

Internship Report
On
Financial Statement Analysis of Shade Fashions
Limited.



Internship Report

On

“Financial Statement Analysis of Shade Fashions Limited”.

Prepared under the Supervision of

Syed Mizanur Rahman
Faculty of Business and Entrepreneurship
Daffodil International University.

Prepared By

Saykat Kumar Saha
ID No: 113-14-566.
MBA Program.
(Major in Finance)
Department of Business Administration
Faculty of Business & Economics



DEDICATION

Dedicated to

My Beloved Parents

And

My Honorable supervisor

Director (Students' Affairs) Syed Mizanur Rahman
Faculty of Business and Entrepreneurship
Daffodil International University

Acknowledgement

At the very Beginning, I would like to express my gratitude to Almighty “God “for whose kindness I am enough sound mentally and physically to prepare my Internship report. Then I must express my deep gratitude to my Internal Supervisor Syed Mizanur Rahman, Faculty of Business and Entrepreneurship, Daffodil International University. Without his sincere direction and Suggestions it could have been extremely difficult for me to prepare the report.

I am also truly thankful to my host organization supervisor, Mr. Md. Salahuddin (Accounts Manager) for helping and trusting me to work on this topic. I express my heartfelt thanks to them for providing me the opportunities to complete the report. I specially want to thank my faculty for all his patience and for making me capable to work so comfortably with him.

I have prepared the report on the basis of my knowledge and experience gained from the Finance courses of my department and from the Internship Program. I feel pride and pleasure on the Accomplishment of this report.



.....
Saykat Kumar Saha.

Letter of Transmittal

October 19, 2019.

To
Syed Mizanur Rahman
Faculty of Business and Entrepreneurship.
Director (Student's Affairs).
Daffodil International University

Subject: Submission of Internship Report.

Dear Sir

I am hereby submitting my Internship report titled “**Financial Statement Analysis of Shade Fashions Limited**” prescribed by you as the requirement of my MBA Program. For this purpose, I have worked under the supervision of Mr. Md. Salahuddin (Accounts Manager) as an internee for 3 months and gone through three most important aspects of SFL.

Please accept my internship report and if you have query regarding this report, please let me know at your expedient time. I will always be available at your convenience to make further details of the study.

Sincerely Yours



Saykat Kumar Saha

ID No: 113-14-566

MBA Program.

(Major in Finance)

Department of Business Administration

Faculty of Business & Economics.

Daffodil International University.

Letter of Acceptance

This is to certify that, Saykat Kumar Saha, ID No: 113-14-566, a Student of MBA Program, Department of Business Administration, Faculty of Business and Economics, Daffodil International University, has prepared this Internship Report entitled “**Financial Statement Analysis of Shade Fashions Limited**” audited by Mr. Md. Salahuddin (Accounts Manager), under my supervision. I do hereby approve the style and contents of this Internship report. This is for the partial fulfillment of one year Masters of Business Administration (MBA) degree in Daffodil International University.

To the best of my knowledge he did not copy any materials documents from any other sources. It seems to me the report is original in nature.



Syed Mizanur Rahman
Director (Students Affairs).
Daffodil International University.

Executive Summary

The report is prepared to determine the Financial Statement Analysis of Shade Fashions Limited. Shade Fashions Limited has strong and effective Finance department. Therefore it is great to evaluate Financial Statement Analysis of Shade Fashions Limited. Through this report, a clear idea is generated about Company Financial Performance, the organization's view toward its necessity and its contribution to the organization. Three month is very short time to know details information of Finance department. But, I tried my best to know as large as possible.

Learning part consists of financial Ratio analysis. Financial Ratio includes – Profitability Ratio, Liquidity Ratio, Activity Ratio, Solvency Ratio, and Stock Exchange Ratio.

So I can draw a sharp line of the issue towards its impact of the total Finance Performance and overall the financing and its standard method of the Shade Fashions Limited.

Here I tried my level best to compare the Financial Performance of the company from 2016 to 2018 besides I have completed a 90 days internship Program in Shade Fashions Limited.

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Part

2

Body of the Report

CHAPTER 01

Introduction

- 1.1 Background of the Study.***
- 1.2 Significance of the Study.***
- 1.3 Objectives of the Study.***
- 1.4 Scope of the study.***
- 1.5 Methodological Aspect.***
- 1.6 Limitations of the Study.***

1.1 Background of study

This is true to say that the Educational environment in our whole world and especially in Bangladesh is very much competitive. Present market creates a lot of critical conditions. Only theoretical knowledge cannot solve or define all the problems. So, simply theoretical is not enough for a person or student to play operations or to do job in a competitive market. He need to practical knowledge about the present organizational field.

This report is prepared to cover the assigned internship topic on "Financial Statement Analysis of Shade Fashions Limited".

This report has been prepared under the supervision of Syed Mizanur Rahman, Faculty of Business and Entrepreneurship, Daffodil International University.

1.2 Significance of the Study

Internship is a part of MBA program as it provides knowledge to the outgoing student as they are going to operate a different organizational activity which helps to increase their practical knowledge. Through this internship a student can compare his practical knowledge with theoretical knowledge.

1.3 Objectives of the Study

Every report has some objectives. There are two objectives of this report the primary objective and the secondary objective.

The primary purpose of the report is the fulfillment of the study is to conduct Financial & business analysis.

The secondary purpose is to gather practical knowledge about how to calculate different types of ratio to know financial position of a company.

1.4 Scope of the Study

This report will provide information about the financial positions of Shade Fashions Limited. This report will also help to know about the performance and owners position.

1.5 Methodology of the study

Nature of the Research

In this study Analytical research has been undertaken to gain insights and understanding on the overall procedures and guidelines to conduct Financing system and also determine the order attitudes regarding activities and services performed by Mr. Md. Salahuddin.

To identify the financial performance of Shade Fashions Limited. Four Analytical tools for financial Statement analysis are taken in to consideration. This are-

1. Ratio Analysis.
2. Statement of changes in Equity.
3. Cash flow Statement.

The data for this report have been collected both from primary sources & secondary sources of information. These are on the following way-

The primary sources of Data

- No Primary data are used for analysis.

The secondary sources of Data

I also used secondary data for preparing this report. Data are collected from published materials like:

- Annual Audit Report.
- Internet.
- Relevant book

1.6 Limitations of the Study

In every report work there exist some Limitations that report writer faces while conducting it. Shade Fashions Limited is a private company and belongs to such an industry where secrecy of information is vital for the company's success. All along my internship period I worked in the Finance department that deals with numbers and is kept confidential within the company. One of the reasons is that they do not want any information leaked out that conflict with the declared financial statements. For this I got the minimum help from my supervisor as he was not permitted to distribute any information that is daunting for SFL. SFL is a huge company where everything is done by customized software. On the other hand-

- Lack of information.
- Limitation of time.
- Unavoidable condition.

CHAPTER 02

JOB DESCRIPTION AND JOB RESPONSIBILITIES:

I am doing my internship at the accounts and finance department of Shade Fashions Limited. The accounts and finance department of shade fashions limited is divided into 3 sections. These are –

1. Financial Accounting.
2. Cost Accounting.
3. Auditing.

The responsibilities of this department are to maintain and control each and every perspective related to accounts and finance. The main responsibilities of accounts department are given below-

1. Maintain & prepare all kind of Voucher and posting to the ledger.
2. Maintain Petty cash fund for disbursements and keep proper records and keep department properly ledger up to date.
3. Maintaining all the banking activities like Transaction, Statement Collection & others.
4. Maintain overall day to day functions of accounts department.
5. Prepare and maintain different sorts of bill, voucher & requisition slips.
6. Preparation of monthly budget and conducting variance analysis.
7. Keep record of all office expenses, payroll entries, invoices and other accounting documents.
8. Preparation & Maintenance of Cash book, Bank book, Ledger, on monthly, quarterly, half yearly and yearly basis.
9. Preparing salary sheet & ensure salary payment through bank & cash.
10. Able to Cash management & cash disbursement.
11. To check and ensure that suppliers payments are accurate and all payments are properly authorized and timely made.
12. Prepare agreements and contract management with different suppliers.
13. Able to Prepare Daily Production Report & Submit to Management as required.
14. Issue VAT Challan (Musuk-11).

CHAPTER 03

ORGANIZATIONAL PROFILS OF SHADE FASHIONS LIMITED.

3.1 Historical Background of SFL.

3.2 Management Aspect.

I. Mission of SFL.

II. Vision of SFL.

III. Objectives of the Company.

IV. Quality Control.

V. Child labor.

VI. Work Environment.

VII. Discrimination.

VIII. Wages and hours.

IX. Employees.

X. Customer

XI. Competitors.

XII. Financial Policy & Suppliers.

XIII. Involved Bank with SFL.

XIV. Export.

XV. Commitment of SFL.

3.3 Corporate profile of SFL.

3.4 Board of Directors.

3.5 Organ gram of the Shade Fashions Limited.

3.6 Products / Services of SFL.

3.7 SOWT Analysis of SFL.

3.1 Historical Background of SFL.

100% Export oriented readymade garments factory.

Highly trained and skilled managerial group, creating a friendly atmosphere through continuous training is expecting to achieve the company objectives.

Apart from support the nation with fore earning & solving unemployment problem, the in objective of **Shade Fashions Limited** are human resource development efficient management of garment sector giving priority requirement of quality & in time shipment.

3.2 MANAGEMENT ASPECT

Mission of the Company

- Goodwill towards all employees.
- Inventive research of commercial importance.
- Outstanding product quality.
- Customer's satisfaction & market sensitive.
- Optimizing profitability in our business.
- Novel product & Technologies.

Vision of the Company

The vision of the Shade Fashions Limited. Is to reach out even to the remotest areas of all foreign country and improve lives with quality products at an affordable price. Since its inception in 2001, The Shade Fashions Limited. Has been working relentlessly with a vision to ensure large quantity garments product has export.

Objectives of the Company

The main objective of the company is to achieve the large quantity of products has export of the foreign country within very short time by utilizing good reputations and providing better quality products.

- To provide quality products at affordable price and to be number one Export oriented Garments Company.
- To exceed its projected sales over 300 million taka by year 2021.

Quality Control

Ensure strict compliance with standards and local regulatory norms in every phase of sourcing & procuring quality materials, manufacturing, quality assurance and delivery of garments.

Ensure all activities through documented quality management system complying international standard requirements of ISO 9001. Through continuously developing human resources by regular training and participation.

Shade Fashions Limited is committed to undertake appropriate review evaluation and performance measurement of processes, business activities and quality management system for continual improvement to ensure highest standard, customer satisfaction, developing human resources and company's growth.

Code of contract

The company operates in full compliance with the applicable laws, rules and regulation, including those relating to labor, workers health and safety, and the environment.

Child labor

The company employ only workers who meet the applicable minimum legal age requirement or are at least 18 years of age.

Work Environment

The company encourages developing lawful work place apprenticeship program for the educational benefit of the workers.

Discrimination

The company employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.

Wages and Hours

The company set working hours, wages and overtime pay in compliance with all applicable laws.

Employees

Employing over 500 plus employees and dedicated to bringing the highest quality products and services to The Shade Fashions Limited.

Customers

The Business of the Shade Fashions Limited Is not retailer oriented. As a Garments Company, the Shade Fashions Limited has to deal with foreign Buyer of foreign country. The main customer has lyen-fung, Jacipany, kohl's, Target, Wal mart Etc.

Competitors

- Hamim Garments.
- Parmol Garments.
- Sinha Garments.

Financial policy and suppliers

As a readymade garments factory or buying house shade fashions limited maintain their financial policy based on the master LC against back to back LC. Actually they are working as like as a dealer. Master LC depends on the buyer.

Also they have strong financial backup like as following-

- (A) Group Chairman.
- (B) Insurance Company – Continental insurance limited.

Involved bank with Shade Fashions limited

- (A) The premier Bank Limited. Gulshan Branch, Dhaka.

Export

The Success of the Shade Fashion Limited in the domestic market prompted it to explore the international market as well. In 2001, it started its first journey to international operation by exporting garments products to USA. Since then it has been expanding worldwide. The volume of sales increased substantially with an average growth rate of 50% almost every year. The Shade Fashion Limited is exporting garments products to several countries in neighboring India, China. The Shade Fashions Limited. is exporting to with a growth rate of 55%.

➤ Regular Export Market

USA, Myanmar, Nepal, Sri Lanka, Hong Kong.

➤ Irregular Export Market

Japan, France.

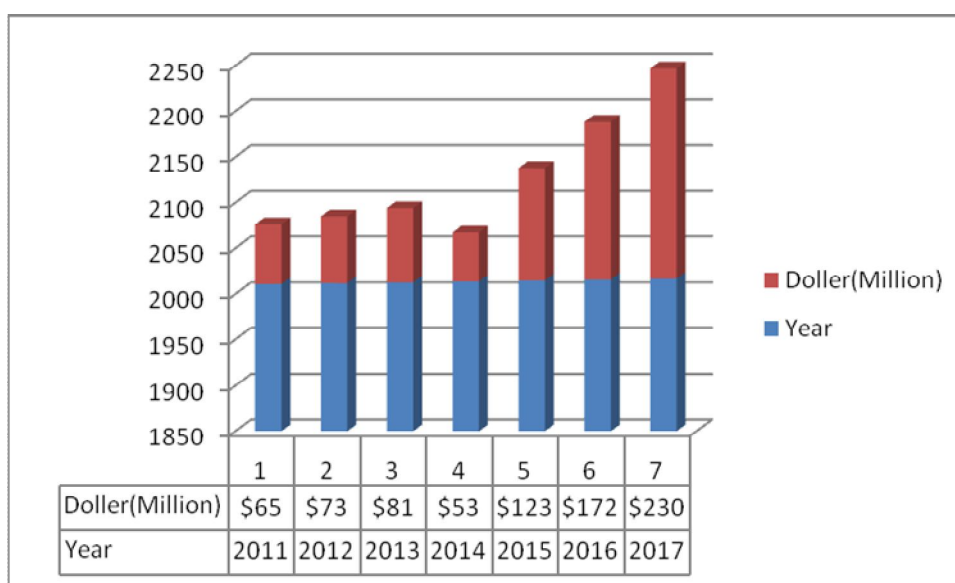
➤ Developing Market

South America. Australia.

Commitments of the SFL

- To provide full range of high quality products services.
- To carry out all aspects of their works with high level of professionalism and excellence.
- To offer value for money for the services they provide.

Export Earnings at a Glance



3.3 Corporate Profile of the Shade Fashions Limited.

1. Unit	:	SHADE FASHIONS LTD.
2. Year of Establishment	:	2001
3. Corporate Address	:	House # 09, Road # 50, Gulshan-02,Dhaka-1212 Phone: 8823180, 8859282, 8861906, Fax: 880-2-8824509.
4. Contract Person	:	Mr.Omkar Sakharam Naik, (Director) e mail : omkar@shadebd.com
5. Factory Address	:	RIOM COMPLEX 157, Berun, Jamgara, Savar, Dhaka. Phone: 7701668,7702355-6
6. Board of director	:	a. Mrs.Rita Sakharam Naik (Chairman) b. Mr. S.B.Naik (Managing Director) c. Mr.Omkar Sakharam Naik (Director)
7. Line Bank	:	Premier Bank Ltd. Gulshan Branch, Dhaka.
8. Total Floor Area	:	30000 Sft.(2788 Sqm)
9. Total Employee	:	500 Persons
10. Total Machineries	:	241 Nos
11. Monthly Production	:	1,20,000 pcs
12. Export Item	:	Shirt, Swim Shorts, Pants, Jackets
13. Export Country	:	U.S.A.
14. Major Customers	:	KOHL'S, SEARS, TARGET, BONTON, JCPENNY
15. Total Export (Yearly)	:	14,40,000 PCS

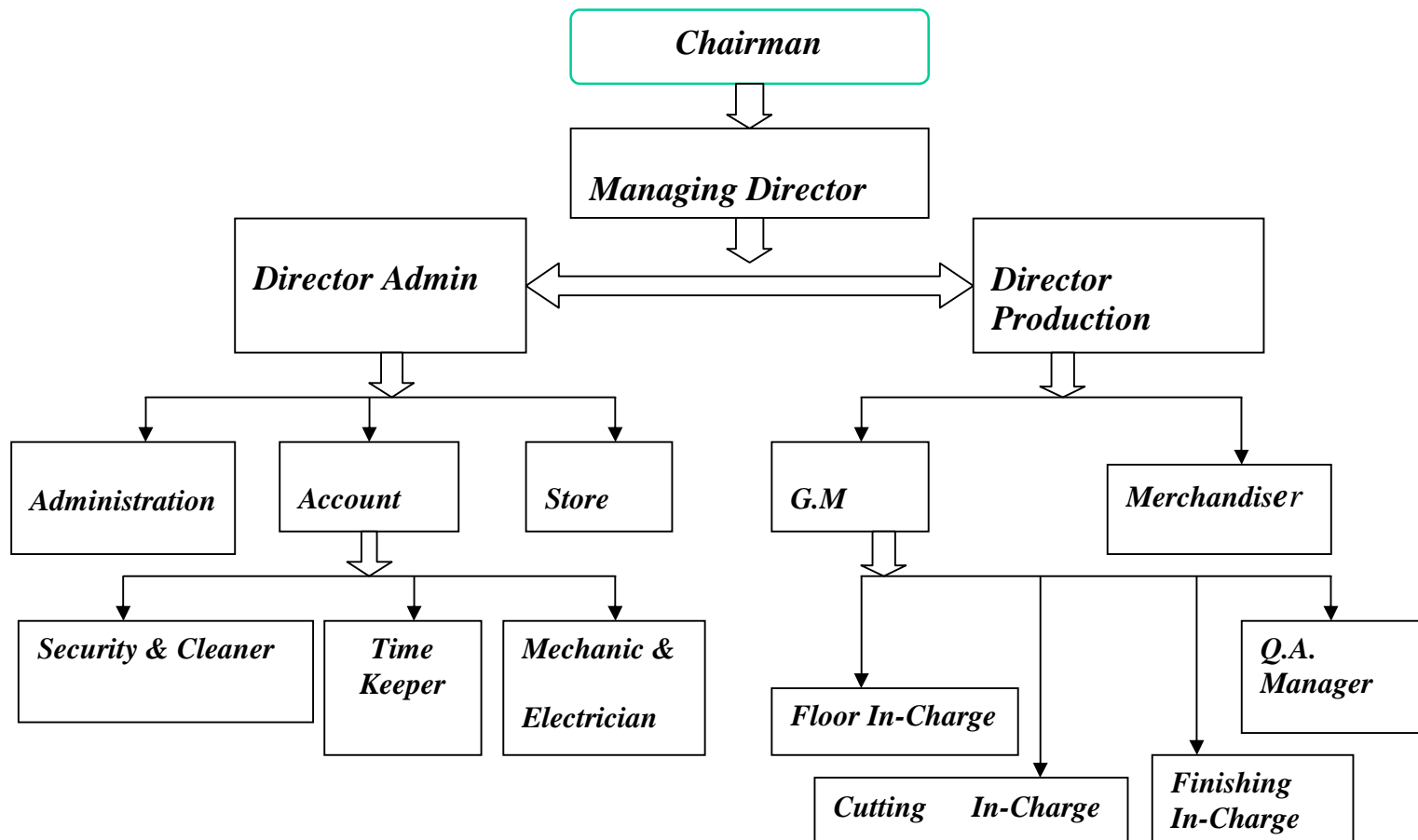
3.4 Board of Directors

The Shade Fashions Limited. Has a Three member's management team lead by the Managing Director. There are One Directors in the team as well. These Three persons represent different divisions of Shade Fashions Limited.

The boards of directors of The Shade Fashions Limited. are as follows:

Mrs. Rita Naik	Chairman
Mr. S.B.Naik	Managing Director (MD)
Mr. Omkar Sakharam Naik	Director

3.5 Organ gram of the Organization chart



3.6 Product / Services

Mainly Shade Fashions Limited is garments oriented products exported in the foreign country. It has different item and different size of product has production. Some products have man and some products women's. Such as-

- (1) Shirts.
- (2) Swim Short Pants.
- (3) Jackets.
- (4) Shorts, etc.

3.7 SWOT Analysis of SFL

S= Strength.

W= Weakness.

O= Opportunity.

T= Threat.

Strengths of Shade Fashions Limited.

The Shade Fashions Limited. Is one of the leading companies in Garments industry for their strategy and strengths, followings are their strengths:

- The well trained, skilled and qualified employees are strength of The Shade fashions Limited. as well. These employees lead this organization to its goal.
- The Shade Fashions Limited. has been serving the country since 1995. So it has gathered huge experience in the Garments market which is now acting as strength for the company.

Weaknesses of Shade Fashions Limited.

The Shade Fashions Limited. has enjoys competitive advantages over other giant companies. In reality The Shade Fashions Limited. has insignificant weakness in strategy. These are

- The chain of command of Shade Fashions Limited. is elongated, which takes long time to take any decision.
- Need more smooth distribution Sectors.

Opportunities of Shade Fashions Limited.

- The garments market of Bangladesh is booming rapidly, so The Shade Fashions Limited. has a huge scope to do better.
- Today technology is more advanced and sophisticated which opens the door of the new generation of Export quality Products.

Threats of Shade Fashions Limited.

- There are lots of big garments companies established in market in the country, which create more competition. So that is a threat for The Shade Fashions Limited.
- As there is a huge opportunity in the Garments sector in Bangladesh, the number of garments company is increasing and The Shade Fashions Limited has to compete with this companies for keeping its in the market.

Chapter-04

“FINANCIAL STATEMENT PART”

- 1. Financial Statement Analysis.*
- 2. Trend Analysis.*

4.1. Financial Statement Analysis

Financial Statement analysis means the process of reviewing and evaluating a company finance position. Such as Balance sheet or profit and loss statement. Thereby gaining an understanding of the financial health of the company and enabling more effective decision making.

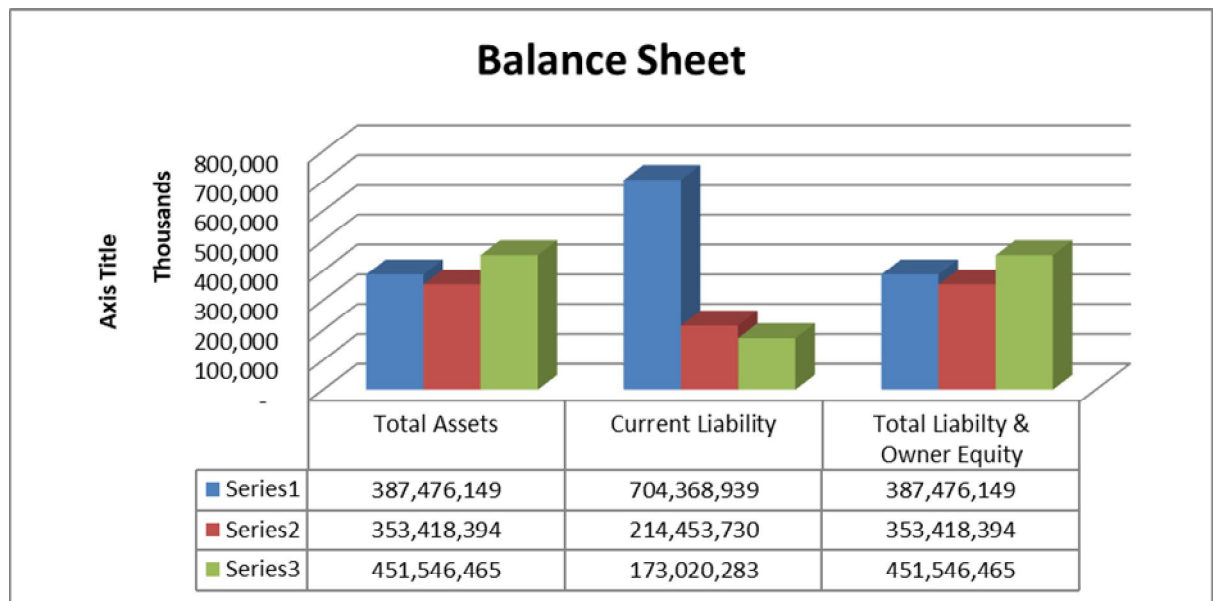
- The Income Statement reports revenue, Expenses, and gain& loses.
- The Balance sheet shows assets, Liabilities, & stockholders' equity. The statement of stockholders equity reports capital truncation with owner.
- The statement of cash flows includes operating investing, and financial inflows and outflows. Many transactions are reflected in more than one statement so that the entire set is required to evaluate the company.

4.2. Trend Analysis

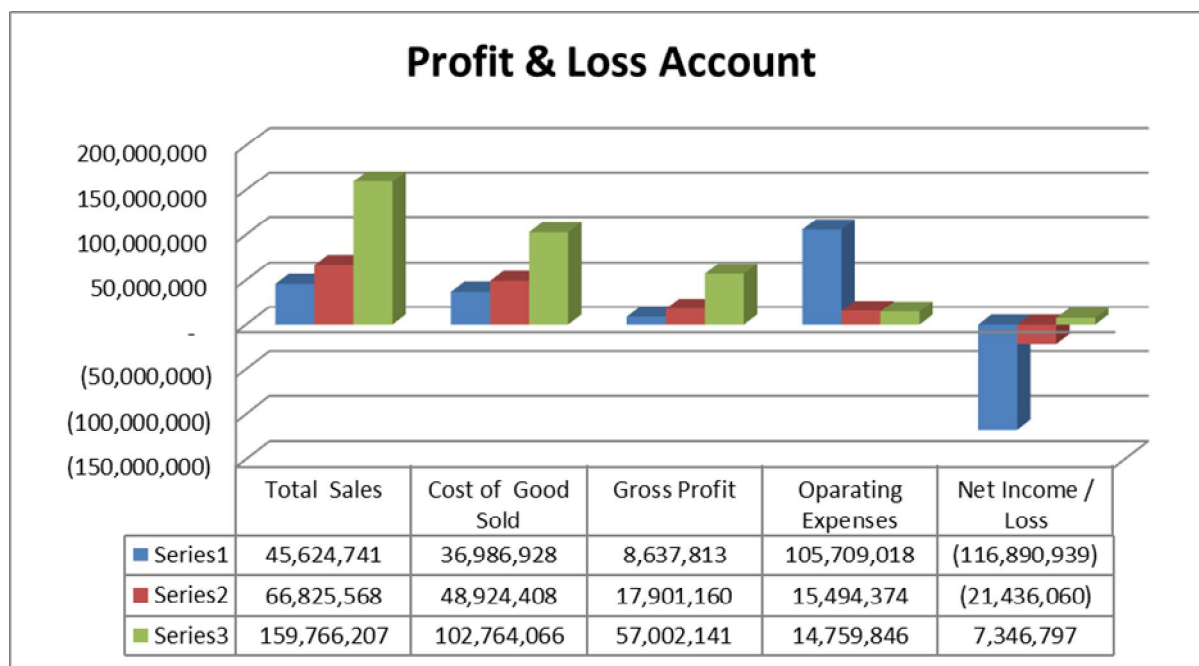
Trend analysis is an aspect of technical analysis that tries to predict the future movement of company's financial condition based on past data. Under trend analysis I have calculated liquidity ratio, profitability ratio, asset management ratio, and debt ratio.

Shade Fashions Limited. BALANCE SHEET At the end of June 30,2016-2018			
Particulars	2016	2017	2018
Non-current Assets	290,233,403	282,402,881	360,292,059
Property, Plant& Equipment	163,623,850	156,725,237	264,467,064
Investment	124,745,734	124,745,734	95,824,995
Pre-production Expenses	1,863,819	931,910	-
Current Assets	97,242,746	71,015,513	91,254,406
Inventories	67,769,429	30,932,924	44,036,877
Accounts Receivables	4,943,237	14,715,007	16,791,135
Inter project Current Account	12,544,564	13,116,534	5,204,324
Advance, Deposit & Prepayments	9,809,058	9,026,618	20,132,387
Cash and Bank Balances	2,176,458	3,224,430	5,089,683
Total Assets	387,476,149	353,418,394	451,546,465
EQUITY AND LIABILITIES			
Capital and reserves	(316,892,790)	(41,087,336)	(37,124,233)
Issued Capital	203,597,600	203,597,600	203,597,600
Tax-holiday Reserve	4,156,589	4,156,589	-
Retained Earnings	(524,646,979)	(248,841,525)	(240,721,833)
Maturity (secured)	-	180,052,000	315,650,415
Current Liabilities	704,368,939	214,453,730	173,020,283
Short Term Borrowings-Secured	370,571,751	136,766,833	136,982,667
Maturity (Secured)	-	22,504,000	-
Creditors and others Payable	291,051,317	27,119,019	1,569,489
Accrued Expenses	3,089,711	3,498,470	4,551,555
Dividend Payable	39,656,160	24,565,408	15,836,572
Total Liabilities and Shareholder's Equity	387,476,149	353,418,394	451,546,465

Show the Balance sheet Graph chart in Total Assets, Current Liability and Total Liability & Owner Equity period of 2016 to 2018.



Shade Fashions Limited. PROFIT & LOSS ACCOUNT At the end of June 30,2016-2018			
Particulars	2016	2017	2018
Net Sales Revenue	45,624,741	66,825,568	159,766,207
(-) Cost Of Goods Sold	(36,986,928)	(48,924,408)	(102,764,066)
Gross Profit	8,637,813	17,901,160	57,002,141
(-) Operating Expenses	(30,433,176)	(31,573,182)	(44,958,594)
Administrative Expenses	(10,613,442)	(7,730,336)	(9,222,754)
	(21,795,363)	(13,672,022)	12,043,547
Finance Cost	(95,095,576)	(7,764,038)	(5,537,092)
Profit/Loss from Operation	(116,890,939)	(21,436,060)	6,506,455
(+) Other Income	-	-	840,342
Net Profit/Loss For the Year	(116,890,939)	(21,436,060)	7,346,797
Net Profit before Income Tax	(116,890,939)	(21,436,060)	7,346,797
Profit/Loss Brought Forward	(407,756,040)	(227,405,465)	(248,068,630)
Profit/ loss Carried forward	(524,646,979)	(248,841,525)	(240,721,833)
Earnings Per Share	(57)	(11)	4
No of Shares	2,035,976	2,035,976	2,035,976



Shade Fashions Limited
Statement of Changes in Equity

Particulars	Amount In (take) 30.06.2016	Amount In (take) 30.06.2017	Amount In (take) 30.06.2018
Issued Capital	203,597,600	203,597,600	203,597,600
Tax-holiday Reserve	4,156,589	4,156,589	-
Retained Earnings:			
Net Accumulated Profit (Loss)	(407,756,040)	(227,405,465)	(248,068,630)
Net Profit/Loss for the year	(116,890,939)	(21,436,060)	7,346,797
Net Accumulated Profit(loss)	(524,646,979)	(248,841,525)	(240,721,833)
(Balance Transferred to Balance Sheet)			
Shareholder's Equity at the of the year =	(316,892,790)	(41,087,336)	(37,124,233)
No of Ordinary Shares	2,035,976	2,035,976	2,035,976
Face value per Share	100	100	100
Shareholders' Equity Per Share	(156)	(20)	(18)

Shade Fashions Limited

Cash Flow Statement

Particulars	Amount In (taka) 30.06.2016	Amount In (take) 30.06.2017	Amount In (taka) 30.06.2018
Cash Received from Operating Activities:			
Cash Received from Customers	57,256,646	57,053,798	157,690,079
Cash Paid to Suppliers & Employees	(54,062,358)	(37,964,612)	(189,758,159)
Cash Generated from Operation	3,194,288	19,089,186	(32,068,080)
Income tax Paid	(460,219)	(1,031,321)	(1,732,478)
Net Cash Generated From Operating Activities =	2,734,069	18,057,865	(32,960,216)
Cash flows from Investing Activities:			
Dividend Paid	116,480	(15,090,752)	(8,728,836)
Bank Loan Received	1,711,562	(16,848,918)	113,310,249
Net Cash used in Financing Activities :	13,874,897	(12,575,126)	93,797,828
Net(increase/decreases)cash &Cash Equip	1,155,967	1,047,972	1,865,253
Cash &Cash Equivalents Beginning. Year	1,020,491	1,276,458	3,224,430
Cash & Cash Equivalents at the End of Year =	2,176,458	2,324,430	5,089,683

SHADE FASHIONS LIMITED
Financial Performances

Sl. No.	Particulars	2016	2017	2018
1	Sales	4.56	6.68	15.97
2	Gross Profit / (Loss)	0.86	1.79	5.7
3	Operating Profit / (Loss)	(2.18)	(1.37)	1.2
4	Net Profit / (Loss)	(11.69)	(2.14)	0.73
5	Earnings Per share (EPS)	(57.41)	(10.53)	3.61
6	Fixed Asset	16.36	15.67	26.45
7	Investment	12.47	12.47	9.58
8	Net Working Capital	(60.71)	(14.34)	(8.18)
9	No. of Shareholders.	6,578	88,920	8,451

Chapter -05

RATIO ANALYSIS

Ratio Analysis

Ratio Analysis expresses the relationship among selected items of financial statement data. A ratio analysis expresses the mathematical relationship between one quantity and another. The relationship is expressed in terms of either a percentage a rate, or a simple proportion.

1. **Liquidity Ratio:** Measure of short- term ability of the enterprise to pay its maturing obligations and to meet unexpected needs for cash.
 - Current Ratio.
 - Acid Test or Quick Ratio.
2. **Profitability Ratio:** Measures of the income or operating success of an enterprise for a given period of times.
 - Gross Margin.
 - Operating Margin
 - Net Profit Margin.
3. **Activity/ Asset Management Ratio:** Assets Management ratio has revenue and output generated by the company assets. It has include are –
 - Inventory Turnover ratio.
 - Total Asset/ Fixed Asset turnover ratio.
 - Accounts Receivable turnover ratio
4. **Solvency Ratio:** Measures of the ability of the enterprise to survive over a long period of times.

For Performances analysis of Shade Fashions Limited. Above of all ratios can be analysis and interoperate in the following ways-

Performances Analysis

Financial Performance of a company needs the assistance of its financial statements to measure the this type of performance at first we have to established the following parameters using the balance sheet and profit & loss accounts of a financial statement.

1. *Current Ratio =(Current Asset / Current Liabilities)*

Particular	2016	2017	2018
Current Asset	92,242,746	71,015,513	91,254,406
Current Liabilities	704,368,939	214,453,730	173,020,283
Current Ratio =	0.13	0.33	0.53

2. *Acid Test Ratio = (Total Current Asset - inventories/Current Liabilities).*

Particular	2016	2017	2018
Total Current Asset - inventories	24,473,317	40,082,589	47,217,529
Current Liabilities	704,368,939	214,453,730	173,020,283
Acid Test Ratio =	0.03	0.19	0.27

Note:

2016 : (92242746-67769429)

2017: (71015513 -30932924)

2018 : (91254406 - 44036877)

3. *Receivable Turnover Ratio = (Sales / Accounts Receivable).*

Particular	2016	2017	2018
Sales	45,624,741	66,825,568	159,766,207
Accounts Receivable	4,943,237	14,715,007	16,791,135
Receivable Turnover Ratio =	9.23	4.54	9.51

4. Inventory Turnover Ratio= (Sales / Inventories)

Particular	2016	2017	2018
Sales	45,624,741	66,825,568	159,766,207
Inventories	67,769,429	30,932,924	44,036,877
Inventory Turnover Ratio=	0.67	2.16	3.63

5. Fixed asset Turnover Ratio = (Sales / Fixed asset)

Particular	2016	2017	2018
Sales	45,624,741	66,825,568	159,766,207
Fixed asset	387,476,149	353,418,394	451,546,465
Fixed asset Turnover Ratio =	0.12	0.19	0.35

6. Gross Profit Margin = (Gross profit / Sales) x100

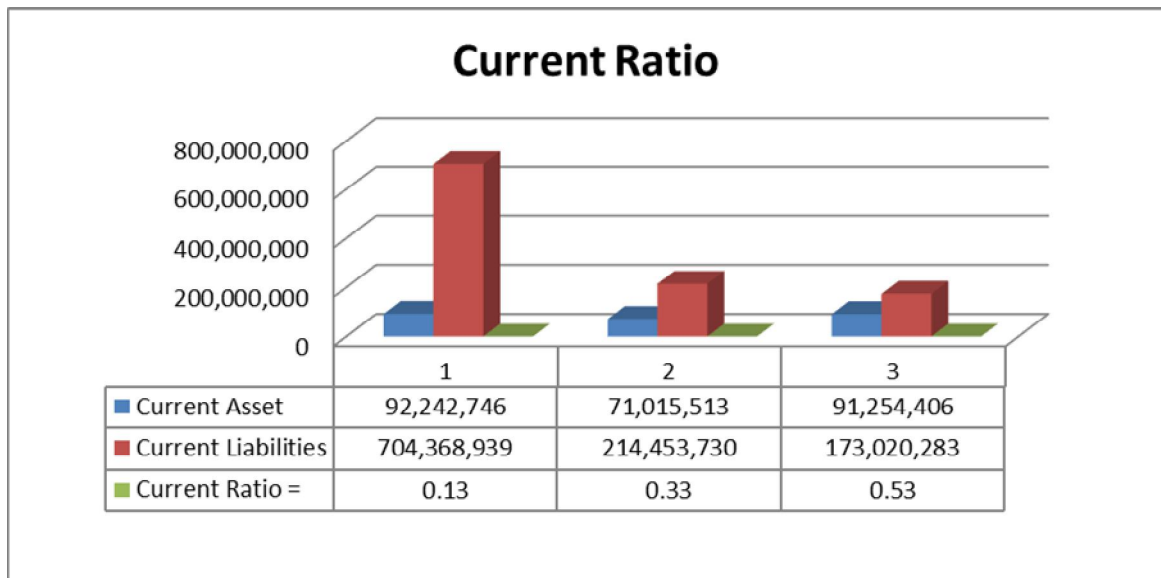
Particular	2016	2017	2018
Gross profit	8,637,813	17,901,160	57,002,141
Sales	45,624,741	66,825,568	159,766,207
Gross Profit Margin =	0.19 %	0.27 %	0.36 %

7. Operating profit Margin Ratio = (Operating Profit / Sales)

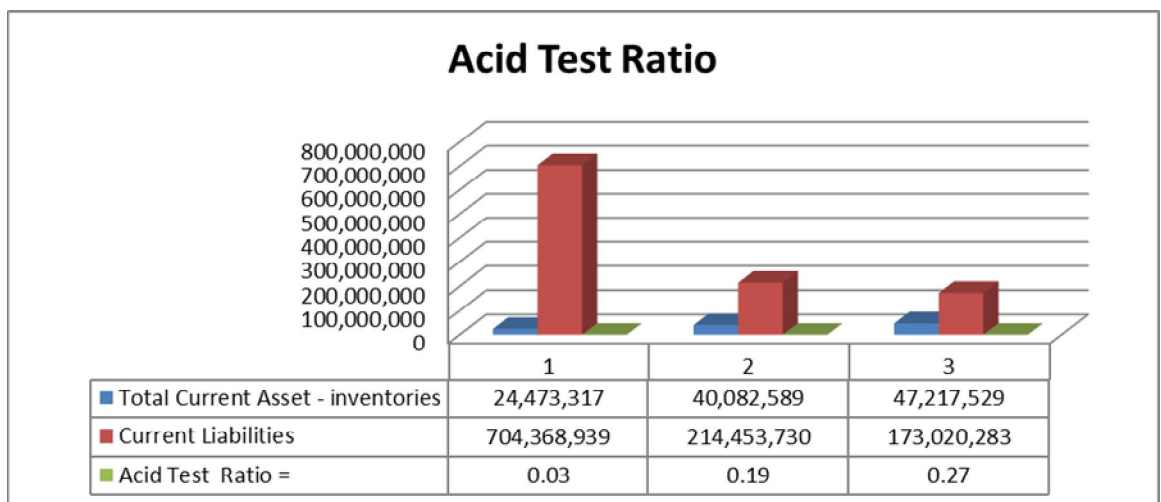
Particular	2016	2017	2018
Operating Profit	(116,890,939)	(21,436,060)	6,506,455
Sales	45,624,741	66,825,568	159,766,207
Operating profit Margin Ratio =	(2.56)	(0.32)	0.04

Chapter -06

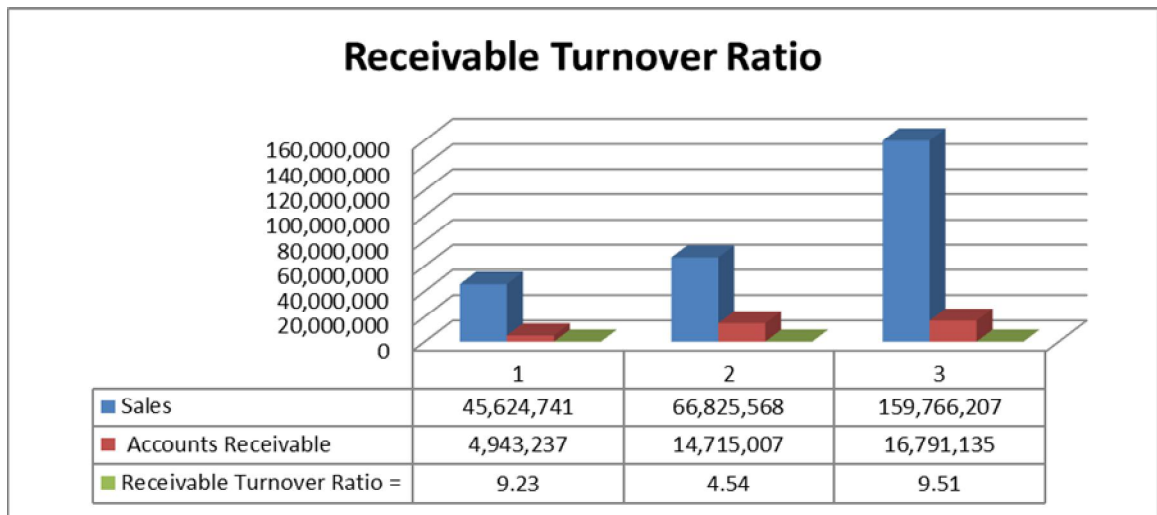
GRAPHICAL ANALYSIS



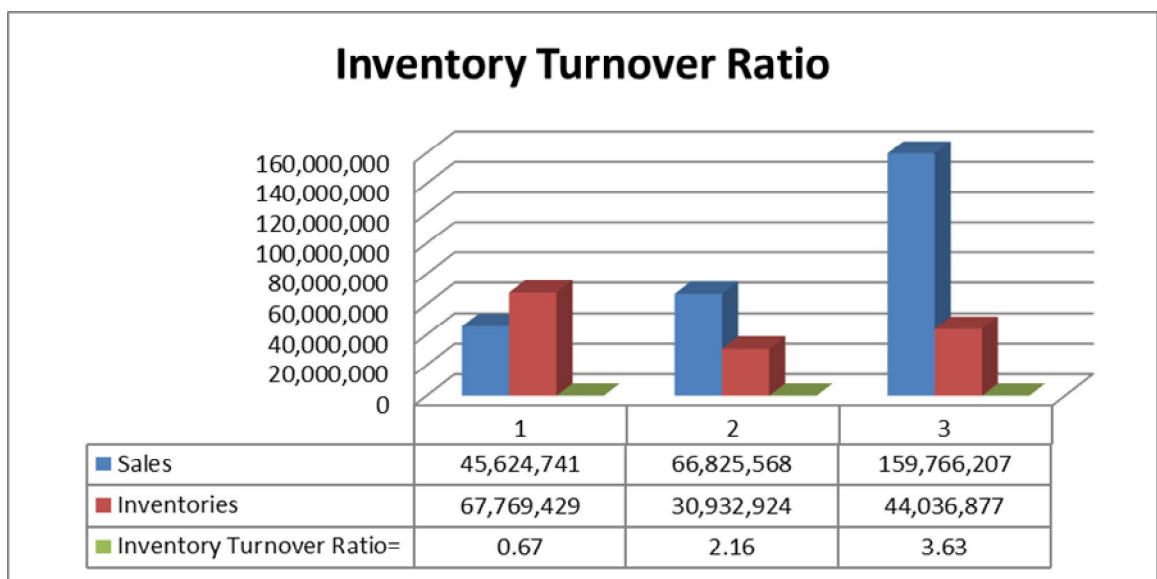
Interpretation : There is an upward trend of current ratio. It has sharply declined Shade Fashions limited liability position from 2016 to 2018. Also, the current ratio gradually increased from 0.13 to 0.53. Shade Fashions Limited gains its capacity to pay their current obligation by using current assets.



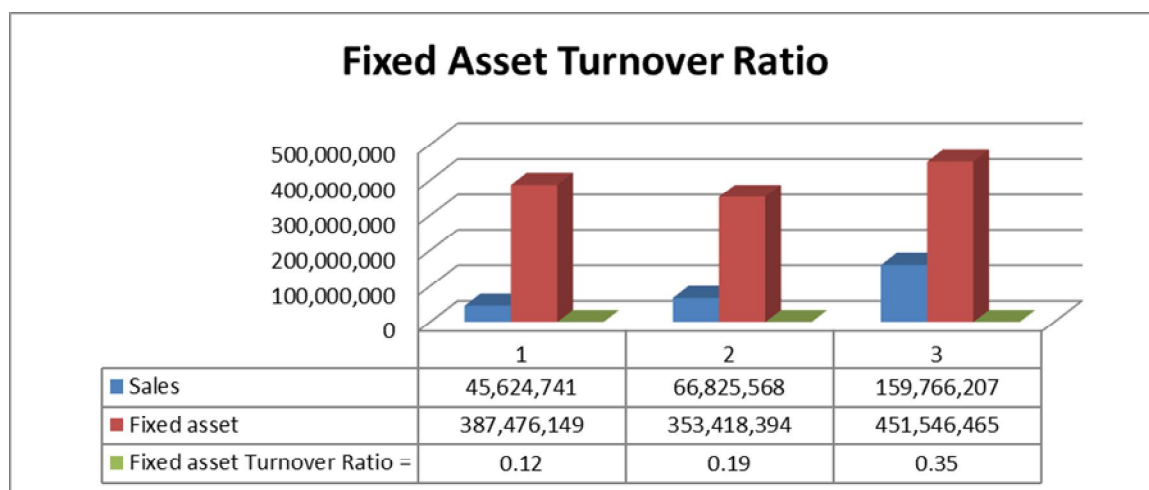
Interpretation: We know that Acid Test ratio or quick ratio is supplementary to the current ratio. This ratio 1:1 is considered to be satisfactory. It has a relatively better position of current obligation in time. So presently, Shade Fashion Limited's liquidity position is not good from 2016 to 2018.



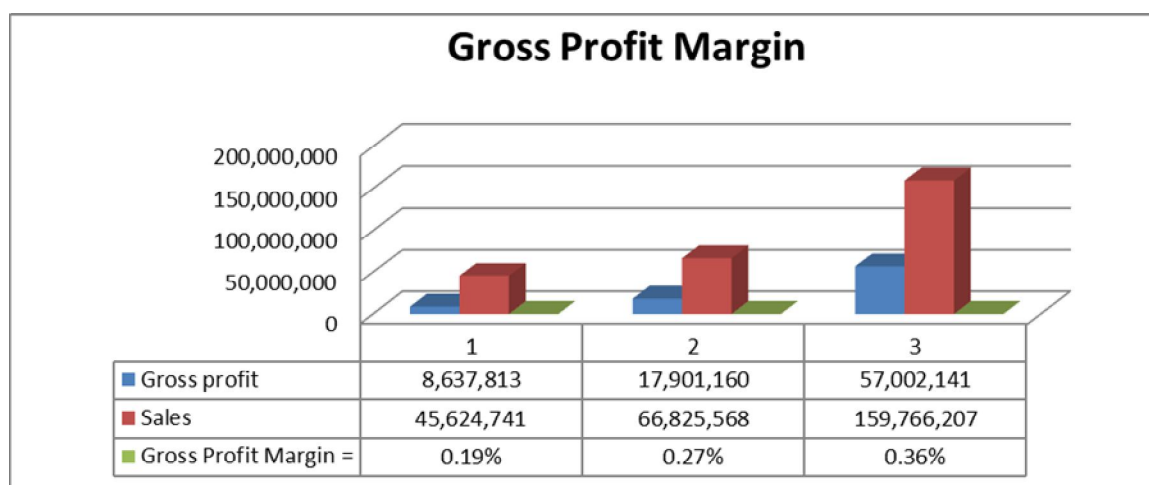
Interpretation: we know that Accounts Turnover ratio to evaluate the ability of a company efficiently issue credit to customer and collect fund from timely maintain. shown in 2016 shade fashions limited turnover 9.23 times but after next year gradually fall collect fund at 4.54 times and finally after next year that company has successful was grow up fund collect at 9.51 times.



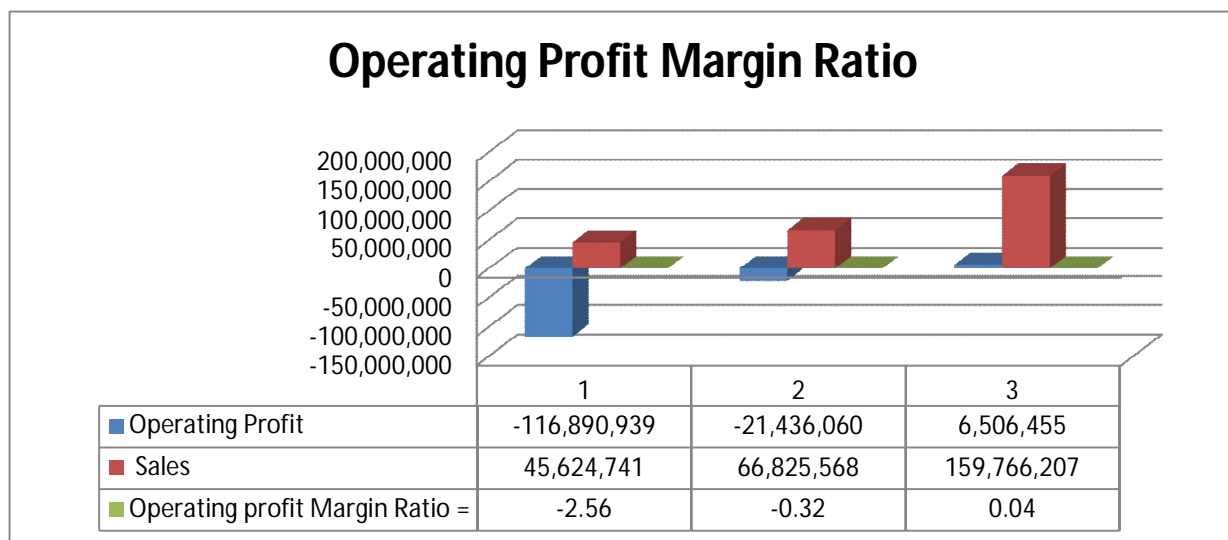
Interpretation: we know inventory turnover ratio means how will fast the inventory become by cash or accounts receivable. If the number of turnover is more than the company position is good. So we show our graph in 2016 turnover has 0.67 times but after next two year has gradually increase at 3.63 times at 2018



Interpretation: In 2016, Total Fixed asset Turnover has increased overtime. Sales and total assets increased in 2016 to 2018. In that see 2016 total fixed assets turnover was 0.12 times but 2018 has shown grow up 0.35 times.



Interpretation: Gross profit margin is a profitability ratio that compares the gross margin of business net sales. Shade Fashions limited increased from 2016 to 2018 and reached at 36% and it remained constant at 27% from 2017 to 2018. So it has better by improvement.



Interpretation: Operating profit margin has indicates the firm operational efficiency or ability to cover the total operating expenses. So 2016 & 2017 we see SFL operating expenses has low percentage but 2018 has recovered all operating expenses.

Chapter 7

Major Findings

Findings

Financial Statement analysis also referred to a “Quantitative Analysis” is considered to be analyzing a company from an investment perspective. It is a study of ratios between various items in financial statement. Ratios are classified as profitability ratios, Liquidity ratio, Asset utilization ratio and valuation ratio based on indications balance sheet, income statement, Cash flow statement are the most important part of financial statement analysis. It has commonly used by current and potential investors, creditors and financial institutions to evaluate a company past performance. It also enables them to identify strength and weakness of a Business.

So my study Shade Fashions Limited Financial Statement analysis following major findings-

Shade Fashions Limited is experience increasing growth in terms of liquidity since they have more current assets. The current ratio reached the ideal ration of 0.53:1 in 2018. As result it can be assumed that the company will acquire more assets in the next few years to keep their liquidity in a better position.

Sometimes labor unrest creates problems. Most of the employees are not happy for their wages, over times and others extra benefits. Also working environment is not enough friendly for their health.

Shade Fashions Limited Current Liabilities are greater than their currents Assets. It indicates great Problem to maintain liquidity.

Shade Fashions Limited operating Profit Margin is not good position except 2018.

Gross profit margin is a profitability ratio that compares the gross margin of business net sales. Shade Fashions limited increased from 2016 to 2018 and reached at 36% and it remained constant at 27% from 2017 to 2018. So it has better by improvement.

Chapter 8

➤ *RECOMMENDATION.*

➤ *CONCLUSION.*

Recommendation

Shade Fashions Limited will have to figure out how to survive in current competitive RMG market. All internal & external problem can be solved it will result in reduced cost, improved efficiency delivery.

Shade Fashions Limited need to highly concern about their liquidity position. To recover their liquidity performance they should collect their account receivable as soon as possible on the other hand delay payment to their creditors may help to recover liquidity position.

Shade Fashions Limited maintain higher average payment period for better liquidity but it will be cause of risk in a long run. So need to more concern about delay payment.

Shade Fashions Limited employees should be trained up in needed area and should be hired from related back ground.

Labor unrest will not occur if company gives those good wages and do not presser many quantities with in short time. Also shade fashions have to start child day care center for employee's children and to pay employee wages on time.

Finance matter decision making problems can be decrease of decision making procedure is not lengthy and some person get power to take decision on timely. More employees have to train up in English, French, language and have to make a well-organized customer database for communication.

Conclusion

Shade Fashions Limited is one of the renowned 100% export oriented readymade garments Factory in Bangladesh. This organization financial data analyzing the last three (3) years. So now I come to the conclusion that shade fashions limited made up high quality product for export quality and it is a self-solvent company with a strong position in garments sector. Almost most of the ratio shows that they are solvent and efficiency. However there liquidity ratio and turnover ratio needed to be improved as early as possible so that the company can reduce their liability.

Finally, I told shade fashions limited reputed organization in manufacturing sector in Bangladesh.