



Internship Report
On
Financial Performance Analysis of Ahsan Construction LTD

Submitted By:

Fahmid Haque Hasib

ID: 181-11-5808

BBA (Finance) Department of Business Administration

Faculty of Business & Entrepreneurship

Submitted To:

Nusrat Nargis

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

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Letter of Transmittal

27th January, 2022

Nusrat Nargis

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University, Dhaka-1207.

Subject: Submission of Internship Report

I take pleasure in submitting the report on “**Financial Performance Analysis of Ahsan Construction LTD.**” as a requirement of the BBA program of the Department of Business Administration for your consideration. I have completed the report in due time and met the entire requirement. Apart from the academic knowledge gained, this internship program and preparation of report has given me the opportunity to understand the topic related knowledge. I have tried my level best to make this report a comprehensive and informative one. I hope you will appreciate my effort and find the report up to your expectation. It has to be mentioned further that without your advice and cooperation it would not be possible for me to complete this report. I shall be satisfied to answer any sort of queries you think necessary regarding this report.

Yours Sincerely,

Fahmid Haque Hasib

ID: 181-11-5808, BBA (Finance)

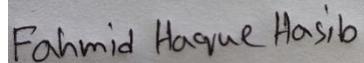
Department of Business Administration

Daffodil International University

Declaration

I, MD Fahmid Haque Hasib, hereby certify that the internship report titled "**Financial Performance Analysis of Ahsan Construction LTD**" was written solely by me following the conclusion of my three months as an intern at Ahsan Construction LTD.

I confirm that the report was written solely for academic purposes and not for any other purpose. Additionally, I guarantee that this report has not been submitted anywhere in Bangladesh prior to my submission.



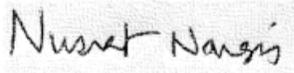
MD Fahmid Haque Hasib

ID No: 181-11-5808

Letter of Approval

This is to certify that MD Fahmid Haque Hasib ID: 181-11-5808 , is a regular student of Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University.

He has completed his internship at Ahsan Construction LTD, and he has prepared his internship report under my supervision. His assigned topic is “**Financial Performance Analysis of Ahsan Construction LTD**”. The information presented in this internship report appears to be authentic. Thus, the internship report has been accepted for presentation in the internship defense.



10/02/2022

Nusrat Nargis

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Acknowledgment

By the grace of Allah. This work would not have been possible without the direction and assistance of several people who participated and extended their important help in the preparation and completion of this study in various ways.

I started writing this internship report and eventually finished it. However, a special thanks goes out to Nusrat Nargis, Assistant Professor, Department of Business Administration, Faculty of Business & Entrepreneurship, who has been extremely helpful. The supervision and support he provided were extremely beneficial to the internship program's success and smoothness. The assistance is greatly appreciated.

I'm grateful to all of the senior officials who made it possible for me to gain practical experience. Furthermore, this internship program has taught me the importance of working as a team and has provided me with new experiences in a working atmosphere that challenges us every minute.

Last but not least, I owe thanks to everyone who helped me complete this report, both inside and outside of Ahsan Construction LTD.

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CHAPTER 1: INTRODUCTION



INTRODUCTION:

DIU has introduced a new and significant Business administration students' Internship Program for students seeking a career-oriented applied education. This internship bridges the gap between theory and practice by providing students with hands-on, field-based, real-world experience throughout their academic careers. During this training period, we, the students, learn how to apply our theoretical knowledge in real-world situations. What are the challenges that a finance student faces? How to manage everything, and what are the responsibilities of a Finance student. For these practical and technical skills, I worked as an accounts intern at Ahsan Construction LTD.

Background of the study:

The Bachelor of Business Administration (BBA) degree from Daffodil International University (DIU) encourages students to perform an internship at a reputable business organization and write a report as a requirement. As a BBA student, I conducted a three-month internship at Ahsan Construction LTD and submitted an internship report titled "Financial Performance Analysis of Ahsan Construction LTD" based on my real-life internship experience.

Scope of the study:

The scope of the study covers general activities and financial Performance analysis of Ahsan Construction LTD.

The primary goal of this report is to examine:

- General Activities
- Ratio Analysis
- Trend Analysis
- Common Size Analysis

Objectives of the study:

1. To analyze the financial activities of Ahsan Construction LTD.
2. To evaluate the financial performance of the company from 2019-2020.
3. To identify the problems of the company regarding financial performance.
4. To provide some recommendations about the problems of the company.

Methodology of the Study:

- ❖ The research is exploratory in character.

Data Collection:

From topic selection through final report presentation, the study necessitates a methodical approach. The descriptive technique was used in this study to get insights and understanding of Ahsan Construction LTD's financial performance. To conduct the research, data sources were discovered and collected, then categorized, processed, interpreted, and presented in a systems fashion, with key points selected. This is the entire methodology technique that was used in the study, as shown below.

Sources of data:

The information utilized to produce this report was gathered from both primary and secondary sources.

Primary Sources:

- Discussion with officials of Ahsan Construction LTD
- Face to face conversation with the respective manager of the office.

Secondary Sources:

- Web site of Ahsan Construction LTD
- Annual report 2020 of Ahsan Construction LTD.

Data Analysis:

- ❖ To analyze the Data by using MS Excel

Limitations of the Study:

The report's completion was complicated by certain limitations. The following are some of the most important limitations:

- ❖ Three months is insufficient time to learn about all of a department's or company's activity.
- ❖ To Study Company's method, a single workstation cannot be a whole arena.
- ❖ It is quite tough to gather all of the genuine information from various individuals due to the fact that some laws and regulations develop according to their job constraints.
- ❖ Some data and information are highly sensitive, which presents a significant challenge in compiling the report.
- ❖ Due to a lack of information, assumptions were made in several circumstances. There could be some inaccuracies in my assumptions.
- ❖ Ahsan Construction LTD website was not up to date enough to easily gather vital information.
- ❖ Ahsan Construction LTD and its goods lacked appropriate secondary information. Annual reports, websites, and other relevant papers do not provide proper coverage.
- ❖ Because the firm executives are so busy, it was difficult for them to work with me, which was another constraint in preparing this report.

**CHAPTER 2:
PROFILE OF
AHSAN CONSTRUCTION LTD**

Introduction:

The Ahsan Group began its journey in 1986, with its first steps in the RMG industry. Initially focused on the RMG industry, the firm has expanded its operations to include RMG, construction, telecom, agriculture, IT, and other industries, establishing itself as a genuinely diversified business group. Ahsan Group has gained the trust of clients from all over the world by using cutting-edge technology, dedication, focus, and ethical business methods. Apart from its corporate success, the group invests in a variety of well-designed CSR projects for various welfare campaigns on a regular basis.

The Concerns of Ahsan Construction LTD:

RMG:

1. **Ahsan Knitting Limited:** Ahsan Knitting Limited was founded in Siddhirgonj, Narayanganj, in 1995. With 200 sewing machines and a total workforce of 1000 people, this facility has a monthly production capacity of 4,50,000 pieces. Worldwide Responsible Accredited Production (WRAP) and the Business Social Compliance Initiative have both recognized it (BSCI).
2. **A.K Fashion Limited:** A.K Fashion Limited, which is also located in Siddhirgonj, Narayanganj, was founded in 1998. With 300 sewing machines and a total workforce of 1000 people, this facility produces 6,50,000 pieces per month. Worldwide Responsible Accredited Production (WRAP), Business Social Compliance Initiative (BSCI), and Fair Wear Foundation have all given their approval (FWF).
3. **Ahsan Composite Limited:** Ahsan Composite Limited began operations in 2005. Our production capacity in the sewing, dyeing, and knitting sections has grown over time. We work year-round with a dedicated team of 5,000 people to provide the highest quality in the knit garment manufacturing industry.
4. **Ahsan Apparels Limited:** The most recent establishment, Ahsan Apparels Limited, was founded in 2012 and is also located in Siddhirgonj, Narayanganj. With 300 sewing machines and a total workforce of 1000 people, this facility produces 6,50,000 pieces per month. The Business Social Compliance Initiative (BSCI) and the Fair Wear Foundation have both recognized the Fair Wear Foundation (FWF).
5. **Ahsan Industries:** Ahsan Industries is our upcoming diversification project for woven apparels. It will be our mega project for Demin, shirts and other woven items with washing plants.

- ❖ **CONSTRUCTION:** Ahsan Construction is a concern of Ahsan Group Limited. ACL, headquartered in Dhaka, has been working in the construction industry since 2016. In Bangladesh, ACL has worked on large projects for the government, including bridges, culverts, industrial infrastructure, metro rail, nuclear power plants, and materials trading firms.
- ❖ **TELECOM:** The vision of Sr Telecom is to provide high-quality, innovative communications services that enrich people's lives and businesses both at home and abroad.

- ❖ **IT:** A BPO service provider with horizontal cross-industry solutions that increases the ability to produce greater quality.
- ❖ **AGRO:** At Ahsan Dairy and Agro, Ahsan group are committed to procure, produce and provide the best quality dairy products and agro products.
- ❖ **RETAIL:** Klodefy is a retail apparel line, which is established in 2020.

Mission of Ahsan Construction LTD:

The mission of Ahsan Construction LTD is to provide high-quality services at competitive pricing while staying on schedule. ACL is aware that the pleasure of its valued clients is at the core of its operations. To be a global market leader in the construction industry. To become the preferred choice of customers by achieving excellence in quality and timely completion of value-added projects. ACL strive to provide the highest level of service in the construction industry while providing superior craftsmanship on each project we work on. To constantly innovate, develop, and implement cutting-edge technology in methods and materials to improve productivity and cost effectiveness. To continuously improve our team's competence and to employ diverse, innovative, and results-oriented individuals who are driven to deliver excellence. To establish a safety culture with the goal of continually lowering the frequency and severity rate toward zero. To establish a safety culture with the goal of continually lowering the frequency and severity of accidents in order to achieve zero accidents. To identify and mitigate all environmental impacts caused by our activities, as well as to comply with all applicable environmental regulations.

Vision of Ahsan Construction LTD:

- ❖ Attempt to achieve a position of leadership in each of its business categories.
- ❖ Obtain market leadership in high-value-added apparel in Bangladesh as well as in other countries.
- ❖ To become the top construction company by continually producing projects that exceed international standards and provide outstanding customer service.
- ❖ To provide outstanding value and innovative construction solutions to our clients on a consistent basis.
- ❖ ACL sees being the first preference at all times, both nationally and globally, for their known excellence, quality, performance, and reliability in all sorts of structures, using current concepts and sophisticated technology.

Chapter 03:
Financial Activities of Ahsan Construction
LTD.

Assets:

Ahsan Construction's Non-current assets were 59,98,308 TK in 2019 and 63,39,841 TK in 2020 including the property, plant and equipment which was 59,62,808 in 2019 and 63,04,341 in 2020 and also the preliminary expenses which was 35,500 TK in both 2019 and 2020.

Now if we talk about the current assets then their inventories were 72,72,312 in 2020 and they didn't have any inventories in 2019, their advances, deposits & prepayments were 27,45,644 TK in 2020 and 18,21,898 TK in 2019, their work in progress was 13,498,283 TK in 2019 and they didn't have any work in progress in 2020, their pre-operational expenses were 404,770 in 2019 and 404,770 in 2020, cash and cash equivalents were 960,489 in 2019 and 22,831,328 in 2020. Including all of this their total current assets were 1,66,85,440 in 2019 and 3,32,54,054 in 2020.

Equity & Liabilities:

Their share capital was 50,00,000 and Retained earnings were 7,45,178 in 2019 and they didn't have any share capital and retained earnings in 2020.

The short-term loan was 21,699,940 in 2019 and 32,044,940 in 2020 and then their accounts payable were 6,85,451 in 2019 and 7,62,325 in 2020 and the others payable were 2,98,357 in 2019 and 10,41,450 in 2020. Including all of this the ACL's total current liabilities were 2,26,83,748 in 2019 and 3,38,48,715 in 2020 and the total Equity and Liabilities were 22,683,748 in 2019 and 39,593,895 in 2020.

Incomes Statement:

In 2019 Ahsan Construction didn't have any kind of revenue or income that's why Ahsan Construction doesn't have any income statement of 2019.

Now in 2020 Ahsan construction's Revenue was 8,46,79,947 TK, then their Cost of Project Implementation was 72,011,488 TK, then their Gross Profit was 12,668,459 TK the Administrative and Other Expenses were 11,385,165 TK the Operating Profit was 1,283,294 TK the Financial Expenses were 30,034 TK the Profit Before Tax was 1,253,260 TK the AIT Deduction from Bill was 508,080 TK and at last their Profit After Tax was 745,780 TK.

So, these are the all-Financial Activities of Ahsan Construction LTD.

Chapter 04:

Theory Analysis

Ratio Analysis:

Ratio analysis is a quantitative examination of the data contained in a company's financial statement. It's used to evaluate a company's operating financial performance from a variety of angles, including liquidity, performance, Solvency, and profitability. Instead of comparing lines from each financial statement, ratio analysis is a method of assessing and comparing finance data by producing meaningful financial statement value percentages. Ratio analysis is a method of assessing a company's operational and financial performance, including efficiency, liquidity, profitability, and solvency. These ratios' trend through time is examined to see if they are improving or deteriorating. It's useful to interpret it as a percentage, rate, or proportion. These analyses are used by a variety of users, including bankers, investors, creditors, and management, to learn about the company's financial situation and to make decisions. This report includes the most frequent ratios and analyses for evaluating Ahsan Construction LTD's operating and financial performance for the year 2020.

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

Different types of ratios are utilized to make decisions. These are follows:

1. Liquidity Ratio
2. Profitability Ratio
3. Efficiency Ratio/ Activity Ratio
4. Operating efficiency Ratio
5. Leverage Ratio/ Financial risk

Liquidity Ratio:

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

The following financial ratios are considered to be liquidity ratio:

1. Cash Ratio
2. Current Ratio
3. Quick Ratio

$$\text{Cash Ratio} = \frac{\text{Cash \& Cash Equivalents}}{\text{Current Liabilities}}$$

$$\text{Current Ratio} = \frac{\text{Current Asset}}{\text{Current Liabilities}}$$

$$\text{Quick Ratio} = \frac{\text{Current Asset} - \text{Inventory}}{\text{Current Liabilities}}$$

Profitability Ratio:

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

The following financial ratios are considered to be Profitability ratio:

1. Gross Profit Margin
2. Operating profit Margin
3. Net Profit Margin
4. Return on Asset
5. Return on equity

- Gross Profit Margin = $\frac{\text{Gross Profit}}{\text{Sales}}$
- Operating profit Margin = $\frac{\text{Operating Profit}}{\text{Sales}}$
- Net Profit Margin = $\frac{\text{Net Profit}}{\text{Sales}}$
- Return on Asset = $\frac{\text{Net Income}}{\text{Total Asset}}$
- Return on equity = $\frac{\text{Net Income}}{\text{Shareholders Equity}}$

Efficiency Ratio/ Activity Ratio:

Efficiency ratios, commonly referred to as activity ratios, to assess a company's short-term or current performance. The turnover of receivables, the repayment of liabilities, the quantity and uses of equity, and the general utilization of inventory and machinery may all be calculated using the efficiency ratio. The efficiency ratio assesses a company's capacity to generate revenue from its assets. Efficiency refers to a company's ability to make the most of its resources. Typically, efficiency is measured in terms of how much revenue is generated from a given set of assets. Furthermore, improper asset use might lead to liquidity issues. Lower profitability and fewer chances are sometimes preceded by a lack of liquidity.

The following financial ratios are considered to be Efficiency ratios

1. Account Receivable turnover
2. Inventory Turnover
3. Account payable turnover
4. Total Asset Turnover
5. Current Asset Turnover
6. Fixed Asset Turnover
7. Equity Turnover.

$$\text{❖ Account Receivable turnover} = \frac{\text{Net Credit Sales}}{\text{Average Accounts Receivables}}$$

$$\text{❖ Inventory Turnover} = \frac{\text{Cost of Goods Sold}}{\text{Average account Payable}}$$

$$\text{❖ Account payable turnover} = \frac{\text{Cost of Goods Sold}}{\text{Average account Payable}}$$

$$\text{❖ Total Asset Turnover} = \frac{\text{Nest Sales}}{\text{Total Assets}}$$

$$\text{❖ Current Asset Turnover} = \frac{\text{Nest Sales}}{\text{Current Assets}}$$

$$\text{❖ Fixed Asset Turnover} = \frac{\text{Nest Sales}}{\text{Fixed Assets}}$$

$$\text{❖ Equity Turnover} = \frac{\text{Nest Sales}}{\text{Total Equity}}$$

Solvency Ratio:

A solvency ratio is a crucial metric used by prospective business lenders to assess an organization's capacity to satisfy long-term debt obligations. A solvency ratio is a measure of a company's financial health that determines if its cash flow is sufficient to cover its long-term liabilities. An unfavorable ratio can suggest that a corporation is at risk of defaulting on its debt obligations.

The following financial ratios are considered to be Solvency Ratio:

1. Debt Ratio
2. D/E Ratio
3. Weight of Debt
4. Weight of Equity

5. Time Interest Earnings Ratio

$$\text{❖ Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Asset}}$$

$$\text{❖ D/E Ratio} = \frac{\text{Long term Debt} + \text{Long Term Borrowings} + \text{Short term borrowings}}{\text{Total Share Holder Equity}}$$

❖ Weight of Debt : Weight of Debt calculated by dividing the market value of the company's equity by sum of the market values of equity and debt.

❖ Weight of Equity : Weight of Equity dividing the market value of the company's equity by sum of the market values of equity and debt.

$$\text{❖ TIE} = \frac{\text{EBIT}}{\text{Finance Cost}}$$

DuPont Analysis :

The components of a company's return on equity are evaluated using a DuPont analysis (ROE). This enables an investor to see which financial activities are primarily responsible for changes in ROE. This type of study can be used by an investor to compare the operational efficiency of two similar companies.

The following financial ratios are considered to be Dupont Analysis:

1. Net Profit Margin
2. Total Assets Turnover
3. Equity Multiply
4. Return On Equity

$$\bullet \text{ Net Profit Margin} = \frac{\text{Net Income}}{\text{Sales}}$$

$$\bullet \text{ Total Assets Turnover} = \frac{\text{Sales}}{\text{Total Assets}}$$

$$\bullet \text{ Equity Multiply} = \frac{\text{Total Assets}}{\text{Share Holder Equity}}$$

$$\bullet \text{ Return On Equity} = \text{Net Profit Margin} * \text{Total Assets Turnover} * \text{Equity Multiply}$$

Common Size Analysis:

The method of evaluating financial information using common size analysis is to express each item in a financial statement as a percentage of a base amount for the same time period. This examination can be used to a company's balance sheet or income statement. A main aggregate figure is normally defined as the base, which in the case of a bank's income statement is total income or revenue income, and in the case of a balance sheet is usually total assets. Common-size

assertions necessitate common-size analysis. So, for a common size study of ACL's financial statements, I created common-size income statements and common-size balance sheets.

To highlight changes in the relative importance of each financial statement item, I employ common-size statements of (ACL). In common-size statements, all individual quantities are redefined in terms of common-size percentages. For the year 2020, the common-size balance sheets and income statements are shown.

Common Size of Balance sheet:

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

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

Common Size of Income statement:

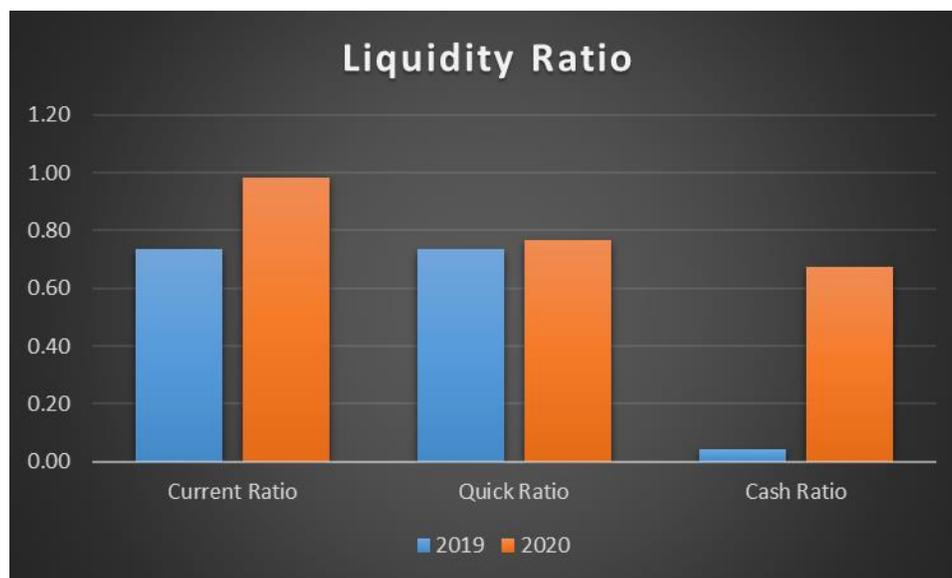
Income statement with a common size is one in which each line item is expressed as a percentage of revenue or sales. Each line item in a financial statement is provided as a percentage of a base figure within the statement to make comparisons easier, which is a common size income statement used for vertical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

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

Chapter 05:
Financial Analysis
of
AHSAN CONSTRUCTION LTD

Ratio Analysis:
Liquidity Ratio:

LIQUIDITY RATIO		
Particular	2019	2020
Current Ratio	0.74	0.98
Quick Ratio	0.74	0.77
Cash Ratio	0.04	0.67



Interpretation:

The terms of liquidity are defining as the ability of a company to meet its financial obligation as they come due. The current ratio is the value of marketable securities and cash, divided by the company's current liabilities. Current Ratio of ACL in 2019 and 2020 was 0.74 and 0.98. When current ratio is less than 1 it means that the company don't have adequate asset to settle current liabilities. Which is not a good sign for ACL.

Cash ratio is liquidity ratio that measures a firm's ability to pay of its current liabilities with only cash & cash equivalent Cash ratio of ACL in 2019 and 2020 was 0.04 and 0.67. When Cash ratio is less than 1 it means that company has not enough cash & cash equivalent and marketable securities to cover for current liabilities.

Profitability Ratio:

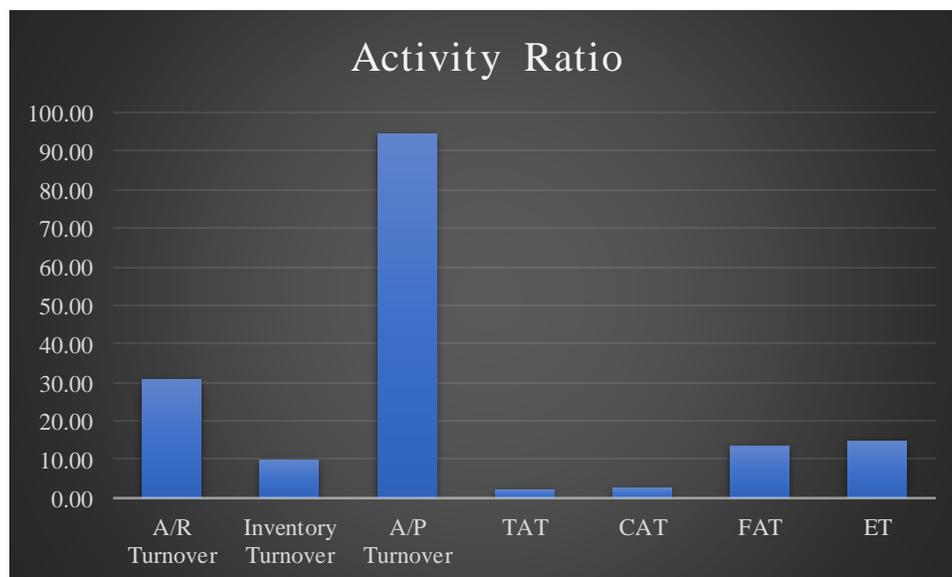
Profitability Ratio	
Particular	2020
Gross Profit Margin	14.96%
Operating Profit Margin	1.52%
Net Profit Margin	0.88%
Return on Total Asset(ROA)	1.88%
Return On Equity(ROE)	1.88%



Interpretation: A profitability ratio is a measurement of profitability that is the way to measure a company's performance. Return on assets (ROA) is a financial ratio that shows the percentage of profit a company earns in relation to its overall resources. It defines as Net income divided by total asset. In 2020 ROA was 1.88. And in 2020 the ROE was also 1.88.

Activity Ratio:

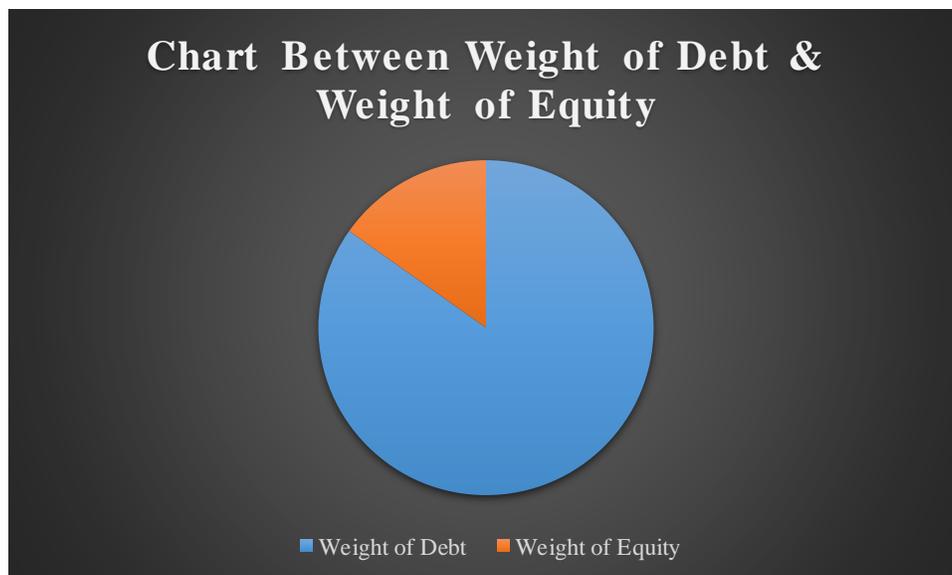
Activity Ratio	
Particular	2020
A/R Turnover	30.84
Inventory Turnover	9.90
A/P Turnover	94.46
Total Assets Turnover	2.14
Current Asset Turnover	2.55
Fixed Asset Turnover	13.36
Equity Turnover	14.74



Interpretation: Activity ratio means that how effectively a company can manage their customer & supplier recover money or paid. From this graph we can see that in 2020 Account receivable turnover was 30.84 and the Accounts payable turnover was over 90 and beside these the TAT and CAT is less than 3 but the FAT and ET is higher than 10.

Solvency Ratio:

Solvency Ratio	
Particular	2020
Debt Ratio	14.51%
D/E Ratio	5.58
Total Value	6.58
Weight of Debt	84.80%
Weight of Equity	15.20%
TIE	42.73



Interpretation: Debt ratio is calculated on the basis of total Liabilities divided total Asset. Debt ratio is a measure of financial leverage. If we see the table in the debt ratio is 14.51%, beside that the WD is 84.8% and the WE are 15.2%.

Dupont Analysis:

DuPont Analysis	
Particular	2020
NPM	0.88%
TAT	2.14
EM	6.89
ROE	12.98%

Interpretation: In this table the NPM is 0.88% but the ROE is 12.98% beside that the TAT and EM is 2.14 and 6.89.

Common Size Analysis:

AHSAN CONSTRUCTION LTD.		
Common Size Analysis of Balance Sheet		
As on June 30 th , 2019 to 2020		
Particular	2019	2020
Assets		
Non-Current Assets	26.44%	26.44%
Property, Plant and Equipment	26.29%	26.29%
Preliminary Expenses	0.16%	0.16%
Current Assets	73.56%	73.56%
Inventories	0.00%	0.00%
Advances, Deposits and Prepayments	8.03%	8.03%
Work in Progress	59.51%	59.51%
Pre-Operational Expenses	1.78%	1.78%
Cash and Cash Equivalent	4.23%	4.23%
Assets	100.00%	100.00%
Equity and Liabilities	0.00%	0.00%
Equity attributable to the Owner	0.00%	14.51%
Share Capital	0.00%	12.63%

Retained Earnings	0.00%	1.88%
Current Liabilities	100.00%	85.49%
Short Term Loan	95.66%	80.93%
Accounts Payable	3.02%	1.93%
Others Payable	1.32%	2.63%
Total Equity and Liabilities	100.00%	100.00%

INCOME STATEMENT	
Common Size Analysis	
Particular	2020
Revenue	100.00%
Less: Cost of Project Implementation	85.04%
Gross Profit	14.96%
Less: Administrative and Other Expenses	13.44%
Operating Profit	1.52%
Less: Financial Expenses	0.04%
Profit Before Tax	1.48%
AIT Deduction from Bill	0.60%
Profit After Tax	0.88%

Interpretation: Common size analysis is described in two ways 1st one is horizontal analysis 2nd one is vertical analysis. The balance sheet of common size analysis total asset value as the base value. It uses to see how a company's capital structure compares to rivals. Common size analysis is used to net profit margin as well as gross & profit margin. Here the Non-current Assets were same in 2019 and 2020 as 26.44%, as well as the Property, plant and equipment was 26.29%, preliminary expenses 0.16%, current assets were 73.56%, the advances, Deposits and prepayments is 8.03%, work in progress is 59.51%, Pre-operational expenses is 1.78%, cash and cash equivalents is 4.23% and all of this ratios are same in 2019 and 2020, but the equity attributable to the owner is 14.51%, share capital is 12.63%, Retained earnings is 1.88% these three ratios are in 2020 and in 2019 there were no equity attributable, Retained earnings and share capital, and then in 2020 the current liabilities were 85.49% which was less than 2019. And then the short-term loan was 95.66% in 2019 and 80.93% in 2020, accounts payable is 3.02% and 1.93 in 2019 and 2020 and others payable is 1.32% and 2.63% in 2019 & 2020.

Ahsan Construction didn't have any income in 2019 that's why the Ahsan Construction don't have any income statement in 2019. So, in 2020 the cost of project implementation was 85.04% then

the gross profit was 14.96%, Then the Administrative and Other Expenses was 13.44%, the operating profit was 1.52%, financial expense was 0.04%, then the Profit Before Tax was 1.48%, AIT Deduction from Bill was 0.60% and Profit After Tax was 0.88%.

Trend Analysis:

AHSAN CONSTRUCTION LTD.		
Trend Analysis Balance Sheet		
AS ON JUNE 30TH, 2019 TO 2020		
Particular	2019	2020
Assets		
Non-Current Assets	100.00%	105.69%
Property, Plant and Equipment	100.00%	106.32%
Preliminary Expenses	100.00%	100.00%
Current Assets	100.00%	199.30%
Inventories		
Advances, Deposits and Prepayments	100.00%	150.70%
Work in Progress	100.00%	
Pre-Operational Expenses	100.00%	100.00%
Cash and Cash Equivalent	100.00%	2377.05%
Assets	100.00%	174.55%
Equity and Liabilities	0	0
Equity attributable to the Owner	0	0
Share Capital	0	0
Retained Earnings	0	0
Current Liabilities	100.00%	149.22%
Short Term Loan	100.00%	147.67%
Accounts Payable	100.00%	111.22%
Others Payable	100.00%	349.06%
Total Equity and Liabilities	100.00%	174.55%

Interpretation:

A trend analysis is a type of technical analysis that attempts to forecast a stock's future movement based on historical data. Trend analysis is based on the premise that traders can predict what will happen in the future by looking at what has happened in the past. Here in 2020 the Non-current Assets has increased to 105.69%, the Property, Plant and Equipment increased to 106.32%, Preliminary expenses remain same the Current assets increased to 199.30%, the Advances, Deposits and Prepayments increased to 150.7%, the pre-operational expenses remain same then the Cash and Cash Equivalents increased to 2377.05%, total assets increased to 174.55%, The current liabilities increased 149.22%, the short term loan increased to 147.67%, accounts payable increased to 111.22% and other payable increased to 349.06% and the total equity and liabilities increased to 174.55%.

P.S: In 2019 the Ahsan Construction LTD don't have any income statement.

Chapter 06:

Problems, Recommendations & Conclusion

Problem Identification:

- The company is very much dependent on short term loans.
- The company is neglecting any sort of long-term investing opportunity which can be a problem for the company's long-term growth and sustainability.
- Since the company's cash in hand is very low, the company cannot focus on any long-term investing opportunities.
- Most of the current liabilities comes from short term borrowings which is a complication for day-to-day business.
- The company profit margin is very low, which is an indication of poor management or inefficient production activities.
- Since the company are taking most of their borrowings from the company's other concern (Ahsan Composite) it is creating a negative impact on the overall profitability of Ahsan group.

Recommendations:

- When profitability increases in the future, the company should choose to take more long-term bank loans to reduce dependency on short term borrowings.
- The company can focus on the idle assets to use them or perform in productive activities.
- The communication between management and production personnel should develop in order to bring out optimum productivity and profitability.
- The company should find innovative ways to increase sales volumes. It can merge with a small real estate company to diversify the business portfolio.
- The company should focus on the proper utilization of its asset in the coming year.

Conclusion:

Ahsan Group have 11 concerns and their biggest concern is Ahsan Composite. They usually invest in their other concerns from Ahsan Composite. Ahsan Construction also take borrowings from Ahsan Composite. By taking borrowings from other concerns, they save a big amount of interest which they should have pay if they take loan from banks. Ahsan Construction usually take borrowings when they get any contracts or when they work on a project.

Overall, I think that Ahsan Construction have a good position in the market, as they have a competitive pricing and have many future projects. But their vision is not so clear. I think they have to spread their business on construction.

In the end I want thank Business Administration of Daffodil International University to give me an opportunity to do an internship and also want to thank Ahsan Construction to have me as an intern for 3 months.