



INTERNSHIP REPORT ON

**Fixed Asset Management of Robi Axiata Limited and the Financial Analysis
of Axiata Group Berhad**





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of Axiata Group Berhad**

COURSE ID: BUS 400

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Letter of Transmittal

16 September, 2014

To,

Riyashad Ahmed

Assistant Professor

BRAC Business School

BRAC University

Subject: Submission of Internship report on “Fixed Asset Management” of Robi Axiata Limited

Dear Sir,

I would like to inform you that I have completed the internship report on Fixed Asset Management at Robi Axiata Limited. This paper has provided me the opportunity to relate theories with the real-world operation. It was a great experience to be a part of an organizational culture of a prominent telecommunication organization of the country.

In these regard, I have done my ample best to complete the report with the quality of your expectation. It would be my immense pleasure if you find this report useful and informative to have an apparent viewpoint on the subject.

Sincerely Yours,

Jahran Ahmed

ID: 10304062

BRAC Business School



Acknowledgement

First of all, I wish to express my gratitude to the almighty ALLAH for me giving me the strength to perform my responsibilities as an intern and complete the report with so much effort and dedication. Secondly, I am deeply indebted to my Advisor Mr. Riyashad Ahmed, Assistant Professor, BRAC Business School for his whole hearted supervision during my organizational attachment period. In every phase from topic selection to data collection and data analysis, his supervision has shaped the report.

I would like to convey my outmost gratitude to Gias Uddin Al Mamun, Manager, Reporting of finance division. Throughout the internship period he was the person who gave me chance to have an outstanding and enduring practical working involvement, to go out of my comfort region and learn to be more original, challenging and self-possessed. He was an also a very helpful hand in making of these report by providing me very important details.

I would also like to express my gratitude to my Robi Axiata Limited fellow seniors and colleagues who gave me good suggestion, advice, inspiration and support. I must mention the wonderful working environment and group commitment of this organization that has enabled me to deal with lot of things.

Executive Summary

ROBI Axiata Limited is one of the pioneers in the telecommunications private sector of Bangladesh. It is currently the third largest telecom operator in Bangladesh and is very close to the second position in terms of market positioning. Robi is a joint venture company between Axiata Group Berhad, Malaysia and NTT DOCOMO INC, Japan. At first it was introduced with a brand name AKTEL in 1997 and then it started a new journey from 28 March, 2010 onwards, with the name "Robi Axiata Limited". The report starts with a general outline of the current scenario of the telecom industry in Bangladesh. It follows up by the background information of Robi Axiata Limited and the mission, vision, purpose of the organization. Furthermore all the information about the shareholders of the organization has been put forward. Initially the reports provide information about different services and products offered by Robi, as well as it displays the information of the corporate social responsibility of the organization. It gives an overall view of the different divisions of Robi Axiata Limited. The different roles of each of the departments have been described very briefly and to the point. One of the major parts of the report is the part which contains information about the internship experience. It was a 3-month experience and all the job details that were done by me have been presented in the report. The main topic that has been enlightened in the report is the "Fixed Asset Management" of Robi Axiata Limited. The report contains details about the fixed asset management, asset classification, categories of fixed assets, and assetization of other assets, physical inventory verification, asset transfer and etc. of Robi Axiata Limited. Latter stages SWOT analysis has been performed to identify strengths, weakness, opportunity and threat of the organization. Due to lack of information about Robi Axiata Limited's financial statement, ratio analysis has been performed from the data collected from Axiata Group Berhad. Ratios that have been used are Liquidity Ratios, Asset Management Ratios, Debt Management Ratio and Profitability Ratio. These ratios have been analyzed throughout the ratio analysis report by conducting a three-year analysis (2011, 2012 and 2013). Finally the report ends with some useful recommendations provided which can help the company to upsurge its efficacy and along with it a brief conclusion.

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Chapter: 01

Introduction of the report

1.1 Origin of the report

1.2 Objective of the report

1.3 Scope

1.4 Methodology

1.5 Limitations

1.1 Origin of the report

The main purpose of the Internship Program (BUS 400) is to allow the students to gain practical experience of the theoretical courses learned. This credit course is required to be completed by all students graduating under BRAC Business School at BRAC University. I have prepared this report as a partial fulfillment of the Bachelor of Business Administration (BBA) program under the supervision of Assistant Professor Mr. Riyashad Ahmed. Mr. Riyashad Ahmed has directed me properly while making the report. This report is the outcome of the three months long internship program at Robi Axiata Limited. During these three months I worked in the Financial and Managerial Reporting of Robi Axiata Limited in finance department. I was assisted and guided appropriately by my supervisor Gias Uddin Al Mamun, Manager, Reporting. He was extremely helpful throughout my internship period.

1.2 Objective of the report

1.2.1 General Objective

The general objective is to provide information about the fixed asset management of Robi Axiata Limited along with its different aspects. It also provides a full overview of Robi Axiata Limited and its offerings. Ratio Analysis has also been analyzed in the report of Axiata Group Berhad.

1.2.2 Specific Objective

The specific objectives of the study are mentioned below

- Having an in depth knowledge of the telecom industry in Bangladesh and its present situation.
- Having an in depth information about Robi Axiata Limited and its shareholders
- To have an understanding on the products and services offered by Robi Axiata Limited
- To have an understanding of the different divisions of Robi Axiata Limited
- To provide details about the 3 months long internship program at Robi Axiata Limited.
- To understand different functions of fixed asset management of Robi Axiata Limited

- To conduct a trend analysis of Axiata Group Berhad by conducting a three year analysis.

1.3 Scope of the report

The report will provide an idea about Robi Axiata Limited, its background and management structure, functional departments and other things related to the organization. In addition to that this report contains a financial analysis of Axiata group Berhad to assess their financial analysis

1.4 Methodology

Primary Data: Primary data has been collected throughout the full internship period from different sources like Managers, Employees and Executives. Primary data has basically been collected from the practical deskwork and are used while discussing about the job responsibility.

Secondary Data: Secondary data was collected from articles of different journals and newspapers. Moreover, to prepare this report I have gone through different websites and most importantly annual reports of different telecom industries have been explored in order to get quantitative data.

1.5 Limitations

Information on the telecom industry is scarce and therefore difficulties have to be dealt with while preparing this report. Moreover, as an intern I did not have access to all the files and folders because of the organization's confidentiality policy and I have very limited scope to reveal financial data in this report. Other than Grameenphone, other players in the telecom industry are not yet listed in the stock exchange and because of it the financial data of other telecom companies are not made public and this are kept as highly confidential. Therefore, this emerged as a big challenge to conduct cross-sectional financial analysis of all the players of telecom industry.

Chapter: 02

The organization: RobiAxiata Limited

2.1 Overview of telecom industry

2.2 Overview of RobiAxiata Limited

2.3 Vision, Mission and Theme

2.4 Principles and Purpose

2.5 Shareholders

- *Axiata Group Berhad & NTT Docomo*

2.6 Brand elements of Robi

2.7 Product Portfolio of RobiAxiata Limited

2.8 Services offered by RobiAxiata Limited

2.9 Corporate social responsibility

2.10 Divisions of RobiAxiata Limited

2.11 Key Achievements

2.12 Key success factor

2.1 Overview of Telecom Industry

Bangladesh was the first South Asian country to adopt cellular technology back in 1993 by introducing Advanced Mobile Phone System (AMPS). In fact, the first mobile license was issued back in 1989 but it took several years to launch the services. The network coverage and number of subscribers had remained very limited due to exceedingly high subscription cost and call Tariff: rates, charges payable by a subscriber for service provided and related conditions at which telecommunication services may be provided including rates and related conditions at which messages shall be transmitted, deposits, installation fees, rentals, free calls, usages charges and any other related fees or service charge and also the term tariff shall have the same meaning as contained in the telecommunication TARIFF orders issued by the Commission.

In 1996, the government led by Prime Minister Sheikh Hasina, considering the monopolistic environment prevailing in the sector, awarded three GSM licenses aimed at breaking the monopoly and making the cellular technology affordable to the general masses.

Since then, the country's cellular industry never looked back, now it has turned into the largest infrastructure provider during the last decade as sub sector within telecom sector. This sub-sector has created new opportunities by generating employment, facilitating education and health services for common people.

The mobile communications sector in Bangladesh is one of the fastest growing industries and has helped boost the economic and social development in the country in many ways

This is borne out by key economic indicators. "The inflow of foreign direct investment (FDI) grew by 26 per cent with telecommunication sector making highest growth in the 2008-09 fiscal years over that of the previous fiscal. A total of around US \$ 430 million was invested in the country's telecommunication sector, particularly by fast-growing mobile phone companies in FY 09," a recent study of Bangladesh Bank reveals. Investment from this industry as of December 2008 stands around BDT 30,000 (Thirty Thousand) crore.

Contributions of mobile industry to the National Exchequer are worth more than BDT 20,000 (Twenty Thousand) crore, as of December '08. It has generated direct and indirect employment

of 6, 75,000 (six lakh seventy five thousand) people till 2006-07 FY which has increased further in recent years.

The mobile phone sector has also made possible the availability of data enabling services across Bangladesh. Mobile internet has helped, and will likely continue, to bridge the digital divide between people with access to information and services, and those without paving the way for materializing the dream of "Digital Bangladesh". This is especially also given the greater mobile coverage reaching 97% of the population which extends into areas beyond the fixed-lines network. It was estimated that there were over 5 million mobile internet users. Geographic location as a result will become less of a barrier to social and economic inclusion, especially amongst those within the rural areas, helping support local development, avoiding unnecessary migration and improving socio-geographic structure.

"The average tariff of a pre-paid mobile in Bangladesh is the lowest in the world," the ICT Development Index 2009 of International Telecommunication Union ITU: International Telecommunication Union reveals.

The cellular industry has influenced everyday-life of the millions and made communication easier which has great impact on the economy of the country. As of today, the industry, all by itself contributes 8% of the National Revenue (2008) and invested highest amount of FDI (59%) as per the Bangladesh Bank report (2008).

Following are some highlights of the contributions of the telecom sector of Bangladesh:

- ✓ Access to telecom was only four lac people, tele-density less than 0.4% in 1997
- ✓ At present about 47.97 Million (4.7 crore) people have access to affordable telecommunication services and tele-density is more than 32%.
- ✓ Telecom voice market in Bangladesh is dominated by Mobile phone sub-sector and its percentage is 97% while PSTN: "PSTN" is the network of the world's public circuit-switched telephone networks. (land phone) is 3 % only, of which represents 2% and all private PSTN is 1%.
- ✓ Telecom Market Scenario (EoQ1 '08)
- ✓ Total Telecom Penetration is 26.73%
- ✓ Total Mobile Penetration is 25.95%

- ✓ Total internet Penetration is 0.3% (2006).
- ✓ Among the 6 million internet users, approx. 90% uses Mobile internet which means more mobile penetration will create more internet access for the people of Bangladesh

Increased mobile penetration will help in upward access to Voice & Data, E-health service for 24hours in remote areas. It opens the door for Medical advice, E-education - access to educational information, E-Governance, E-payment, E-banking and Agri-service - access to agriculture information.

Some Major Corporate Social Responsibility initiatives by Mobile Operators:

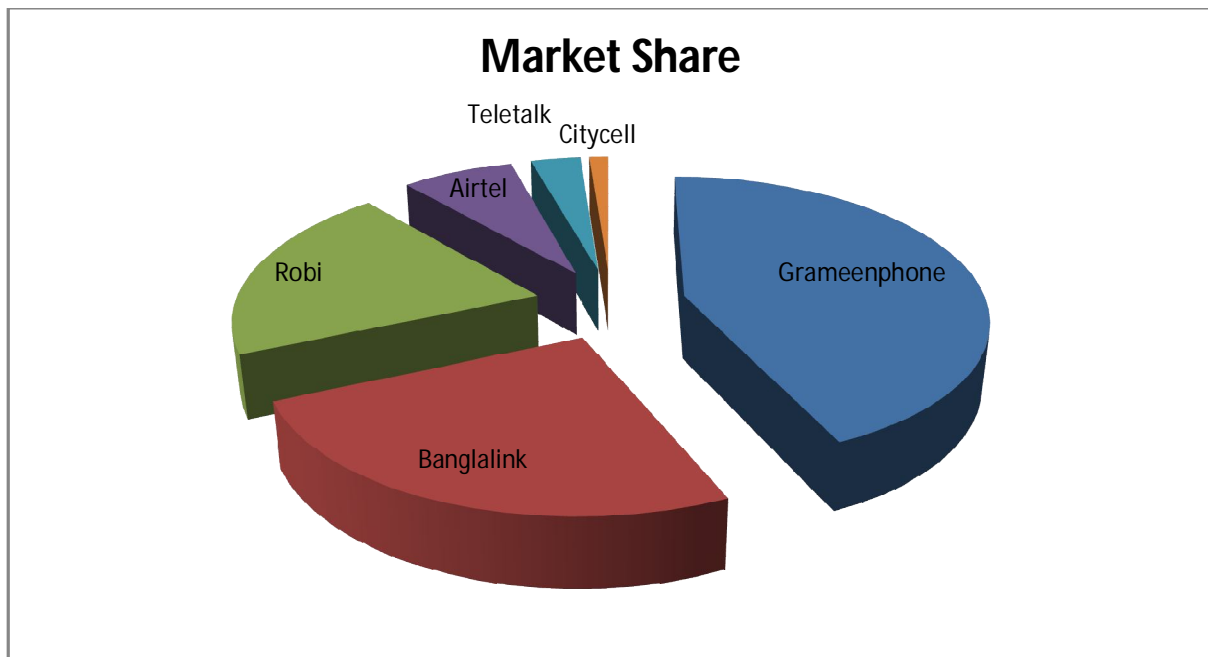
School sponsorship: Skill development training for locals, Local/foreign scholarships and training for under-privileged children

Environmental projects: Beautification of city, Cox's Bazaar beach cleaning, Airport beautification, Road safety, Preservation of Heritage, Awareness Building programs

Supporting people in need: Immediate relief support provided in flood and cyclone affected areas of Bangladesh with food, medication, money and voluntary support by the Operators.

Bangladesh was the first South Asian country to adopt cellular technology back in 1993 by introducing Advanced Mobile Phone System (AMPS). In fact, the first mobile license was issued back in 1989 but it took several years to launch the services. The network coverage and number of subscribers had remained very limited due to exorbitantly high subscription cost and call tariff.

Currently there are six telecom industries in Bangladesh. They are Grameenphone, Banglalink, Robi, Airtel and Citycell. Grameenphone is the market leader in telecom industry with a massive subscriber of 49.482 million (43%). Banglalink is the second leading telecom company with a subscriber of 29.760 million (25%). Robi Axiata Limited is the third leading telecom company in Bangladesh with a subscriber rate of 24.214 million (20%). Airtel's subscriber rate is 8.353 million (7%). Teletalk has a subscriber rate is 3.670 million (3.14%) and lastly Citycell's subscriber rate is 1.392 million (1.20%). This information is based for the month of July, 2014. The diagram below shows the market share of the overall telecom industry in Bangladesh.



2.2 Background of RobiAxiata Limited

ROBI Axiata Limited is one of the leading mobile telecom operators in Bangladesh. It is a joint venture company between Axiata Group Berhad of Malaysia and NTT Docomo Inc. of Japan. ROBI commenced operation in 1997 as Telekom Malaysia International (Bangladesh) with the brand name ‘Aktel’. With its strong network and seamless connectivity, ROBI is empowering more than 24 million people across the country. ROBI's services support 2G and 3.5G voice, CAMEL Phase II & III and 3.5G Data/GPRS/EDGE/HSPA services with high-speed Internet connectivity. Its GSM service is based on robust network architecture and cutting edge technology. The company has the widest international subscribers to roaming coverage in Bangladesh, connecting 400 operators across more than 150 countries. ROBI's customer-centric solutions include value-added services (VAS), quality customer care, digital network security and flexible tariffs. As a subsidiary of Axiata, ROBI draws from the international expertise of Axiata, using leading edge technology to provide the best-of-its-kind services in Bangladesh, covering almost 100% of the population. ROBI is committed to providing the best data and voice

quality, and will continue to ensure that its subscribers enjoy the best experience through leading edge technology, and innovative products and services.

2.3 Vision, Mission & Theme of Robi

- **Vision:** “To be the leader of telecommunication service provider in Bangladesh.”
- **Mission:** ROBI aims to achieve its vision through being number „one“ not only in terms of market share, but also by being an employer of choice with up-to-date knowledge and products geared to address the ever changing needs of the budding nation
- **Theme:** ROBI extends its services to its customers and subscribers with the theme of spreading its power to every individual and empowering them with their own strength

2.4 Principles & Purpose of Robi

Uncompromising Integrity-

- We will be legally, ethically and morally correct.
- Our conduct will be fair and honest.
- We will listen, seek understanding and encourage open dialogue.
- We will be passionate in pursuing our beliefs
- We will treat others with dignity, valuing and benefiting from diversity.
- We will be accountable for our actions and behaviors on fellow employees, customers, shareholders and the communities in which we operate.
- We will be courageous in sharing our work and bold to learn and improve from our mistakes.
- We will adhere to our Code of Conduct, protect and uphold it.

Customer at the Center-

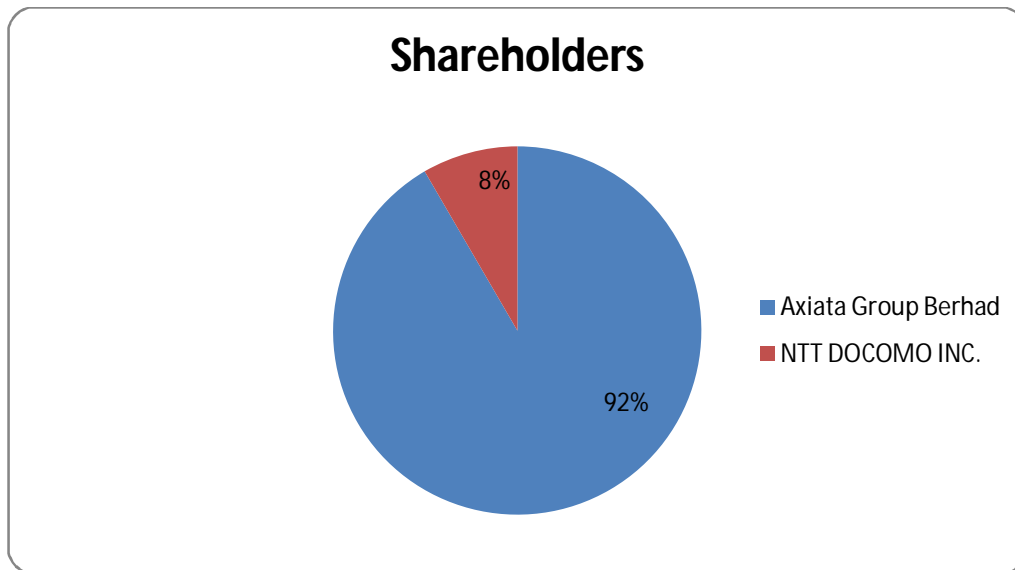
- We will be customer centric delivering their needs in terms of value, quality and satisfaction.
- Our customer focus will be unrelenting in creating positive experience, at every point of interface, sale and post-sale.
- Simplicity will be the key for the customer to learn about us, buy from us, and get support from us whenever and wherever.
- We will strive for continuous innovative solutions in every sphere of our work.
- We will engagement with the customers to know their demands and design our actions to care for them better than our competitors can.
- We will not be distracted from creating and providing value for our customers.

I Can, I will-

- Ensure our efforts produce desired results.
- Seize opportunities at the right time and execute them on time.
- Go beyond our scope, strive for and achieve excellence.
- Do what it takes to ensure delivery of results not waiting for delegation.
- Go that extra mile, setting ambitious goals to ensure our efforts bring success

2.5 Shareholders

Robi Axiata Limited is a Joint Venture company between Axiata Group Berhad and NTT DOCOMO INC. Where Axiata Group Behad holds 91.59% share and NTT DOCOMO INC. holds 8.41% share.



2.5.1 Axiata Group Berhad



Axiata Group Berhad is one of the largest Asian telecommunications group in Asia with over 250 million customers. It was incorporated on 12 June 1992 and listed on the main board of Bursa Malaysia Securities Berhad since 28 April 2008. Its principal activities are investingholding and provision of telecommunication and consultancy services on an international scale; focusing in high growth low penetration emerging markets. Axiata's vision is to be a regional champion by 2015 by piecing together the best throughout the region in connectivity, technology and talent, uniting them towards a single goal: Advancing Asia.

Axiata has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India and Singapore. In addition, the Malaysian-grown holding company has stakes in non-mobile telecommunications operations in Thailand and Pakistan.

The Group's mobile subsidiaries and associates operate under the brand name "Celcom" in Malaysia, "XL" in Indonesia, "Dialog" in Sri Lanka, "Robi" in Bangladesh, "Smart" in Cambodia, "Idea" in India and "M1" in Singapore. Added to this the Group has established a communications infrastructure solutions and services company called "edotco". Currently it has over 250 million mobile subscribers in Asia. There are more over 23,000 employees across whole Asia. As of end of December 2013, it yielded revenue of RM18.4 billion (USD 5.8 billion).

2.5.2 NTT Docomo



NTT DOCOMO INC is the world's leading mobile communications company and the largest mobile communications company in Japan. DOCOMO serves over 53 million customers, including 44 million people subscribing to FOMA™, launched as the world's first 3G mobile service based on W-CDMA in 2001. DOCOMO also offers a wide variety of leading-edge mobile multimedia services, including i-mode™, the world's most popular mobile e-mail/Internet service, used by 48 million people. With the addition of credit card and other e-wallet functions, DOCOMO mobile phones have become highly versatile tools for daily life. With cutting edge technology and innovative services DOCOMO is fast becoming a preferred lifestyle choice, continuously expanding its role in its users' lives, growing globally throughout Asia Europe and North America. NTT DOCOMO INC is listed on the Tokyo (9437), London (NDCM) and New York (DCM) stock exchanges.

2.6 Brand Elements of Robi

To establish the new brand, Robi is using new and unique brand name along with other brand elements. The elements are:

1 Logo:



2 Brand Alpona:



3 Operator Number:



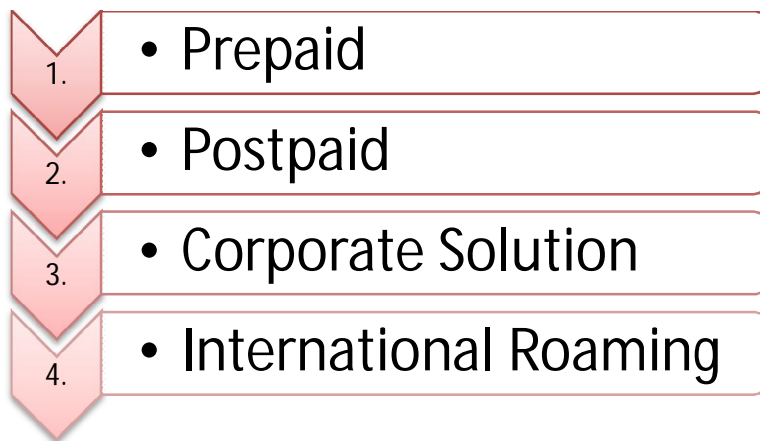
4. Slogan:



4 Axiata Brand:



2.7 Product Portfolio of Robi Axiata Limited



2.7.1 Prepaid

Robi offers attractive prices to subscribers through their prepaid packages. Subscribers can enjoy the most flexible and affordable mobile experience in Bangladesh with Robi's Prepaid Package.

With a wide array of recharge-based plans, people can chose excellent diversified packages.

Some of the prepaid packages are:

- DamalSamal 22
- Tarunno 26
- Annona 27
- Muhorto 31
- Hoot Hut 32
- Robi Club 34

- Goti 36
- Nobanno 37
- Shasroyee 38
- Shorol 39
- Uddokta and Easy Load

2.7.2 Postpaid Packages

Robi offers two types of postpaid packages to customers all around Bangladesh.

I. Postpaid Pack 1

II. Postpaid Pack 2

The overall package of both postpaid pack 1 and postpaid pack 2 is given below with a diagram respectively. These provide a total overview of the postpaid package of Robi Axiata Limited.

Tariff Plan	Package 1 (Default)
Particulars	Tk / minute
Outgoing	24 hours
To any local operator number	1.00
To RobiFnF	0.44
To other operator FnF	0.68
Line rent	Free (No condition)
SMS Charge (to any operator)	0.44
To International (ISD)	Only ISD Charges; 15-second pulse
Pulse	1 second
	Incoming
From any number worldwide	Free
Migration (free)	USSD : Dial *140*50# or SMS : Type 1 on & send SMS to 8244 Maximum one migration per day
Note	15% VAT applicable in all Tariffs

Tariff Plan	Package 2 (Default)
Particulars	Paisa / 10 seconds
Outgoing	24 hours
To any local operator number	15
To RobiPriyo numbers	5
Total number of Priyo	2
Line rent	Free (No condition)
SMS Charge (to any operator)	50
To International (ISD)	Only ISD Charges; 15-second pulse
Pulse	10 second
	Incoming
From any number worldwide	Free
Migration (free)	USSD : Dial *140*51# or SMS : Type 25 on & send SMS to 8244
	Maximum one migration per day
Note	15% VAT applicable in all Tariffs

2.7.3 Corporate Solutions

Robi Corporate is founded on a robust network employing cutting-edge technology providing the ultimate solutions in terms of voice clarity; a continuously expanding nationwide network coverage; abundant international roaming global partners; popular value added services (VAS); quality easy-access corporate customer care; competitive and tailored tariff plans and specific billing.

Benefits of Robi Corporate

- The wide range of Corporate Packages to fulfill your needs
- Zero security deposit with NO monthly line rent.
- Convenient bill payment options.
- Robi Corporate Insurance Policy.
- Cutting edge value added services like GPRS, EDGE, Personal Assistant, Corporate Messaging Platform with short code, Data and Fax call services, Call Center Solution, Fixed rate group talk plan, Customized SMS based solution.

Friends and Family (FnF)

You may select five numbers of any operators as your Friends and Family (FnF) and enjoy a significant reduction in tariff

Customized Credit Facility

Every single Robi Corporate 'Family members' may set their individual credit limits and alter it as per their requirement.

Itemized Bill

You may select five numbers of any operators as your Friends and Family (FnF) and enjoy a significant reduction in tariff

Dedicated Corporate Customer Care

Corporate Customer Care has dedicated three helpline numbers specifically equipped to serve the corporate family members and they are available. This is an 'industry-first'. Please call us on 01819210952-4 or email: corporate.help@robi.com.bd or fax: (+8802) 8832502.

2.7.4 International Roaming

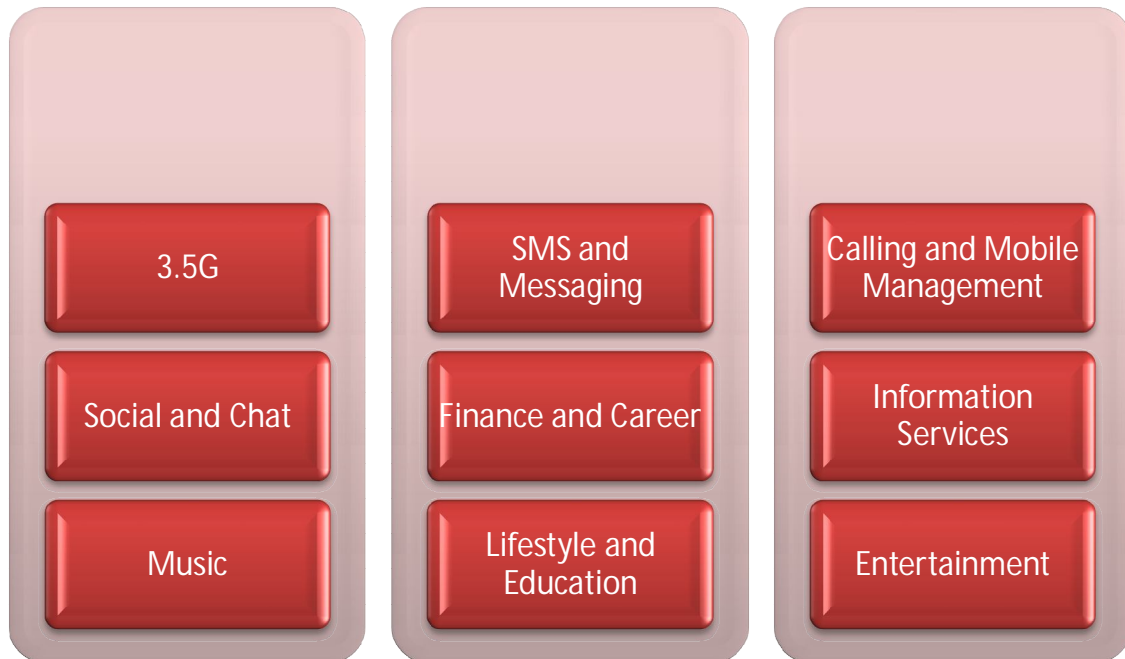
Robi International Roaming Services allows Robi Subscribers to make and receive calls while traveling to other countries; provided that Robi has to have Roaming agreements with the respective operators in foreign countries.

In international roaming Robi offers

- ❖ Global network coverage with over 573 operators and 207 countries
- ❖ Spanning over six continents
- ❖ No additional monthly charge for availing the service
- ❖ Sending and receiving SMS to and from Robi
- ❖ Internet access and web surfing through GPRS Roaming Services
- ❖ Itemized bill without additional charge
- ❖ International Roaming Tariff information Through SMS

2.8 Services of Robi

Robi comes with up with diversified sources of services for subscribers all around the world.



Current attractive offers from Robi Axiata Limited

- ❖ **Ghechang Store:** Ghechang Store is a virtual campaign store for all Robi customers, through which Robi customers can enjoy special offers and campaigns, customized and tailored to their needs and preferences. This is the first-of-its-kind virtual offer store in Bangladesh
- ❖ **Robi Samsung Joint Campaign:** Customers who will Purchase any 3G Enabled Smartphone/Tab from Samsung Branded Outlets will be eligible for free Robi Prepaid connection and following exciting data offer.
- ❖ **Emergency Balance:** Robi is offering BDT 10 Emergency balance for all prepaid subscribers except Uddokta, Easyload, Corporate and SME. Through this initiative we are allowing our customers to continue their calls during the urgent need when the balance is finished

- ❖ **BIMA life insurance:** Bima Islamic Life Insurance is a life insurance policy, with cumulative life insurance cover, offered for free to Robi pre-paid subscribers who register for the offer. Each registered Robi subscriber earns insurance cover each calendar month depending on his/her airtime usage; the more airtime used, the more insurance cover earned.
- ❖ **Robi-EBL co-branded credit card:** Robi & Eastern Bank Limited (EBL) jointly brings Co-Branded VISA Credit Card for our valued **Udoy Postpaid** customers to create synergy amongst subscribers, EBL and Robi. This initiative comes as part of the Strategic Partnership with country's leading financial institution Eastern Bank limited (EBL). It will be the 1st of its kind in Bangladesh Telecom Industry!
- ❖ **Consumer win back offer:** Robi Prepaid, Postpaid and SME subscribers not using their SIMs since May 1, 2014 [dynamic list of subscribers not using for at least 60 days] or earlier (except Uddokta, EasyLoad, and prepaid corporate) will be eligible for this campaign.
- ❖ **Bikroy.com zero rating:** Bikroy.com the number 1 market place in Bangladesh is a website where you can buy and sell almost everything. It's completely free to publish a classified ad on Bikroy.com. You can sign up for a free account and post ads easily.



2.9 Corporate Social Responsibility

- **Water treatment plant:** Safe drinking water facility for railway passengers at different divisional railway stations set up by Robi Axiata Limited. The water tank with the capacity of 5000 liter of safe drinking water per hour to meet thirst of the huge number of railway passengers (more than 55 thousands passengers traveling daily through these stations). There are separate water taps kept for male, female, one is dedicated for the disabled people and ablution. The current existing locations of water treatment plant are
 - Kamalapur Railway Station – in operation since October, 2010
 - Chittagong Railway Station- in operation since March, 2011
 - Dhaka Railway Station- in operation since October, 2012
 - Sylhet Railway Station- in operation since January, 2013
 - Khulna Railway Station- in operation since January, 2013
 - Rajshahi Railway Station- in operation since January, 2013



- **Robir Alo**

Electricity is an essential need for living but many people in Bangladesh do not have any access to it. There are still many villages without any supply of electricity thus denying the villagers there the opportunity to lead a better life. Robi has taken an initiative to contribute towards reducing the energy crisis through providing solar driven technology among the underprivileged people of off-grid areas as well as helping to reduce CO2 emission. Keeping these in mind, RobiAxiata Limited has already built a mega solar panel and distributed solar power home solution among 150 families with 2 lights & a mobile charger at Kaluar Char village of RazarhatUpazilla of Kurigram district for free of cost. This mega panel will provide electricity for 4 hours to each household along with all sort of technical supports for 5 years. Following the success and considering the importance of the project in the KaluarChar village, Robi has extended the project to another 440 houses which include several houses in this village and in adjoining villages. Under the 2nd Phase rest of the houses in Kaluarchar, the two adjacent villages Chor Joy Kumer & KismatCinay have been covered. The Grid Capacity for the 150 (Ph-1) and 440 (Ph-2) houses are 2.5 KW and 9.18 KW respectively. Under Robi's CSR pillar Environment this initiative has changed and having a positive impact on the socio economic development of the local people. In brief we can say, the project has in truer sense has illuminated their daily life and given them an opportunity to change their lifestyle and be in touch with one of the best discovery of the modern technology.



- **English in schools (EIS) :**

English in schools, the biggest ever CSR project in Robi's history is a language learning program in partnership with The Daily Star to promote English language learning at secondary schools across the country. The ground of this huge project lies on the extremely low English literacy rate (not more than 1%). The major reason behind a huge number of 'drop out' from schools is also poor performance in English. Under this 3 years (initially) long project, 1,000 secondary schools are being covered. In the first phase, all these schools are being delivered 3 copies of The Daily Star for 5 days every week free of cost, along with supplementary 'English in schools Content Page' as English learning tool both for students and teachers.



Basic Computer Training

Robi Axiata Limited has initiated a training program on Basic Computer Knowledge for the students of 72 colleges in 64 districts where Robi has already implemented Computer Corner.



- **Internet Corner**

Under this campaign Robi with the support of Department of Public Libraries has established internet corners at all seven divisional public libraries with the objective of giving opportunity to all to know the benefits of internet. Robi believes that the users will be able to explore the world through this free internet service. ROBI provides internet corner in key places like Dhaka, Chittagong, Rangpur, Khulna, Barishal, Sylhet and Rajshahi.

- **Other Initiatives**

RobiAxiata Limited organized an art competition for children of its Dhaka based employees on Saturday, June 9, 2012. The event was organized in observance of the World Environment Day 2012. The theme of the contest was “Rong Tulite Amar Prithibi” and the children drew/painted pictures portraying the world as they would want it to be. About 80 children, between the ages

of 5 to 14 participated in the art competition. The competition was rounded off with a magic show performed by popular magician Ulfat Kabir.



2.10 Divisions of Robi Axiata Limited

Robi Axiata Limited has several divisions. Robi follows a big hierarchy. In the hierarchy, there are 8 different departments which are headed by the CEO. Under each department there are several divisions. These department and divisions plays a very crucial role for the success of the company. Different department of Robi are given below:

- Human Resources Division
- Finance Division
- Technology Division
- Market Operation Division
- Corporate Strategy Division
- Corporate and Regulatory Affairs

- EPMO- Enterprise Project Management Office
- Digital Services
- Internal Audit

Market Operation

The complete market operation department has nine sub divisions which include: Business IT, Customer Experience, Sales and Services, Value Added Service, Voice and Devices, Market Strategy and Planning.

Technology

Technology department consists of six divisions which include: Compliance, Regional Operations, Central Operations, Implementation, Planning and Development.

Human Resource

Human Resource consists of four divisions: Employee Relation and Compliance, Competence Development, HR Operation, Organizational Development and Training Management.

Corporate Strategy

Main task of corporate strategy division is to analyze monthly growth, revenue, KPIs as well as develop new business proposals for Robi. The division is accountable to plan for organizational growth.

Finance

Finance is the heart of any business functions because they are responsible for budgeting. Finance division of Robi Axiata Limited is accountable for financing into different proposals, business partnering, as well as new product development. Finance controls financial accounting, creating salary sheets for employees, maintaining compliances and so on. Corporate Finance, Financial Accounting and Management Reporting, Financial Compliance, Insurance and Process, Supply Chain Management, Revenue Assurance and Fraud Management, Planning, Business

Partnering, Media Buying, Transformation Office and Company Secretary are the departments of Finance division. There are total 150 employees who work in Finance department, which is 8% of the total employee of Robi.

Enterprise Program Management

Enterprise program management (EPMO) works closely with the CXOs in developing or participating different management programs. Along with the Corporate Strategy division, EPMO defines business objectives, goals, policies for business and contribute for dissimilar projects to take place.

Internal Audit

Internal audit division of Robi works to ensure worth of operations, reliability of financial reporting, determining and investigating fraudulent activities, safeguarding assets in accordance with the law and regulations.

Digital Service

Robi Axiata formed a new division called “Robi digital services” in late 2012, primarily to serve the digital needs of its customers and to assist the underprivileged people of the country who have no access to formal banking facility. The division is equipped to deliver services in digital arena mainly Bid Data, digital money, digital advertisement, digital commerce, M2M etc. In 2013, Robi digital services significantly worked on the digital money to boost the growth of mobile money industry in Bangladesh. Digital money activities include partnership with multiple Mobile Finance Services (MFS) for their network connectivity to their agent network requirements. Also, foreign remittance payout services have been introduced, wholeheartedly serving Bangladeshi migrant worker’s families. Digital Service consists of just two divisions which are Operation and Business Development

Corporate Regulatory Affairs and Legal

This division is known as CRL which is in charge of all the CSR activities approval, analysis of event management and sponsorship, maintaining relations with media, handling legal issues by govt. and so on. Two of the most renowned faces are incorporating the division.

2.11 Key Achievements of Robi Axiata Limited

Robi touches yet another milestone in its journey from excellence to greatness. They have been awarded as the 5th Best Employer of the Year at the 22nd World HRD Congress, 2014 and also achieved awards in the categories of “Talent Management”, “Best HR strategy in line with Business”, and “Global HR Strategy”, which only strengthens that Robi are heading in the right direction.

The World HRD Congress comprises of HR professionals from 100 nations across the world. The Award is one of the most coveted of HRD Congress events and vied for by companies around the world, according to the World HRD Congress Advisory Council. The Jury board was impressed to see so many HR initiatives being successfully implemented.

The evaluation process for the awards involved an initial screening by an Academic Council, followed by a Professional Council.

Since its transformation in 2010, Robi charged forward, with an average of 20% revenue growth. They have regained No. 2 position in terms of revenue and have been identified as one of the top three employers of choice in the country. Robi have been awarded with the Emerging Market Service Provider of the Year Award at the 10th Frost & Sullivan Asia Pacific ICT Awards.

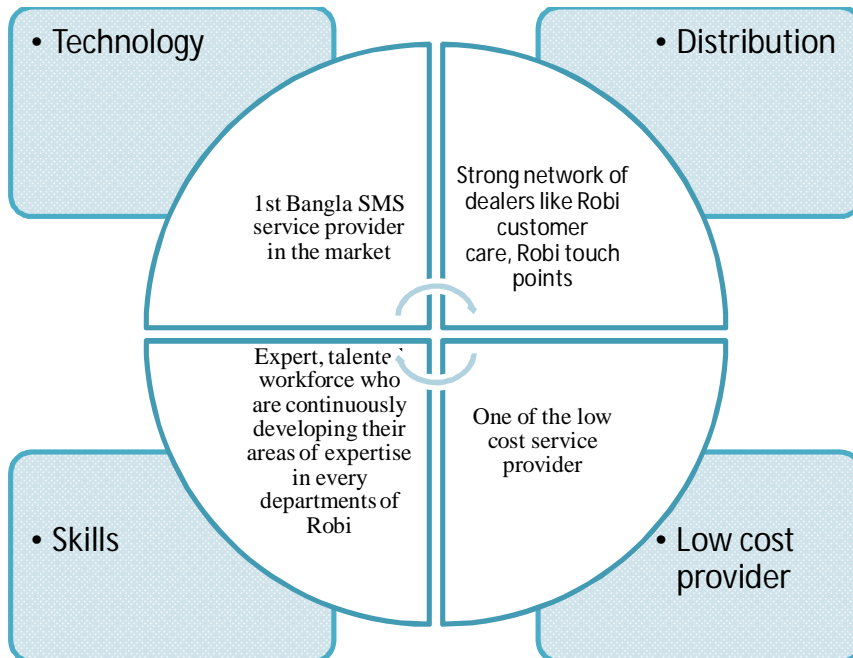
Going forward, Robi’s aim is to take the excellence achieved towards greatness, in terms of company performance and industry parameters. It is no more about holding the number 3 position in the industry but exceeding all performance parameters and gaining pace towards becoming the leading telecom operator in the country with strong local heritage.

2.12 Key Success factors of Robi Axiata Limited

Key Success Factors are those functions, activities or business practices, defined by the market and as viewed by the customer that is critical to the vendor/customer relationship.

Key Success Factors are defined by the market and by the customer, not by the company.

They revolve around skills, processes and systems. Outstanding performance in those areas results in “order winners”. Some of the possible key factors of Robi are given below





Chapter: 03

The Internship Activities

3.1 Internship Experience

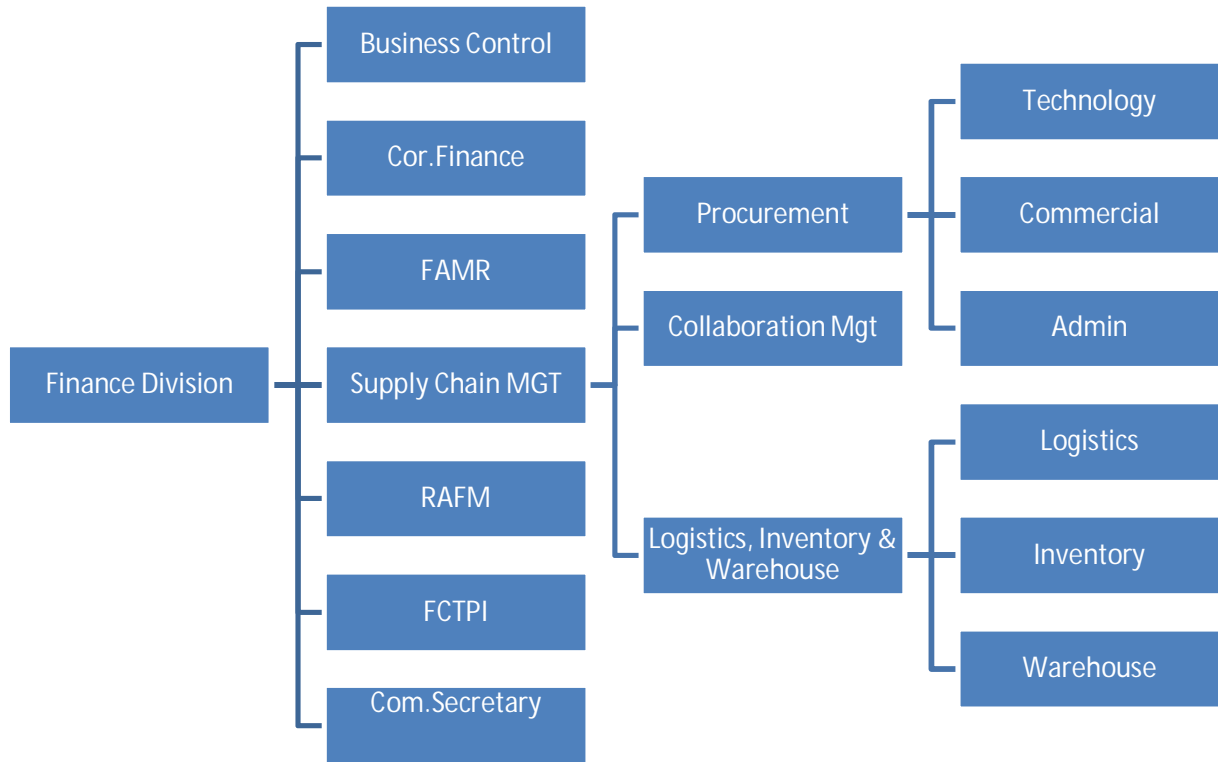
3.2 Organogram of Finance Department

3.3 Activities performed in Financial & Managerial Reporting

3.1 Internship Experience

I started working as an intern in RobiAxiata Limited from 15th May onwards to 14th August 2014. During my internship period I worked in the finance department of RobiAxiata Limited. I worked in Robi's Financial and Managerial reporting also known as FAMR. During the first week as it was new for me, I was bit nervous to interact with my fellow colleagues, but as time passed by I was enjoying the working environment as well as the work which was assign to me every time. I was assigned the job to assist the people of Financial and Managerial reporting (FAMR) maintain and check all the BTS sites of RobiAxiata Limited. During the 3 month period I was supervised by GiasUddin Al Mamun, Manager of reporting. He was extremely and very much helpful both internally and externally. He was very much humble and very amicable person. I was very much blessed to have come across people like him and also to work with and organization like Robi, which is one of the best leading telecom companies in Bangladesh. It gives us an excellent firsthand knowledge and experience of the corporate world to the new graduates. During these 3 months I was able to learn quite a few office etiquettes and culture which corporate people track. I would like to thank some other colleagues in Robi who were helpful to me. The environment, friendly behavior and excellent skilled people is just an example of the best learning place one could ever get as an intern

3.2 Finance Department of Robi Axiata Limited



I was assigned as an intern in the Financial Accounting Management Reporting of Robi Axiata Limited. **FAMR** mainly provides accounting and management support services to Robi. This includes assistance with account structures, cost centers, fund control, general ledger and accounting transaction/variance analysis, cost transfers and corrections, cost allocations, interagency allocations, regulatory and management of financial reports and accounts etc.

3.3 Asset requirement obligation

Asset retirement obligation ARO are recognized when there is a legal or constructive obligation as a result of past event for dismantling and removing an item of property, plant, and equipment and restoring the site on which the item is located and it is probable that an outflow of resources will be required to settle the obligation. And a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related property, plant and equipment. The amount recognized is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by reordering an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The group recognizes ARO in respect of roof- top base station and office space based on the present value of expected expenditure required to settle the obligation.

In my internship period I have done BTS sites agreements reconciliation related task. After reviewing 6474 BTS site documents of ROBI AXIATA I have found some problem there. I have classified that problem into 4 sections. They are

- **No Documents of Site Survey & Agreement**
- **No Specific Information**
- **Land Buying Deed Only**
- **Only SARF**

Summary	Physically Verified Sites	Agreement Status
Total Sites	6,474	
Agreements Found & Updated		5,516
Agreements Found & expired		57
Agreements not found		712
Acquired Sites		189
	6,474	6,474

Job Description during my tenure at Robi Axiata Limited as an intern

During my internship period

- Receive operating lease agreement
- Analysis them with internal link. [\\rfs\IMPLEMENTATION-SITE-DOC](#)
- Deliver to analyst for daily assessment.
- Updated information based on BICL document.
- Reviewing the document and analyze them with previous document. Receive various documents.
- Data entry.
- Analysis and update office and customer care rental, Increment, agreement and expiry date according to paper document.
- Short meeting with BICL team to update require information.
- Work with BICL to maintain the site agreement paper which they received recently.

Chapter: 04

Fixed Asset Management of Robi Axiata Limited

4.1 Overview of fixed asset management

4.2 Asset classification

4.3 Accounting of fixed assets

4.4 Types & Categories of fixed assets

4.5 Nature of Expenditure

4.6 Security and Safeguard

4.7 Dismantling, Removing and Restoring Cost

4.8 Assetization through SAP and maintenance of SAP Assets

4.9 Maintenance of SAP fixed assets register

4.10 Assetization of other assets

4.11 Physical inventory verification and tagging of equipment's

4.12 Tagging of new equipment's

4.13 Asset lost, stolen

4.14 Asset Transfer



4.15 Compliance and Monitoring

4.1 Overview of fixed asset management

Fixed Asset Management in broad-spectrum

Management of fixed assets such as buildings, fixtures and machinery that cannot be converted to a fair cash value in a timely manner. Fixed assets are often managed through the use of asset tags, which are tracked through serial numbers or bar codes, for easier organization, and are filed for the purpose of accounting, maintenance and theft deterrence

Fixed Asset Management of Robi Axiata Limited

This Property, Plants & Equipment Management Procedure (PPEME) establishes guideline for overall management of all fixed assets owned, controlled and held (or held under finance lease) by Robi which are not intended for resale and used to facilitate the operations in the best interest of the company for the long run. This governance document shall contribute to record keeping, safeguarding, accountability, proper use of all Robi's fixed assets in efficient manner. The statements contained in this procedure represent the basic intentions of Robi regarding fixed assets. They represent the foundation upon which Robi's Property; Plant & Equipment function operates, and is expected to be fairly related to the changing technologies and methods used to carry them out.

Scope of fixed assets in Robi Axiata Limited

This Procedure is applicable for all Robi employees directly and indirectly responsible for administration of any fixed asset. This document covers network and related equipment (work in progress and upon commissioning of sites), IT equipment (hardware and software), furniture & fixtures and fittings, vehicles etc. This Procedure also covers the overall management of Robi's Property, Plant and Equipment, e.g. activities and responsibilities for record keeping of all assets (including leases assets), revaluation, transfer, physical verification, estimating & reviewing of residual value, useful life & costs of dismantling, removing or restoring the site on which an item is located, impairment review, disposal procedures and overall control & maintenance of fixed assets to ensure the safeguarding of these assets.

4.2 Asset Classification

At present Robi has 13 (Thirteen) classes of assets whereas 12 (Twelve) classes for property, plant & equipment and 01 (One) class for intangible assets as depicted by Annexure-01. The classes of assets may be changed depending on its distinctive criteria in utility and useful life, for clear understanding and to be more informative in presentation and reporting. But change of asset classes shall be approved by Chief Financial Officer (CFO). Expenditure for Renovation shall be presented separately from fixed assets if the recognition criteria to be fixed asset are not fulfilled.

4.3 Accounting of fixed assets

In Robi, the Property, Plant and Equipment Policy guides the assets management from the very top level. Robi follows all the industry applicable regulations & rules, International Standards (IAS and IFRS) and industry benchmarks. Fixed Asset team under Finance division is the main custodian of the record of all the assets. Investment in assets is the most critical decision to be made so, proper level of recording and timely reporting is essential. Business Strategies and its achievement mainly depend on timely procurement and implementation. Robi management, Board/Excom and BAC are involved in Fixed Asset relevant issues as mentioned in LoA and Corporate Policy For ensuring overall governance, Robi assures to comply with relevant IFRS, Robi Policy, LOA and this document. In addition, Asset Review Committee (ARC) and Asset Disposal Committee (ADC) take the overall responsibility of fixed asset management and disposal matters.

4.3.1 *RECOGNITION OF ASSETS*

The cost of an item of fixed assets shall be recognized if, and only if:

- ❖ It is probable that future economic benefits associated with the item will flow to the entity; and
- ❖ The cost of the item can be measured reliably.
- ❖ Assets costing BDT Thirty thousand or more and having a useful life of more than one year must be recognized as fixed assets.

- ❖ Sometime a fixed asset is required to segregate into component level for better control and identification purpose. Such a component of that asset costing below BDT 30,000 (Thirty thousand) is recorded in fixed asset register. Moreover, listed (Annexure-01) items having useful life more than one year can be recorded in fixed assets register.
- ❖ Any item with the same nature of fixed assets received as a gift or acquired without purchase consideration shall also be recorded in fixed assets register as company's property.

4.3.2 MEASUREMENT AT RECOGNITION

Property, Plant and Equipment

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

The cost of an item of property, plant and equipment comprises:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Robi such as costs of site preparation, initial delivery and handling costs, installation and assembly costs, professional fees etc.
- The initial estimate of the costs of dismantling and removing (where applicable) the item and restoring the site on which it is located, the obligation for which Robi incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- Some property, plant, and equipment may require replacement at regular intervals. The carrying amount of an item of property, plant, and equipment include the cost of replacing the part of such an item when that cost is incurred if the recognition criteria (future benefits and measurement reliability) are met. The carrying amount of those parts that are replaced is derecognized in accordance with the de-recognition provisions (if applicable).

- Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management. Therefore, costs incurred in using or redeploying an item is not included in the carrying amount of that item.

4.3.3 LEASE

The following principles should be applied in the financial statements of lessees:

- ❖ At commencement of the lease term, finance leases should be recorded as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments (discounted at the interest rate implicit in the lease, if practicable, or else at the entity's incremental borrowing rate)
- ❖ Finance lease payments should be apportioned between the finance charge and the reduction of the outstanding liability (the finance charge to be allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability)
- ❖ The depreciation policy for assets held under finance leases should be consistent with that for owned assets. If there is no reasonable certainty that the lessee will obtain ownership at the end of the lease – the asset should be depreciated over the shorter of the lease term or the life of the asset
- ❖ For operating leases, the lease payments should be recognized as an expense in the income statement over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern of the user's benefit
- ❖ Any initial direct costs of the lessee are added to the amount recognized as an asset. This treatment does not apply to manufacturer or dealer lessors where such cost recognition is as an expense when the selling profit is recognized
- ❖ However, a lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. All other leases are classified as operating leases. Classification is made at the inception of the lease.
- ❖ Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form. Situations that would normally lead to a lease being classified as a finance lease include the following:
- ❖ The lease transfers ownership of the asset to the lessee by the end of the lease term

- ❖ The lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than fair value at the date the option becomes exercisable that, at the inception of the lease, it is reasonably certain that the option will be exercised
- ❖ The lease term is for the major part of the economic life of the asset, even if title is not transferred
- ❖ At the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset
- ❖ The lease assets are of a specialized nature such that only the lessee can use them without major modifications being made

Other situations that might also lead to classification as a finance lease are:

- ❖ If the lessee is entitled to cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee
- ❖ Gains or losses from fluctuations in the fair value of the residual fall to the lessee (for example, by means of a rebate of lease payments)
- ❖ The lessee has the ability to continue to lease for a secondary period at a rent that is substantially lower than market rent.

4.3.4 Intangible Assets

An intangible asset shall be measured initially at cost.

- ✓ FA team with prior approval from management assess the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.
- ✓ The cost of a separately acquired intangible asset comprises:
- ✓ Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- ✓ Any directly attributable cost of preparing the asset for its intended use.
- ✓ Research costs to be expensed as incurred.

- ✓ Development costs are to be capitalized when a project has obtained internal sanction and the future recoverability of such costs can reasonably be regarded as assumed.

Subsequent expenditure on an intangible asset after its purchase or completion should be recognized as an expense when it is incurred, unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and the expenditure can be measured and attributed to the asset reliably. Any development cost involved for performance improvement for any system (e.g. Cost involved in changing system configuration) should be capitalized. New license and its renewal cost should be capitalized.

4.3.5 MEASUREMENT AFTER RECOGNITION

After initial recognition, an item of property, plant and equipment and also intangible assets shall be carried at its cost less any accumulated depreciation/amortization and any accumulated impairment losses. The replacement cost of any parts of an asset should also be considered for measurement.

In the case of finance lease minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents shall be charged as expenses in the periods in which they are incurred.

All finance leases will give rise to depreciation expense for depreciable assets as well as finance expense for each accounting period.

4.3.6 REVALUATION

Subject to approval of Board of Directors (BOD) and considering the following conditions, fixed assets may be revalued once in every three years if the fair value of the concerned asset differs materially from its carrying value:

- Revaluation of fixed assets should be made regularly to ensure that the carrying amount does not differ materially from that of determined using fair value at the balance sheet date.
- BOD approval is essential for any revision on value.
- If an item of fixed assets is revalued, the entire class of that asset shall be revalued.
- If an asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.
- If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be debited directly to equity under the heading of revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
- The revaluation surplus to be transferred directly to retained earnings when the surplus is realized. The entire surplus for an asset may be realized upon derecognizing/retirement/disposal of the assets. However, some of the surplus may be transferred as the asset is used by an entity.

4.3.7 Borrowing Cost

The amount of interest on term loan obtained and used exclusively for the purchase / acquisition of capital assets is being capitalized up to the point of asset recognition. Subsequent cost is charged to statement of comprehensive income.

4.3.8 SUBSEQUENT COST

Subsequent expenditure incurred on the assets for the betterment is capitalized only if the expenditure increases the assets useful lives or economic benefits beyond those originally assessed. Depletion/amortization is charged as per the useful life. If the useful life gets changed then it will affect the depreciation charge and will be charged prospectively.

4.3.9 EXCHANGE OF ASSETS OR SWAP

One or more items of fixed assets which belong to Robi may be exchanged for other assets(s) in the form of SWAP. MC, BAC, Board approvals are required prior to any commitment regarding exchange/SWAP.

4.3.10 DEPRECIATION / AMORTIZATION

All Fixed Assets excluding leasehold land shall be depreciated / amortized from the date of capitalization (i.e., from the time they are brought into use) on a straight-line basis over their estimated useful life as depicted by Annexure-01.

- I. If there is no reasonable certainty that Robi will obtain ownership by the end of the lease term, an item of fixed assets acquired under finance lease shall be depreciated over the shorter of the lease term and its useful life.
- II. The depreciation charge for each period shall be recognized in profit or loss unless it is included in the carrying amount of another asset.
- III. The amortization amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life.

4.3.11 IMPAIRMENT OF ASSETS

An asset is impaired when its carrying amount exceeds its recoverable amount. ARC shall conduct the impairment process that includes:

- Assessing the indication of impairment at each reporting date,
- Preparing the list of impaired items,
- Calculating the recoverable amount by determining the higher amount between fair value less cost to sell and value in use,
- Calculating the impairment loss or reversal of impairment loss,
- Monitoring and reviewing the impairment process, calculation of recoverable amount
- Communicating with concerned authority for approval as per LOA

- Forwarding the approved documents to FA Team to account for the impairment loss as per accounting standards.
- The ARC team shall also assess at each reporting date whether there is any indication (as per IAS 36) that an asset may be impaired. If any such indication exists, it shall estimate the recoverable amount of the asset.

4.3.11 DETERMINING/REVIEWING THE USEFUL LIFE

The estimation of useful life of an asset is a matter of judgment based on the experience of the entity with similar assets and technological advancement.

ARC shall review the useful life at least on each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with IAS 8.

In determining/reviewing the useful life of an asset the following factors are considered:

- I. Expected usage of the asset. Usage is assessed by reference to the asset's expected capacity or physical output.
- II. Expected physical wear and tear, which depends on operational factors such as the number of shifts for which the asset is to be used and the repair and maintenance program, and the care and maintenance of the asset while idle.
- III. Technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset.
- IV. Legal or similar limits on the use of the asset, such as the expiry dates of related leases.

4.4 Types & Categories of Fixed Asset of Robi Axiata Limited

(CATEGORY OF ASSETS)

Asset Class in SAP, Category of Assets, Useful Life of Assets in Years and Depreciation Rates are depicted by the following Annexure-1 which may be changed subsequently as required without changing/revising this FAPP:

Sln.	Asset Class in SAP	Category of Assets	Useful Life in Years	Depreciation Rate
1	B100	Land	€	0%
2	B200	Building	5-40	2.50%-20%
3	B300	Telecom Equipments	5-15	7%-20%
4	B350	Telecom Infrastructure	10	10%
5	B400	Billing Equipments	5	20%
6	B450	Office Equipments	5	20%
7	B500	Other Equipment	5	20%
8	B550	IT Infrastructure	5	20%
9	B600	IT Applications	5	20%
10	B700	Support Systems	4	25%
11	B800	Furniture & Fixtures	8	12%
12	B850	Motor Vehicles	5	20%

13	B950	Intangible Assets	4	25%
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4.5 Nature of Expenditure

An amount spent to acquire or upgrade productive assets (such as buildings, machinery and equipment, vehicles) in order to increase the capacity or efficiency of a company for more than one accounting period. It is also called capital spending. The amount of capital expenditures a company is likely to have depends on the industry it occupies. Some of the most capital intensive industries include oil, telecom and utilities. In terms of accounting, an expense is considered to be a capital expenditure when the asset is a newly purchased capital asset or an investment that improves the useful life of an existing capital asset. If an expense is a capital expenditure, it needs to be capitalized; this requires the company to spread the cost of the expenditure over the useful life of the asset. If, however, the expense is one that maintains the asset at its current condition, the cost is deducted fully in the year of the expense.

4.6 SECURITY AND SAFEGUARD

All classes of Property, Plant and Equipment's shall be adequately insured and the coverage shall be reviewed on a periodic basis. Access to Property, Plant and Equipment records shall be restricted. Adequate measures shall be taken to ensure the Accuracy of Property, Plant and Equipment data, which shall be properly safeguarded against manipulation or corruption, including the use of password protection on computerized records. Moveable Property, Plant and Equipment's shall be tagged and given a number based on classification of the assets and their location. Procedures shall be established to ensure the timeliness and completeness of assets tagging

4.6.1 INSURANCE OF ASSETS

FA, Finance must provide with necessary information (list of insurable assets) relating to insurance coverage to the Insurance Unit under Corporate Finance, so that insurance coverage can be taken. However, Insurance Unit is responsible to take necessary insurance irrespective of nature and location of insurable assets. FA, Finance shall ensure the update information of all assets of Robi to be insured on monthly basis when necessary. In this connection the close coordination is a must between FA, Finance and Insurance unit. Moreover, a reconciliation meeting should be held at regular interval. For any damage received for any loss due to any incidents (e.g fire, cyclone, etc) insurance unit will be notified by FA team and accordingly claim to insurance company for damage items. Upon settlement, FA team will obtain approval as per LOA and pass necessary entry in FAR.

4.6.2 DISPOSAL

- Respective department/ division identify unused/idle/scrap/obsolete/ lost assets/ items as per Disposable items Identification Process.
- Respective warehouse in-charge or head of region will prepare a report for Fixed Asset unit mentioning asset number, serial number/part number/equipment number, current location with condition of the items
- Fixed Asset (FA) of Finance checks & reconciles the report with the Asset register and segregate the report in Asset and Non Asset Portion. For Asset, Fixed Asset team put the capitalization date, capitalization cost and Book Value of each asset in the report and submits it to Asset review Committee (ARC). On the other hand, Fixed Asset team submits the Non Asset items to Head of FAMR for Auction.
- After receiving the report, Asset Review Committee (ARC) forms a Asset Disposal committee (ADC) consisting the representatives from user department, Administration, SCM and Fixed Asset unit, Technical expert (If required) for carrying out the disposal process.
- ADC checks and verifies the report provided by Fixed Asset of Finance. If any discrepancies/confusion observed after reviewing report and approved check list, the

team may physically verify the assets and communicate with the respective department for necessary clarification.

- Asset review committee checks the certified report of ADC and arranges to fill the Asset Disposal Form by the user department. After filling the Asset Disposal Form, appropriate management as per LOA approves the assets for disposal
- ADC analyzes the approved disposable assets, whether any these item require any regulatory permission for disposal.
- If the assets require permissions from BTRC, Ministry of Commerce, Department of Environment, Controller of Export and Import (CCEI) etc. for disposing, ADC arranges to get approval from regulatory body through Corporate, Regulatory & Legal (CRL).
- Upon obtaining regulatory permission for disposing or scrapping the assets ADC arranges to dispose the assets as per management approval and regulatory requirements.
- ADC arranges to sell the assets through auction process. If the assets need to scrap, ADC will arrange to destruct the assets as per applicable policy, procedure &LoA. If the assets decided to donate, ADC arrange to donate the assets
- After successful handover the assets to the bidder(s), Fixed Asset team will pass necessary disposal entry in SAP as per LOA.

4.7 DISMANTLING, REMOVING AND RESTORING COST

The cost of an item of fixed assets should comprise the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located (where applicable), the obligation for which Robi incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. Asset Review Committee based on the information provided by the FA, Finance shall assess these costs time to time (if applicable), if necessary.

4.8 ASSETIZATION THROUGH SAP AND MAINTANENCE OF SAP ASSETS REGISTER

4.8.1 RECORDING ASSETS UNDER CONSTRUCTION

Annual business plan is prepared for the upcoming year and approved by the board. Based on the expansion plan as per approved BP, planning department of technology division takes number of projects to implement during the year

4.9 ASSETIZATION THROUGH SAP

4.9.1 Assetization of BSS (BSC), MSC, IN, IP, Server

Upon completion of all acceptance test successfully and based on confirmation & documentation, assets are capitalized in SAP and for network assets, assets are capitalized in SAP upon TECO in SAP

4.9.2 Assetization of BSS (BTS)

- Technology Planning prepares a list of BTSs to test the on air based on the readiness of site, which is aligned to the quarterly plan provided by Technology Planning and circulated the list to Implementation team to conduct the on air test.
- When material/services are delivered and installed at sites, power is connected to the site and Central Network Configuration configure the site implementation checks the data Traffic.
- Access Network Implementation collects WBS wise project data in connection with acceptance of different WBSs to submit TECO in SAP for capitalization.
- Access Network Implementation submits TECO for BTS capitalization in SAP. The submission of WBS wise TECO is dependent on the BTS TECO, i.e, unless and until BTS TECO is submitted, no other TECO will be processed in SAP for any particular project. If civil/infra/power remains incomplete even after on airing the site, TECO for

those WBSs are submitted after completing the necessary works. Respective unit of implementation ensures to submit the civil/infra bills by vendors within 10 days and never exceeding 30 days from completion of work.

- Based on the TECO in SAP project system (PS), Fixed Asset team transfers asset under construction to fixed asset in SAP and update the asset in SAP Fixed Asset Register on daily basis.

4.10 MAINTANENCE OF SAP FIXED ASSETS REGISTER

SAP Fixed Asset Register should contain sufficient information for identification of assets and to provide complete and up-to-date capitalized assets. The primary responsibility to maintain the register lies with Fixed Asset Team of Finance. Moreover, respective division is held responsible for the activities relating to any matter with respect to fixed assets.

4.11 ASSETIZATION OF OTHER ASSETS

Fixed assets other than network assets should be recognized as assets whether they are acquired/purchased through Standard Procurement Process or any other means and when it is probable that:

- ❖ It is probable that the future economic benefits associated with the asset will flow to the entity, and
- ❖ The cost of the asset can be measured reliably.
- ❖ This recognition principle is applied to all property, plant, and equipment costs at the time they are incurred. These costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it.

Component of Asset Evaluation

Any item of property, plant and equipment will initially be recorded at cost. Cost includes all costs necessary to bring the asset to working condition for its intended use. The components for asset valuation, for example, given in the diagram above.

Concerned user (Technology, Market Operation, HR, Finance, Digital Services etc.) takes business case approval (as per LOA)/office approval note (as applicable) with support of IPF team (capex business partner). In SAP, for other than network assets, a separate project is created by User in Project System (PS) module. The project consists of different Work Breakdown Structure (WBS). In the system Purchase Requisition (PR) is raised and released as per Limits of Authority. Before Release the PR system checks the budget, without availability of budget, system does not allow to release the PR. Concerned person from Supply Chain Management (SCM) issues Purchase Order (PO) based on the PR. Based on PO Line item concerned user does the Goods Receipt (GR)/Service Entry Sheet in the System

COMPONENT OF ASSET VALUATION

Network Assets		Other Assets	
Components	Value	Components	Value
LC Opening Cost (as applicable)	XXX	Cost of Assets	XXX
Material Cost	XXX		
All Direct Landed Cost:		All Direct Cost; e.g.	
C&F Commission		C&F Commission (as applicable),	XXX
Insurance Premium	XXX	Insurance Premium (as applicable),	XXX
Consultancy Fees	XXX	Consultancy Fees,	XXX
site preparation	XXX	delivery and handling,	XXX
Site Architecture	XXX	installation	XXX
delivery and handling	XXX	Forex Loss (as applicable)	XXX
installation	XXX	Any other direct costs related make the	XXX
Forex Loss	XXX	asset for its intended use	XXX
Any other direct costs related	XXX	Etc.	
make the asset for its intended use.	XXX		
Decommissioning Cost			

4.12 PHYSICAL INVENTORY VERIFICATION AND TAGGING OF EQUIPMENTS

PHYSICAL INVENTORY VERIFICATION

- ✓ Physical inventory verification consists of detecting assets, verifying their location and explaining any changes/discrepancies, and reconciling the property with the SAP fixed asset register (Asset Module).
- ✓ Each department is required to maintain control over all assets under their ownership.
- ✓ All fixed assets shall be verified minimum once in every three years.
- ✓ Fixed asset team, IT and Implementation, Regional Operation and QA & SPMS of technological division and Admin will establish a timetable for verification work and coordinate with each other's and to conduct the Asset verification work.
- ✓ All divisional responsible persons should assist in conducting physical verification at their end.
- ✓ Discrepancies between recorded and actual physical asset must be resolved in a timely manner through the submission of revised input entries and tagging and necessary approval process will be followed as per LoA.
- ✓ All the equipment located at the site/network equipment will be checked for tag number or for alternative way of identification and traced back to the asset listing with the following physical attribute fields rechecked; location, responsible person,
- ✓ Equipment condition, equipment availability and availability of asset tags.
- ✓ Additions transfer, and any changes to FAR records must be incorporated in the verification reports.
- ✓ If tagged items are missing from the asset listing inventory listing, or if untagged items are identified that should be noted separately.
- ✓ A sampling of items with tags should be made and traced to the inventory listing to ensure it is recorded. Also, a sampling of items from the listing should be made to ensure the physical existence of the item.
- ✓ Once all the locations have been checked for tagged, untagged, recorded or unrecorded items, the required adjustment changes will be processed by the Fixed asset team

- ✓ Fixed Asset Team of finance will initiate the periodic physical verification of fixed assets. Before conducting the inventories of assets they will notify the responsible person(s) of the respective department the date of physical inventory verification.
- ✓ A list of fixed assets shall be collected from Fixed Asset Team by each verification team before conducting the physical verification.
- ✓ Changes affecting property condition or location must be reported to Fixed Asset Team by the responsible person of the respective user department.
- ✓ Any unrecorded, unused discarded or scrapped assets found on the spot must be noted on the inventory report by the checker and immediately report to the FA, Finance for necessary updates as per LOA.
- ✓ Any items found to be unrecorded or not physically existing should be listed as a discrepancy
- ✓ While checking, the team must verify the assets found on the spot and reconciled them with the record. They will also notify the information regarding the equipment that is not tagged, scrapped or stolen. For equipment that cannot be located must be noted in detail. The respective department in charge must sign the checklist. Robi internal audit team to be informed in case lost and stolen
- ✓ The periodic reconciliation reports, root cause of discrepancies and recommended actions to be taken shall be provided to Robi CFO. The results of the periodic physical verification shall be reported to Group Finance.

4.13 TAGGING OF NEW EQUIPMENT

- I. In case of receiving any new fixed asset by a department, concerned personnel of the FA, Finance shall tag it with the appropriate tag number after getting the relevant documents and information of that asset. The property custodian should make the equipment available for tagging who will also be responsible for keeping the tag. The code or asset ID# for tagging will be the 12 Digit's unique code for each asset as per SAP Asset Register.
- II. If an asset is found without tag at the time of physical verification, it should be tagged immediately after reconciling and confirming the relevant information of that asset with SAP register. And if the information of that asset is not available in SAP register, it shall

be reported to FA, finance centrally and Plant Maintenance of Technical Division (as required) with detailed information immediately.

- III. Motor vehicles, land, Buildings, MW Link(PDH,SDH), Core Items (HLR, SG, SCP, MSC, IN, VAS equipment's, etc) IT equipment's (IT server, Switch, Router, laptop), Telecom Infra: (Civil works, Tower, Electrical Connection, Pole), other equipment's: (generator, DB board, IVS, fuel pump, fuel buddy), Intangible assets (software) are not required for tagging. Alternatively, Asset management team can tag without hampering performance of the asset for identification and control purpose.

4.14 ASSET LOST, STOLEN

Custodian has the sole responsibility for the asset(s). In case of any lost/stolen asset, it must be reported to the supervisor/departmental Head & FA team and then inform to the nearest Police Station immediately through GD in writing indicating the quantity, amount stolen and other relevant information. Concerned supervisor will notify the insurance personnel and may form a committee to investigate the entire incident with the permission of Head of FAMR, Financial Compliance and Head of Legal.

4.15 ASSET TRANSFER

- Asset transfer comes in a process when there is a requirement of transfer of asset, which may because of fault in asset or up-gradation of the existing one/technological change, lost, damage or out of order of asset, SoC system generated notification of any default or any operational need from any end etc.
- The assets are transferred from Site to Warehouse, Warehouse to site, one location/ site to another site within and outside the region.
- Concerned person of user Department (Technician/Engineer of O&M, Implementation & Infra, Central Operation, Power, Admin, Warehouse, Dev. etc.) create Work Order through PM module of SAP to get permission from his supervisor to initiate the transfer.

- Authorized person of concerned dept. checks the list of WO in SAP selecting respective Plant to take necessary steps to resolve the issue.
- After checking, authorized person of concerned department releases the Work Order in SAP and identify the appropriate person/persons to generate a mail notification for physical transfer of the asset.
- If the mail is generated to the concerned person of other region/warehouse/same region, he may accept or reject the transfer request.
- In case of accepting request for Telco items, concerned person does the physical transfer against the Work Order filling the relevant information of Asset and notify the receiver of assets to provide TECO for confirming the transfer process.
- In case of accepting request of Non-Telco items, Concerned person of other region/warehouse/same region (as applicable) does the physical transfer of Asset and notify the receiver of assets to provide TECO for confirming the transfer process.
- A printed released work order is required (as gate pass) for physical transfer. Where printed WO is not available, the existing Asset Transfer Form is used as gate pass.
- When the asset is transferred from site to warehouse, the receiver (WH) updates and completes TECO in SAP to confirm the transfer.
- At warehouse, when the equipment are not repairable and no more required than those are treated under disposal process.
- As per the type of fixed asset, the concerned receiver completes TECO in SAP to close the WO.
- Fixed Asset (FA) of Finance extracts a report for open work orders for any asset transfer from SAP on weekly basis. They analyze those through ageing and take necessary actions to resolve pending issues (Open Work Orders). In addition to that, Fixed Asset team goes for physical verification on timely basis and update the register accordingly.

4.16 COMPLIANCE & MONITORING

At least once in every quarter, Internal Audit will conduct surprised audit of stock taking at any territory. The individual conducts the audit, will be someone other than the custodian of the assets of same location. Assets are subject to audit on any time by the:

- Financial Compliance Team
- FA Team
- Internal Audit

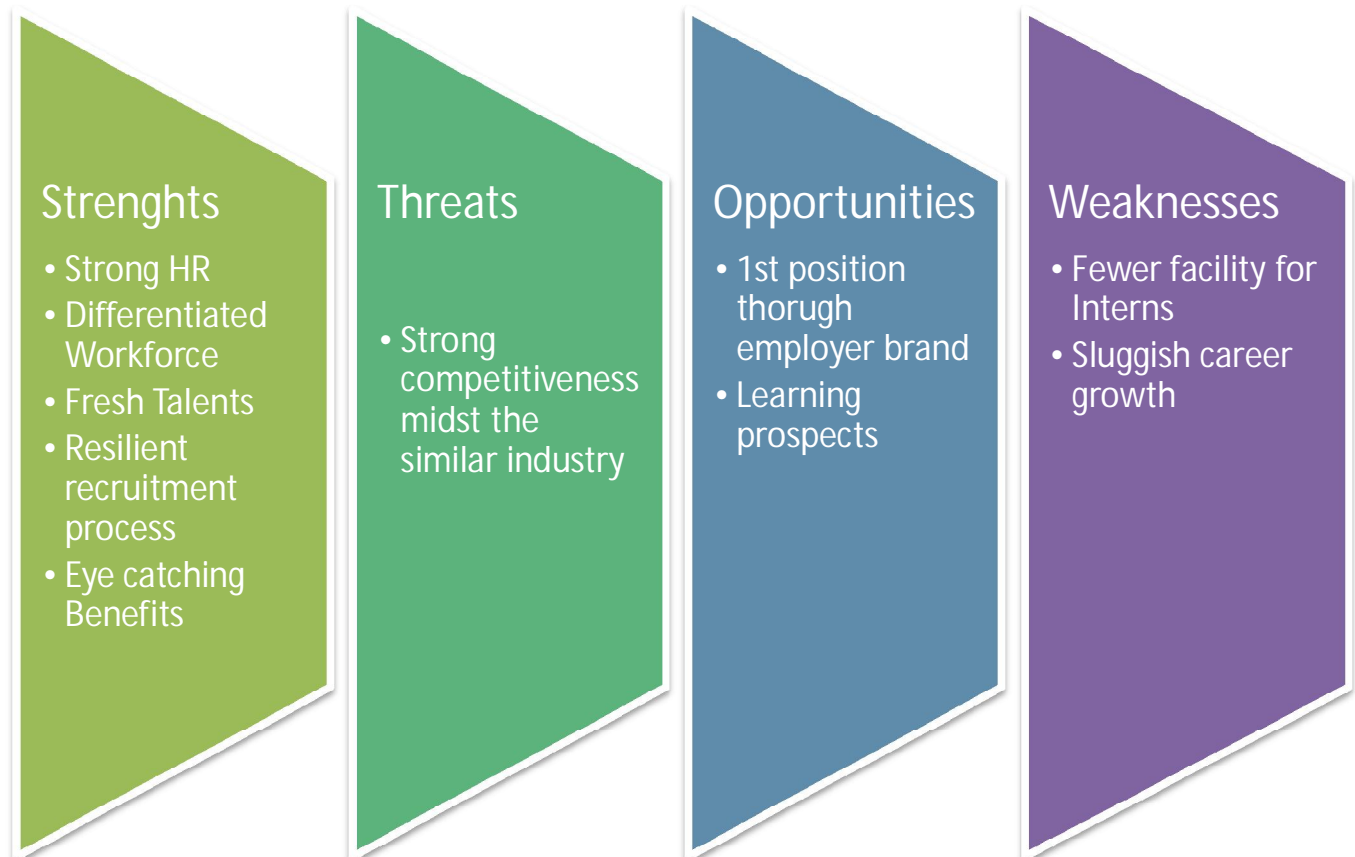


Chapter: 05

SWOT Analysis of Robi Axiata Limited

5.1 SWOT Analysis

In comparison with the top two telecom companies in Bangladesh I tried to come up with a SWOT analysis of Robi Axiata Ltd. The SWOT Analysis is described below:-



5.11 Strength

➤ **Strong HR:**

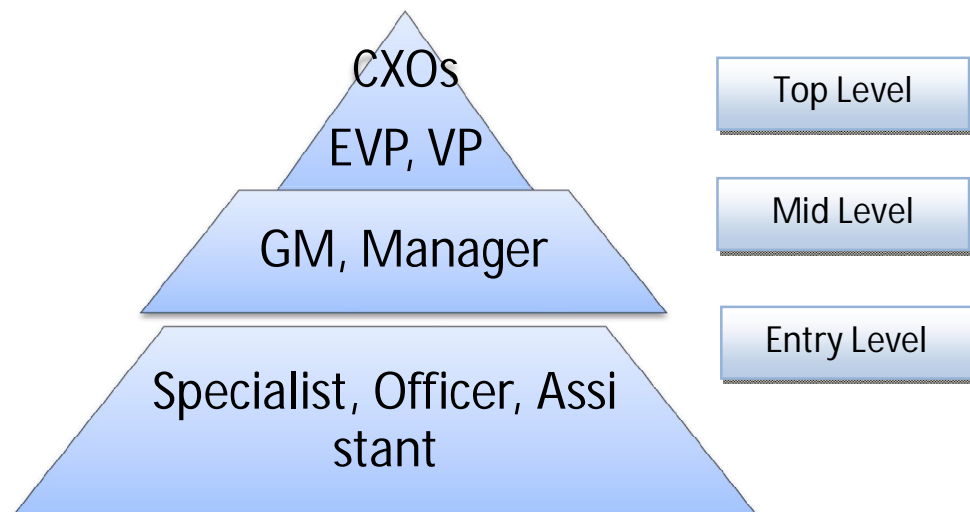
Rubi has a very robust Human Resource division. There are numerous departments in HR. Employees those who are working in HR are proficient into their precise field. They are flawlessly running the organization. They provide appropriate guideline to manage the human resources of the organization. They motivate employees to exercise high energy levels through diverse ways. They raise employee’s commitment and loyalty to the organization.

➤ **Differentiated workforce:**

I have already mentioned all the divisions in my report. Under these divisions there are many departments. It created an expand workforce at Rubi. Many talents are working under those departments into various projects.

➤ **Fresh talents:**

There is more entry level and mid-level positions at Rubi. The position diagram of Rubi is given below:



In entry and mid-level positions most of the employees are fresher or young. They also prefer young talents more on those positions. According to them they are enthusiastic, potential and their interest to learn grow the mentality to work hard.

➤ **Resilient recruitment process:**

Robi follows a very strong recruitment process before recruiting an employee for any position. They follow different recruitment tools. They take written test, case study discussion, panel interview, presentation session. Sometimes they take multiple interviews when there is a long candidate pool. These various recruitment tools help them to select the best employees.

➤ **Eye-catching benefits:**

Robi provides its employees attractive benefits and facilities. For this reason those who are currently working into the organization they don't think of leaving Robi.

6.1.2 Weakness

➤ **Fewer facility for the interns:**

In Robi interns are treated as a temporary employee. They are tough the whole corporate culture but they are not given any facilities rather than a small amount of salary. While working at I personally faced the problem. On the other hand Grameenphone is not paying the interns but they are giving them transportation and food as a facility. Banglalink is giving salary and food to the interns. That why students prefer Grameenphone and Banglalink for internship Than Robi.

➤ **Sluggish career progress:**

In Robi the career growth of employees are very slow. During my internship period one employee said that he is working in that entry level position for last 4 years. The reason is, the person who is working in top level as an Executive Vice President he or she is highly paid. Unless he or she is not going to get a get that position won't be vacant. So there is no vacancy in the top level. That's why the career growth is very slow. Sometimes employees leave the organization for this reason.

6.1.3 *Opportunity*

➤ **First position through employer brand:**

In telecom sector Robi currently holds the third position. After the rebrand of Robi from AKTEL they have developed a lot. They are positive that slowly and gradually the employer Branding methods are going to make them the number one Employer of choice. Robi should not plan only to acquire and use talent, but to develop them as well, not only on a local basis but at a global level.

➤ **Learning prospect:**

As Robi has a very strong HR into their organization, so they have the opportunity to set new strategies about creating learning opportunities for the employees. It is to make them competent in front of the competitors.

6.1.4 *Threats*

➤ **Strong competitiveness amidst the similar industry:**

Grameenphone and Banglalink are the strong competitors for Robi in terms of revenue and employer brand. Also many talents are working on those organizations. For those today these two companies are in top positions. It will be a tough job to compete them. To face these two strong competitors Robi should always make alternative plan so that they can easily face them.



Chapter: 06

Ratio Analysis

6.1 Definition of Ratio Analysis

6.2 Ratios used for the analysis part

6.3 Analysis on the ratios

6.1 Definition of Financial Ratios

Ratio analysis is based on line items in financial statements like the balance sheet, income statement and cash flow statement; the ratios of one item – or a combination of items - to another item or combination are then calculated. Ratio analysis is used to evaluate various aspects of a company's operating and financial performance such as its efficiency, liquidity, profitability and solvency. The trend of these ratios over time is studied to check whether they are improving or deteriorating. Ratios are also compared across different companies in the same sector to see how they stack up, and to get an idea of comparative valuations. Ratio analysis is a keystone of essential analysis. In my report I was not given enough information about the financial statements of Robi and due to this reason I was unable to conduct an in depth analysis of the financial performance of Robi Axiata Limited. Therefore I choose to conduct the financial performance of Axiata group berhad (Parent company of Robi). Trend analysis has been assessed in this section to compare the performance of Axiata group over the past three years. Throughout these chapter the Liquidity ratios, Asset management ratio, Debt management ratio and Profitability ratio have been assessed. The ratios used in the report are given below with the corresponding formulas.

6.2 Ratios used for analysis

$$\text{Current Ratio} = \frac{\text{CurrentAsset}}{\text{CurrentLiability}}$$

$$\text{Quick Ratio} = \frac{(\text{CurrentAsset} - \text{Inventory})}{\text{CurrentLiability}}$$

$$\text{Inventory Turnover Ratio} = \frac{\text{Sales}}{\text{Inventories}}$$

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

$$\text{Days Sales Outstanding} = \frac{\frac{\text{Receivables}}{\text{AnnualSales}}}{365}$$

$$\text{Debt to Asset Ratio} = \frac{\text{TotalDebt}}{\text{TotalAssets}}$$

$$\text{Times Interest Earned} = \frac{\text{Earningsbeforeinterestandtaxes}}{\text{Interestcharges}}$$

$$\text{Return on equity} = \frac{\text{Netincomeavailabletocommonstockholders}}{\text{TotalEquity}}$$

$$\text{Return on assets} = \frac{\text{Netincomeavailabletocommonstockholders}}{\text{TotalAssets}}$$

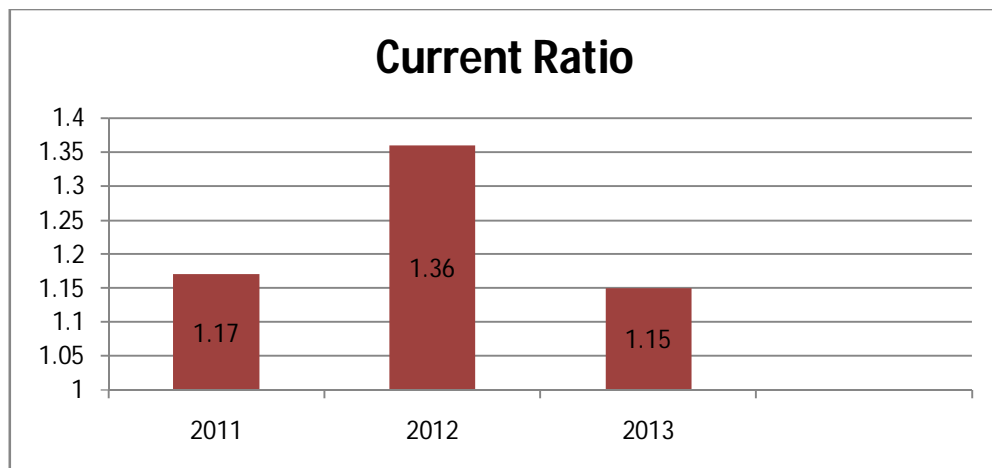
$$\text{Net Profit Margin} = \frac{\text{Net income available to common stockholders}}{\text{Sales}}$$

6.3 Analysis on the financial ratios

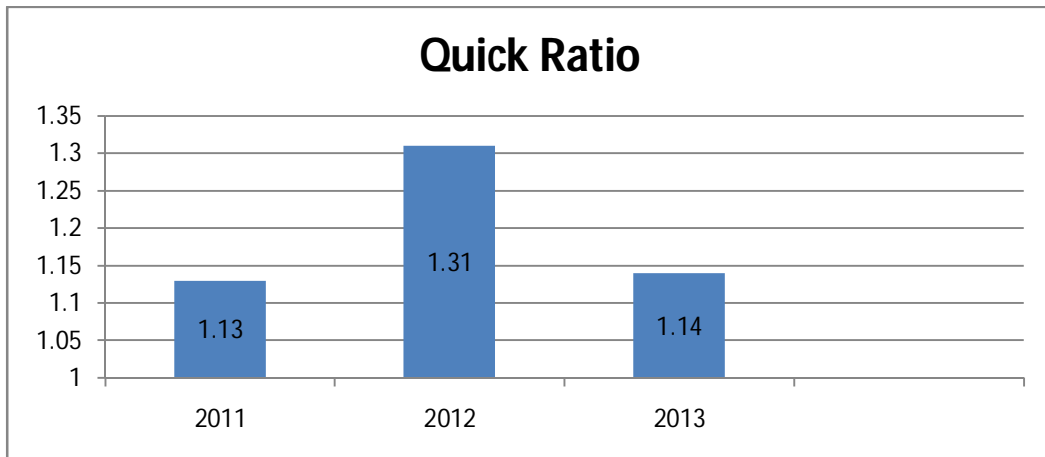
Name of Ratio	Year 2011	Year 2012	Year 2013
▪ Current Ratio	1.17	1.36	1.15
▪ Quick Ratio	1.13	1.31	1.14
▪ Inventory Turnover Ratio	47.6	46.3	44.2
▪ Total Asset Turnover	1.73	1.64	1.99
▪ Days Sales Outstanding	47.2	43.7	53.2
▪ Debt to Asset Ratio	2.06	1.95	2.39
▪ Times Interest Earned	6.27	5.6	5.68
▪ Return on Assets	0.125	0.13	0.13
▪ Return on Equity	0.288	0.27	0.296
▪ Net Profit Margin	0.1644	0.16	0.15

Trend Analysis of Axiata Group Berhad

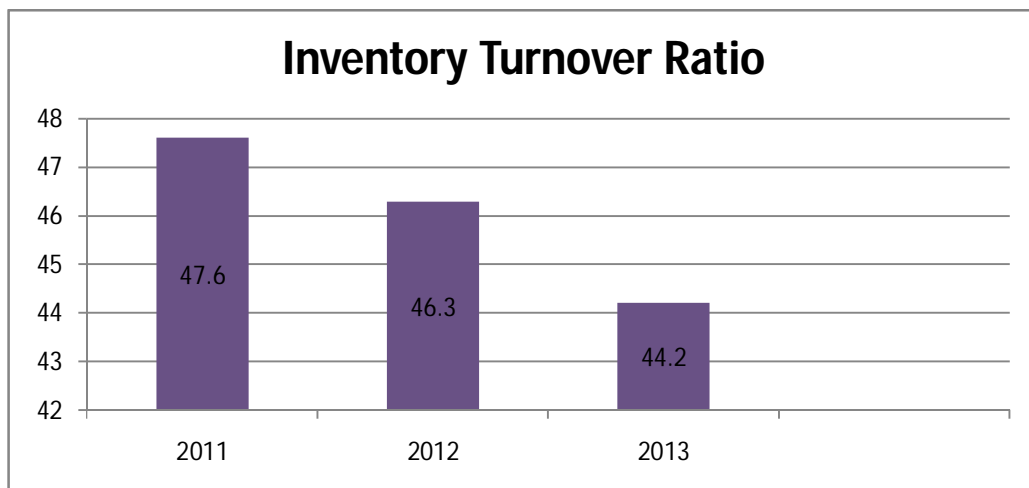
- ❖ **Current Ratio:** Current ratio is widely used to evaluate a company's liquidity and short term debt ability. Current ratio should be more than 1 as it indicates greater number of current assets than current liabilities. The current ratio of 2011 indicates that for every 1 RM of current liabilities, Axiata has 1.17 RM of current assets. Current ratio increased in the following year to 1.36 and for the year 2013, current ratio decreased to 1.15 RM. In the three years computed, Axiata has shown current ratio of greater than 1 which is a great indicator of company's liquidity.



- ❖ **Quick Ratio:** The quick ratio is almost same to the current ratio except in quick ratio inventory is excluded from current assets since it takes time to liquidate inventory within a short time. The quick ratio of Axiata was 1.13, 1.31 and 1.14 in the years 2011, 2012 & 2013 respectively. The result of quick ratio is same to the current ratio. This happened because of the nature of the business. A telecom company holds lower level of inventory because it is a service provider. Higher level of inventory is found in case of manufacturing or merchandising company.

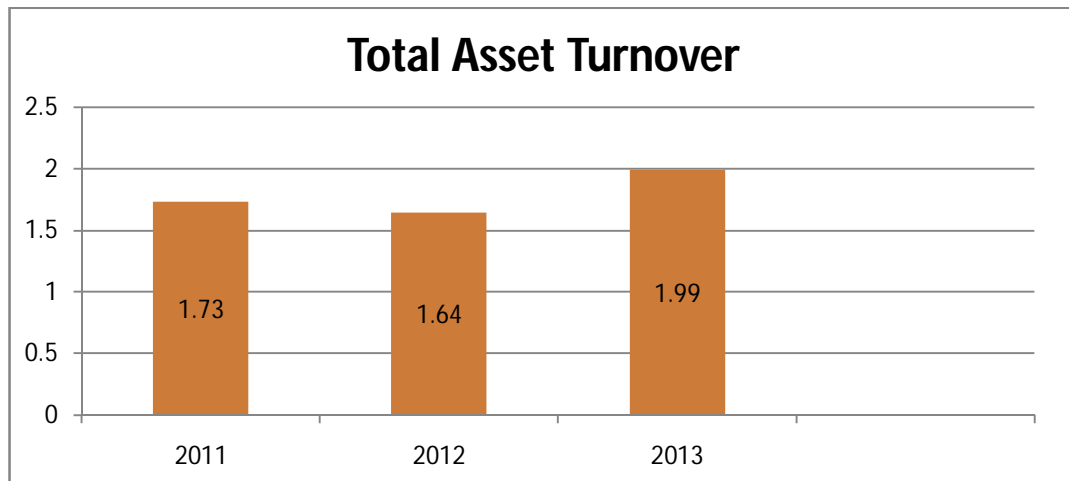


- ❖ **Inventory Turnover Ratio:** This is calculated by dividing sales by inventories. As we see from the data above, the inventory turnover ratio of Axiata group is comparatively very high. In 2011, 2012 and 2013 the respective ratios are 47.6, 46.3 and 44.2. A high inventory turnover ratio implies either strong sales or ineffective buying. A high inventory turnover ratio can indicate better liquidity, but it can also indicate a shortage or inadequate inventory levels, which may lead to a loss in business.

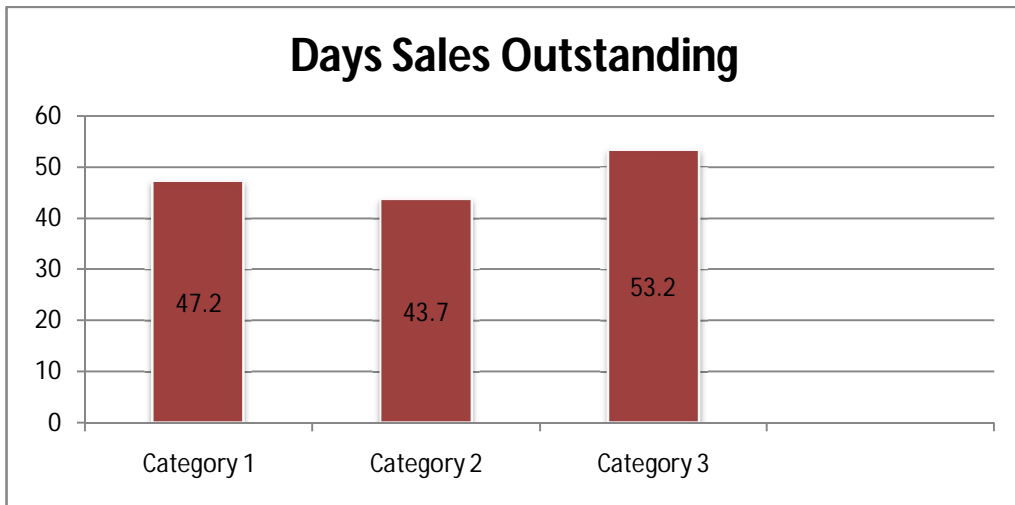


- ❖ **Total Asset Turnover:** The total asset turnover ratio measures the ability of a company to use its assets to efficiently generate sales. This ratio considers all assets, current and fixed. Those assets include fixed assets, like plant and equipment, as well as inventory, accounts receivable, as well as any other current assets. The total assets turnover ratio

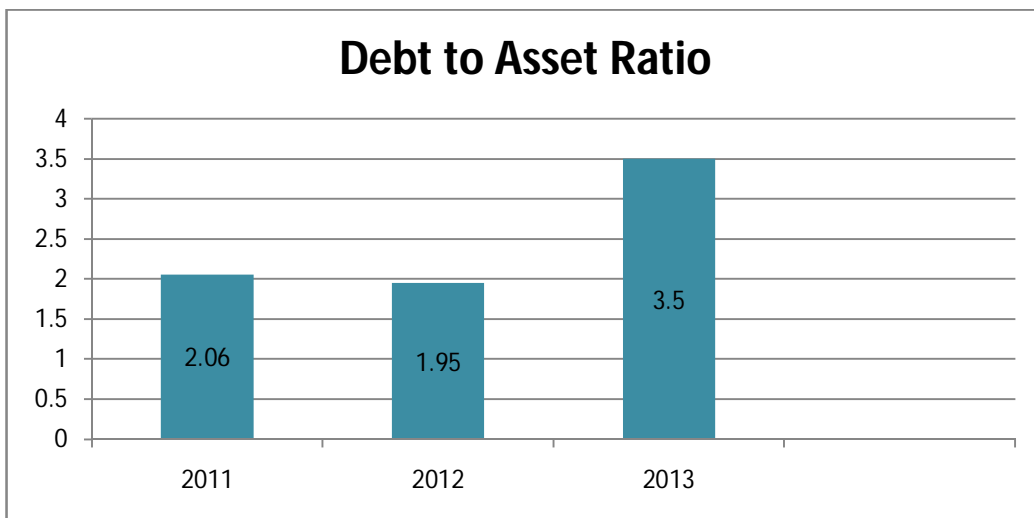
for the years 2011, 2012 and 2013 is respectively 1.73, 1.64 and 1.99. In the year 2013, Axiata had a turnover of 1.99 which was the highest from the three years. It means they are efficiently using assets to generate sales in contrast to previous two years. It means they are efficiently using assets to generate sales in contrast to previous two years. For using every 1 RM of asset, they are generating a profit of 1.99



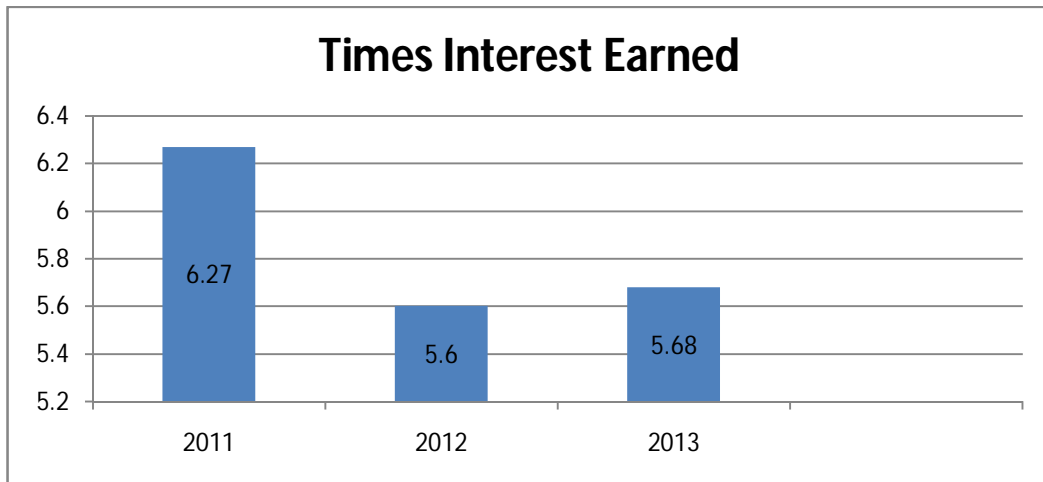
- ❖ **Days Sales Outstanding:** The day's sales outstanding formula shows investors and creditors how well companies' can collect cash from their customers. Obviously, sales don't matter if cash is never collected. This ratio measures the number of days it takes a company to convert its sales into cash. Axiata's DSO in 2011 was 47.2, followed by 2012 with a DSO of 43.7, which states it decreased from the previous year. Finally in 2013 DSO was 53.2 which simply imply that Axiata is not being able to collect cash from its customers. The company needs approximately 54 days to collect its average receivables from its customers.



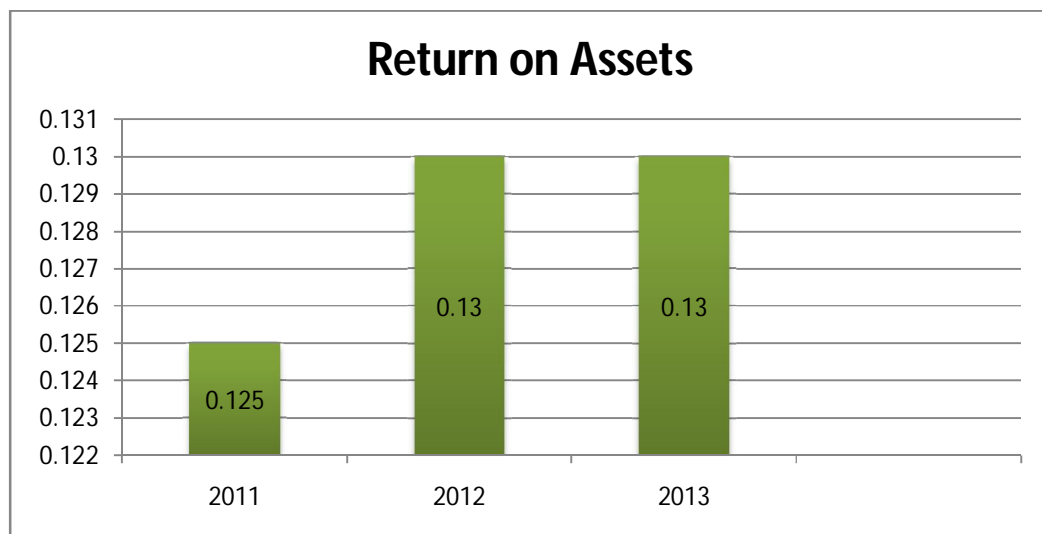
- ❖ **Debt to asset ratio:** This ratio is calculated by dividing total debt by the total assets. The debt to asset ratio of Axiata group for the years 2011, 2012 and 2013 was 2.06, 1.95 and 2.39 respectively. Firstly the ratio decreased in 2012 and suddenly it increased. If the trend continues to go like this then the company will have high degree of leverage and high consequently financial risk.



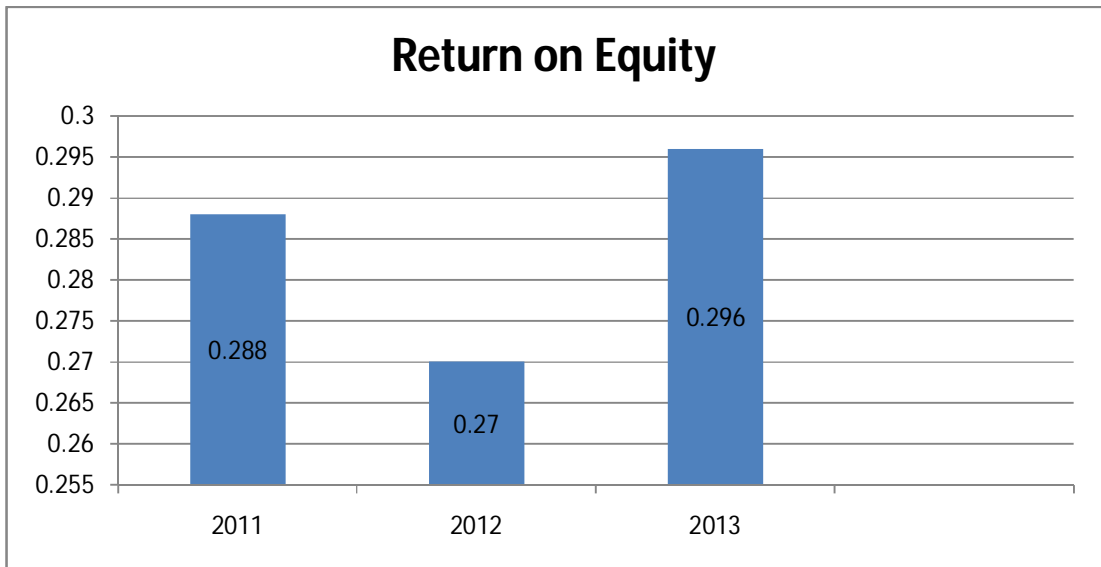
- ❖ **Times Interest Earned:** The ratio is calculated by dividing earnings before interest and taxes by interest charges. The ratios for the three years are 6.27, 5.6 and 5.68 in 2012 and 2013 the ratios have been comparatively lower than 2011. Higher ratios are less risky.



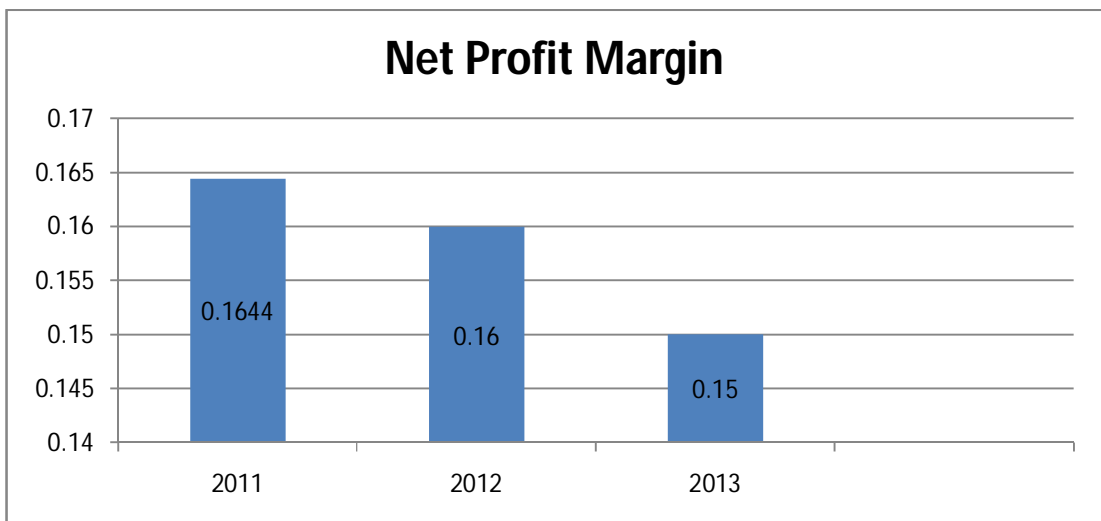
- ❖ **Return on Assets:** The return on assets of Axiata in 2011, 2012 and 2013 was 0.125, 0.13 and 0.13 respectively. Return on assets increased slightly from 2011 from 0.125 to 0.13 and it remained the same in 2013. The ROA of 2013 indicates that the Axiata is earning a profit of 0.13 of every 1 RM of assets.



- ❖ **Return on Equity:** ROE shows how many RM (Malaysian Currency) of net income the company has earned for each RM invested by the owners. The return on equity of Axiata group in 2011, 2012 and 2013 was 0.288, 0.27 and 0.296 respectively. In 2013 ROE was the most highest in Axiata. It increased from the previous two years.



- ❖ **Net Profit Margin:** The net profit margin of Axiata group was 0.1644, 0.16 and 0.15 in the three years (2011-2013) respectively. In 2013, net profit margin is 0.15 which means for every 1 RM Axiata group has a profit margin of 0.15 RM.





Chapter: 07

Recommendation, Conclusion and References

7.1 Recommendation

7.2 Conclusion

7.3 References

7.4 Appendix

7.1 Recommendations

- ✚ Robi should offer more entry level positions into the organization for job vacancies so that fresh graduates get opportunities to work with Robi.
- ✚ They should provide interns more facilities besides salary, like- transportation, food.
- ✚ Employees must receive proper financial benefits and promotion that can retain them in the organization for a long span of period.
- ✚ Modification of management every year should be banned as it hinders the workflow because working style of present-day CEO might fluctuate from another imminent CEO.

7.2 Conclusions

Robi is one of the leading telecom sectors in Bangladesh. They are currently in number three position after Grameenphone and Banglalink. Robi has the potential in them to move one step up in the telecom sector. I had the greatest of opportunity as a fresh graduate to work in a company like Robi Axiata Limited which has massive reputation in and around the country.

This report shows information about “Fixed Asset Management” of Robi Axiata Limited. All the functions of fixed asset management have been described to the point precisely throughout the report. While preparing the report the financial ratios have also been computed (of Axiata Group Berhad). I tried to bring all financial aspects of Axiata Group in the report which would be very informative to the reader. Robi Axiata Limited has progressed well in comparison to peers in the recent years and has not made any short cuts and willing to take all the necessary steps to avoid any slip. Robi’s sincere commitment with the passion to excel cannot stop their journey for a better tomorrow.

The three months long internship aided as a very good prospect for me to gain a wealth of real-world knowledge concerning the corporate world which I hope would gear me for the approaching years to come.

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7.4 Appendix

IFRS	International Financial Reporting Standards
IAS	International Accounting Standards
SOP	Standard Operating Procedures
ToR	Terms of Reference
FA	Fixed Asset Unit
ARC	Asset Review Committee
ADC	Assets Disposal Committee
FAMR	Financial Accounting & Management Reporting
FAR	Fixed Asset Register
BOD	Board of Directors
BAC	Board Audit Committee
LOA	Limits of Authority
PR	Purchase Requisition
PO	Purchase Order
SCM	Supply Chain Management
AUC	Assets under Construction
CWIP	Capital Work in Progress
CCEI	Controller of Export and Import
CGU	Cash Generating Unit
GR	Goods Receipts
MSC	Mobile Switching Center
BSC	Base Station Controller
BTS	Base Terminal Station
CRL	Corporate, Regulatory and Legal
BOQ	Bill of Quantity
OBI	Open Box Inspection

WBS	Work Break Down Structure
RnR	Roles and Responsibility

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