Report On

Relationship between earnings quality and stock price return from the perspective of Bangladesh Capital Market

By

Adnan Bin Mohib
18104172

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of
Bachelor of Business Administration

BRAC Business School
Brac University
[May] [2023]

Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Adnan Bin Mohib
18104172

Supervisor's Full Name & Signature:

Mohammad Mujibul Haque, PhD
Professor and Associate Dean, BRAC Business School
BRAC University

Letter of Transmittal

Mohammad Mujibul Haque, PhD
Professor & Associate Dean
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,
It is of utmost respect to present you the Internship report in accordance to the course curriculum of BUS400. I am presenting the report on BRAC EPL Investments Limited, a sister concern of BRAC Bank. I have constructed the report with a lot of effort and also thanks to your utmost guidance. I have tried my level best to follow the contents and guidelines.

I have tried my best to demonstrate my learning, the roles and responsibilities in my four months internship period at BRAC EPL Investments Limited.

I hope that you will able to accept my report and hopefully it will meet your expectations. Meanwhile, if you require my time to explain any clarification please feel free to contact me.

Sincerely yours,

____
Adnan Bin Mohib
ID - 18104172
BRAC Business School
BRAC University
Date: December 22, 2023

Non-Disclosure Agreement

This agreement is made and entered into by and between BRAC EPL Investments Limited, Bangladesh, and the undersigned student at BRAC University

…………………………………….

Student's Full Name and Signature

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Adnan Bin Mohib

Acknowledgement

The completion of this report has been feasible thanks to the support and contribution of my faculty supervisor, job supervisor as well as other personnel of BRAC EPL Investments Limited.

Firstly, I would like to express my kindest appreciation towards my supervisor,Professor Mohammad Mujibul Haque,PhD who has been kind enough to assist his guidance towards the development of this report. The report was only possible as he showered me with his utmost care, patience and empathy.

Additionally, my job supervisor, Taskin Sadman played a pivotal role as he granted me his valuable time to provide me some with materials and to complete the report. Also, he has been more than generous enough to share insights regarding theindustry as well as some corporate deals.

I would like my sincerest appreciation to Mr. Masnun Al Mahi who has been benign to guide me in the regression analysis process. He was kind enough to take his beloved time to share each and every step of regression analysis and also assisted me in the interpretation of the result.

My colleagues, Ms Sabina Yeasmin, Mr. Anup Datta, Mr. Ashraf Ali, Mr. Rafiqul Islam and Mr. Helal Ahmed who were indispensable figures and benevolent to disclose the activities of their respective departments.

Everyone was a key figure who supported me through the whole journey. I would like express my humblest gratitude to everyone who have guided me.

Executive Summary

The report contains 3 segments which are quite explicated. The first segment of this report contains information about the internship profile. The candidate in this segment describes information about the internship tenure, the benefits and challenges that the intern has faced. I am also going to share my contribution towards the organization and some learning activities in my internship tenure .

The second part of this report is the organization part where I will be describing about BRAC EPL Investments Limited. Firstly this section talks about the business model of merchant banks and drivers of revenue generation. Followed by that I will highlight information regarding each department of BEIL i.e human resources, marketing practice , operations and information system. This section also showcases the record transactions of BEIL over the years. Organogram of the company is presented. Recruitment planning, leadership style , performance appraisal , development initiatives are some key points that are discussed under the management practices. 4P's of marketing mix which are product ,place, price, and promotion also discussed here. In addition it is imperative to assess the financial performance of the company. Profitability , liquidity and market value ratios have been calculated for BEIL.

The third section of this report is the project report. I wanted to test the relationship between Earnings Quality and stock return using regression analysis. The reason that I have chosen this is because little research have been done in retrospect to the stock market of Bangladesh. The formula for EQ is net operating cash flow/net income. EQ is considered as the independent variable whereas adjusted stock price return is the dependent variable. Adjusted stock price refers to the state that shares of companies are deemed as constant from 2016 to 2022 even though if the company issued stock dividend. Size of the firm and debt ratio are controllable variables. Based on my analysis , results show that EQ does not have a strong influence on stock price return. The probable causes of such result are also discussed.

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Chapter 1: Overview of Internship

1.1 Student Information

Name: Adnan Bin Mohib

Student ID:18104172

Program: Bachelor of Business Administration (BBA)

Major: Finance

Minor: Computer Information Management (CIM)

1.2 Internship Information

1.2.1 Period, Company Name, Department/Division, Address

I have joined Brac EPL Investment as an Intern in the investment banking department on September 15 2022. The internship is scheduled for four months and will end at December 15. 2023. The office is located at Medona Tower at 4th floor.

1.2.2 Internship Company Supervisor's Information.

During my internship tenure, I worked under my on site supervisor, Taskin Sadman who has been recently promoted as Assistant Vice President (AVP) acquiring an industry experience of nearly five years. His key expertise lies in bonds, mergers and acquisitions, private equity and corporate advisory.

1.2.3 Job Responsibilities

There are many tasks that was assigned by my on site supervisor and as well as other personnel of the organization. My responsibilities were as follows:

- Analysis of cash flow positions of open ended and close ended mutual funds in Bangladesh
- Prepared pitch deck presentations of bonds
- Equity note on oil distribution companies
- Assisting the tasks of Wealth Management Department
- Engaged in different types of research activities

1.3 Internship Outcomes

1.3.1 Student's contribution to the company

My supervisor assigned me to multifarious projects during my internship period. Firstly, I had to analyze the cash flow positions of open-ended mutual funds and close ended mutual funds in Bangladesh. After a week of rigorous work, my analysis depicted a downtrend in the overall mutual industry as of 30 September 2022. I presented the idea that since the cash flow is towards a downtrend position, mutual funds are in buy mode of securities. However, I also presented the idea that this could pose a risk as floor price is imposed in the capital market hence causing a liquidity issue. I presented these findings to my supervisor and based on these they had to restructure their portfolio. In addition, I prepared a pitch deck presentation containing information on financials, board structure, etc. of an insurance company so that the seniors of my team could pitch it to investors. information. I also prepared an equity note describing the industry overview of oil distribution companies in Bangladesh.

1.3.2 Benefits to the student

- Having the responsibility to work on different projects enabled me to hone my critical thinking abilities
- Having worked on an equity note, engendered me to better comprehend financial modeling which has high value in different industries of finance like Asset Management Companies, Stock brokerages, Investment Banking, etc.
- I was able to better comprehend the business model of oil distribution companies in Bangladesh.
- I was able to improve my PowerPoint and communication skills as I assisted in preparing pitch deck presentations and visited clients to pitch ideas.
- I got a better understanding of the activities of merchant banking industry and as a result, it has helped me define my career goals.
- Lastly, I was able to gather a lot of technical knowledge from my work, supervisor and peers.

1.3.3 Problems/Difficulties

- In some cases getting the task done within the deadline was a bit challenging and as a result, I had to work beyond working hours.
- Due to the huge snarl up and working for 8 hours a day for 5 weeks left me in a state of burnout after work.
- Sometimes I had to come with new ideas in order to prepare presentations.

1.3.4 Recommendations

After working for 4 months at BRAC EPL Investments Limited, I came up with my own recommendation list for upcoming internees.

- While I was working, the system was a bit unstructured. BEIL could approach a better systematic structure to guide internees.
- BEIL could guide future interns to adopt a detailed approach to financial modelling

Chapter 2: Organization Part

2.1 Introduction

2.1.1 Objective

The objective of this section outlines different areas of function of BEIL. This section describes the business model BEIL, layers of different department that BEIL operates, management and marketing practices, financial performance, and how other stakeholders have an impact on BEIL. In addition this segments elucidates the achievements that BEIL has received, industry analysis, the framework of porter's five forces of merchant banks etc. To fulfill the objective of this report an amalgam of quantitative and qualitative data has been employed.

2.1.2 Methodology

To conduct the objective of this report both quantitative and qualitative data have been used. Quantitative data was used in assessing the financial performance of the company. Quantitative data was also used in industry analysis while on the contrary qualitative data has been used in the rest of the section. BEIL is a sister concern of Brac Bank Limited. The financial performance of BEIL has been dissected from the annual reports of Brac Bank Limited. Qualitative data has been assessed from different types of primary and secondary data.

2.1.3 Significance

This report contains an in-depth analysis of BEIL and some other pertinent information relating to the company and industry. The information includes the roles and responsibilities of every department of BEIL. The reader will gain different insights of merchant banking industry in Bangladesh. Lastly, this report addresses some challenges and some recommendations.

2.2 Overview of the company

2.2.1 Company Background

BRAC EPL Investments Limited, a sister concern of BRAC Bank obtained license from Bangladesh Securities and Exchange Commission to operate as a merchant bank. The company provides a range of services to its stakeholders, including Mergers and Acquisitions (M&A), Corporate Advisory, Issue Management, Portfolio Management, Rights Issue, Private equity, and many other services.

In January 2000 Equity Partners Limited (EPL) obtained license to operate as a merchant bank from Bangladesh Securities and Exchange Commission (BSEC). Brac Bank Limited acquired 51% stake in EPL in August 2009 and prior to a month later BRAC EPL commenced under the new name. On November 2017 Brac Bank acquired all shares from EPL. Currently, head office is located at Mohakhali. The CEO of BEIL is Syed Rashed Hussain acquiring an industry experience of more than 10 years. Key specialization of CEO lies in Investment Banking, Structured Finance and Portfolio Management. He has successfully completed the transaction of 3 IPO's raising over BDT 7 billion. Over the years BEIL has notably registered through a series of successful transactions from IPO, equity market, debt, and corporate advisory. Recently, BEIL has opened a new division called Wealth Management. Wealth Management Department provides a scope to bring together many aspects of financial planning under one platform and helps investors to plan their future ensuring higher return, low risk, capital protection and retirement planning.

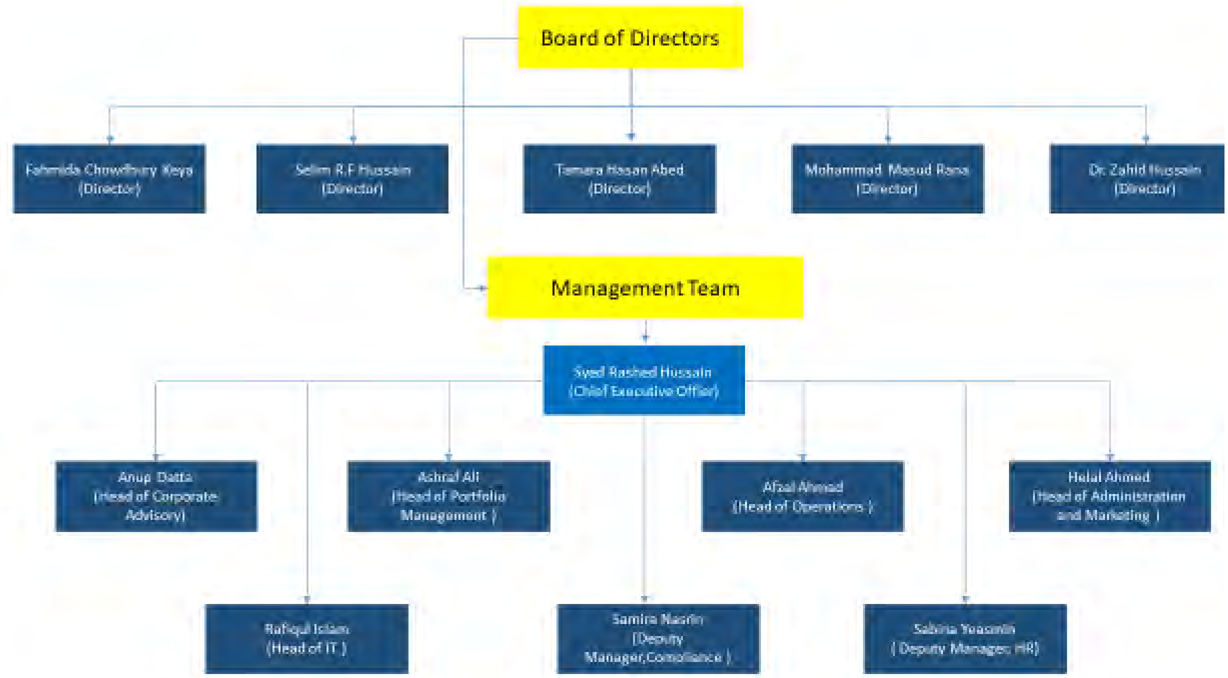
2.2.2 Competitors

2.2.3 Record Track of BEIL

- BEIL acted as an Issue Manager for 17 IPO's since 2008.
- Total IPO that BEIL has managed to raise do far stands at BDT 11,500 million
- BEIL acted as an Issue Manager for Union Bank which was the largest IPO in the banking sector and 4th largest IPO in the history of Capital market of Bangladesh.
- The leading merchant bank acted as an advisor for raising BDT 2,000 million from private equity.
- The largest right offering was done by Lafarge Surma where BEIL played an active role in this.
- BDT 70,000 million has been raised by BEIL in the form of fixed income securities.
- BEIL was an arranger of the first power sector bond in Bangladesh.

2.3 Management Practices

2.3.1 Organogram of BEIL



2.3.2 Leadership Style:

BEIL does not adopt a single form of leadership style but rather appoints a mixture of leadership styles to include diversity and critical reasoning in the management system.

Autocratic leadership style: There are times when the head of department appoints roles and responsibilities to employees working under him/ her. The task has to bet met within the deadline. Moreover the head of department sits with the employees for strategic planning regarding the task to ensure that progress is being made.

Democratic leadership style: The opinions of all employees when making a critical decision is taken into consideration. BEIL values all the viewpoints of employees but head of department has the upper hand on making the ultimate decision.

Participative b leadership style: Employees, using their prowess are required to work in team so that the responsibility can be fulfilled at an efficient manner.

Human Resource Planning: During the starting period the year , the organization makes a budget for human resources for each department based on current number of employees.

According to business need, the planning should be made at a time of budget planning for an operating year by the Department Head.

2.3.3 Recruitment and Selection

Management Committee will determine and analyze the necessity of manpower based on recruitment required by the Departments and projected budget based on the year after discussing with different department heads. Therefore, it is the responsibility of the management to examine the workload and do the job analysis work and look into the real requirement of employees under various categories and to see whether an additional hand is really necessary.

Talent Sourcing: Talent can be found through referrals by an internal employee. Additionally, job postings can be used as a tool to track the right candidate.

Preliminary Screening/Interview: Preliminary screening will be done by the Line Manager/HR (in some cases) to understand whether the person possess the optimal know-how of business affairs and the responsibilities assigned.

Final Interview: Final interview should be made by formation of an interview board, which must consist of Departmental Head and HR Head and to some extent Managing Director & CEO or any other representative of Board/Management.

2.3.4 Compensation System

The remuneration of an employee will consist of basic salary, house rent, medical allowance and conveyance.

Basic Salary: Basic Salary Ranges (BSRs) will be commensurated with the job grades and will be determined by the Board on the recommendation of CEO. The Board will review the BSRs at least once every two/three years.

House Return, Medical and Conveyance Allowance: House Rent, Medical and conveyance Allowance may be paid to the employees at such rates and on such conditions as may be prescribed by the Competent Authority from time to time.

Festival Bonus: Festival bonus will be paid to all employees and staff. All confirmed employees would get bonus during Eid-ul-Fitre and another one for Muslims during Eid-ul- Azha and for others based on their respective religious festival.

2.3.5 Training and Development initiatives

Providing employees with training and development opportunities not only contributes to the quality and effectiveness of the organization but also serves to motivate and retain employees. According to BRAC EPL INVESTMENTS LIMITED training is not an expense but an investment. The company's policy is to train the human capital to enhance skill and learning curve for better understanding of job responsibilities. It includes both on-the-job and formal training programs. Training will be provided to all employees and no one will be discriminated.

Job Specific training: After being enrolled in the respective department, job description would be provided to employees and they must accompany on the job training process. The employee is trained be peer or supervisor's instructions.

2.3.6 Performance Appraisal System

It is imperative to assess employees performance to comprehend how they have responded to their duties and responsibilities. BEIL will declare a certain performance of pre-tax profit as performance bonus. It is the firm duty of managers that employees must meet the standards to ensure performance bonus. Amount of Performance Bonus will be on net profit before tax and method of distribution will be distributed as per Management discretion.

2.3.7 Marketing Practices

BEIL adopts a digital approach towards marketing. Any successful execution of the transaction will be posted on their website as well as on Facebook and linkedln page. There are 6000 clients in BEIL where 33.33% account for active clients. In this year BEIL is going to adopt an extensive marketing policy to promote their enrichness and client base. BEIL has to formulate alliances with organizations from different industries to expand its services.

2.3.7.1 Products and Services

Investment Banking Department:
BEIL investment Banking Department offers a full suite of investment banking services including traditional merchant banking activities such as an issue management and Under writing. BEIL also provides value added services such as corporate advisory and strategic capital raising activities. Services provided by Investment Banking Department are as follows:

Equity Capital: Companies can raise funds through Initial Public Offering (IPO), Repeat Public Offerring(RPO) and Right's Offering. BEIL will assist the company through the entire capital raising procedure. BEIL will advise clients on preparing the prospectus and determine the security price to the investors, and act as representative of the company make sure that the company has met with with the regularoty requirement to be listed in the stock exchange. In addition BEIL can advise clients to raise equity in the form of private placement.

Debt Instruments: The cost of equity is higher than the cost of debt as a result firms may choose to undertake debt instruments to facilitate their investment. BEIL could assist clients to raise large scale capital through loan syndication. In addition firms could also pursue zero coupon or coupon bearing bonds.

Corporate Advisory: BEIL can conduct valuation for both buy side and sell side companies. In addition they can act as advisors for the firms bringing the role of Merger and Acquisition advisory.

Portfolio Management:
BEIL renders services to individual and institutional clients. PMD department includes 3 services:
Cap Edge: Investor has the full control of his/her account to trade. Clients have the authority to buy and sell according to their own accord while portfolio managers assist them in executing their buy or sell order. Some terms and conditions are attached this service.
Managed Cap Edge: Portfolio manager is in charge of clients money. The portfolio manager will make the decision to buy or sell on behalf of clients. Under this service, investors pay higher management fee in comparison to Cap Edge.

Cash Cap: Cash Cap is a distinctive service offered by BEIL Clients are offered margin loan. Clients can connect their BO accounts with existing accounts of other brokerage firms.

Wealth Management:
Wealth management is an investment strategy that aims at maximizing the wealth of clients aiming to balance risk and return by dividing investment portfolio across different asset classes. Building wealth requires active management and planning through each phase of life. The services of wealth management are :

Monthly Investment Scheme: Monthly Investment Scheme (MIS) is a disciplined manner investment strategy where wealth manager invests client's fund in fundamentally strong equities without worrying about market volatility and timing the market. Client can invest money in periodic terms like every month or every quarter. MIS is an equity driven portfolio strategy. Our experienced wealth managers invest client's fund in blue-chip, growth, and higher dividend yield equities.

CAP Guarantee Edge: Cap Guarantee Edge is a special manager-controlled fund in which investor's principal is shielded from any losses. Any loses experienced in client's investment will be absorbed by BEIL Cap Guarantee Edge is debt driven portfolio strategy. BEIL's analyst's team invest client's fund in government securities, AA rated debt instruments, blue chip stocks and depository products.

Price

As there are manifold firms operating in the industry price on their services is very minimal. When it comes to IPO, merchant banks charge a maximum of 1% of the whole issue size. In the portfolio management department 1.5% consists of management fee, while the settlement fee is 0.4 per 100tk trade value. This means investors are charged 0.4% on their trade order when buying and selling securities. The settlement is per industry standard. The company also charges interest rate for margin loan.

Place

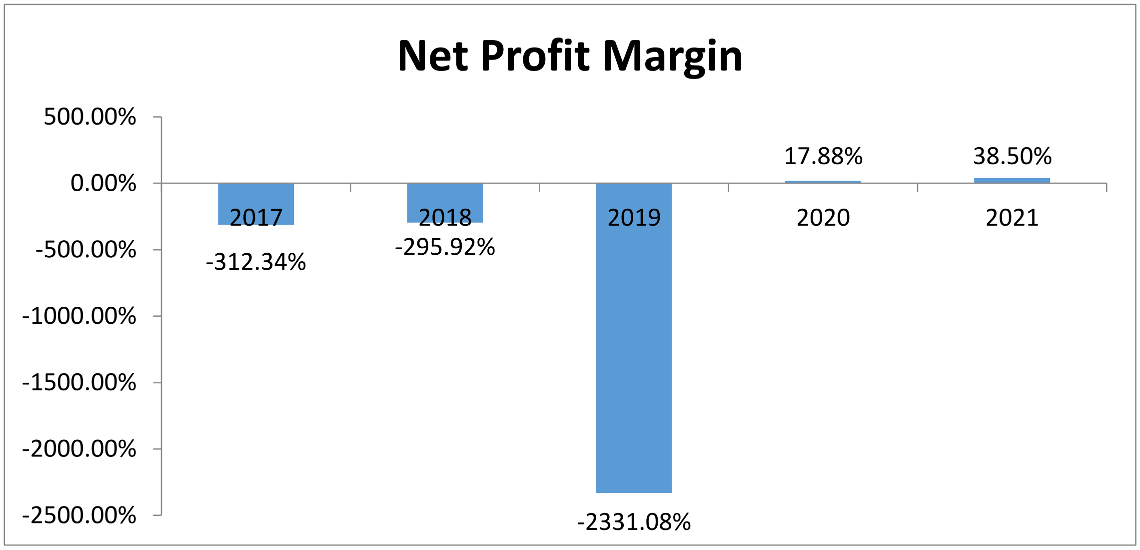
The services of BEIL are catered all over Bangladesh. Clients can open a BO account and use portal to trade securities. The main branch of BEIL is located at Mohakhali where clients can pay a visit to discuss more of their services.

Promotion

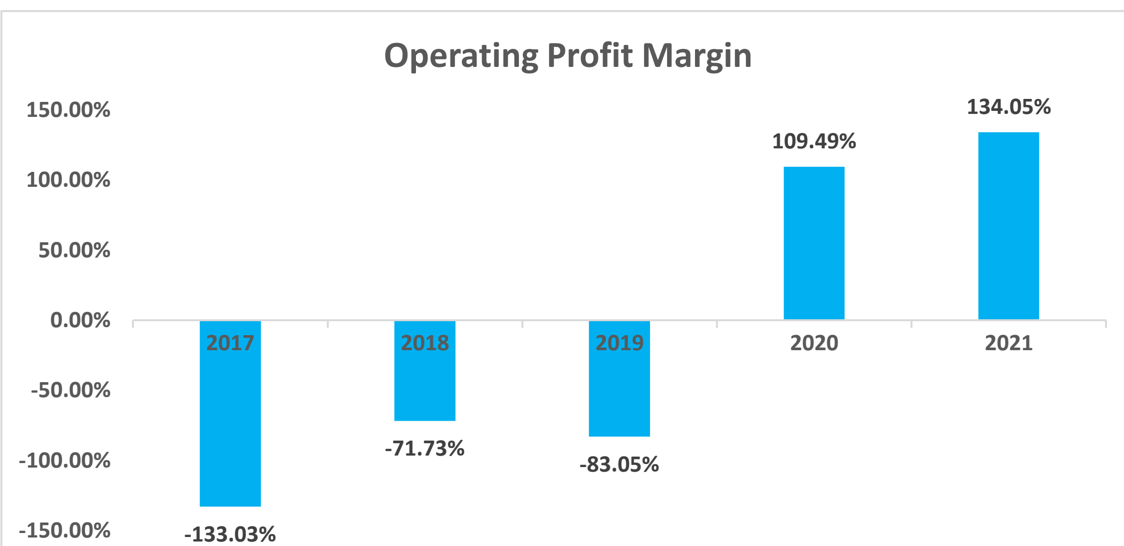
BEIL promotes their products and services through their website. Al of their historical track records can be found on their website. Meanwhile BEIL is active on Linkdln to boost their activities and social presence.

2.4 Financial performance

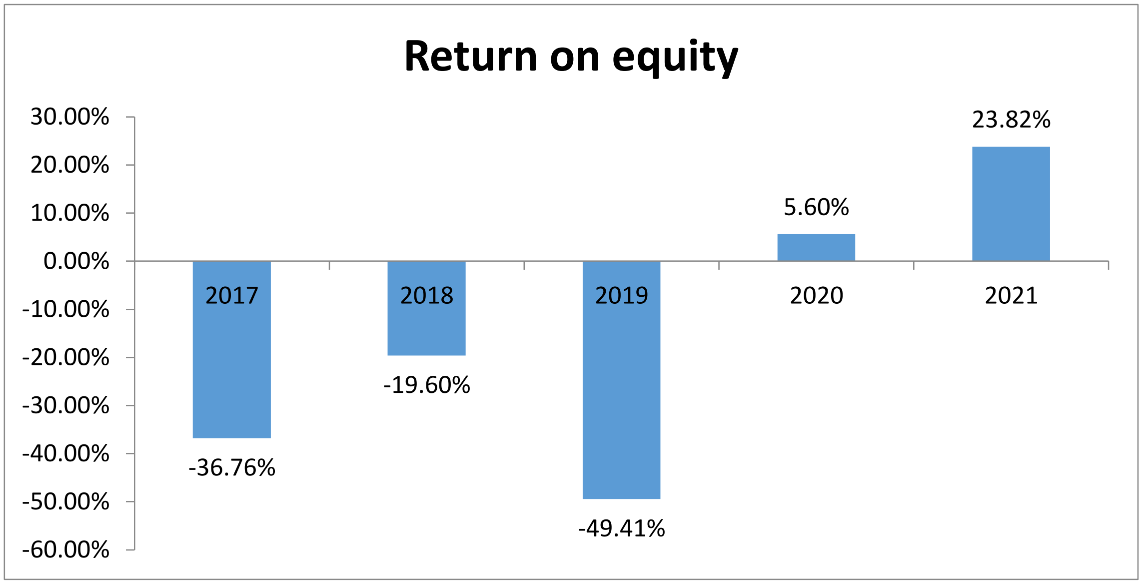
Financial performance is a key metric to determine the overall health of the company.



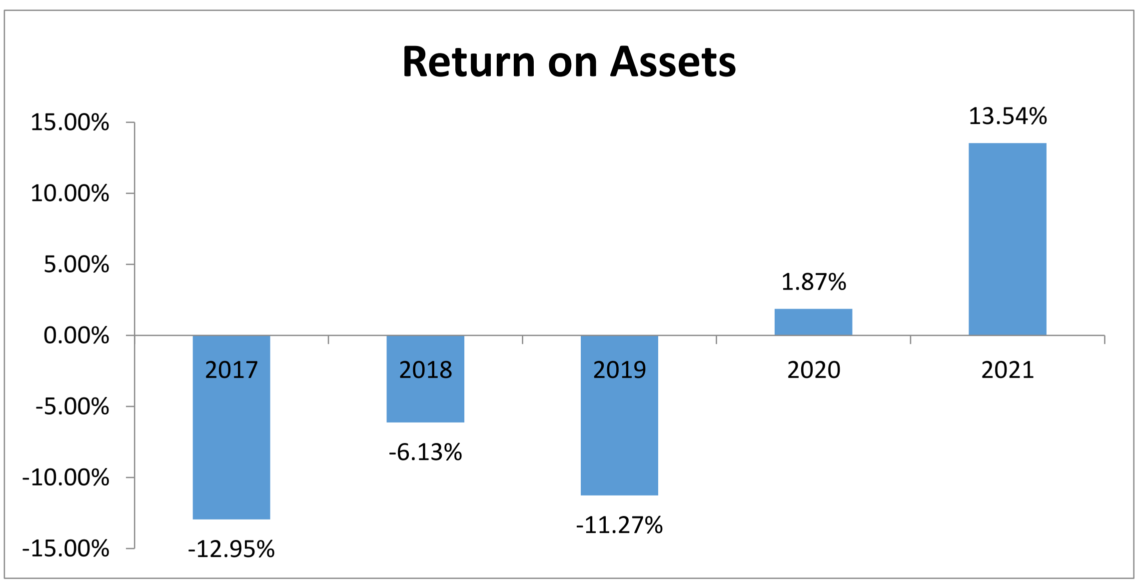
From 2017 to 2019 the company registered negative net profit margin where in 2019 the company experienced the worst profitability. However after two years the company bounced back by generating consecutive profit margin of 17.88% and 38.5%.



Operating profit/loss refers to the amount of how much profit or loss has been made before deducting interest rate charges and taxes. Operating margin is similar net profit margin where it incurred losses from 2017 to 2019 followed by margin profits of 109.49% and 134.05% in 2020 and 2021.



From 2017 to 2019 BEIL had portrayed a negative ROE whereas in the next two years the company portrayed a positive ROE. From 2017 to 2021 ROE rised from -36.76% to 23.82%.

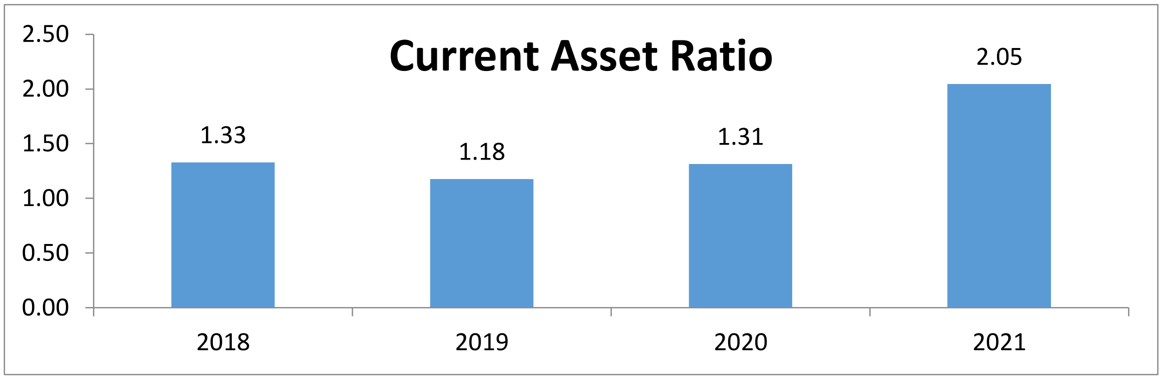


Return on Assets was positive for most recent two years while in the was negative for he last three years. The company registered ROA growth from -12.95% to 13.54% during 2017 to 2021.

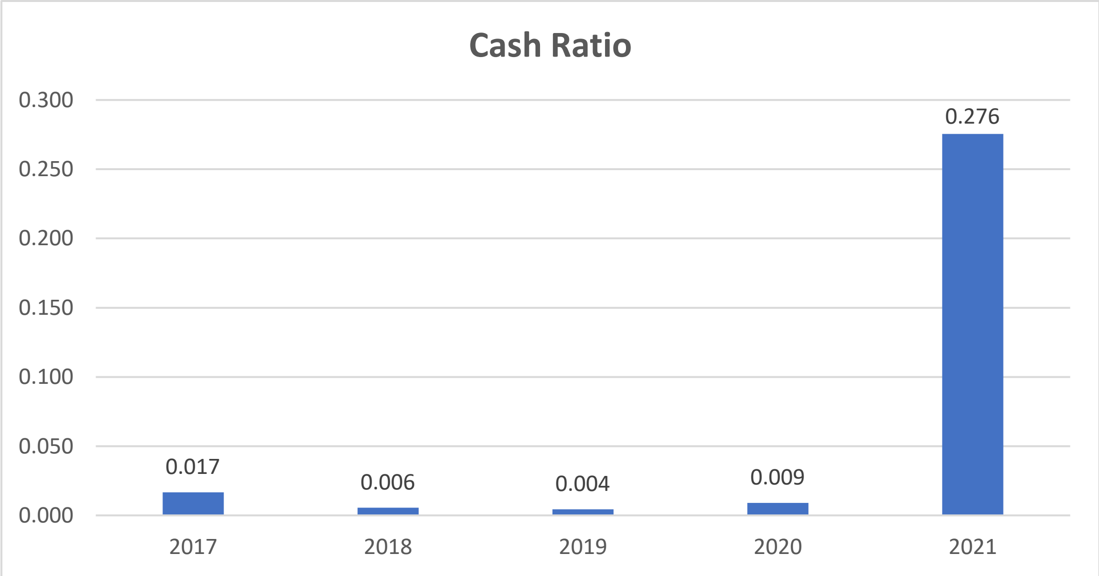
Overall Profitability

From 2017 to 2019 the company was choking with severe losses while from 2020 to 2021 the company rebounded back strongly.

Liquidity Ratio

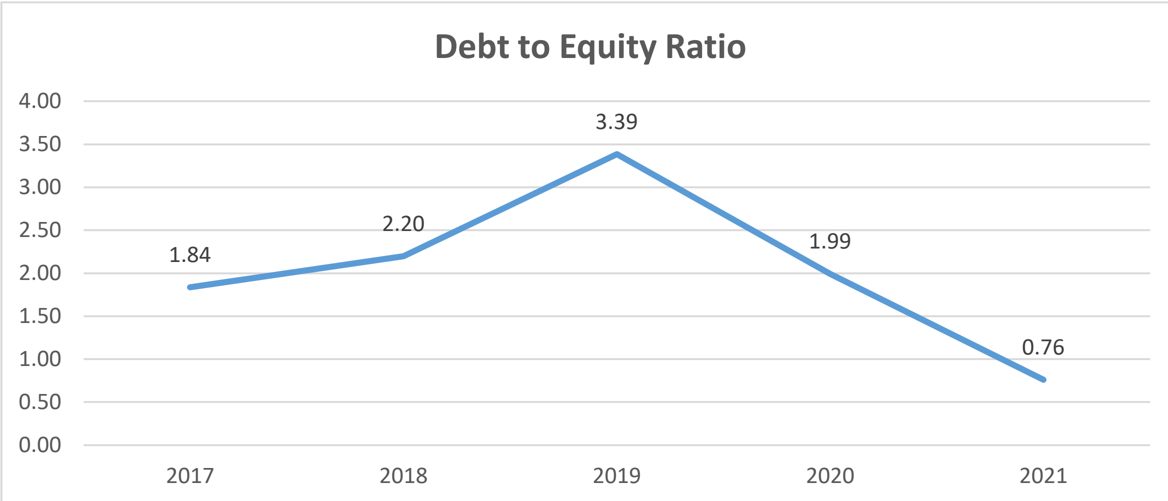


Current ratio is the ratio that measures the company ability to meet its short term obligations. From 2018 to 2021 current ratio for BEIL was always greater than 1 suggesting the company had adequate current assets to meet current liabilities.

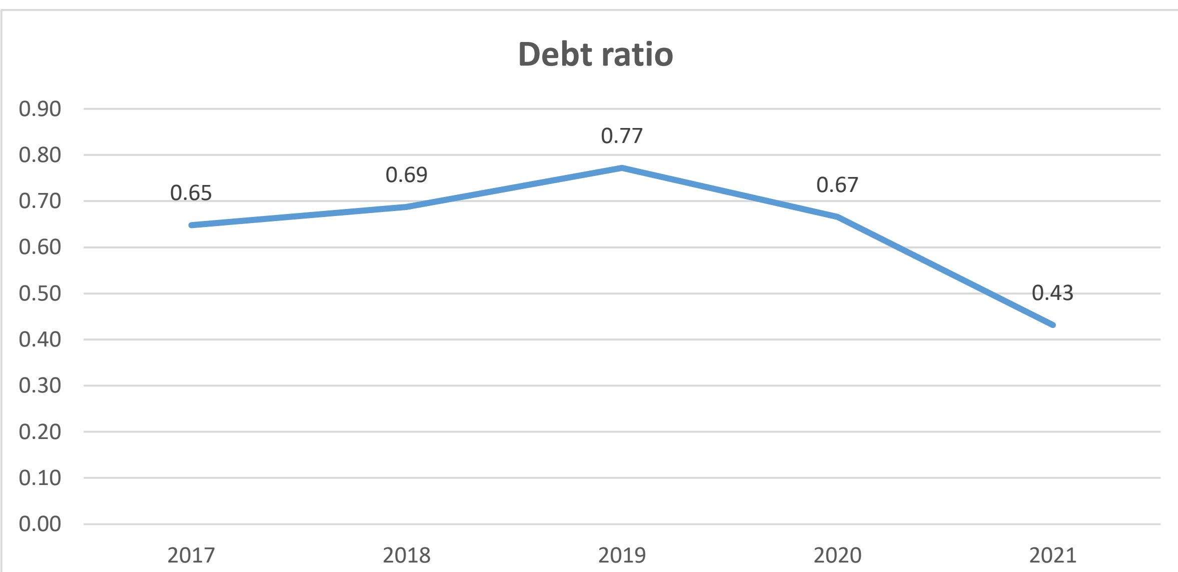


From the above chart it can be interpreted that BEIL has not have adequate cash to support its short term liabilities. From 2017 to 2020 cash ratio was below 0.1. From 2020 to 2021 cash ratio skyrocketed from 0.009 to 0.276, a uptick of almost 29 times.

Leverage Ratio

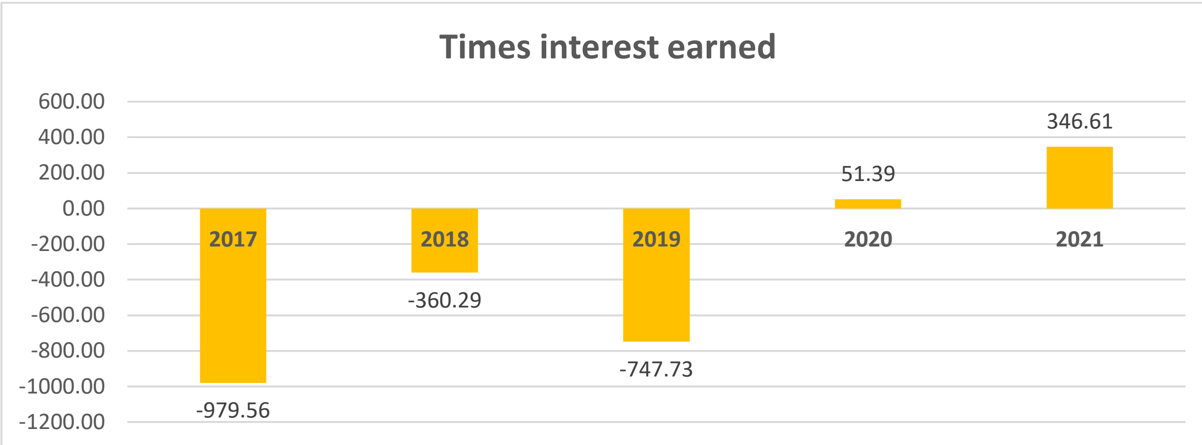


Debt to equity ratio is a financial metric that tells whether the business is financed through debt or equity. Debt to equity ratio greater than 1 means that business is using more debt to finance its operations which may pose some risk. BEIL's debt to equity ratio is in a declining trend where the ratio has plummeted from 1.84 to 0.76 from 2017 to 2021.



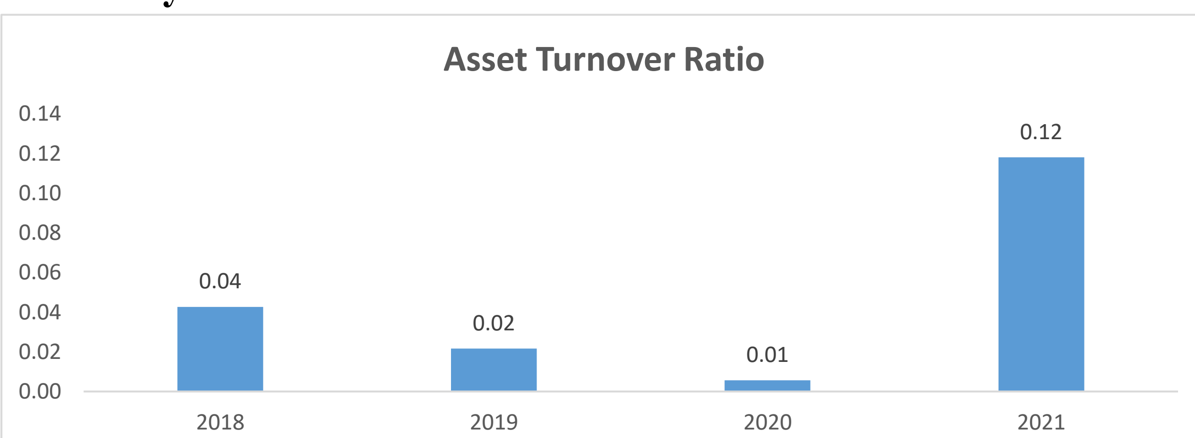
Debt ratio is a metric that evaluates the company's financial leverage. A declining debt-to-equity ratio denotes that the burden of debt has declined and total assets have depicted an uptrend. From

2017 to 2019 the ratio has risen from 0.65 to 0.77 and in the next two years debt ratio slided down.



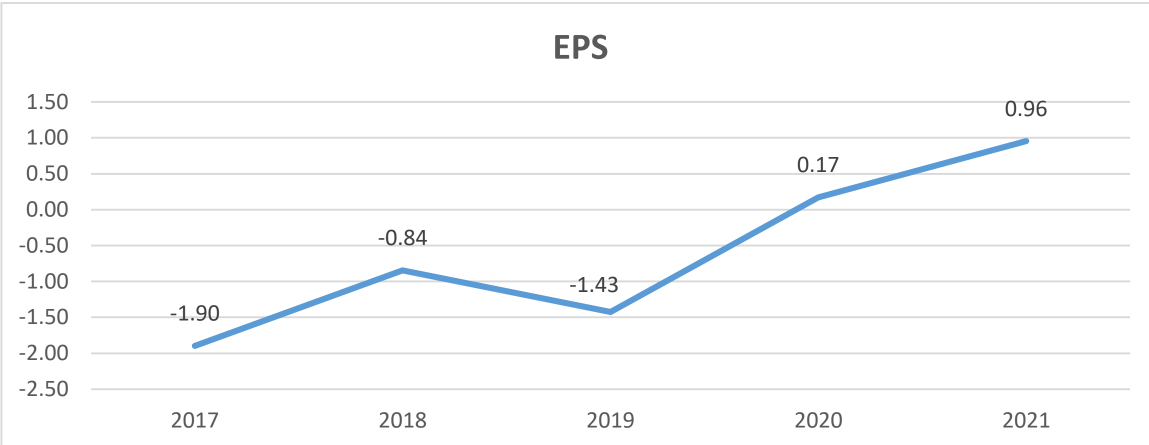
Times interest earned is the ability of a company to pay its debt. This ratio is helpful for estimating debt parameters. From 2017 to 2019 BEIL had registered a negative times interest earned ratio indicating the BEIL could not generate sufficient profits to cover up its interest expense. In 2020 and 2021 times interest earned stood at 51.39 and 346.61.

Efficiency Ratio

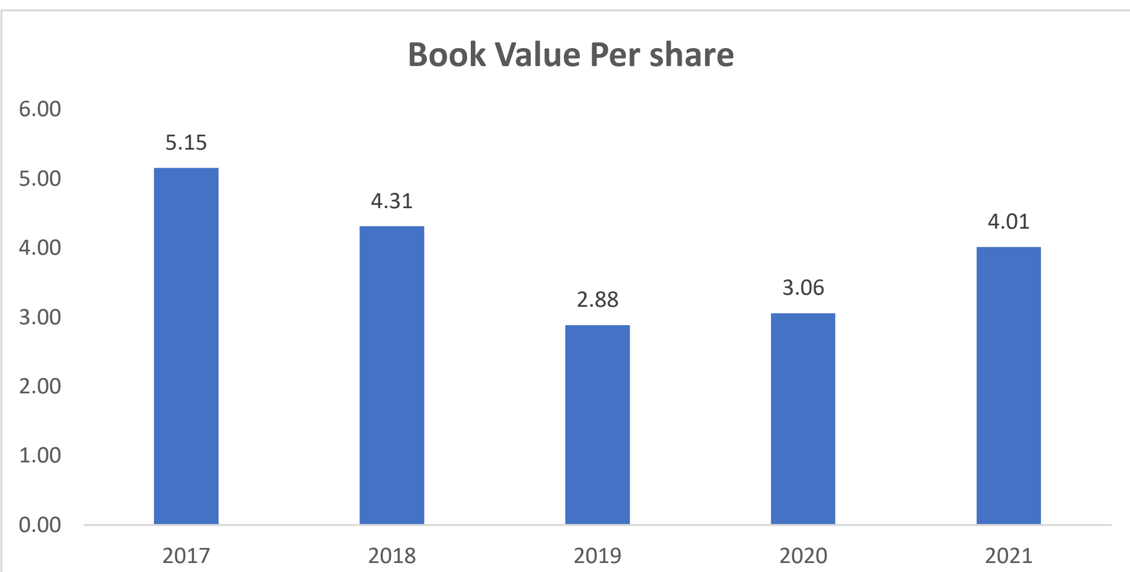


Asset turnover ratios describes how efficiently is the company using its total assets to generate sales. From the figure it can be depicted that the trend is in a upward position which is an indication of good outcome. From 2018 to 2021 asset turnover ratio has risen from, a significant rise of 200% in these three years.

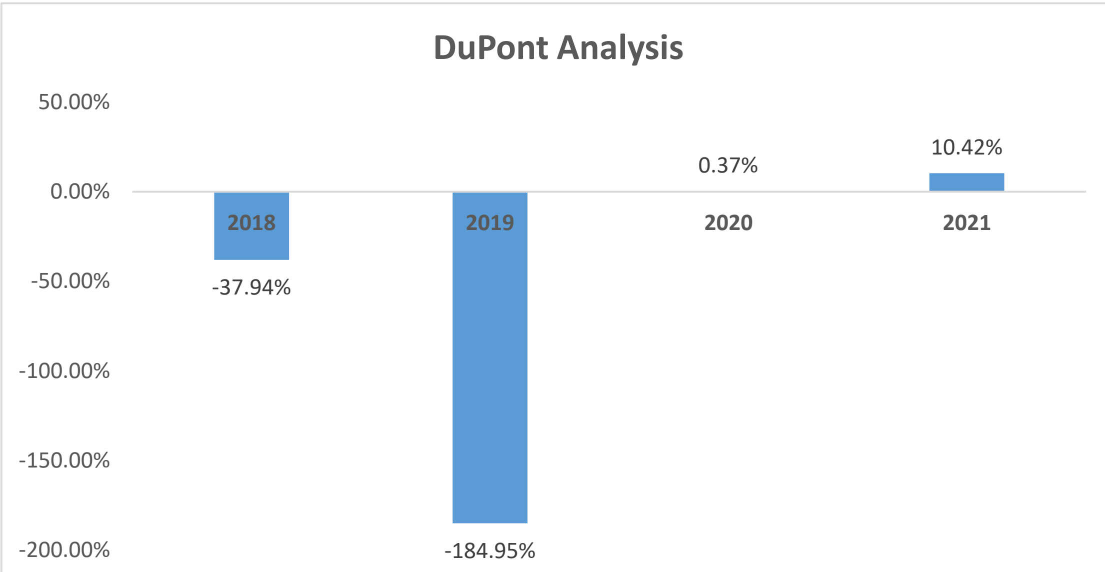
Market Ratio:



Earning Per Share (EPS) is the profit that the company has generated for each stock. It is calculated using the net profit divided by total number of shares outstanding. BEIL has 258.5 million shares outstanding. From 2017 to 2019 BEIL has drowning in losses. During the same year EPS has risen from -1.9 to -1.43. In the next consecutive two years BEIL has rebounded back strongly as the company was able to generate profits. EPS has skyrocketed from 0.17 to 0.96 from 2020 to 2021 , an sharp rise of 458.77%.



Book value or Net Asset Value is the total equity that is attributed towards common shareholders. The higher the NAV value the better. In the graph above NAV per share from 2017 to 2019 has plummeted from 5.15 to 2.88. The decline in trend is caused by to accumulation of retained earnings. From 2020 onwards NAV per share has risen from 3.06 to 4.01, a uptick of 31.26%.



DuPont Analysis is a financial framework that drives different components of ROE. The formula for Dupont Analysis is net profit margin*asset turnover*equity multiplier. From 2018 to 2021 BEIL transformed ROE from -37.94% to 10.42% in 2021. The main component that has driven the ROE is the equity multiplier. Such change in ROE is good indication of the company.

2.5 Accounting Practices

The accounting cycle for BEIL begins at 1 January and ends at 31 December. BEIL recognizes revenue/expenses under accrual basis accounting. This means that revenue is recorded when it is earned despite whether it is received or not. Expenses is recognized when incurred rather than when paid. BEIL prepares financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) and the Companies Act 1994. BEIL uses straight line depreciation policy for Property, Plant and Equipment on a systematic basis over its useful life. Taxable profits are determined by local tax authorities of Bangladesh. In general taxes are imposed on the company’s operating revenues after deducting the expenses in running the company. BEIL also prepares budgets ranging from short term to long term. BEIL mainly develops an operating budget that represents the financial plan of revenues, expenses and profits.

2.6 Operations Management

The operations management of BEIL is closely tied with Portfolio Management Department and trading hours of securities exchange. The main objective of operations management is to ensure a smooth flow of investment and trading operations. When an investor executes a transaction i.e buying or selling securities in the open market or block market , the investor will receive a file of his/her portfolio depicting the profit or loss and the price of the security at which the investor bought or sold. The investor will receive the file after trading hours It is also responsible for updating the settlement process..Mbank is the software that is used for managing and updating the clients' portfolio. All investment activities must be complied with the rules and regulations of Bangladesh Securities and Exchange Commission. This means that BEIL has to stay up to date with any changes in the regulatory system of merchant banks.

2.7 Information System Practices

BEIL maintains a robust Information System Practices for collaborating the work of day to day business operations. The IT department of BEIL ensures connectivity to all users of BEIL. The role of this department is to integrate data in a safe and secured way. IT division solves any problems related to networking and software. It maintains a database of all employees. Corporate branch is located at Mohakhali. If any issue arises in any other branch the IT department in Mohakhali branch will try to provide a remedy for it.

2.8 Industry and Competitive Analysis

2.8.1 SWOT Analysis

SWOT analysis is a framework for dissecting a company's position. The abbreviation for SWOT is Strength, Weakness, Opportunity and Threats. Strength and Weakness are internal measures of the company where Opportunities and Threats are external factors which can have a positive or negative impact on the company.

STRENGTHS

Strong Brand Reputation: BEIL has a robust presence in the merchant bank industry. Since the onset of commercial operations BEIL takes immense pride in issuing the first public issue under book building method. The organization acted as an Issue manager for many esteemed companies which include Marico, Bank Asia, Unique Hotel and Resorts, Union Bank etc.

Dedicated Management Team: BEIL is filled with strong base of employees acquiring wide acumen and experience in the merchant banking industry. Additionally BEIL employees training and workshops for the welfare of improving human capital.

WEAKNESSES

Poor Financials: In the last couple of years BEIL had registered a very poor performance on financials. Mismanagement of the company led to this disaster and currently the company is working hard to move from this crisis.

Weak marketing division: The company does not possess a strong marketing department. BEIL does not spend much money to promote their brand recognition and has a weak presence in social media.

OPPORTUNITIES

Rise in IPO's in the near future: There are a number of companies that haven't been listed yet. Once these companies enter the capital market then BEIL a will have greater scope of opportunity to earn higher profits if they are able to act as issue managers. Additionally, SME firms can also be listed in SME platform.

THREATS

Fierce Competition: According to Bangladesh Securities and Exchange Commission (BSEC) there are 67 merchant banks operating in the industry. Due to increased competition profitability margin is squeezed.

Interference of regulator: BSEC , regulator of merchant banks has intervened in the market to protect the interests of consumers. They have imposed floor price, which means the prices cannot decline below a certain threshold. Because of this foreign investors have exited the market and plenty of retail investors are facing a liquidity crisis. Such interventions will cause a threat to the Portfolio Management Department of BEIL as investors are reluctant to trade.

2.8.2 Porter's Five Forces Analysis

Power of Buyers: It is the ability of consumers to exert their influence on price of services. Bargaining power of buyers could be high because they have many investment options to choose from.

Power of Suppliers: In the merchant banking industry , suppliers contain limited power since brokerage firms, consultancy firms , banks provide services that are equivalent to merchant banks.

Threat of Substitutes: As there are many merchant firms operating in the industry investors can easily switch to alternatives.

Threat of new entrant: Barriers to entry in the merchant banking industry is low. The company requires an investment of BDT 25 crore to acquire a merchant bank license.

Competition in the industry: Merchant bank industry in Bangladesh is an oligopoly structure. Fierce competition exists as there are many merchant banks operating in the industry.

	Fee Based Income				
	2017	2018	2019	2020	2021
City Bank Capital Resources	67.46	77.26	74.03	74.40	363.01
LankaBangla Investments Ltd.	102.01	56.44	22.56	37.78	52.41
IDLC Investments Ltd	151.80	136.15	69.90	81.36	103.22
Prime Bank Investments Ltd	71.23	50.73	38.72	38.86	112.58
BRAC EPL Investments Ltd	**71.65**	**39.26**	**21.12**	**31.69**	**127.06**
MTB Capital	30.92	24.42	14.31	9.50	21.45

	Return on equity				
	2017	2018	2019	2020	2021
City Bank Capital Resources	4.82%	4.27%	5.73%	6.20%	8.33%
LankaBangla Investments Ltd.	0.98%	-121.31%	-78.38%	2.91%	39.33%
IDLC Investments Ltd	10.21%	6.23%	3.54%	5.25%	10.39%
Prime Bank Investments Ltd	2.87%	3.29%	-13.67%	-0.08%	2.09%
BRAC EPL Investments Ltd	**-36.76%**	**-19.60%**	**-49.41%**	**5.60%**	**23.82%**
MTB Capital	11.83%	10.91%	1.10%	3.57%	4.81%

2.9 Summary and Conclusion

BEIL has achieved extraordinary feats of prosperity as it has closed many successful deals. Recently, the merchant bank has opened a new department named Wealth Management. The prime aim of this department is to formulate a successful strategic approach to maximize the wealth of the clients by ensuring minimal risk. The company has rebounded back strongly by generating profits in the last two years. Because of economic challenges ahead , the company might face setbacks in the future. However with a small strong team of experienced professionals the company may overcome this challenge.

Recommendations

The youth is the capital of growth. Only a small fraction of people who are aged between 18-24 are involved in the activities of capital market. One of the reasons that could explain such low participation is the dearth of financial literacy. This is where BEIL can act as bridge to educate students in financial literacy, so that students can participate in capital market and better comprehend the context of risk management. This will enhance the brand value of BEIL.

BEIL could extend their portfolio management services beyond Dhaka city as immense opportunity lies there with the help of technology. Customers could subscribe to opening BO accounts through the presence of online application. Such action will result in increasing the customer base.

Chapter 3: Project Part

3.1 Introduction

Quality of Earnings is considered as an important metric for measuring the company's health position. Earnings alone is not sufficient to determine the entity's well-being. Earnings are based on the accrual concept which means that earnings are recorded on the income statement but are yet to be received. The standard rule is that a company having an EQ of greater than 1 is generating high-quality income while on the other hand a company having an EQ of less than 1 is generating low quality income.

3.2 Problem Statement

Disclosures of net profit does not depict the true financial performance of a company. If a company generates consistent positive net profit along with negative cash flow operations then the company maybe heading towards a downturn. Numerous studies have been experimented on EQ in many countries. However when it comes to the context of the relationship between EQ and price return of listed companies in Bangladesh, little is known about it as research on this particular topic is still fully explored. This report aims to identify the relationship between the two variables covering variety of industries in different economic periods.

3.2.1 Objectives

The primary objective of this study is to find out the direction of relationship between earnings quality and stock price return of listed companies of DSE assuming the shares outstanding is constant.

3.2.2 Research questions

This report addresses the following range of questions:

1. Does a significant relationship exists between earnings quality and stock price return of low, medium and high growth firms.
2. What is the magnitude of impact on the stock price return.

3.3 Literature Review

The definition of earnings quality dates back to late 1970s where Bernstein and Siege (1979) defined earnings quality as earnings of current year is a result of previous year. Later, Dechow, & Schrand, 2004) defined EQ as a source of accountability and accuracy which reflects the true value of the company. One intriguing study was carried by Hoffman and Rodigro in 1996 was that they found that an increase in the manipulation of earnings tend to attract more investors. This could be explained as higher earnings could translate higher stock prices in the future.

Managers of the company could manipulate by overstating profits and understating expenses in Income Statement. According to Kamel, & El-Banna, (2009) managers manipulate earnings intentionally so that they can get approval of loan by minimizing losses and reach hugher valuations. If such erroneous proportions of particular activities is not detected , it could jeopardize the market participants.

Earnings Management can be defined as intervention by managers to extrapolate the firms earnings in order to reach a targeted goal according to Schipper (1998). As a result accounting practices and mismanaged and misused. Healy and Wallen (1999) found that EM is highly present during times of buyout.

Jiang and Anandarajan (2008) found in their study that strong corporate governance with a high standard of ethics correlates with higher quality of earnings. Marrakchi et al. (2001) assessed the strength of corporate governance using auditors and the profile of directors. Shahwan (2015) evaluated corporate governance using criterias like disclosure of financial statement, accontalibity, ownership control and board structure.

Investors in the capital market perceive EQ with a higher degree of predictability. Gaio and Raposo (2011) stated that the relationship between earnings quality and firms value is positive.

Davidson and Neu (1993) proved in their study that size of the firm has an impact on earnings quality. Large companies attract more investors as they generate greater returns and more information can be found in larger companies. (Dang, yang, & Li , 2018) stated that the average total net sales is defined as the size of the firm. The size of the company can be classified under three segments which are large scale company, medium scale company and small scale company.

Leverage is used by companies to finance their business operations. Earnings quality will plummet if there is high leverage. Investors' confidence also declines when the firm is operating under a high debt ratio. When the company takes too much leverage they prioritize to settle their accounts of debt rather than distributing money for dividend payments , (Koudijis & Voth, 2016).

Investment Opportunity Set (IOS) is the company's ability to grow. Companies that possess the ability to provide high growth value are set to generate higher investment opportunities. (Siahaan, 2013) stated that EQ will be positive affected by IOS.

3.4 Significance

The growth of a firm is most the most important aspect for an investor and to determine the growth one needs to look at the historical EQ. EQ is a tool used by analysts to make investment decisions. A higher EQ is an indication that the company provides a good measure of operational efficiency. A notion exists that higher EQ will result into higher earnings and cash flows which could generate higher return for investors. High earnings quality could imply that there is lesser degree of manipulation in the financial statements. Entities with higher EQ are less risky. It is imperative for an investor and an analyst to comprehend the roots of EQ to determine company's accurate state of financial health position. According to visual capitalist Bangladesh is currently the 35th largest economy in the world. In 2030 the rank will move to 28th position and the country will be the 9th largest consumer market. As it is an important emerging market it is desirable to study the growth levels of firms and how does EQ drive the growth.

In some cases it can be found that lower earnings quality may not necessarily translate into malign practices. Some companies may generate lower earnings because of different business cycles.

Earnings quality plays an active role in boosting consumer confidence as it there is a negative relationship between EQ and volatility of the company, Mirta (2016). In addition to that EQ provides valuable information about cash flow. Moreover this study will help investors to make investment decisions and will also aid them to construct a high generating return portfolio. Using EQ, revenue and debt ratio the investor can construct a dynamic portfolio with low risk and high return.

3.5Methodology

3.5.1 Sample Criteria

The sampling of this study comprises of 43 companies which are listed in Dhaka Stock Exchange from 2016 to 2022. Companies across different industries have been chosen in order to include diversity. Secondary data has been used in the study. Revenue, Debt ratio and EQ have been collected from disclosures of financial statements of listed companies. Price of listed companies has been amassed from website named amarstock.

3.5.2 Variables

The test variables in this research include EQ, size of the firm, debt ratio and adjusted stock price return.

Independent Variables: EQ is the independent variable. Formula for EQ is net cash from operating activities/ net income.

Dependent Variable: Adjusted Stock price return from 2017 to 2022 for listed companies is the dependent variable.

Controllable Variable: Debt ratio and size of the firm (revenue) are the two controllable variables.

The purpose of adding a controllable variable in this research is to witness whether it could have an impact on the outcome. It helps to avoid any kind of research biasness. Apart from dependent and independent variables any variable that could change the direction of the outcome should be controlled.

Secondary data from annual reports of listed companies have to extracted to provide the required outcome.

3.5.3 Regression Equation

Y=a+BX
Y= Stock Price Return
B= Regression coefficient
X= Earnings Quality
a= constant

3.5.4 Hypothesis

Null hypothesis: No relationship exists between earnings quality and stock price return.
Alternative hypothesis: A relationship is there between earnings quality and stock price return.

3.5.5 Result

Table 1: Descriptive Statistics

Variable	Obs	Mean	Std.Dev.	Min	Max
Price Return	154	.095	.336	-.55	2.02
Earnings Quality Change	250	3.391	49.971	-25.57	786.14
Debt Ratio	293	.511	.212	.05	1
Revenue	293	2.11e+10	5.18e+10	3.21e+08	3.61e+11

Table 2: Matrix of correlations

Variables	(1)	(2)	(3)	(4)
(1) Price Return	1.000			
(2) Earnings Quality Change	0.064	1.000		
(3) Debt Ratio	-0.103	-0.028	1.000	
(4) Revenue	-0.022	-0.031	0.280	1.000

Table 3: Regression results

Variables	Price Return
Earnings Quality Change	0.000324
	(0.000429)
Debt Ratio	-0.173
	(0.177)
Log (Revenue)	-0.00778
	(0.0179)
Constant	0.355
	(0.378)
Observations	154
R-squared	0.015

Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

3.5.6 Interpretation

After conducting the analysis it can be found that the result is not statistically significant which means there is no significant relationship between Earnings Quality and Stock Price movement. The R squared value is 0.015 which states that 1.5% in the variance of price return is influenced by EQ. It can be also deduced that 1.5% of all independent data can interpret the dependent variable in this research. The regression coefficient value of Earnings Quality is 0.000324 which indicates that if EQ rises by 1 unit then stock price will rise by 0.000324 and vice versa. The regression coefficient for debt ratio and revenue is negative which tells us that an opposite relationship exists.

3.5.7 Findings and Analysis

From the above table it can be deducted that the relationship between EQ and stock price return is very weak or almost no relationship exists. Research suggests that there is a strong relationship between EQ and stock price return, however that is not the case for Bangladesh stock market. One possible reason for the weak relationship is that the capital market of Bangladesh is not efficient market. In exception of a few companies Bangladesh's stock market is not driven by strong fundamentals The market is also driven mostly by retail investors and institutional investors comprise of a smaller segment. Also, corporate governance of many listed companies in Bangladesh is weak. There were some cases where firms who were listed firms have eroded their capital as the management board have purloined money through IPO. The regulator could instruct norms so that companies can act in an ethical manner. In some cases it can be seen prices of some companies rise abruptly without any strong fundamentals.

A company having too much debt has to incorporate higher interest expenses which could reduce the cash flow of the firm as well as the profitability of the business.

3.6 Conclusion

Ample research has been conducted on Earnings Quality but very little research has been done from the standpoint of Bangladesh. As a result I attempted to conduct this research to determine the strength of the relationship between EQ, revenue change and debt ratio change with stock market return. The research was done using regression analysis in STATA.

Random forty three listed companies with different market size across different industries from 2016 to 2022 has been selected to conduct this research.

The result of the outcome can be concluded that earnings quality does not place an impact on stock price return. The market structure of Bangladesh is very different from other countries as it is dominated by retail investors. Better corporate governance in listed companies and regulations could trigger the outcome of this result.

3.7 Recommendations

After conducting the research I have come up with the following suggestions.

- More observations could be included in the dataset which could have produced a different outcome.
- Other variables could be included in the dataset to define which variable has a stronger relationship with stock price return.
- The data used for conducting this research could be categorized among different industries to witness which industries have a higher correlation effect in regards to stock price movement.

- Future research can be conducted by dividing into two periods which include pre- covid period and post covid period to illustrate a better picture. In this research Covid-19 period is included which was an unprecedented phenomenon.

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Appendix

Revenue Table: Figures in million BDT

		Revenue						
	Company Name	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
1	Grameenphone	114,862	128,436	132,832	143,656	139,606	143,066	150,403
2	British American Tobacco	165,634	204,140	233,118	269,855	281,081	339,340	361,455
3	Bangladesh Submarine Cable	619	1,037	1,405	1,956	2,499	3,449	4,417
4	Linde BD	4,271	4,942	5,460	5,683	4,711	5,083	
5	Olympic Industries	10,965	11,291	12,929	13,734	15,895	18,033	21,439
6	Power Grid Company of Bangladesh	12,722	14,368	15,590	17,783	18,741	21,857	23,363
7	Orion Infusion	730	680	754	810	741	727	830
8	Beacon Pharma	2,492	2,948	3,761	4,647	5,591	7,121	8,023
9	Daffodil Computers	394	505	526	439	387	364	368
10	Bata Shoe	8,785	9,041	9,521	8,573	5,085	7,745	
11	Summit Power Limited	12,841	16,214	18,468	30,472	24,031	39,661	53,185
12	Saiham Cotton Mills	2,388	2,990	2,930	3,166	3,008	3,648	4,086
13	Acme Laboratories	12,645	13,576	14,814	16,309	19,004	20,770	23,858
14	Desco	31,890	34,012	37,152	40,753	4,324	4,603	5,208
15	Square Pharma	38,326	42,285	45,887	50,867	52,926	58,346	66,407
16	Unique Hotel and Resorts Limited	2,084	1,677	2,036	2,187	1,575	675	1,685
17	Bangladesh Shipping Corporation	697	822	832	1,851	2,799	2,743	4,496
18	Bangladesh Lamps Limited	1,248	1,220	1,476	1,573	940	1,370	1,627
19	Apex Footwear	12,248	14,209	15,948	15,809	11,810	11,764	12,975
20	Aman Feed	3,654	4,054	5,280	6,217	6,502	7,286	10,320
21	KDS Accesories limited	1,610	1,586	2,071	2,302	1,922	2,218	3,200
22	National Polymer Limited	1,759	1,867	2,366	3,000	3,433	4,487	5,065
23	RAK Ceramic	5,661	7,068	6,331	6,464	5,289	6,851	7,453
24	Meghna Petroleum	142,028	154,566	180,854	178,188	154,542	177,823	219,583
25	Samorita Hospital	370	377	370	374	321	394	338
26	Far East Knitting and Dyeing	3,139	3,275	3,596	4,785	3,747	4,981	6,607
27	Ifad Autos	6,933	10,239	15,005	11,017	7,773	8,663	9,489
28	Active Fine Chemicals Limited	1,882	2,129	2,156	2,419	1,308	1,821	1,672
29	Rangpur Foundry Limited	1,034	1,154	1,242	1,352	1,280	1,369	1,447
30	Agricultural Marketing Company Limited	2,092	2,381	2,539	2,822	2,641	2,949	3,154
31	Agni Systems	336	327	329	380	474	488	520
32	Apex Foods	2,032	1,643	1,922	1,713	2,184	2,760	3,513
33	Eastern Housing Limited	2,679	3,170	3,420	3,581	2,528	2,643	3,313
34	Gemini Sea Food	1,112	1,355	796	672	363	347	726
35	Summit Alliance Port	1,163	1,312	1,387	1,460	1,663	1,647	1,767
36	MJL	11,075	15,016	18,660	21,455	20,272	21,999	26,416
37	Saif Powertech	2,149	3,008	4,239	3,969	3,849	4,795	4,226
38	Sino Bangla Industries	1,244	1,376	1,647	1,905	1,694	2,102	2,382
39	GPH Ispat	7,049	7,956	9,923	13,269	9,407	28,949	47,960
40	Singer BD	8,844	10,967	13,467	15,371	14,872	15,776	17,057
41	Marico	7,066	6,916	7,815	8,768	9,796	11,307	13,032
42	Genex Infosys Limited				943	1,036	1,023	1,220
43	Bashundhara Paper Mill				11,039	8,544	9,283	11,238

Earnings Quality Table

Company Name	Earnings Quality 2016	2017	2018	2019	2020	2021	2022
Grameenphone	2.049	2.107	1.811	1.663	0.903	1.694	2.121
British American Tobacco	0.558	1.243	0.891	1.686	2.091	1.342	2.281
Bangladesh Submarine Cable	1.754	0.620	9.159	2.055	1.251	1.226	1.106
Linde BD	1.264	1.216	1.165	1.271	1.101	0.997	
Olympic Industries	1.285	0.602	0.510	1.125	0.917	0.974	0.582
Power Grid Company of Bangladesh	3.425	4.993	5.816	1.752	4.455	2.887	6.683
Orion Infusion	0.979	0.902	0.122	1.800	2.061	1.023	1.061
Beacon Pharma	9.082	9.455	2.377	1.873	0.765	0.228	1.157
Daffodil Computers	0.090	0.511	1.496	1.451	0.080	2.334	8.813
Bata Shoe	1.032	0.732	0.038	1.901	-0.023	-18.359	
Summit Power Limited	1.693	0.930	0.920	0.831	1.185	1.081	0.938
Saiham Cotton Mills	2.377	-0.638	0.052	0.777	-0.367	9.017	3.672
Acme Laboratories	1.201	0.999	1.106	1.148	0.790	1.715	0.539
Desco	5.453	10.168	6.212	2.307	9.687	7.969	8.246
Square Pharma	1.045	0.896	0.862	0.979	0.806	0.688	0.708
Unique Hotel and Resorts Limited	0.933	2.291	2.535	2.330	4.034	0.779	0.185
Bangladesh Shipping Corporation	-1.562	7.082	1.766	1.324	2.980	2.708	1.612
Bangladesh Lamps Limited	1.145	-1.114	-5.790	0.969	-1.489	2.809	0.105
Apex Footwear	8.027	10.465	7.062	7.907	25.643	16.291	2.814
Aman Feed	0.758	1.009	-2.586	1.319	0.540	0.065	0.970
KDS Accesories limited	1.063	1.278	1.391	0.919	3.717	2.986	3.854
National Polymer Limited	4.078	7.523	2.937	0.051	1.617	-1.533	1.646
RAK Ceramic	1.205	1.804	0.637	2.102	4.420	0.644	0.922
Meghna Petroleum	6.341	2.682	3.356	-2.194	-0.976	4.398	5.303
Samorita Hospital	1.731	1.903	1.791	1.537	3.708	1.427	2.148
Far East Knitting and Dyeing	0.311	0.497	0.371	-0.533	2.486	1.659	2.081
Ifad Autos	-2.945	-1.186	-1.567	-2.292	-8.282	0.200	2.295
Active Fine Chemicals Limited	1.145	1.598	0.860	1.352	-10.247	-4.781	14.360
Rangpur Foundry Limited	-0.233	1.731	2.020	0.922	2.503	-0.274	0.051
Agricultural Marketing Company Limited	1.460	1.971	4.012	4.810	2.725	3.950	3.486
Agni Systems	-0.396	0.726	0.909	2.097	2.495	1.627	1.322
Apex Foods	-10.082	-16.347	4.870	11.928	8.847	20.710	12.087
Eastern Housing Limited	-0.742	5.165	2.721	2.161	7.366	2.835	3.705
Gemini Sea Food	2.115	-8.189	-11.815	29.546	1.041	1.462	-2.065
Summit Alliance Port	1.044	1.862	1.734	1.865	1.656	1.645	1.679
MJL	1.399	2.222	1.539	1.005	1.958	1.045	0.886
Saif Powertech	2.186	1.123	0.931	3.567	3.000	1.602	1.460
Sino Bangla Industries	2.550	3.936	5.812	-5.216	4.067	14.907	7.668
GPH Ispat	1.076	2.088	0.238	0.719	-10.232	-0.968	-2.089
Singer BD	-1.233	0.320	-0.505	1.313	1.271	-4.110	24.802
Marico	1.521	1.321	0.944	1.349	1.139	1.063	1.014
Genex Infosys Limited				1.905	1.246	1.495	1.511
Bashundhara Paper Mill				5.996	15.110	4.851	3.919

Price Return Table

	Company Name	Price Return					
		2017	2018	2019	2020	2021	2022
1	Grameenphone	65.72%	-21.98%	-22.19%	21.45%	0.69%	-18.00%
2	British American Tobacco	37.00%	4.12%	-17.84%	21.74%	61.48%	-18.39%
3	Bangladesh Submarine Cable	8.98%	-14.32%	28.28%	-34.32%	98.27%	27.46%
4	Linde BD	-0.87%	-6.72%	8.39%	-1.38%	23.32%	
5	Olympic Industries	-19.35%	-19.61%	6.79%	-37.18%	13.18%	-27.00%
6	Power Grid Company of Bangladesh	-10.33%	-9.40%	16.10%	-20.80%	3.00%	27.29%
7	Orion Infusion	-19.83%	1.56%	-2.21%	25.61%	-4.99%	27.45%
8	Beacon Pharma	33.53%	-22.94%	12.92%	201.99%	103.62%	108.98%
9	Daffodil Computers	76.72%	-2.93%	13.32%	18.40%	17.42%	13.40%
10	Bata Shoe	2.61%	-4.73%	-37.65%	0.95%	37.60%	
11	Summit Power Limited	20.35%	-7.11%	10.03%	-15.83%	25.64%	-14.97%
12	Saiham Cotton Mills	34.35%	-13.64%	65.79%	-36.11%	12.42%	-4.97%
13	Acme Laboratories	-0.60%	-13.66%	-22.92%	-17.66%	16.25%	20.62%
14	Desco	-0.40%	-13.43%	5.56%	-23.68%	-3.74%	15.82%
15	Square Pharma	20.10%	8.61%	-3.51%	-34.73%	40.36%	0.56%
16	Unique Hotel and Resorts Limited	17.13%	-4.57%	0.57%	-24.76%	2.78%	54.93%
17	Bangladesh Shipping Corporation	77.65%	-18.80%	19.21%	-25.83%	18.06%	160.09%
18	Bangladesh Lamps Limited	2.08%	43.27%	-17.36%	-45.10%	52.80%	55.38%
19	Apex Footwear	7.76%	4.85%	-18.01%	-25.89%	7.30%	21.15%
20	Aman Feed	-4.91%	-23.89%	-5.25%	-39.23%	104.24%	-34.27%
21	KDS Accesories limited	47.64%	-13.63%	-3.22%	-33.10%	44.46%	21.46%
22	National Polymer Limited	54.14%	-1.08%	52.29%	-37.28%	102.83%	-7.14%
23	RAK Ceramic	1.52%	-4.52%	-15.72%	-4.04%	70.11%	-3.38%
24	Meghna Petroleum	16.31%	-5.49%	4.17%	-20.02%	15.72%	11.06%
25	Samorita Hospital	23.73%	7.36%	-10.98%	-7.65%	10.89%	9.38%
26	Far East Knitting and Dyeing	10.00%	-30.64%	17.10%	-44.00%	63.43%	31.91%
27	Ifad Autos	66.82%	18.88%	-19.34%	-52.53%	33.79%	0.00%
28	Active Fine Chemicals Limited	78.62%	-11.24%	37.00%	-55.11%	48.78%	17.49%
29	Rangpur Foundry Limited	21.94%	21.37%	1.25%	-18.01%	6.45%	36.85%
30	Agricultural Marketing Company Limited	10.63%	7.76%	3.51%	-25.47%	6.67%	43.39%
31	Agni Systems	50.08%	-23.64%	15.27%	-17.82%	19.88%	17.09%
32	Apex Foods	26.63%	42.06%	-16.62%	-31.21%	3.58%	46.22%
33	Eastern Housing Limited	42.71%	-5.49%	15.70%	-28.07%	39.53%	6.85%
34	Gemini Sea Food	-4.10%	76.05%	-27.74%	-44.48%	2.63%	131.06%
35	Summit Alliance Port	-1.20%	-33.58%	-12.45%	-27.77%	66.52%	9.23%
36	MJL	38.79%	-16.13%	-6.23%	-28.90%	28.59%	10.22%
37	Saif Powertech	119.66%	-27.91%	-14.48%	-28.97%	83.35%	51.76%
38	Sino Bangla Industries	49.13%	21.03%	16.02%	-19.80%	3.73%	9.80%
39	GPH Ispat	46.20%	-11.35%	1.47%	-26.04%	52.96%	65.00%
40	Singer BD	1.56%	13.15%	6.02%	-2.66%	-3.25%	-10.59%
41	Marico	-20.14%	20.72%	5.12%	22.38%	32.93%	13.39%
42	Genex Infosys Limited				12.51%	78.83%	3.47%
43	Bashundhara Paper Mill				-43.48%	11.53%	21.35%

Debt Ratio Table

		Debt Ratio						
	Company Name	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
1	Grameenphone	0.743	0.730	0.734	0.742	0.648	0.694	0.750
2	British American Tobacco	0.466	0.502	0.478	0.398	0.475	0.526	0.506
3	Bangladesh Submarine Cable	0.378	0.397	0.436	0.440	0.444	0.378	0.368
4	Linde BD	0.419	0.382	0.853	0.839	0.324	0.284	
5	Olympic Industries	0.407	0.309	0.356	0.341	0.302	0.359	0.351
6	Power Grid Company of Bangladesh	0.743	0.738	0.751	0.731	0.751	0.761	0.779
7	Orion Infusion	0.627	0.625	0.644	0.619	0.631	0.605	0.617
8	Beacon Pharma	0.401	0.414	0.389	0.388	0.355	0.373	0.450
9	Daffodil Computers	0.273	0.235	0.199	0.116	0.155	0.146	0.443
10	Bata Shoe	0.457	0.455	0.460	0.451	0.443	0.464	
11	Summit Power Limited	0.288	0.268	0.481	0.403	0.412	0.410	0.516
12	Saiham Cotton Mills	0.389	0.413	0.470	0.392	0.420	0.438	0.420
13	Acme Laboratories	0.434	0.434	0.459	0.489	0.517	0.503	0.495
14	Desco	0.672	0.688	0.710	0.719	0.716	0.672	0.687
15	Square Pharma	0.085	0.067	0.056	0.059	0.055	0.048	0.059
16	Unique Hotel and Resorts Limited	0.117	0.187	0.187	0.306	0.345	0.364	0.374
17	Bangladesh Shipping Corporation	0.171	0.186	0.202	0.669	0.685	0.676	0.644
18	Bangladesh Lamps Limited	0.522	0.464	0.583	0.563	0.616	0.539	0.586
19	Apex Footwear	0.813	0.814	0.808	0.815	0.840	0.836	0.854
20	Aman Feed	0.334	0.343	0.483	0.470	0.507	0.529	0.554
21	KDS Accesories limited	0.483	0.534	0.599	0.520	0.500	0.532	0.608
22	National Polymer Limited	0.575	0.638	0.693	0.721	0.709	0.674	0.675
23	RAK Ceramic	0.452	0.452	0.426	0.424	0.439	0.465	0.475
24	Meghna Petroleum	0.876	0.874	0.878	0.818	0.714	0.748	0.770
25	Samorita Hospital	0.155	0.157	0.090	0.095	0.092	0.138	0.137
26	Far East Knitting and Dyeing	0.269	0.230	0.180	0.272	0.275	0.277	0.280
27	Ifad Autos	0.739	0.729	0.702	0.702	0.707	0.722	0.732
28	Active Fine Chemicals Limited	0.264	0.296	0.279	0.290	0.352	0.396	0.417
29	Rangpur Foundry Limited	0.559	0.489	0.441	0.346	0.315	0.327	0.371
30	Agricultural Marketing Company Limited	0.627	0.608	0.579	0.546	0.538	0.510	0.520
31	Agni Systems	0.199	0.183	0.137	0.110	0.115	0.140	0.137
32	Apex Foods	0.599	0.627	0.581	0.579	0.599	0.532	0.420
33	Eastern Housing Limited	0.726	0.731	0.720	0.719	0.713	0.695	0.694
34	Gemini Sea Food	0.935	0.944	0.911	0.899	0.998	0.991	0.920
35	Summit Alliance Port	0.393	0.387	0.424	0.369	0.362	0.350	0.337
36	MJL	0.513	0.559	0.587	0.592	0.569	0.562	0.581
37	Saif Powertech	0.653	0.525	0.550	0.561	0.584	0.677	0.714
38	Sino Bangla Industries	0.663	0.645	0.705	0.725	0.746	0.733	0.781
39	GPH Ispat	0.532	0.609	0.757	0.799	0.839	0.779	0.806
40	Singer BD	0.658	0.686	0.720	0.691	0.651	0.735	0.804
41	Marico	0.513	0.579	0.666	0.715	0.723	0.718	0.618
42	Genex Infosys Limited				0.375	0.319	0.326	0.403
43	Bashundhara Paper Mill				0.372	0.315	0.322	0.325