AKSID

CORPORATION

# BUILDING THE NATION

Internship Report

On

**Financial Performance Analysis of Aksid Corporation Limited**

**Submitted to**

Muhammad Enamul Haque

Assistant Professor

School of Business & Economics

**Submitted by**


Jahid Noyum

ID:111181115

Major: Finance

School of Business & Economics

United International University


Date of Submission: May 09, 2024

# Letter of Transmittal

May 09, 2024

Muhammad Enamul Haque

Assistant Professor

School of Business & Economics

United International University

Subject: **Submission of Internship Report**

Dear Sir,

I Jahid Noyum bearing ID-111181115, am a student of the undergraduate program school of Business & Economics United International University. It's my honor to notify you that I successfully finished my internship report, which is a required step towards completing my degree. The topic of my paper is "Financial Performance Analysis of Aksid Corporation Limited." For the past 18 weeks, I have been working as an intern in the Finance and Accounts Department of Aksid Corporation Limited. I have tried my best to make this report informative and reliable. I hope you appreciate my efforts and pardon me for any small mistakes.

Therefore, I would appreciate it if you would accept my internship report and give me your valuable feedback.

Sincerely,

Jahid Noyum

School of Business & Economics

United International University

## Declaration

I hereby declare that

1. The submitted internship report is my original research work in completion of the degree program at United International University.
2. The report does not include any information previously published or written by a third party, unless properly cited by complete and accurate reference.
3. The report does not contain any documents that have been accepted or submitted for any other degree at any other university or institution.
4. I have acknowledged all main sources of help.

## Non-Disclosure Agreement

The contract is made and entered into by Aksid Corporation Limited and Jahid Noyum, the student of United International University, to prevent the unauthorized disclosure of confidential and internal information.

## Acknowledgement

In the beginning, I would like to express my sincere kindness to almighty Allah and my parents who make me able to complete my bachelor degree and given me the chance to complete an internship program successfully.

I want to express my gratitude to my internship supervisor **Muhammad Enamul Haque,** Assistant Professor, School of Business and economics, United International University for his valuable advice and specific idea which is helped me organize the report and focus on essential area in my analysis. without his guideline it would be difficult for me to complete the entire report.

I am also very much grateful to Aksid Corporation limited for providing me the opportunity to Gain real life work experience. I would express my gratitude to Mr. Shakhwat Hossain manager, Aksid corporation for helping my while I face any problem when I was performing my intern responsibilities. I would also like to thank you Sultana Rahman, senior executive Aksid Corporation for providing me the require document to complete my intern report.

Lastly I want to thank all the collogues and friend who helped me to understand different financial issues and providing required document to complete this report. I would like to personally show my gratitude to everyone for their important suggestion and advice.

# Executive Summary

Aksid Corporation limited is one of the largest construction chemical suppliers in Bangladesh. They start their journey in 2008. They are specialist is construction and chemical product in Bangladesh. I have complete my internship finance and accounts department of this organization. During this internship period I have learned function of the finance and accounts department, regular work activities and how to solve financial issue of the company. such as payment disbursement working capital credit facility, interest payment, tax & vat issue and others.

Performance analysis is based on ratio analysis approach is one of the significant part for the success of any company. I prepared this report based on the company last 5 years' financial Data. Analysis is done on the basis of five dimensions like liquidity ratio, activity ratio, profitability ratio, solvency ratio. At the beginning, we have tried to analysis the liquidity dimension with the help of two particular ratios that shows us that the liquidity position of Aksid Corporation is not stable. It is going down from the last five years. It makes the company more risker in terms of liquidity. Then we evaluate the activity ration with the help of 3 different ration which indicate the company properly utilize its assets for generating revenue. After that we evaluate the profitability ratio with the help of 5 different ratio analysis technique, we found that the company overall profitability condition is stable. The business is doing well; as evidenced by the net profit margin growth over time, it is becoming more adept at converting sales into real profit. After that we evaluate solvency ratio which indicate company have minimum amount of cash flow to cover the long term obligation. They are taking more loan to running his operation which increase their debt portion over the equity. Lastly we use DuPont analysis technique to find out (ROE). we break down the ROE in 3-dimension Net profit margin, Return on Asset and Leverage Ratio. The aggregate ROE indicates how well it converts equity investment into profits. Aksid corporation highest margin was recorded in 2019 but over the year it was declined, because of the company profit margin decreased but leverage is increased.

# Table of Contents

# Chapter one:

# Introduction

## 1.1 Background of the report

An internship report is a mandatory part of earning a Bachelor of Business Administration (BBA) degree from a United International University. Every bachelor student is required to complete an employment experience or project in the last trimester of their BBA program. This is the ideal opportunity for a student to observe the practical use of theoretical knowledge in an actual job. I have started working as an intern at Aksid Corporation Limited. Following the internship, we have to complete an internship report based on our major concentrate field and submit it to the intern supervisors. I decided to base my internship report on the financial performance of the company over the five prior years. It reflects the financial health of the company over a particular time period.

## 1.2 Origin of the Report

The internship report is one of the vital requirements for the student to complete their graduation and be eligible to receive their Bachelor of Business Administration(BBA) Degree. This training program assists us in becoming more employable by providing us professional skills and how to put our theoretical knowledge into action. A summary on the practicum is mandatory for our BBA program. As a consequence of this, we finished our internship and submitted a report regarding it. I have completed my internship from Aksid corporation limited, which is considered one of the largest construction and construction chemical suppliers in Bangladesh.

## 1.3 Scope of the Report

The topic of this report is limited by the data that is available on the company's website and insider sources that employees can access. The primary goal of this report is to understand Aksid Corporation's financial performance. This Report covers a brief overview of Aksid Corporation Limited, that includes the company's objective and vision. After all, it will provide an overview of the present market situation for Aksid Corporation. Furthermore, this report provides an assessment of how well performed over the last five years. This will provide a great impression of the comparable instances in prior years. Along with this, I will share my expertise and assist Aksid Corporation managers in using various indicators and financial tools to help them realize the financial performance of the company.

## 1.4 Objective of the report

An internship report has some goal or objective. I have established some goal or objective and this is much related to my internship report. The purpose of the report can be split into two sections. One is the primary objective, while the other is the secondary objective.

. General objective

- The general objective of the report is to fulfill the requirement of achieving a BBA degree form United international university.

Specific objective

- Broadly discuss about the Aksid corporation and their product and service
- To reveal the financial position of Aksid corporation
- To analyze the financial performance of Aksid corporation by using the information of 5 years' Financial report
- According my finding to give some recommendation for Aksid corporation so that the company can improve its financial performance.

It refers to the method and technique I am going to use to prepare this report. To make this report more informative data is gather from Following sources;

- Annual report of Aksid corporation
- Employees of the company (special my reporting instructor and Department)
- Company website, manual and different publication of Aksid corporation

Analytical process

The report is conduct to measure and compare the financial performance of Aksid corporation by using last five years financial Data (2018-2022. This data is analyzed in Ratio analysis technique and showing performance and compare one year to other.

## 1.6 Limitation of the Report

The main purpose of an internship is to gain practical work experience in the corporate sector. It's need more time to achieve this, but our internship period is fixed. The other difficulties that I have to complete this report are listed below:

**Time period:** Time limitation is the main constraint in this report. My internship period was 4 months; it seems significantly shorter for doing large scale study.

**Confidential:** As I am an intern, due to privacy issues the company did not share their confidential information. so data limitation came up as an obstacle to prepare this report.

**Work pressure:** There is a lot of job responsibility I have to perform during my internship period. It was really difficult to collect data and prepare reports with high work pressure.

# Chapter Two:

# Overview of Aksid Corporation Limited

## 2.1 Overview of the company

Aksid Corporation Limited is one of the largest construction chemical suppliers in Bangladesh. They start their journey in 2008. They are specialist is construction and chemical product in Bangladesh. During very short period of time they create good impression in the market and their growing so fast in constructions and construction chemical sector. Aksid is the Country Distributor of Sika (Switzerland), which is one of the world's largest construction chemical manufacturer currently operating successfully with proven records in 110+ countries. According to SIKA AG, Bangladesh is an emerging economy in Southeast Asia. Therefore, it needs an infrastructure to support that growing economy. In any project, whether it’s New or existing can use our products from the rooftop to the basement which will gain added advantages economically and technologically over their competitors. Few of the Bangladesh Mega project they have supply construction chemical and skills manpower to complete the project; such as Dhaka MRT Stations, Hazrat sahajalal international terminal-3, Bangabandhu railway bridge and other mega project. They have strong sales force, latest technology and countrywide strong dealer Point which help the company to gain more market share in the construction chemical sector.

## 2.2 Mission statement

A mission statement is like a road map of how to achieve the goals set in your vision statement. Aksid corporation aims for success and takes pride in continuously achieving outstanding results and outstanding performance in its market. We operate with a strong focus on safety, quality, environment, fair treatment and value creation.

## 2.3 Vision statement

The vision statement describes the long run objective of any company. Aksid corporation vision is dedicated to providing and maintaining the highest quality standard with our product and services. All solutions are designed with the customer’s success in mind and to build long-lasting and mutually beneficial relationships rather than the focus on short term business.

### 2.4 Core value/ objective

We do not compromise on integrity and ethical standard

we care for employees supporting an honest, open and respectful work environment

Focus on developing quality product and the best solution for customer

Commitment to innovation helps to satisfy current demand and also anticipate future expectations.

### 2.5 Product and Service

Aksid corporation are the exclusive distributor and applicator for SIKA AG, A Switzerland-based construction chemical manufacturer. The following product they distribute in Bangladeshi market;

- Sika grout 214
- sikacim pink
- Sika Chapdur
- Sika Latex Power
- Sika plast 2026
- Sika Monotop 122

**Sika Solution**

- Concrete Admixture
- Grout
- Concrete Essentials
- Concrete Repair
- Roof waterproofing
- Flooring solution
- Bounding Agent

- Sealants
- Tile Adhesives
- Industrial solution

**Aksid Consultancy**

Aksid Corporation Provide consultancy service Different area of Construction sector. Their employees with a wide range of functional and professional's skills and capabilities. Following the consultancy services, they provide to their valuable customer;

- Industrial flooring
- Concrete injection
- Concrete Repair
- Grinding and Polishing
- Pu and Epoxy Flooring
- Roofing and water proofing

# Chapter Three:

# Financial Performance Analysis

## 3.1 Liquidity ratio

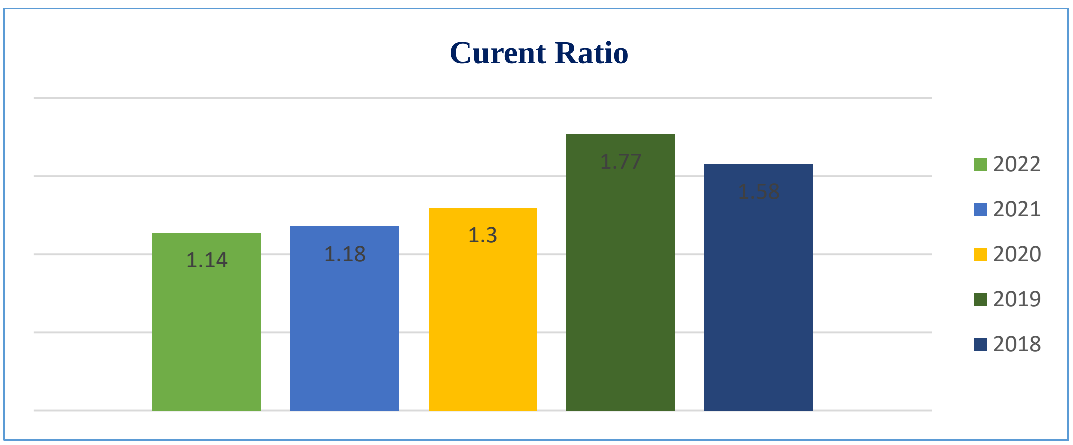
This ratio shows the liquidity position of an organization. It helps investors to understand the company's current ability to repay its debt.

### 3.1.1 current Ratio

It is a liquidity ratio that measures the company’s ability to provide its short-term obligations. It evaluates a company's capacity to finance short-term requirements or those payments within one year. The higher the current ratio, the greater it is liquid.

**Current Ration = Current asset / Current liability**

| Year | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Ratio | 1.14 | 1.18 | 1.3 | 1.77 | 1.58 |




**Graph: Current Ratio**

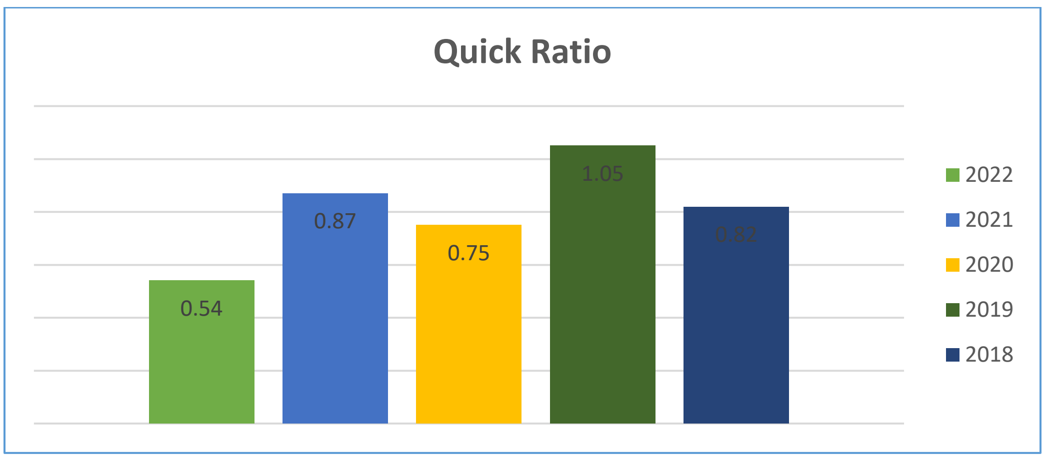
From the above figure we can see that the current ratio was increasing trend from 2018 & 2019 respectively 1.58, 1.77. It indicates that the company has 1.58 tk & 1.77 tk of current asset for every 1 taka of current liability. we can see 2020, 2021 & 2022 current ratio has declined, indicating company liability increased and assets decreased. It means the company does not have enough to pay its short term obligation. A higher current ratio indicates better short-term financial health, according to the market standard 2.1 is good for the company it means current assets are almost double than current liabilities

### 3.1.2 Quick Ratio

It is also known as the acid test ratio. It helps the company's ability to pay short term obligations with the help of most liquid assets. It also predicts the exact situation of the company in respect of the liquidity. The quick ratio standard is 1:1 which means the company has the same amount of liquid asset as current liability.

**Quick/ Asset test ration = Quick asset / Current liabilities**

| Year | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Ratio | 0.54 | 0.87 | 0.75 | 1.05 | 0.82 |




**Graph: 1.4 Quick ratio**

We know a quick ratio less than 1 means the company doesn't have enough liquid assets to meet short term obligations. In 2018 Aksid corporation limited quick ratio .85 which is not satisfied to meet its obligation. But in 2019 ratio 1.08 which means the company can better meet its obligation through quick assets. But we can see it will gradually decrease from 2022, 2021 & 2020 which is not good for the company. It means the company needs to take out a loan to meet its short term obligation; which increases the cost of the company.

### 3.2 Activity Ratio

Activity ratios measure the efficiency of the company in utilizing its assets for generating revenue**.** It stipulates the investment in one particular group of assets and the revenue are generated by that group of asset. The Assets such as raw materials and equipment are introduced to generate sales and thereby generate revenue for the company.

#### 3.2.1 Fixed asset turnover ratio

It measures how efficiently the company generates revenues from its investments in Fixed assets. The ratio differentiates net sales to fixed assets to indicate a company's return on investment in fixed assets such as property, plant, and equipment, in addition to long-term investments. It also indicates how productive a company's fixed assets (machines and equipment) are in generating sales.

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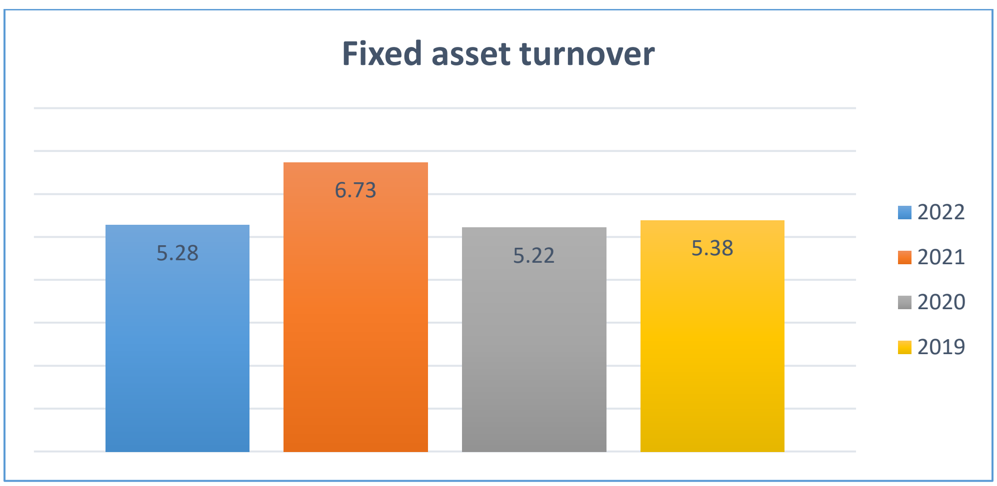


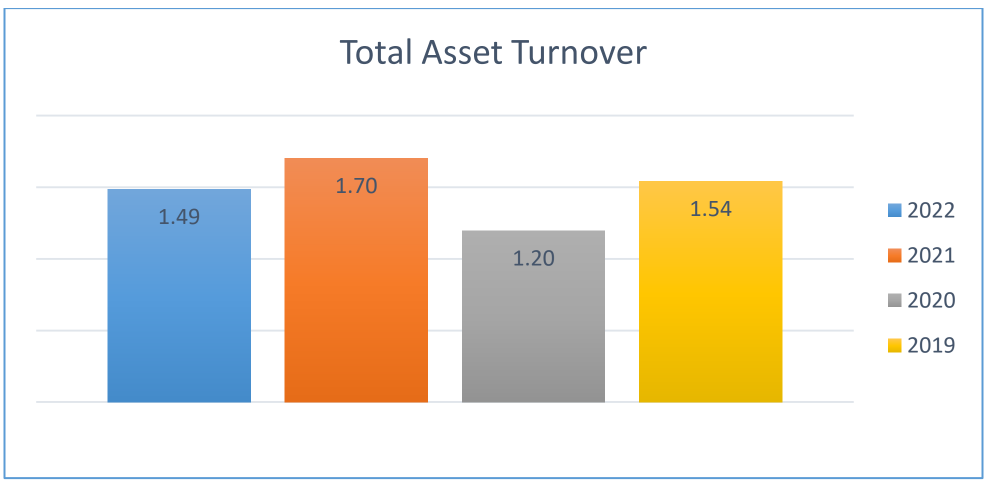

**Graph: Fixed asset turnover**

From the above figure we see aksid corporation limited fixed asset turnover ratio in a good position. The industry type ratio is different. According to the market standard 2.5 or is considered a good Fixed asset turnover ratio. Generally, a higher Fixed asset turnover ratio preferred in most businesses, indicates more efficient use of Fixed assets in generating revenue. A low ratio business is underperforming and has a relatively high amount of investment in fixed assets.

### 3.2.2 Total asset turnover

The total asset turnover ratio is an efficiency metric that compares a company's net sales to its total average assets to determine its capacity to produce revenues from operations. It shows how effectively the company uses its assets in order to generate.

**Total asset turnover: Revenue / Average total asset**

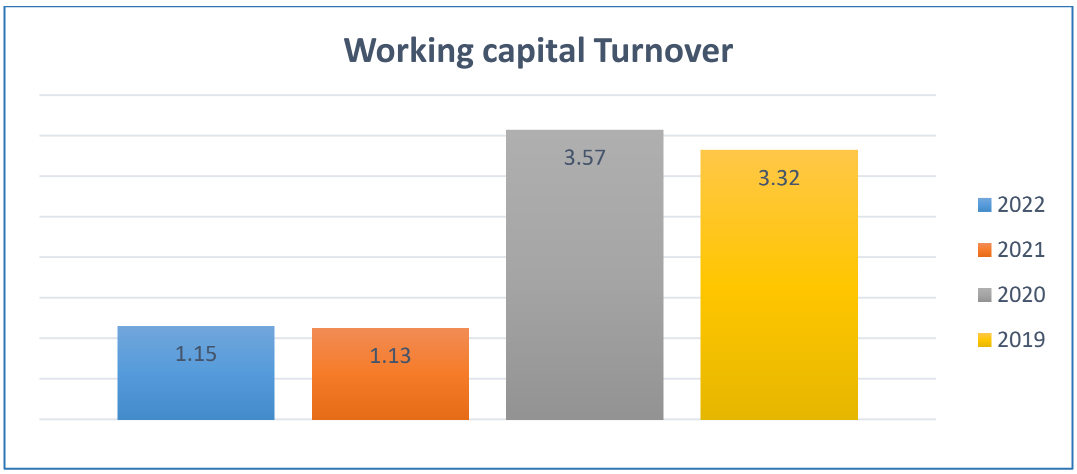



**Graph: Total asset turnover**

Aksid corporation limited in 2019 total asset turnover ratio are 1.54 it means the company turnover its assets 1.54 times. Generally, the higher the firm total asset turnover, the more efficiently its asset have been used. From the above figure we see in year 2021 the ratio is 1.70 times, which is high comparatively other year but 2022 the total asset turnover declined. A higher percentage is ideal since it indicates the corporation manages its assets more effectively. A smaller ratio, on the other hand, indicates a less efficient operation in terms of revenue generation.

### 3.2.3 Working capital turnover

It indicates how efficiently the company generates revenue with its working capital. This ratio helps to figure out the net annual sales generate by the average amount of working capital during a year. It's also present how capable a company is face its current financial obligation and is a measure of a company financial solvency.  A high working capital turnover ratio indicates greater efficiency (i.e., the company is generating a high level of revenues relative to working capital. if it is lower, the management of working capital is less efficient.




**Graph: Working Capital Turnover**

From the above figure we can see aksid corporation limited WC turnover ratio 3.52, 3.57 respectively year 2019& 2020 it indicates that the business is efficiently using its short term liabilities and assets for supporting sales. But next 2-year ratio is declined. According the market standard ration less than 1 indicate future liquidity problem. From our finding we see current company have enough asset to support its liability. A ratio 1.5 to 2.0 indicate that the company have good financial ground in terms of liquidity**.**

### 3.3 Profitability Ratio

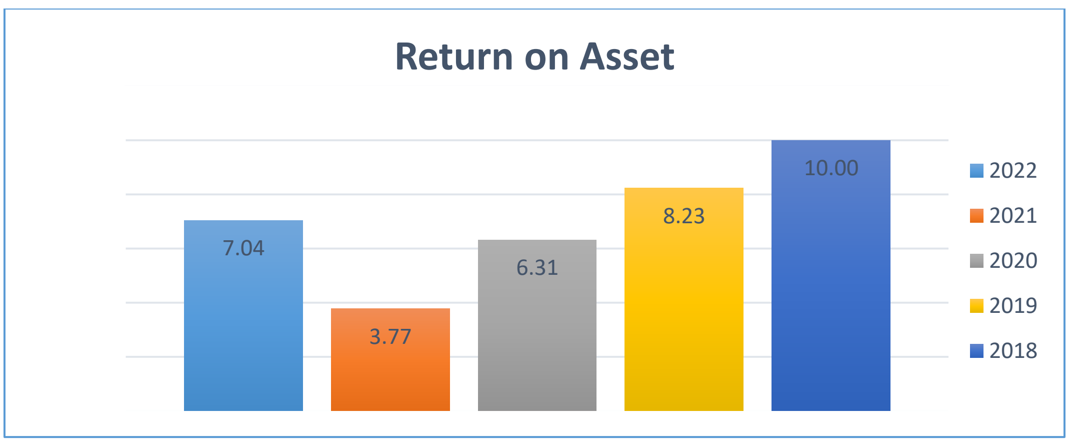
Profitability ratios specify how well a company generate value and profit for its investors. This ratio shows the company's overall success as well as how well the owner's finances have been used.

### 3.3.1 Return on Asset (ROA)

It's an indicator of profitability that illustrates how effectively a business uses its assets to generate revenue. It is typically measured by dividing the total assets by net profit after taxes. The greater this ratio is, the more favorable it is. This ratio's higher value suggests that the business uses its resources very effectively.

**Return on Asset = Net income/ Total Asset**

| Year | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Ratio | 7.03 | 3.77 | 6.31 | 8.23 | 10 |




**Graph: Return on Asset**

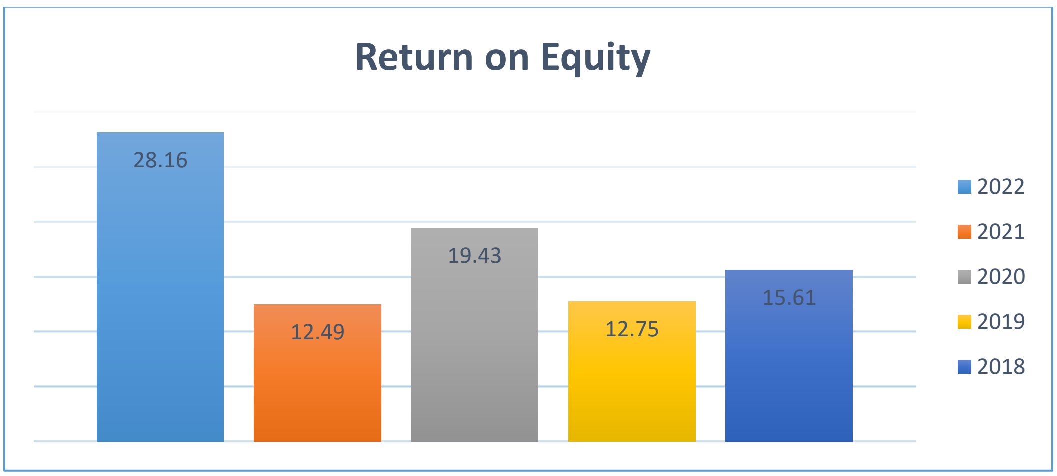
The following data shows that from 2018 and 2019, there was a surge in return on assets. For each taka of invested assets, Aksid Corporation Ltd. earned Tk. 10 in 2018. while Tk. 8.23 in 2019. The return on asset, however, reduces sharply in 2020 because total assets were greater in 2020 compared to 2018 and 2019, and profit after taxes in 2020 was lower than the previous two years. The return on investment declined in 2021 as well, but it enhanced in 2022 as a result of a growth in total assets and profit after taxes.

### 3.3.2 Return on Equity (ROE)

Return on equity (ROE) is an indicator of profitability that determines how much profit a company makes using the equity of each of its stockholders. This ratio evaluates the relationship between net income and shareholders' equity. Return on Equity evaluates an organization's income in proportion to the amount of equity invested by its shareholders. The more favorable it is, the higher this ratio is. The higher value of this ratio indicates the company can generate profits from its assets with great efficiency.

**Return on Equity= Net income/ Total Equity**

| Year | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Ratio | 28.16 | 12.49 | 19.43 | 12.75 | 15.61 |




**Graph: Return on equity**

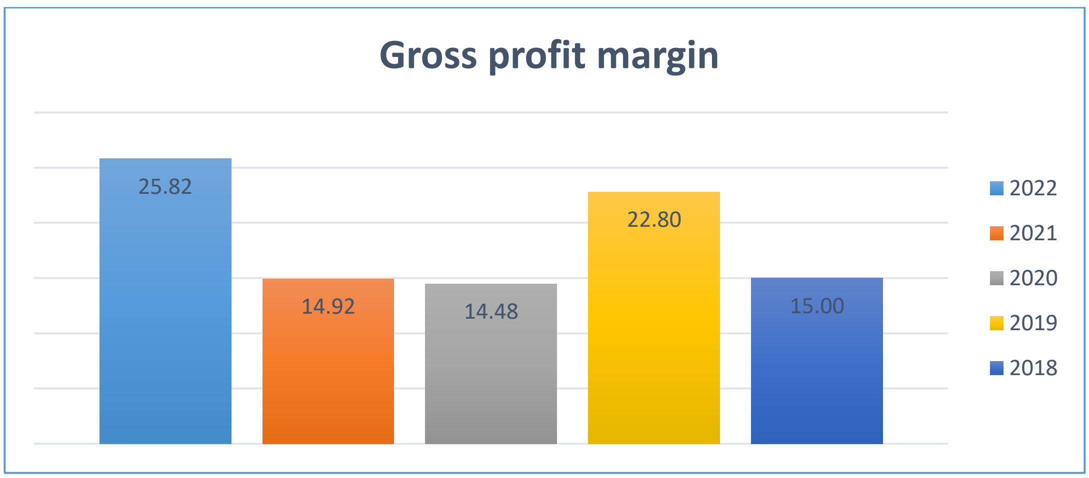
The greater the percentage, the better it is for the investors and the company. According to Aksid Corporation's return on equity, which stands at 28.16% in 2022, shareholders obtained a better rate of return. We can observe from the graph that Aksid Corporation Limited's ROE goes up and down. The company saw a sharp decline in ROE in 2019 and 2020, which was 20.09% and 19.43%, respectively. Because of the covid-19 pandemic most of their projects were shut down. But The ROE of 2022 was increased compared to 2021 which is a positive sign for the company.

### 3.3.3 Gross Profit Margin

The gross profit margin indicates the portion of money that remains after direct input costs are covered in order to produce revenue. Greater gross profit margins are better because more money is available to pay other expenditure such as Tax, Interest etc. On the other hand, if it is lower, the reverse conclusion is applicable.

**Gross Profit Margin = Gross profit/ revenue**

| **Year** | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| **Ratio** | 25.82 | 14.91 | 14.48 | 22.79 | 15.0 |




**Graph:2.4 Gross profit Margin**

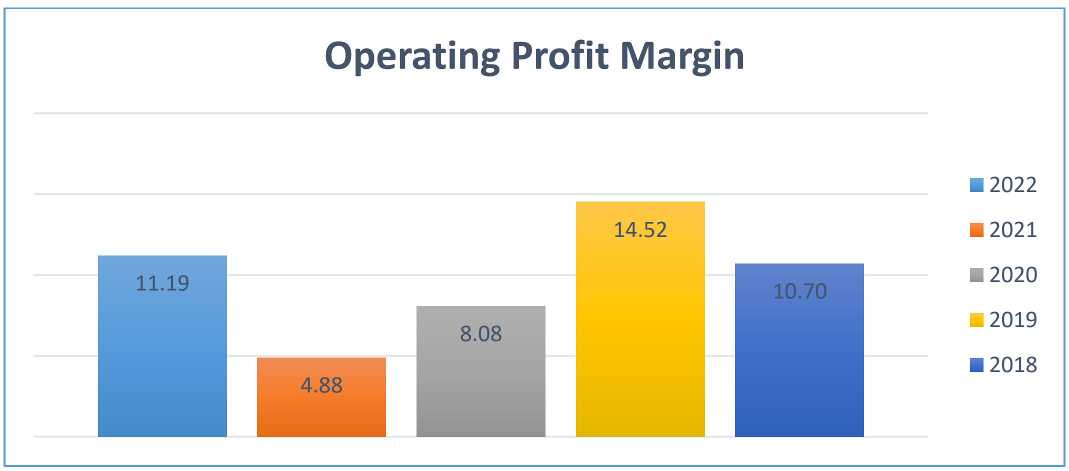
The gross profit margin of Aksid corporation limited is showing fluctuate trend following the year. In 2019 had a significant improvement in the gross profit margin over 2018, while 2020 & 2021 again profit margin declined. Which came back to life in 2022. A higher gross profit margin indicated that a company make a good profit on sales, as long as it keeps overhead costs in control.

### 3.3.4 Operating Profit Margin

It measures the profitability of an organization to its core area of business. The greater operating profit margin is preferred because it implies greater funds that can be allocated to non-operational costs. On the other hand, if it is lower, the reverse result is applicable.

**Operating profit margin= Operating income/ Net sales Revenue**

| **Year** | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| **Ratio** | 11.19 | 4.88 | 8.07 | 14.52 | 10.7 |



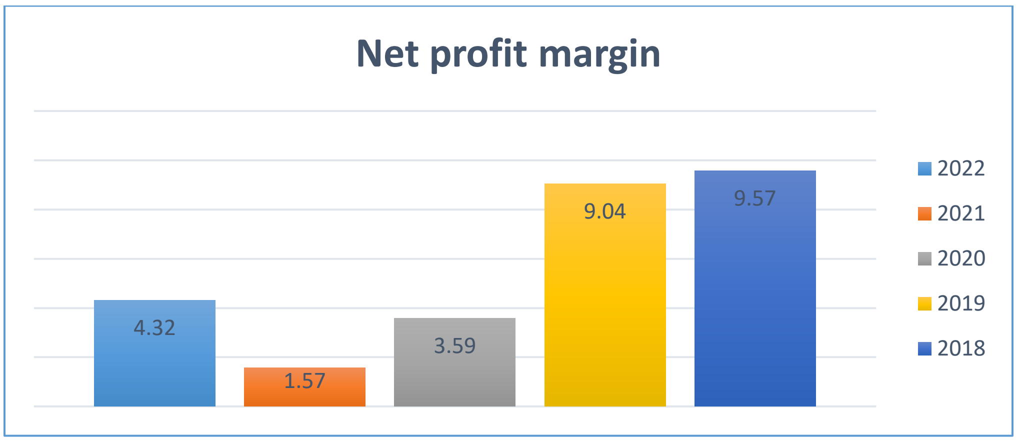

**Graph: operating profit Margin**

Operating Profit margin ration is useful of your company financial health. In 2018 Aksid corporation operation profit ration 10.7 %, it means for every 100 taka of sales company makes 10.7-taka profit. As well as in 2019 they are generating more operation profit compare to the 2018. Our graph shown suddenly their operation margin decline in year 2020 & 2021 reason those year company sales decline but their fixed cost remains same. Their operating profit again increase in year 2022, which is good indicator of the company financial position. A higher operating margin is obviously better than a lower ratio.

### 3.3.5 Net Profit Margin

How much money a company has made after paying all of its operating and non-operating expenses is shown by its net profit margin or net income. When the company generates more money after all of its expenses have been covered, an increased net profit percentage is desirable. On the other hand, if it's lower, the opposite conclusion is applicable.

**Formula: Net profit margin= Net profit / Revenue**




**Graph: Net profit Margin**

The net profit margin can indicate how well the company converts its sales into profit. A company higher net profit margin indicates the company more efficiently converting revenue into sales. From 2018 & 2019 the net profit margin growing phase means company generate more profit through its sales and reduced cost strategy. But next 3-year net profit margin declined dramatically. The reason is During corvid time company sale decreased but fixed cost remaining same. Net profit margin also indicate the amount of revenue you are losing through costs and expense associate with your business.

## 3.4 Solvency Ratio

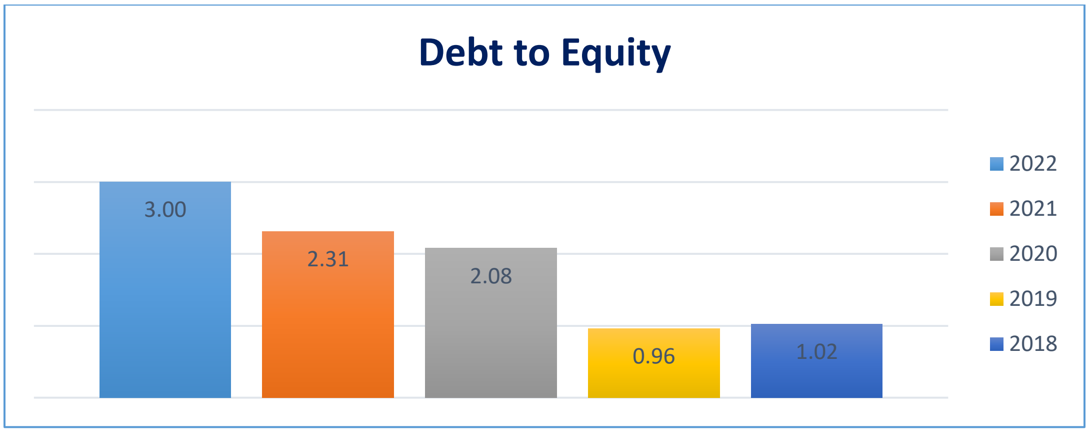
Solvency ratio indicates a company long term financial stability. It helps in determining whether a company has sufficient cash flow to manage the debt obligation that are due. solvency ratio also known as leverage ratio.

### 3.4.1 Debt to Equity

The Debt to Equity ratio is measure of a company's financial leverage. A higher D/E ratio indicate the company is more levered, on the other hand the lower ration means the company is not taking advantage to expand their operation.

**Formula: Total debt/ shareholder Equity**

| Year | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Ratio | 3 | 2.31 | 2.07 | 0.96 | 1.02 |



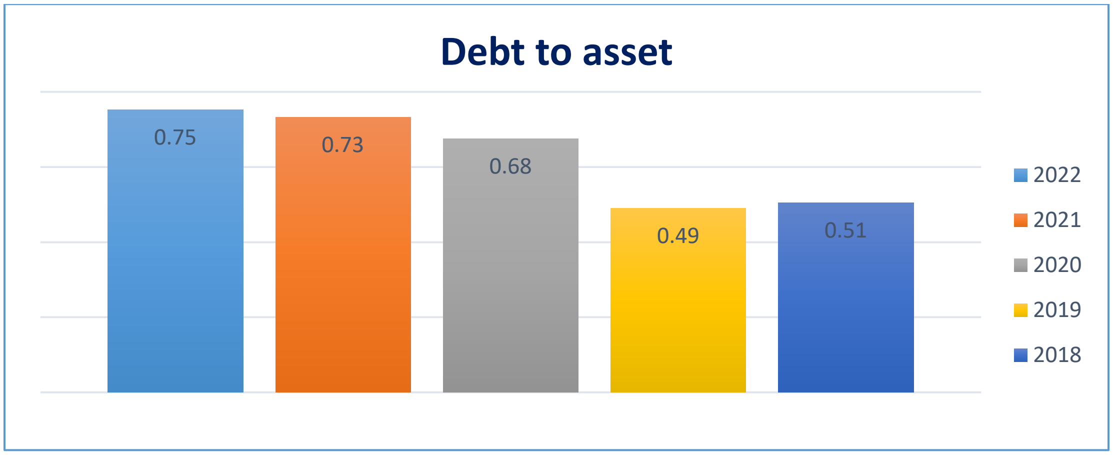

**Graph: Debt to Equity Ratio**

From the above figure we see debt to equity ratio of Aksid corporation limited was 1.02, 0.96 respectively 2014 & 2015. A ratio 1.0 indicate more debt than equity. In 2018 aksid corporation D/E ratio 1.02 means the company have 1.02 taka of debt for every 1 taka in equity. But in 2019 the ration 0.96 indicate more equity than debt. suddenly last 3 years 2020, 2021 and 2022 the D/E ratio increase respectively 2.07, 2.31 and 3.0 it indicated the company is using more borrowing to finance its operation because the company lack of finance. The high debt to equity ratio is a sign of high risk, the less likely you are to receive loans or have an investor come on board. it is said that the D/E ratio should not be above the level of 2.0. But in general, a D/E equity ratio close to 2 or 2.5 is often considered strong but industry to industry its vary.

### 3.4.2 Debt to Asset

The percentage of total assets financed by debt is defined as a debt to asset ratio. A greater amount of debt typically equates into higher financial risk and, consequently, weaker solvency. For the purpose of growing its assets, the company is more dependent on loans.

| Year | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Ratio | .50 | .49 | .67 | .73 | .50 |




**Graph: Debt to Asset Ratio**

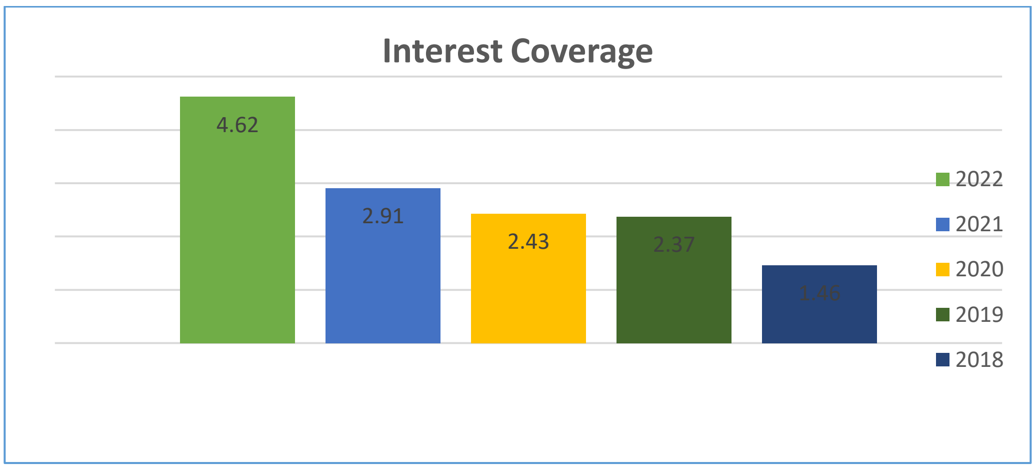
The Debt to asset ratio greater than 1.0 indicate that a considerable amount of company asset is finance by debt. It means the company has more liability than asset. The company with a high ration has high risk and leverage and it is considering the company is not financially stable. A high ration indicate the company may be a high risk of default on its loan if suddenly interest rate increase. on the other hand, it will have less funded to meet its day to day operation. The D/A ration less than 1.0 indicate the that a greater portion of company asset finance with equity portion. It is may be beneficial for the company in order to attract new investor and also this ration should not be too low because the need some debt to operate the company successfully. The Debt to asset ratio .40 to .60 consider good but it depends on the business size.

### 3.4.3 Interest Coverage

The interest coverage ratio measures how well the company is able to pay interest on its outstanding debt. If it is higher, it indicates the company can better pay interest because it makes more money than it pays out as interest.  When this ratio is high, it indicates the company has good financial condition, which ensures lenders of easy interest payments throughout the loan tenure.

**Formula: Earnings Before interest and Tax/ Interest Payment**

| Year | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Ratio | 4.62 | 2.91 | 2.43 | 2.37 | 1.46 |




**Graph: Interest Coverage**

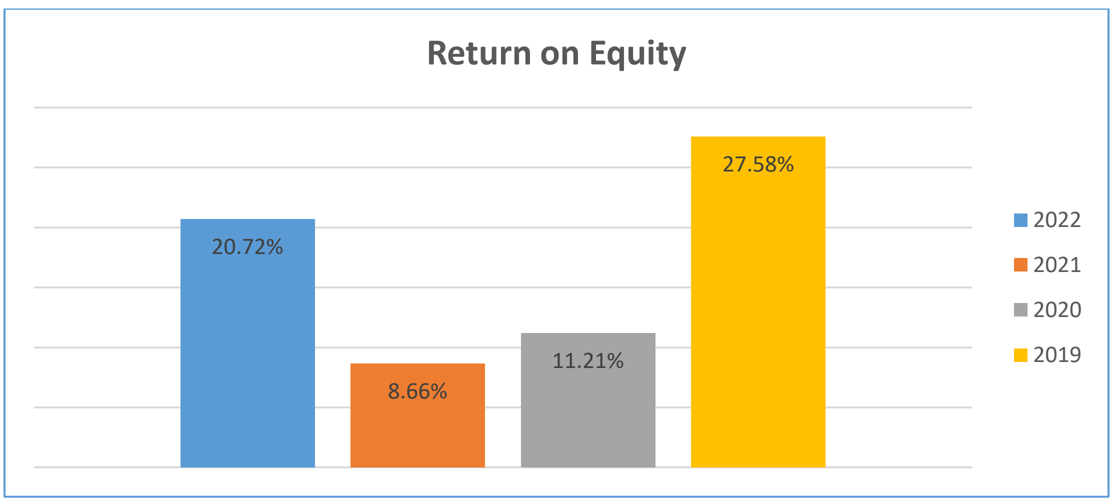
From the above figure we can see interest coverage ration increasing trend throughout the year, it indicates the company have enough liquidity to pay interest. In 2018 ratio 1.46 which is below the minimum acceptance level, it means company may not be able to pay interest on this year. An interest coverage ratio of 1.5 is generally considered a minimum acceptable ratio for a company. But we can see it is gradually increase from 2019,2020, 2021&2022 respectively 2.37, 2.43.2.91& 4.62which means company has better position to repay its interest obligation. There is a low chance to company become bankrupt. The interest coverage ratio 2.5 to 3 indicate that the company will pay off its accumulated interest on debt with its current earning.

**DuPont Analysis -General**

Decomposition of ROE is sometimes referred to as DuPont analysis because it was developed originally at that company. The decomposition allows us to evaluate how these different aspects of performance affected the company's profitability as measured by ROE.

**Formula: Net profit margin× Asset turnover× leverage ratio**

| Year | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| Net profit margin | 4.32 | 1.56 | 3.59 | 9.04 |
| Asset turnover | 1.26 | 1.70 | 1.20 | 1.54 |
| Leverage ratio | 3.81 | 3.23 | 2.60 | 1.97 |




**Graph: DuPont (Return on Equity)**

**Net Profit Margin:** It indicates how effectively revenue is being turned into net income for the business. when net profit margin increase, it increases return on Equity. It means the company brings more profit from each sale.

**Asset Turnover:** measures the efficiency of how the company manages its assets. It provides information on the amount of money the business makes from its assets. The company may secure more sales utilizing its assets when the asset turnover ratio increases. Higher Return on equity is expected as an outcome.

**Leverage Ratio:** This ration shows how much a company uses debt to finance its operations. The higher the ratio, the greater the debt. The high leverage ratio indicates that a company using more debt fiancé to its operation. It is risky for company as well as investor, if company unable to pay debt it might be default and declare bankruptcy. The lower ratio is viewed as a positive sing in terms of financial health.

DuPont analysis gives us the broader view of REO. It gives us a clear understanding where a company is strong, where a company is weak when it comes to generating profit. Aksid corporation limited ROE in 2019 are 27.58% if we break down in DuPont there is higher net profit margin lower turnover and leverage ratio which indicate company financial silent. But above this figure we saw ROE dramatically declined in 2020, 2021 respectively 11.21 & 8.66 %, reason is during corvid time company sales declined as a result net profit margin declined but there fixed cost is stay same to continue their business they take loan as a result their leverage ratio increased. Finally, last year 2022 their ROE 20.72% which indicate company back their fully operation as a result their net profit increase but the company is more levered compared to the last 3 years.

# Chapter Four:

# Findings, Recommendation and Conclusion

## 4.1 Findings of the Report

After analysis the Financial performance of Aksid corporation limited some the of the key point are finding. such finding is given below:

I. The current ration of Akisd corporation gradually increased from 2017 & 20218 but suddenly it declined it means company has low fund to meet its current liabilities but in year 2022 it become stable position.

II. The quick ratio 1:1 consider market standard it means company has same amount of current asset as current liability, our company Aksid corporation in 2019 better meet its obligation through quick asset and following other year lower possibility to meet its obligation.

III. The gross profit margin of Aksid corporation was similar over these years, but it is higher in 2022

IV. The return on asset in higher in year 2018 & 2019 but dramatically it declined and it again increased in 2022. It indicates the company less efficiently using its resources to generate profit.

V. Debt to Equity ratio showing high following the year, which is insufficient for paying debt requirement.

VI. The return on equity is showing positive and stable over these years that means the company provide equity to its shareholder and lender. It was maximum in year 2018 and 2022.

VII. Net profit margin measure how well the company converts its sales into profit. The Aksid corporation Net profit margin higher in year 2018 & 2019 and fell down in 2020. It remains constraints in year 2022.

VIII. The interest coverage ration gradually increased over these years and was it higher in the year 2022 that means the company well managed its outstanding debt.

IX. DuPont analysis give us the broader view of ROE. The ROE ratio maximum at 27.58% in 2018 and suddenly declined in 2020 ,2019 but in 2022 it increased again which is good for the company.

**4.2 Recommendation**

The finding of Aksid corporation are not showing satisfied result in terms of several variable. After analysis those Variable, based on my academic knowledge I will share some suggestion that will may be improve the variable and condition of financial performance of Aksid corporation limited. The following recommendation are;

I. Net working capital showing lower compare to the year 2019 & 2018. Aksid corporation limited need to improve its working capital.

II. Aksid corporation should also decreased its high debt to equity ratio. According our finding, the company debt to equity has an upward slope from 2018 and continue increased.

III. Aksid corporation Net profit margin downward trend, it means company generate less profit after Tax, immediately they should need to take step why profit declined. According the company financial statement, it showing company sales declined continuously, as a result profit margin declined.

IV. Return on asset also showing lowing in year 2020 & 2021. Aksid Corporation should try to use its assets as efficiently as possible to increase the return on the entire asset.

V. Aksid corporation should focus on expend their business on relevant area.

**4.3 Conclusion**

The Bangladesh construction market size was valued at USD 28.55 Billion in 2022 and is projected to reach USD 49.98 Billion. The Constriction industry are segmented into Residential, commercial, industry, transportation energy and utilities. Aksid Corporation proudly contribute different mega project in Bangladesh, such as Dhaka metro rail project, Bangbandhu Sheikh Mujib Railway Bridge, Hazrat Shahjalal Airport and different industrial project. This report provides a comprehensive performance analysis of Aksid Corporation. I mainly employed ratio analysis technique to analyze the financial performance of Aksid Corporation over the period 2017 to 2022. Every company aims to increase its financial performance in order to strengthen its financial position. The core part of this report evaluate the financial performance based on Ratio analysis technique. Aksid Corporation remain profitable still its creation. However, during covid-19 period their financial performance declined. However, the liquidity ratio shows the company take additional credit to continue its operation, which indicate that the company is facing more risk in terms of liquidity. Then we analysis the profitability ratio which indicate fluctuate profitability condition of Aksid corporation. The company is not able to continue their good condition in terms of profitability but After covid-19 situation the company profit margin increase, which indicate the company is doing better in terms of profitability. The solvency ratio shows Aksid corporation take more debt to its operation, but they have generated cash flow to meet its obligation. The company continuously paying their loan outstanding over the year, as a result over the year solvency ratio declined. Finally, the DuPont analysis shows the company has good ROE Margi in last fiscal year (2021-2022), which indicate the company is generating a higher return on its equity. After covid-19 the company recovery financially issue. In 2022 financial year the Aksid corporation doing well in terms of financial performance. Lastly we can have said that the overall performance of Aksid corporation is Average.

**Appendix**

https://aksidcorp.com

- Audit Report FY18-19
- Audit Report FY19-20
- Audit Report FY20-21
- Audit Report FY21-22
- Managerial Accounting, the 17th edition of Garrison/Noreen/Brewer's Managerial Accounting
- Monthly Financial Review and company internal Report