

# Report on Evaluation of Financial Statements

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# Background

# Background

Asian University for Women (AUW) seeks to graduate women who will be skilled and innovative professionals, service-oriented leaders in the businesses and communities in which they will work and live, and promoters of intercultural understanding and sustainable human and economic development in Asia and throughout the world.

Now, with that objective in mind, AUW has recently taken steps to construct an AUW Campus center. For the construction of the campus, AUW invited technical proposals from various vendors. 5 reputed construction firms submitted their proposal for the construction.

Thus, to select the right vendor with strong financial strength, AUW intends to have an in-depth analysis of the vendor's financial analysis with the objective of selecting the eligible vendor.

# Methodology

## Introduction

We have completed our financial analysis of 5 construction companies who duly participated for the construction of the campus for AUW and intend to recommend the suitable one. We have reviewed the financial statements for the period of 2018-19, 2019-20 and 2020-21. We have conducted the analysis based on the scope of work agreed upon between the Snehasish Mahmud and Co (SMAC) Chartered Accountants and Asian University for Women in the Engagement Letter dated 10 April 2022.

## Methodology applied for deriving the result (Ratios):

Our objective was to evaluate the financial strength of 5 construction companies, for which we have evaluated them initially in three methods which are stated below viz:

- (i) Analysis of the ratios regarding Statement of Financial Position (Previously known as Balance sheet)
- (ii) Trend & Profitability ratios of the Statement of Profit or Loss (Profit & Loss Statement)
- (iii) Presentation of the financial statement presentation & business volume

We have allocated 60% of the total markings to the “Statement of Financial Position (SFP)” as this actually highlights the financial strength of the companies. As implementation of the project is reflected through “Statement of Profit or Loss”, thus we allocated 20% of the markings to this segment. Lastly, as the size of the bidder companies varies from one another for which we have included this segment to compare the business volume of the companies and subsequently allocated 20% markings in this segment.

### (i) Rationale for Analysis of the ratios regarding Statement of Financial Position:

To carry out the analysis of the Statement of financial position, we have provided 100 marks to the companies. When the analysis is completed, we have converted the markings obtained by the companies into 60% and added them for final results as stated in the methodology above. The explanation of the analysis and segregation of marks in this segment is highlighted below:

- a) Solvency ratio dictates the strength of the company to meet all its long term liabilities and whether the company has sufficient cash to meet those liabilities. Thus, this ratio helps to indicate whether the company will default or have sufficient strength to overcome

the liabilities. To ensure all the parameters are reviewed, we have carried out following analysis to determine the solvency of the companies viz:

- (i) Current Ratio  
Current ratio reflects a company's ability to generate enough cash to pay off all its debts once they become due
- (ii) Quick Ratio  
The quick ratio provides an indication of a company's financial health in the short term.
- (iii) Gearing Ratio  
The gearing ratio demonstrates the degree to which a firm's activities are funded by shareholder's funds versus debtholder's.
- (iv) Interest Coverage ratio  
Interest Coverage Ratio is used to determine the ability of a company to pay the interest on its outstanding debt

We have provided 60 marks out of total 100 in this solvency ratio as this analysis shows the strength of the company to implement the construction project of AUW.

- b) Efficiency ratio aims to indicate the company's capacity to effectively manage its assets to pay its liabilities and efficiency of a company to generate revenue utilizing its resources. We have analyzed following ratios to derive the efficiency of the companies viz:
  - (i) Asset turnover ratio  
The asset turnover ratio measures the efficiency of a company's assets in generating revenue.
  - (ii) Receivable turnover (days)  
The receivable turnover in days shows the average number of days that it takes a customer to pay the company for credit sales.
  - (iii) Inventory turnover (days)  
Inventory turnover in days exhibits how many times a company has sold and replaced inventory during a period.

We have provided 20 marks out of total 100 in this analysis to determine the management's capabilities to efficiently manage the construction project of AUW.

- c) Performance ratio indicates whether the company is generating returns for the shareholders utilizing its assets and how efficiently the company is converting its revenue into cash. We have analyzed the performance of the company by carrying out following analysis viz:

- (i) Return on Equity

Return on equity uses to better understand how profitable a company is in relation to its shareholder equity. A higher number indicating that a company is better able to leverage its shareholder equity to generate profit.

- (ii) Return on Assets

Return on Assets determines how efficiently a company uses its assets to generate a profit.

We have provided rest 20 marks out of total 100 in this analysis to determine the management's performance if the construction project of AUW is awarded to them.

**(ii) Rationale for Trend & Profitability ratios of the Statement of Profit & Loss:**

In order to analyze the Statement of Profit or Loss of the companies, we have allocated 100 marks to this segment. Upon concluding the analysis, we have converted the markings into 20% and added them for final results as stated in the methodology above. The rationale of the analysis and allocation of marks in this area is emphasized below:

- a) Trend analysis of the revenue indicates the volume of revenue increased year on year to ensure the companies were growing and their business was expanding.

As this has direct relation with the capacity of the companies to implement the project of AUW, we have allocated 40 marks out of 100 in this analysis.

- b) Gross profit margin indicates the amount of revenue left out for a company after paying the expenses required to generate the revenue.

We have allocated 15 out of 100 in this analysis as this represents the partial project implementation capacity of any company.



- c) Operating profit margin is expressed as a percentage of sales and indicates the efficiency of a company controlling the costs and expenses associated with business operations.

As this analysis indicates the full project implementation capacity of the company, thus we have allocated 25 marks in this analysis.

- d) Net profit margin indicates the capacity of the company to efficiently converts its revenue into profit.

We have allocated 20 marks in this analysis as this represents whether the company can keep its profit from the awarded projects.

**(iii) Rationale for Presentation of the financial statement & business volume:**

Qualitative characteristics of an audited financial statements are fundamental to a stakeholder. This is reflected through the disclosure made in the audited financial statements in accordance with International Financial Reporting Standards (IFRS) and other applicable reporting framework. This also reflects corporate governance of an entity as people charged with governance discharge their responsibilities through proper and adequate disclosure. Auditor also plays an important role by giving their opinion on the financial statements. In Bangladesh, the role of audit firms are still not unquestionable and regulatory authorities prepares their own list of audit firms.

Hence, we have reviewed the disclosures in the audited financial statements and assessed the quality of the audit firm based on current listing and market reputation available to us.

Also, the ratios degrade as the size of the business grows. Thus, we have allocated major markings in this area to bringing comparison of the small businesses with large business.

To analyze the business volume and presentation of the financial statements, we have allocated 100 marks in this segment as well. Upon concluding the analysis, we have converted the total marks into 20% and added them for the final results as stated in the methodology above. The rationale of the analysis and allocation of marks in this area is shortly underlined below:

- a) Revenue in terms of business volume:

We have allocated 1 mark for each 25 Crore of the revenue disclosed in the Statement of Profit or loss and allocated 50 marks in this section.

b) Net worth in terms of business volume:

We have allocated 1 mark for each 25 Crore of the net worth (total assets less current liabilities) disclosed in the Statement of Financial position and allocated 30 marks in this section.

c) Presentation & Disclosure:

We have allocated 20 marks to the quality of the financial statements and proper disclosure as per relevant IFRS.

# Analysis of the Vendors

We have performed a detailed analysis of financial statement of all 5 vendors. Now, we have highlighted the results of our analysis carried out according to the methodology explained in the earlier section of our report.

(i) Analysis of the ratios regarding Statement of Financial Position:

Analysis of the ratios regarding Statement of Financial Position					
Particulars	Spectra Engineers Limited	ABC Limited	Shamsuddin Mia & Associates Limited	CCC Limited	Starpath Holdings Limited
1. Current ratio	9	8	9	8	10
2. Quick ratio	9	6	9	8	7
3. Gearing ratio	13	17	22	10	30
4. Interest coverage ratio	7	7	9	5	10
5. Asset turnover	8	5	6	8	9
6. Receivable turnover(days)	5	5	2	2	5
7. Inventory turnover(days)	2	2	2	2	2
8. Return on equity	9	1	5	8	7
9. Return on assets	10	2	7	6	9
<b>Total</b>	<b>72</b>	<b>53</b>	<b>70</b>	<b>57</b>	<b>89</b>
<b>Conversion to 60%</b>	<b>43.20</b>	<b>31.60</b>	<b>42.20</b>	<b>34.20</b>	<b>53.60</b>

(ii) Trend analysis & profitability ratios of the Statement of Profit or Loss:

Trend & Profitability ratios of the Statement of Profit & Loss					
Particulars	Spectra Engineers Limited	ABC Limited	Shamsuddin Mia & Associates Limited	CCC Limited	Starpath Holdings Limited
1. Revenue (Net)	(3)	(30)	(13)	13	7
2. Gross Profit margin (GP)	15	15	13	13	12
3. Operating Profit margin (OP)	18	2	18	5	22
4. Net Profit margin (NP)	20	(3)	10	5	13
<b>Total</b>	<b>50</b>	<b>(17)</b>	<b>28</b>	<b>37</b>	<b>53</b>
<b>Conversion to 20%</b>	<b>10.00</b>	<b>(3.33)</b>	<b>5.67</b>	<b>7.33</b>	<b>10.67</b>

(iii) Presentation of the financial statements & business volume:

Presentation of the financial statement & business volume					
Particulars	Spectra Engineers Limited	ABC Limited	Shamsuddin Mia & Associates Limited	CCC Limited	Starpath Holdings Limited
1. Revenue (business volume)	42	1	2	9	3
2. Net worth (business volume)	28	1	3	3	2
3. Presentation & disclosure	12	12	16	8	14
<b>Total</b>	<b>82</b>	<b>15</b>	<b>22</b>	<b>19</b>	<b>18</b>
<b>Conversion to 20%</b>	<b>16.47</b>	<b>2.96</b>	<b>4.32</b>	<b>3.88</b>	<b>3.70</b>

## Conclusion of the Analysis

Summarizing the above analysis of all 5 vendors as per the three parameters discussed above, we have ranked the vendors according to the allocated numbers which is summarized below:

<b>Ranking of the Vendors</b>						
<b>Parameters</b>	<b>Weight</b>	<b>Spectra Engineers Limited</b>	<b>ABC Limited</b>	<b>Shamsuddin Mia &amp; Associates Limited</b>	<b>CCC Limited</b>	<b>Starpath Holdings Limited</b>
Ratio analysis (B/S)	60%	43.20	31.60	42.20	34.20	53.60
Trend analysis (P/L)	20%	10.00	(3.33)	5.67	7.33	10.67
Presentation, disclosure & business volume	20%	16.47	2.96	4.32	3.88	3.70
<b>Total marks obtained</b>	<b>100%</b>	<b>69.67</b>	<b>31.23</b>	<b>52.18</b>	<b>45.41</b>	<b>67.96</b>
<b>Final Result</b>		<b>1st</b>	<b>5th</b>	<b>3rd</b>	<b>4th</b>	<b>2nd</b>

In conclusion, our analysis shows that Spectra Engineers Limited has topped the vendors due to its financial strength and business volume. However, Starpath Holdings Limited became 2nd due to its lower business volume even though it got the highest marks in ratio and trend analysis.

Lastly, Shamsuddin Mia & Associates Limited obtained 3<sup>rd</sup> position.

The management of AUW should not solely rely on this report for selecting the vendor as vendors should not be selected based on analysis of financial statements rather detailed technical and other analysis is required for selecting proper vendor.



# Annexure

**Annexure-1. Ratio analysis (BS)**

Particulars	Standard weight	Formula	Parameter
<b>Solvency ratio:</b>			
1. Current ratio	10	$\frac{\text{Current assets}}{\text{Current liabilities}}$	< 1=6, >1 but <2=8, 2 but <3=10, >3=8
2. Quick ratio	10	$\frac{\text{Current assets-inventory}}{\text{Current liabilities}}$	< .5=6, >.5 but <1=8, 1 but <2=10, >2=8
3. Gearing ratio	30	$\frac{\text{Debt}}{\text{Equity}}$	>.4=10, >.3 but <.4=15, >.2 but <.3=20, >.1 but <.2=25 and <.1=30
4. Interest coverage ratio	10	$\frac{\text{EBIT}}{\text{Interest Expenses}}$	Upto 2 times=5, 2 times to 5 time= 7, and above 5 times =10
<b>Sub-total</b>	<b>60</b>		
<b>Efficiency ratio:</b>			
1. Asset turnover	10	$\frac{\text{Revenue}}{\text{Total assets}}$	< .2=5, >.2 but <.50=6, >.50 but <1=8, >1=10
2. Receivable turnover(days)	5	$\frac{\text{Receivable}}{\text{Revenue}} \times 365$	Upto 20 days =5, 20 dyas to 30 days=3 above 30 days 2
3. Inventory turnover(days)	5	$\frac{\text{Inventory}}{\text{Cost of sales}} \times 365$	Upto 20 days =5, 20 dyas to 30 days=3 above 30 days 2
<b>Sub-total</b>	<b>20</b>		
<b>Performance ratio:</b>			
1. Return on equity	10	$\frac{\text{Net profit}}{(\text{Beginning equity} + \text{Ending equity})/2} \times 100$	Upto 5%=5, 5.1% to 10%=6, 10.1% to 20%=8 and above 20%=10
2. Return on assets	10	$\frac{\text{Net profit}}{\text{Total assets}} \times 100$	Upto 2%=5, 2.1% to 5%=7 and above 5%=10
<b>Sub-total</b>	<b>20</b>		
<b>Total</b>	<b>100</b>		

Annexure-1.1

Particulars	Spectra Engineers Ltd												3 years average marking
	2020-21				2019-20				2018-19				
				Mrking				Mrking				Mrking	
<b>Solvency ratio:</b>													
1. Current ratio	8,311,024,063	=	2.81	10	8,794,760,592	=	1.87	8	8,922,906,355	=	1.45	8	9
	2,957,021,964				4,695,592,430				6,166,337,133				
2. Quick ratio	6,804,491,410	=	2.30	8	7,768,227,939	=	1.65	10	7,617,081,845	=	1.24	10	9
	2,957,021,964				4,695,592,430				6,166,337,133				
3. Gearing ratio	2,267,819,428	=	0.28	20	3,947,690,094	=	0.55	10	4,780,309,009	=	0.80	10	13
	8,043,576,828				7,121,785,006				5,991,092,639				
4. Interest coverage ratio	1,716,189,199	=	5.54	7	2,116,676,943	=	4.93	7	2,969,180,853	=	4.53	7	7
	309,964,220				429,322,149				655,490,484				
<b>Sub-total</b>				<b>45</b>				<b>35</b>				<b>35</b>	<b>38</b>
<b>Efficiency ratio:</b>													
1. Asset turnover	9,271,756,974	=	0.84	8	10,863,781,167	=	0.92	8	11,484,157,407	=	0.94	8	8
	11,000,598,792				11,817,377,435				12,157,429,772				
2. Receivable turnover(days)	-	× 365 =	-	5	-	× 365 =	-	5	-	× 365 =	-	5	5
	9,271,756,974				10,863,781,167				11,484,157,407				
3. Inventory turnover(days)	1,506,532,653	× 365 =	77.97	2	1,026,532,653	× 365 =	45.84	2	1,305,824,510	× 365 =	59.24	2	2
	7,052,386,643				8,173,621,564				8,045,152,954				
<b>Sub-total</b>				<b>15</b>				<b>15</b>				<b>15</b>	<b>15</b>
<b>Performance ratio:</b>													
1. Return on equity	925,822,113	× 100 =	12.21%	8	1,131,634,387	× 100 =	17.26%	8	1,449,135,766	× 100 =	27.52%	10	9
	7,582,680,917				6,556,438,823				5,266,188,754				
2. Return on assets	925,822,113	× 100 =	8.42%	10	1,131,634,387	× 100 =	9.58%	10	1,449,135,766	× 100 =	11.92%	10	10
	11,000,598,792				11,817,377,435				12,157,429,772				
<b>Sub-total</b>				<b>18</b>				<b>18</b>				<b>20</b>	<b>19</b>
<b>Total</b>				<b>78</b>				<b>68</b>				<b>70</b>	<b>72</b>

Annexure-1.2

Particulars	Automated Builders Corporation Ltd												3 years average marking
	2020-21				2019-20				2018-19				
				Mrking				Mrking				Mrking	
<b>Solvency ratio:</b>													
1. Current ratio	1,837,148,495	=	1.07	8	1,701,667,867	=	1.00	8	1,637,671,108	=	1.30	8	8
	1,713,962,769				1,706,680,478				1,257,721,316				
2. Quick ratio	491,622,476	=	0.29	6	351,704,157	=	0.21	6	348,895,908	=	0.28	6	6
	1,713,962,769				1,706,680,478				1,257,721,316				
3. Gearing ratio	200,000,000	=	0.58	10	169,981,942	=	1.29	10	0	=	-	30	17
	347,679,367				131,759,923				519,771,069				
4. Interest coverage ratio	11,514,881	=	0.96	5	20,461,082	=	3.75	7	80,220,160	=	#DIV/0!	10	7
	12,033,969				5,452,790				-				
<b>Sub-total</b>				<b>29</b>				<b>31</b>				<b>54</b>	<b>38</b>
<b>Efficiency ratio:</b>													
1. Asset turnover	141,349,955	=	0.07	5	264,579,908	=	0.14	5	672,819,756	=	0.38	6	5
	2,091,192,136				1,838,440,401				1,777,492,385				
2. Receivable turnover(days)	-	× 365 =	-	5	-	× 365 =	-	5	-	× 365 =	-	5	5
	141,349,955				264,579,908				672,819,756				
3. Inventory turnover(days)	1,345,526,019	× 365 =	4,438	2	1,349,963,710	× 365 =	2,405	2	1,288,775,200	× 365 =	872	2	2
	110,669,210				204,839,497				539,408,894				
<b>Sub-total</b>				<b>12</b>				<b>12</b>				<b>13</b>	<b>12</b>
<b>Performance ratio:</b>													
1. Return on equity	(29,383,407)	× 100 =	-12%	-8	2,638,216	× 100 =	0.81%	5	26,925,610	× 100 =	5.08%	5	1
	239,719,645				325,765,496				530,489,818				
2. Return on assets	(29,383,407)	× 100 =	-1.41%	-5	2,638,216	× 100 =	0.14%	5	26,925,610	× 100 =	1.51%	5	2
	2,091,192,136				1,838,440,401				1,777,492,385				
<b>Sub-total</b>				<b>-13</b>				<b>10</b>				<b>10</b>	<b>2</b>
<b>Total</b>				<b>28</b>				<b>53</b>				<b>77</b>	<b>53</b>

Annexure-1.3

Particulars	Shamsuddin Mia & Associates Ltd												3 years average marking
	2020-21				2019-20				2018-19				
				Mrking				Mrking				Mrking	
<b>Solvency ratio:</b>													
1. Current ratio	993,823,949	=	2.81	10	767,874,471	=	5.80	8	683,139,472	=	16.16	8	9
	354,269,996				132,387,775				42,285,730				
2. Quick ratio	668,370,749	=	1.89	10	467,901,831	=	3.53	8	459,262,622	=	10.86	8	9
	354,269,996				132,387,775				42,285,730				
3. Gearing ratio	345,050,696	=	0.43	10	123,891,669	=	0.16	25	39,351,160	=	0.05	30	22
	794,197,937				797,918,550				790,269,730				
4. Interest coverage ratio	70,985,374	=	3.38	7	66,901,483	=	6.33	10	141,820,504	=	51.68	10	9
	20,978,477				10,575,911				2,744,070				
<b>Sub-total</b>				<b>37</b>				<b>51</b>				<b>56</b>	<b>48</b>
<b>Efficiency ratio:</b>													
1. Asset turnover	692,301,655	=	0.60	5	369,124,214	=	0.40	6	741,640,604	=	0.89	8	6
	1,148,467,933				930,306,325				832,555,460				
2. Receivable turnover(days)	402,525,788	× 365 =	212	2	376,273,637	× 365 =	372	2	289,960,135	× 365 =	143	2	2
	692,301,655				369,124,214				741,640,604				
3. Inventory turnover(days)	325,453,200	× 365 =	204	2	299,972,640	× 365 =	397	2	223,876,850	× 365 =	148	2	2
	582,431,922				275,625,050				553,738,070				
<b>Sub-total</b>				<b>9</b>				<b>10</b>				<b>12</b>	<b>10</b>
<b>Performance ratio:</b>													
1. Return on equity	14,585,198	× 100 =	1.83%	5	7,648,820	× 100 =	0.96%	5	73,607,115	× 100 =	9.77%	6	5
	796,058,244				794,094,140				753,466,173				
2. Return on assets	14,585,198	× 100 =	1.27%	5	7,648,820	× 100 =	0.82%	5	73,607,115	× 100 =	8.84%	10	7
	1,148,467,933				930,306,325				832,555,460				
<b>Sub-total</b>				<b>10</b>				<b>10</b>				<b>16</b>	<b>12</b>
<b>Total</b>				<b>56</b>				<b>71</b>				<b>84</b>	<b>70</b>

Annexure-1.4

Particulars	Castle Construction Co. Ltd												3 years average marking
	2020-21				2019-20				2018-19				
				Mrking				Mrking				Mrking	
<b>Solvency ratio:</b>													
1. Current ratio	3,168,456,038	=	1.18	8	1,972,156,129	=	1.04	8	2,287,192,411	=	1.11	8	
	2,675,255,990				1,905,310,600				2,056,429,485			8	
2. Quick ratio	2,438,941,494	=	0.91	8	1,568,401,014	=	0.82	8	1,937,414,532	=	0.94	8	
	2,675,255,990				1,905,310,600				2,056,429,485			8	
3. Gearing ratio	3,435,112,216	=	9.07	10	1,901,363,551	=	4.78	10	2,047,823,501	=	5.17	10	
	378,587,759				398,107,536				395,790,469			10	
4. Interest coverage ratio	364,701,290	=	1.43	5	248,109,556	=	1.01	5	364,776,064	=	1.71	5	
	254,168,817				244,544,838				213,562,975			5	
<b>Sub-total</b>				<b>31</b>				<b>31</b>				<b>31</b>	
<b>Efficiency ratio:</b>													
1. Asset turnover	1,739,356,676	=	0.44	6	1,266,613,631	=	0.55	8	3,484,752,227	=	1.42	8	
	3,935,505,839				2,303,418,135				2,452,219,954			10	
2. Receivable turnover(days)	1,030,036,327	× 365 =	216	2	807,462,859	× 365 =	233	2	1,272,928,603	× 365 =	133	2	
	1,739,356,676				1,266,613,631				3,484,752,227			2	
3. Inventory turnover(days)	729,514,544	× 365 =	207	2	403,755,115	× 365 =	149	2	349,777,879	× 365 =	46	2	
	1,288,666,626				990,766,246				2,785,887,037			2	
<b>Sub-total</b>				<b>10</b>				<b>12</b>				<b>14</b>	
<b>Performance ratio:</b>													
1. Return on equity	77,372,731	× 100 =	19.92%	10	2,317,067	× 100 =	0.58%	5	98,288,508	× 100 =	28.35%	8	
	388,347,648				396,949,003				346,646,215			10	
2. Return on assets	77,372,731	× 100 =	1.97%	5	2,317,067	× 100 =	0.10%	5	98,288,508	× 100 =	4.01%	6	
	3,935,505,839				2,303,418,135				2,452,219,954			7	
<b>Sub-total</b>				<b>15</b>				<b>10</b>				<b>17</b>	
<b>Total</b>				<b>56</b>				<b>53</b>				<b>62</b>	
												<b>57</b>	

Annexure-1.5

Particulars	Starpath Holdings Ltd												3 years average marking
	2020-21				2019-20				2018-19				
				Mrking				Mrking				Mrking	
<b>Solvency ratio:</b>													
1. Current ratio	723,864,956	=	2.98	10	647,269,617	=	2.93	10	597,626,317	=	2.43	10	10
	243,315,277				221,072,412				246,198,389			10	
2. Quick ratio	104,192,949	=	0.43	8	123,047,740	=	0.56	8	99,492,346	=	0.40	6	7
	243,315,277				221,072,412				246,198,389			6	
3. Gearing ratio	51,609,357	=	0.10	30	37,427,682	=	0.08	30	13,643,646	=	0.03	30	30
	491,836,565				452,590,627				396,297,808			30	
4. Interest coverage ratio	45,607,373	=	103.90	10	94,777,815	=	142.30	10	93,783,288	=	19.94	10	10
	438,935				666,026				4,703,029			10	
<b>Sub-total</b>				<b>58</b>				<b>58</b>				<b>56</b>	<b>57</b>
<b>Efficiency ratio:</b>													
1. Asset turnover	342,907,675	=	0.44	6	826,379,400	=	1.16	10	751,254,000	=	1.14	10	9
	786,761,199				711,090,721				656,139,843			10	
2. Receivable turnover(days)	-	× 365 =	-	5	-	× 365 =	-	5	-	× 365 =	-	5	5
	342,907,675				826,379,400				751,254,000			5	
3. Inventory turnover(days)	619,672,007	× 365 =	840	2	524,221,877	× 365 =	286	2	498,133,971	× 365 =	301	2	2
	269,135,099				669,367,314				603,851,340			2	
<b>Sub-total</b>				<b>13</b>				<b>17</b>				<b>17</b>	<b>16</b>
<b>Performance ratio:</b>													
1. Return on equity	35,745,938	× 100 =	7.57%	6	52,792,819	× 100 =	12.44%	8	51,517,559	× 100 =	13.90%	8	7
	472,213,596				424,444,218				370,539,029			8	
2. Return on assets	35,745,938	× 100 =	4.54%	7	52,792,819	× 100 =	7.42%	10	51,517,559	× 100 =	7.85%	10	9
	786,761,199				711,090,721				656,139,843			10	
<b>Sub-total</b>				<b>13</b>				<b>18</b>				<b>18</b>	<b>16</b>
<b>Total</b>				<b>84</b>				<b>93</b>				<b>91</b>	<b>89</b>

### Annexure-2 Trend analysis (P/L)

	Standard weight	Parameter
Revenue (Net bill)	40	5%=10, 10%= 20, >10=40 and in case of negative same marking negatively
GP		
GP margin	15	Upto 10%=5, 11% to 20%=10 and above 20%=15
Operating profit		
OP margin	25	Upto 5%=5, 5.1% to 10%=10, 10.1% to15%=15, 15.1%to20%=20 and above 20%=25
Finance cost		
NP		
NP margin	20	Upto 5%=5, 6% to 8%=10 and above 8%=20

### Annexure-2.1

	Spectra Engineers Ltd								Marks			Average 3 years marks
	2020-21	2019-20	2018-19	Change (20-21)	Change % (20-21)	Change (19-20)	Change % (19-20)	2020-21	2019-20	2018-19		
	Revenue (Net bill)	9,271,756,974	10,863,781,167	11,484,157,407	(1,592,024,193)	-15%	(620,376,240)	-5%	-40	-10	40	
GP	2,219,370,331	2,690,159,603	3,439,004,453	(470,789,272)	-18%	(748,844,850)	-22%					
GP margin	24%	25%	30%					15	15	15	15	
Operating profit	1,406,224,978	1,687,354,795	2,313,690,369	(281,129,817)	-17%	(626,335,574)	-27%					
OP margin	15%	16%	20%					15	20	20	18	
Finance cost	309,964,220	429,322,149	655,490,484	(119,357,929)	-28%	(226,168,335)	-35%					
NP	925,822,113	1,131,634,387	1,449,135,766	(205,812,274)	-18%	(317,501,379)	-22%					
NP margin	10%	10%	13%					20	20	20	20	
<b>Total</b>								<b>10</b>	<b>45</b>	<b>95</b>	<b>50</b>	



Annexure-2.2

	Automated Builders Corporation Ltd								Marks			Average 3
	2020-21	2019-20	2018-19	Change (20-21)	Change % (20-21)	Change (19-20)	Change % (19-20)	2020-21	2019-20	2018-19	years marks	
	Revenue (Net bill)	141,349,955	264,579,908	672,819,756	(123,229,953)	-47%	(408,239,848)	-61%	-40	-40	-10	(30)
GP	30,680,745	59,740,411	133,410,862	(29,059,666)	-49%	(73,670,451)	-55%					
GP margin	22%	23%	20%					15	15	15	15	
Operating profit	(16,429,896)	13,615,203	77,437,724	(30,045,099)	-221%	(63,822,521)	-82%					
OP margin	-12%	5%	12%					-15	5	15	2	
Finance cost	12,033,969	5,452,790	-	6,581,179	121%	5,452,790	#DIV/0!					
NP	(29,383,407)	2,638,216	26,925,610	(32,021,623)	-1214%	(24,287,394)	-90%					
NP margin	-21%	1%	4%					-20	5	5	(3)	
<b>Total</b>								<b>-60</b>	<b>-15</b>	<b>25</b>	<b>(17)</b>	

Annexure-2.3

	Shamsuddin Mia & Associates Ltd								Marks			Average 3
	2020-21	2019-20	2018-19	Change (20-21)	Change % (20-21)	Change (19-20)	Change % (19-20)	2020-21	2019-20	2018-19	years marks	
	Revenue (Net bill)	692,301,655	369,124,214	741,640,604	323,177,441	88%	(372,516,390)	-50%	40	-40	-40	(13)
GP	109,869,733	93,499,164	187,902,534	16,370,569	18%	(94,403,370)	-50%					
GP margin	16%	25%	25%					10	15	15	13	
Operating profit	70,985,374	66,901,483	141,820,504	4,083,891	6%	(74,919,021)	-53%					
OP margin	10%	18%	19%					15	20	20	18	
Finance cost	20,978,477	10,575,911	2,744,070	10,402,566	98%	7,831,841	285%					
NP	14,585,198	7,648,820	73,607,115	6,936,378	91%	(65,958,295)	-90%					
NP margin	2%	2%	10%					5	5	20	10	
<b>Total</b>								<b>70</b>	<b>0</b>	<b>15</b>	<b>28</b>	

Annexure-2.4

	Castle Construction Co Ltd								Marks			Average 3 years marks
	2020-21	2019-20	2018-19	Change (20-21)	Change % (20-21)	Change (19-20)	Change % (19-20)	2020-21	2019-20	2018-19		
	Revenue (Net bill)	1,739,356,676	1,266,613,631	3,484,752,227	472,743,045	37%	(2,218,138,596)	-64%	40	-40	40	
GP	450,690,049	275,847,385	698,865,190	174,842,664	63%	(423,017,805)	-61%					
GP margin	26%	22%	20%					15	15	10	13	
Operating profit	107,643,353	336,460	149,797,968	107,306,893	31893%	(149,461,508)	-100%					
OP margin	6%	0%	4%					5	5	5	5	
Finance cost	254,168,817	244,544,838	213,562,975	9,623,979	4%	30,981,863	15%					
NP	77,372,731	2,317,067	98,288,508	75,055,664	3239%	(95,971,441)	-98%					
NP margin	4%	0.2%	3%					5	5	5	5	
<b>Total</b>								<b>65</b>	<b>-15</b>	<b>60</b>	<b>37</b>	

Annexure-2.5

	Starpath Holdings Ltd								Marks			Average 3 years marks
	2020-21	2019-20	2018-19	Change (20-21)	Change % (20-21)	Change (19-20)	Change % (19-20)	2020-21	2019-20	2018-19		
	Revenue (Net bill)	342,907,675	826,379,400	751,254,000	(483,471,725)	-59%	75,125,400	10%	-40	20	40	
GP	73,772,576	157,012,086	147,402,660	(83,239,510)	-53%	9,609,426	7%					
GP margin	22%	19%	20%					15	10	10	12	
Operating profit	77,130,173	160,858,712	151,418,848	(83,728,539)	-52%	9,439,864	6%					
OP margin	22%	19%	20%					25	20	20	22	
Finance cost	438,935	666,026	4,703,029	(227,091)	-34%	(4,037,003)	-86%					
NP	35,745,938	52,792,819	51,517,559	(17,046,881)	-32%	1,275,260	2%					
NP margin	10%	6%	7%					20	10	10	13	
<b>Total</b>								<b>20</b>	<b>60</b>	<b>80</b>	<b>53</b>	

**Annexure-3**

Particulars	Parameter	Formula
1. Revenue	Every 250,000,000=1	<b>Revenue (net bill)</b>
2. Net worth (average)	Every 250,000,000=1	Total assets Less: current liabilities <b>Net worth</b>

**Annexure-3.1**

Particulars	Formula	Spectra Engineers Limited							
						Marks			
		2020-21	2019-20	2018-19	3 years average	2020-21	2019-20	2018-19	3 years average
1. Revenue	<b>Revenue (net bill)</b>	<b>9,271,756,974</b>	<b>10,863,781,167</b>	<b>11,484,157,407</b>	<b>10,539,898,516</b>	37	43	46	42
2. Net worth (average)	Total assets	11,000,598,792	11,817,377,435	12,157,429,772	11,658,468,666				
	Less: current liabilities	2,957,021,964	4,695,592,430	6,166,337,133	4,606,317,176				
	<b>Net worth</b>	<b>8,043,576,828</b>	<b>7,121,785,005</b>	<b>5,991,092,639</b>	<b>7,052,151,491</b>	32	28	24	28
<b>Total</b>						<b>69</b>	<b>72</b>	<b>70</b>	<b>70</b>

**Annexure-3.2**

Particulars	Formula	Automated Builders Corporation Limited							
						Marks			
		2020-21	2019-20	2018-19	3 years average	2020-21	2019-20	2018-19	3 years average
1. Revenue	<b>Revenue (net bill)</b>	<b>141,349,955</b>	<b>264,579,908</b>	<b>672,819,756</b>	<b>359,583,206</b>	1	1	3	1
2. Net worth (average)	Total assets	2,091,192,136	1,838,440,401	1,777,492,385	1,902,374,974				
	Less: current liabilities	1,713,962,769	1,706,680,478	1,257,721,316	1,559,454,854				
	<b>Net worth</b>	<b>377,229,367</b>	<b>131,759,923</b>	<b>519,771,069</b>	<b>342,920,120</b>	2	1	2	2
<b>Total</b>						<b>2</b>	<b>2</b>	<b>5</b>	<b>3</b>

**Annexure-3.3**

Particulars	Formula	Shamsuddin Mia & Associates Limited							
						Marks			
		2020-21	2019-20	2018-19	3 years average	2020-21	2019-20	2018-19	3 years average
1. Revenue	Revenue (net bill)	692,301,655	369,124,214	741,640,604	601,022,158	3	1	3	3
2. Net worth (average)	Total assets	1,148,467,933	930,306,325	832,555,460	970,443,239				
	Less: current liabilities	354,269,996	132,387,775	42,285,730	176,314,500				
	<b>Net worth</b>	<b>794,197,937</b>	<b>797,918,550</b>	<b>790,269,730</b>	<b>794,128,739</b>	3	3	3	3
<b>Total</b>						<b>6</b>	<b>5</b>	<b>6</b>	<b>6</b>

**Annexure-3.4**

Particulars	Formula	Castle Construction Co. Limited							
						Marks			
		2020-21	2019-20	2018-19	3 years average	2020-21	2019-20	2018-19	3 years average
1. Revenue	Revenue (net bill)	1,739,356,676	1,266,613,631	3,484,752,227	2,163,574,178	7	5	14	8
2. Net worth (average)	Total assets	3,935,505,839	2,303,418,135	2,452,219,954	2,897,047,976				
	Less: current liabilities	2,675,255,990	1,905,310,600	2,056,429,485	2,212,332,025				
	<b>Net worth</b>	<b>1,260,249,849</b>	<b>398,107,535</b>	<b>395,790,469</b>	<b>684,715,951</b>	5	2	2	3
<b>Total</b>						<b>12</b>	<b>7</b>	<b>16</b>	<b>11</b>

**Annexure-3.5**

Particulars	Formula	Starpath Holdings Limited							
						Marks			
		2020-21	2019-20	2018-19	3 years average	2020-21	2019-20	2018-19	3 years average
1. Revenue	Revenue (net bill)	342,907,675	826,379,400	751,254,000	640,180,358	1	3	3	2
2. Net worth (average)	Total assets	786,761,199	711,090,721	656,139,843	717,997,254				
	Less: current liabilities	243,315,277	221,072,412	246,198,389	236,862,026				
	<b>Net worth</b>	<b>543,445,922</b>	<b>490,018,309</b>	<b>409,941,454</b>	<b>481,135,228</b>	2	2	2	2
<b>Total</b>						<b>4</b>	<b>5</b>	<b>5</b>	<b>4</b>

**Annexure-4.1: Presentation & disclosure**

Particulars	Allocated marks	Spectra Engineers Limited	ABC Limited	SMA Limited	CCC Limited	Starpath Holdings Limited
Reputation & quality of audit firm audited the FS	6	4	6	6	4	6
Re-statement of Financial statements	6	6	2	2	2	6
Verifiability & quality of audited FS (DVC system)	8	2	4	8	2	2
<b>Total</b>	<b>20</b>	<b>12</b>	<b>12</b>	<b>16</b>	<b>8</b>	<b>14</b>

**Annexure-4.2: Name of the Statutory Auditor**

Year	Spectra Engineers Limited	ABC Limited	SMA Limited	CCC Limited	Starpath Holdings Limited
2020-21	M.M. Hossain & Co.	G. Nabi & Co	Shiraz Khan Basak & Co.	S.R. Islam & Co.	M A Fazal & Co.
2019-20	M.M. Hossain & Co.	Ata Khan & Co.	Shafiq Mizan Rahman & Augusitne	S.R. Islam & Co.	Rahman Mustafiz Haq & Co.
2018-19	M.M. Hossain & Co.	Ata Khan & Co.	Shafiq Mizan Rahman & Augusitne	S.R. Islam & Co.	Mohammad Ata Karim & Co.