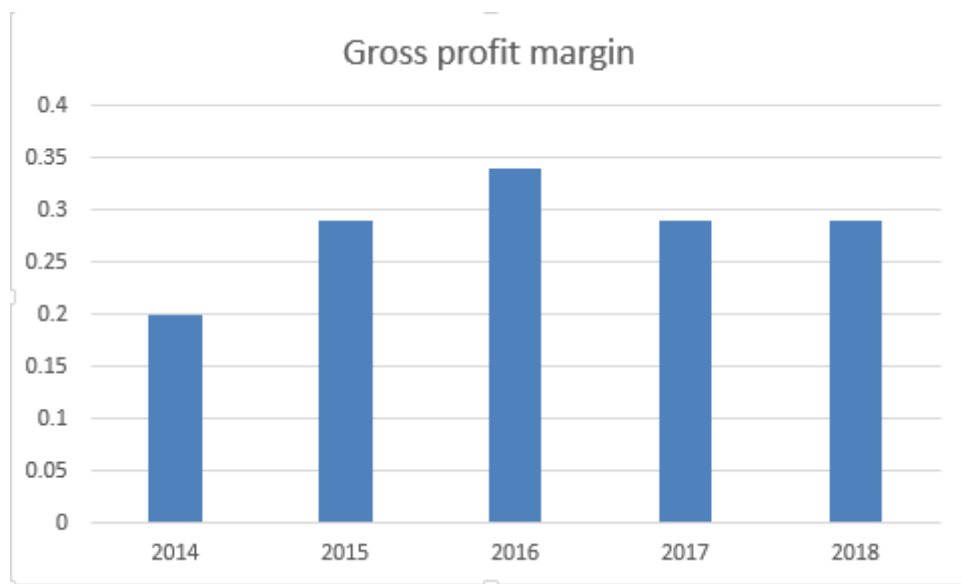


Interpretation: Intrigue inclusion proportion is estimated the proficiency of taking advance. How much really an organization can utilize their advance. In the event that the proportion is low, at that point there is an extent of utilizing more obligation finance. From this diagram we can see that in 2014 and 2015 intrigue inclusion proportion is so high yet in most recent two years it again diminishes which show that now SR one is proficient again to utilize the obligation support.

3.10 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	2014	2015	2016	2017	2018
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 2014 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.

3.11 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	2014	2014	2015	2016	2018
Operating profit margin	18%	30%	34%	28%	29%

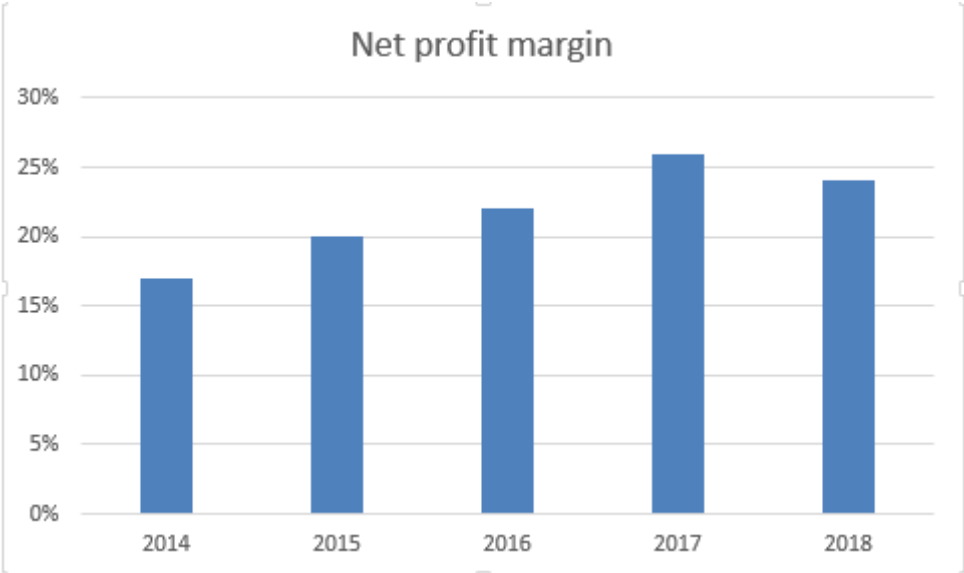


Interpretation: Here in the graph the operating profit margin in 2015 it was higher and in 2014 it was lower, but in last four years it was not decreased that much but quite similar which good for the company's operation.

3.12 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	2014	2015	2016	2017	2018
Net profit margin	17%	20%	22%	26%	24%



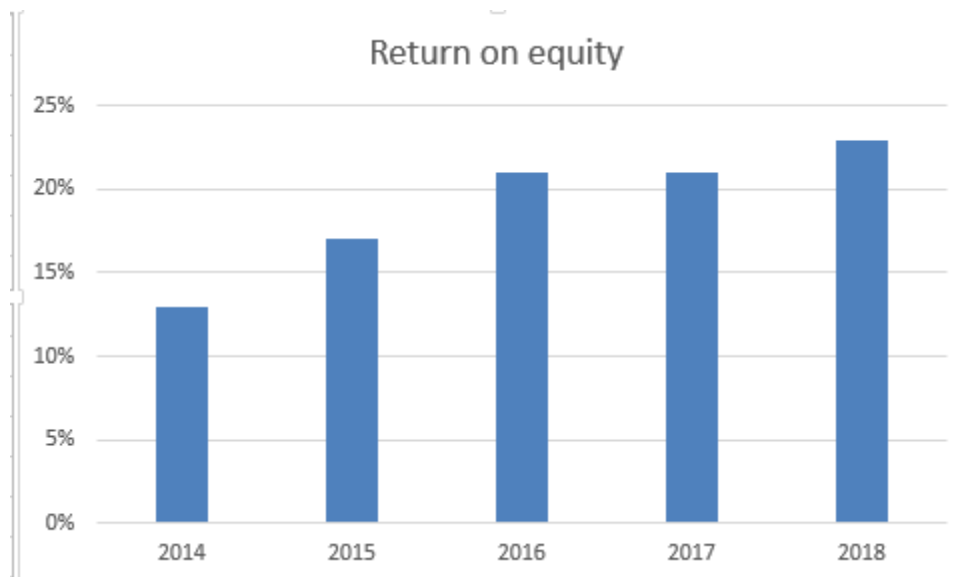
Interpretation: Net profit margin from 2014 to 2016 it was increases simultaneously but in last year it was decreased a bit which is not bad either.

3.13 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.



Interpretation: Return on asset of the company throughout five years it was increase from 2014 to 2018 consecutively and it is good for the company.

3.14 Return on equity: Value Return (ROE) is a proportion of the budgetary figuring's determined by isolating the absolute pay by investors' value. Since investors' value is not exactly their obligation comparable to the benefits of an association, ROE might be considered as coming back to net resources.



Interpretation: Return on equity of the company throughout five years it was increase from 2014 to 2018 simultaneously but in 2015 & 2016 it was constant. But in last year it was boost up.

Balance Sheet

Common Size Analysis

Particular	2014	%	2015	%	2016	%	2017	%	2018	%
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	15428	20.1	15300	17.9	24392	2.70	13994	1.41	293765	2.42

cash equivalents	7321	2%	7018	7%	730	%	104	%	41	%
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	75889 74	5.24 %	16033 407	8.52 %	11033 407	10.3 4%	58989 77	4.15 %	754613 5	2.74 %

doubtful debts										
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 participati on fund	0	0.00 %	0	0.00 %	0	0.00 %	96487 3	0.68 %	397147 3	1.44 %
Total current liabilities	88424 019	61.0 7%	11772 6490	62.5 7%	92624 309	86.7 9%	13135 7021	92.3 9%	261353 182	95.0 0%
total liabilities	14479 6599	100. 00%	18814 8461	100. 00%	10671 7510	100. 00%	14217 3407	100. 00%	275100 750	100. 00%
Total equity and liabilities	76690 3892		85132 3386		87997 3921		99043 0671		121463 2519	

Income Statement

Common Size Analysis

Particular	2014		2015		2016		2017		2018	
Net Operating Revenue	495,08 5,403	100. 00%	562,94 8,637	100. 00%	639,04 2,428	100. 00%	695,52 0,446	100. 00%	738,82 6,547	100. 00%
Direct Operation Expense	87,726, 462	17.7 2%	82,791, 162	14.7 1%	90,685, 433	14.1 9%	99,519, 387	14.3 1%	106,61 2,398	14.4 3%
Cost of Goods Sold	306,48 5,900	61.9 1%	314,48 7,358	55.8 6%	332,41 1,369	52.0 2%	395,02 5,478	56.8 0%	415,58 7,214	56.2 5%
Total Operating expenses	394,21 2,362	79.6 3%	397,27 8,520	70.5 7%	423,09 6,802	66.2 1%	494,54 4,865	71.1 0%	522,19 9,612	70.6 8%
Gross Operating Profit/(loss)	100,87 3,041	20.3 7%	165,67 0,117	29.4 3%	215,94 5,626	33.7 9%	200,97 5,581	28.9 0%	216,62 6,935	29.3 2%
Financial Expense	25,141, 345	5.08 %	6,493,5 27	1.15 %	6,615,7 49	1.04 %	10,182, 341	1.46 %	11,255, 632	1.52 %
Amortization of Deferral Expenses		0.00 %		0.00 %		0.00 %	212,80 0	0.03 %	30008 8	0.04 %
Total Administrative and General Expense	25,141, 345	5.08 %	6,493,5 27	1.15 %	6,615,7 49	1.04 %	10,395, 141	1.49 %	11,555, 720	1.56 %
Net operating Profit/(loss)	75,731, 696	15.3 0%	159,17 6,590	28.2 8%	209,32 9,877	32.7 6%	190,58 0,440	27.4 0%	205,07 1,215	27.7 6%
Non-Operating Income	8,643,5 65	1.75 %	4,408,5 11	0.78 %	1,945,4 32	0.30 %	173,26 9	0.02 %	145,91 7	0.02 %
Investment Income	3,494,0 60	0.71 %	5,539,3 47	0.98 %	5,629,9 39	0.88 %	5,585,3 17	0.80 %	5,973,2 89	0.81 %
Net Profit before tax	87,869 ,321	17.7 5%	169,12 4,448	30.0 4%	216,90 5,248	33.9 4%	196,33 9,026	28.2 3%	211,19 0,421	28.5 8%

		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	10.2 5%	9,431,842	1.36 %	20,759,479	2.81 %
Net Profit after Tax (NOPAT)	81,877,693	16.5 4%	110,713,536	19.6 7%	141,920,324	22.2 1%	178,575,342	25.6 8%	180,129,517	24.3 8%

Balance sheet

Trend Analysis

Particular	2014	2015	2016	2017	2018
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				100.00%	411.61%
participation fund					

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

Particular	2014	2015	2016	2017	2018
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 2018 again it is increased which means that SR one has now idler cash which is bad for the organization.
- In cash ratio SR one reserve more than 1tk against 1tk per liability. So it is bad for this organization. Because they have excesses 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 2018 NPM decreased which is bad indication of not using resources properly.
- ROE is fluctuating though 2014-2018. 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 2014-2017 which means that it is capable to use its assets properly to increases profit.
- Gross profit margin increased in 2014 to 2015 but decreased 2016 and constant in 2018 also. Which indicate that it can control its cost properly.
- Average operating income increased means that SR one has increased its operating income in total revenue.
- From trend analysis of SR one it is clear that overall total liability has increased though 2014 to 2018 which is not good for the company.
- From income statement trend analysis, Net operating revenue has increased by comparing 2014 to 2018. But as not expectation compare with liability increasing rate.

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.
- SR one 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 increase its net operating revenue by using equity capital to cover liability increasing rate and gain its goal.
- SR one should use its resources properly to gain a higher NPM in each year which has decreased in last year.

Conclusion:

Inside a quarter of a year of the temporary position program on SR one, practically the sum total of what exercises have been seen less or not exactly monetary data. Initially, this pragmatic program has been created to pick up information on reasonable monetary exercises to contrast this useful examination and hypothetical information. Correlation of reasonable information with hypothetical exercises include recognizing shortcomings and prescribing to address distinguished shortcomings. Attempted to cover all areas and segments, where I found the opportunity to secure genuine information. Because of time constraints, the movement of every one of the branches can't be profundity. Be that as it may, the most extreme exertion was made to accomplish the reason for the temporary position program.



References:

Audit report 2014

Audit report 2014

Audit report 2015

Audit report 2016

Audit report 2018

Website:

www.SR one.net