

Internship Report
On
Financial Performance Analysis
of
Rahmat Fashion Wear Ltd.



INTERNSHIP REPORT

Rahebul Islam, Daffodil International University

Rahmat Fashion Wear Ltd

Internship Report
On:
Financial Performance Analysis of
Rahmat Fashion Wear Ltd.

Submitted To:

Sayed Farrukh Ahmed

Assistant Professor

Department of Business Administration

Daffodil International University Bangladesh

Submitted By:

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Program: BBA (Major in Finance)

Department of Business Administration

Faculty of Business and Entrepreneurship



Daffodil International University

Date of Submission: 05/01/2020

Letter of Transmittal

Date: 23 October 2019

To

Sayed Farrukh Ahmed

Assistant Professor

Department of Business Administration

Daffodil International University Bangladesh

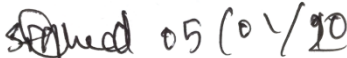
Subject: Submission of Internship Report on Financial Performance Analysis of “Rahmat Fashion Wear Limited”.

Dear Sir,

It is my pronounced inclination to submit you my internship report's on **Financial Performance Analysis of “Rahmat Fashion Wear Limited”**. I have exasperated my best to comprehensive this report properly following the strategies provided by you and fretful organization.

I hope that you would be kind enough to assent my report and oblige thereby.

Sincerely Yours,

 05/10/20

Name: Rahebul Islam Rahib

ID No. 153-11-975

BBA (Major in Finance)

Daffodil International University Bangladesh.



I am **Rahebul Islam Rahib** the student of Bachelor of Business Administration (BBA) bearing **ID: 153-11-975** major in Finance from Daffodil International University, Bangladesh would like to lugubriously declare here that an internship report on “**Financial Performance Analysis of Rahmat Fashion Wear Limited**” has been authentically prepared by me.

Rahmat Fashion Wear Ltd

Signed 05/04/20

Name: Rahebul Islam Rahib
ID No. 153-11-975
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CERTIFICATE



This is to certify that an internship report on “**Financial Performance Analysis Of *Rahmat Fashion Wear Limited (SBL)***” for partial nirvana of the degree of Bachelor of Business Administration (BBA) major in Finance from the Daffodil International University, Bangladesh carried out by **Rahebul Islam Rahib, ID NO:- 153-11-975** beneath my supervision.

I wish his every success in life.

Rahebul Islam

SayedFarrukh Ahmed
Assistant Professor
Department of Business Administration
Daffodil International University, Bangladesh

Executive Summary

This internship assignment is a requirement for obtaining beof Bachelor of Business Administration (BBA) degree. In the first part, I acquaint with the topic. Then I discuss the title of the study, objective, methodology and limitations of the study. In the next part, I discuss about the Rahmat Fashion Wear Limited. Next, I analyze the financial performance of Rahmat Fashion Wear Limited. In the last part, I present findings, recommendations and conclusion.

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Chapter One

Introduction

Rahmat Fashion Wear Ltd

Rahmat Fashion Wear Ltd

1.1 Introduction

Rahmat fashion is an establishment which is one of the apparent companies in our Bangladesh. Though, there are sweater and knit attire factories, and also have malleable companies and yarn plants.

1.2 Origin of the Report

The main motive of the Internship Program is to let the apprentices have hands-on experience of the hypothetical courses learned. This recognition course is essential for all the students graduating from Daffodil International University. I have also ordered this report as a fractional serenity of the degree, Bachelor of Business Administration (BBA) under the supervision of Professor Mr. Sayed Farrukh Ahmed. This report is the outcome of the three months long internship sequence at Rahmat Fashion Wear Ltd.

1.3 Objectives of the Study

The main detached of the learning will be to present the **financial performance analysis** of Rahmat Fashion Wear Limited with gratifying the constraint of BBA program. Explicit objectives of the study are shortened as follows:

- ❖ To present an overview of Rahmat Fashion Wear Limited.
- ❖ To evaluate the financial performances of Rahmat Fashion Wear Limited of different years.
- ❖ To provide possible recommendations for Rahmat Fashion Wear Limited.

1.4 Methodology of the Report

(a) Primary sources:

- ❖ Doing hands-on work in different desks of Rahmat Fashion Wear Limited.
- ❖ Study of deep-rooted files/documents/formats.
- ❖ Face to face conversation with the Manager, officer and employees.
- ❖ Direct surveillance of Rahmat Fashion Wear Limited Explanations and Finance Detachment activities.

(b) Secondary sources:

Rahmat Fashion Wear Ltd

- ❖ Annual Report of Rahmat Fashion Wear Limited.
- ❖ Internet is also used as a hypothetical source of information.
- ❖ Website and bulletins are also used as major sources.
- ❖ Different text hardcover & journals.
- ❖ Various reports & articles related to study.
- ❖ Some of my course elements as related to this report.

1.5 Limitations of the Report

- ❖ Most of the primary data were not in the form those can help in writing a report.
- ❖ Secondary data is also very rare. It is just only the annual report and the website.
- ❖ Lack of comprehension of the defendants was the major delinquent that formed many muddles concerning corroboration of intangible and conjectural perception.
- ❖ Lack of availability of sufficient data.

In spite of these constraint, I have tried my level best to make this report as best as possible. So readers are request to consider these restrictions while appraisal and justifying any part of the report.

Rahmat Fashion Wear Ltd

Chapter Two

*Overview of
Rahmat Fashion Wear
Limited*

Rahmat Fashion Wear Ltd

2.1 Company Background, Company Profile:

Rahmat fashion is a company which is one of the alleged company in our Bangladesh. Though, there have sweater and knit apparels factory. and also have plastic company and yarn plant.

2.2 Capabilities, Products/Amenities :

Products:Rahmat Group has a large integer of fabrications. Products are dissimilar types of attires are being formed for men women and teenagers with wide collections of draperies and plans.

Amenities :RahmatGroup amenities cover the entire life cycle of a attire, from idea to sample, from initial processing to reverse logistics.

Whatever the stage is our amenities and support is all the way for your brand.

2.3 Vision:

“To be the utmost preferred brand in the industry guaranteeing consumer delight”

2.4 Mission:

“We shall intensification our business by 100 percent in every five years. We intend to remain socially unswerving virtuous company”

2.5 Corporate Objectives:

“Our aim is to add assessment to life, to outclass the aristocrats in terms of durability, shopper facility, revenue growth, remunerations and cash cohort. We will be the proprietor of prime for all remaining and future employees”

2.6 Functional Strategies:

“Our strategy is to build long-term organizations with the businesses/consumers. With their support, we aim to maximize the impending of our business- through a blend of boosted quality of invention, service, inspired marketing, inexpensive pricing and cost effectiveness

Chapter Three
Financial Statements of
Rahmat Fashion Wear Ltd:

Rahmat Fashion Wear Ltd

3.1 Formula for Ratio Analysis:

I used different types of formula to calculate of dissimilar kinds of ratio. I have collected some prescription from the book of :

- Intermediate Accounting by Kieso, Weygandt, Warfield(2001).
- Accounting Principles by Weygandt, J. J, Kieso, D. E, &Kell, W. G. (1996).

So formula is the most vital thing for our thesis without formula we can't calculation the ratio investigation and we don't capacity of routine evaluation of medicationsyndicate. There are several formulas revealing apiece of the five aspects of routine evaluation and monetary condition and short discuss about as follow as;

Liquidity ratio	
Current Ratio:	
Current Ratio = Current assets /Current liabilities -----	(1)
Quick Ratio:	
Quick Ratio= (Current Assets-Inventories)/Current Liabilities -----	(2)
Cash Ratio:	
Cash Ratio = Cash / Current Liabilities -----	(3)
Asset management ratios	
Accounts receivable turnover:	
Accounts receivable turnover = Sales / Accounts receivable -----	(4)
Average collection period:	
Average collection period = 360 days / Accounts receivable turnover -----	(5)
Inventory Turnover Ratio	
Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory -----	(6)
Accounts Payable turnover	
Accounts Payable turnover = Sales / Accounts Payable -----	(7)
Accounts Payable turnover in days	
Accounts Payable turnover in days = 360 / Accounts Payable turnover -----	(8)
Fixed asset turnover	
Fixed asset turnover = Sales / Net fixed asset -----	(9)
Total asset turnover	
Total asset turnover = Sales / Total asset -----	(10)
Profitability Ratio	
Net Profit margin	
Net Profit margin = Net profit after tax/sales -----	(11)

Rahmat Fashion Wear Ltd

Net Profit margin ratio

Gross Profit margin ratio= Gross profit/sales ----- (12)

Return on Total Assets

Return on Total Assets = Net profits after taxes / total assets ----- (13)

Return on common stock equity

Return on common stock equity = Net income / Common stockholders' equity----- (14)

Operating Profit Margin

Operating Profit Margin = Operating profits / Sales ----- (15)

Debt coverage ratio

Debt Ratio

Debt Ratio =Total liabilities / Total assets ----- (16)

Time interest earned

Time interest earned = EBIT / Interest charged ----- (17)

Book value per share

Book value per share = Common stockholders' equity / Outstanding shares ----- (18)

Market value ratios

Earnings per share ratio

Earnings per share ratio = Net income /weighted average number of share outstanding -- (19)

Market/Book ratio

Market/Book ratio= Market price per share/Book value per share ----- (20)

3.2 Balance Sheet

	2017	2016	2016	2016
Non-Current Assets	9654591592	9197198644	8573700405	6442857255
Current Assets	6483183312	5296370085	4208712799	3310220716
Total Assets	16137774904	14493568729	12782413204	9753077971
Shareholders' equity	9405859597	7750713063	6295114611	5070478748
Non-Current Liability	1084702802	1528677115	1153677518	1804741039
Current Liability	5647212505	5214178551	5333621075	2876857184
Book value per share	177.62	175.64	178.32	179.54
Total liability & Shareholders' equity	5647212505	14493568729	12782413204	9753077971

3.3 Income statement

Sales	12880957428	11107281260	7632078333	7671572303
Cost of Goods Sold	6335803240	5418971406	3603084694	3619613644
Gross Profit	6545154188	5685309854	4028993639	4051958659
Net profit before Tax	2731512333	2330922942	1763074859	1712375851
Net profit after Tax	2006641464	1710862525	1282945365	1237926366
Earning Per Share	37.89	38.77	36.34	43.83

3.4 Cash Flow Statement

Net cash generated by operating activities	1991302920	1716467114	916596274	1057259497
Net cash generated by Investing activities	983096029	1028419289	2417619497	1530972864
Net cash generated by Investing activities	969339951	676334977	140993163	633740369
Increase in the cash	38866940	11712848	91030787	190027002
Cash at the beginning period	252007296	240262887	331292974	141265972
Cash at the Ending period	290874236	251975735	240262887	331292974

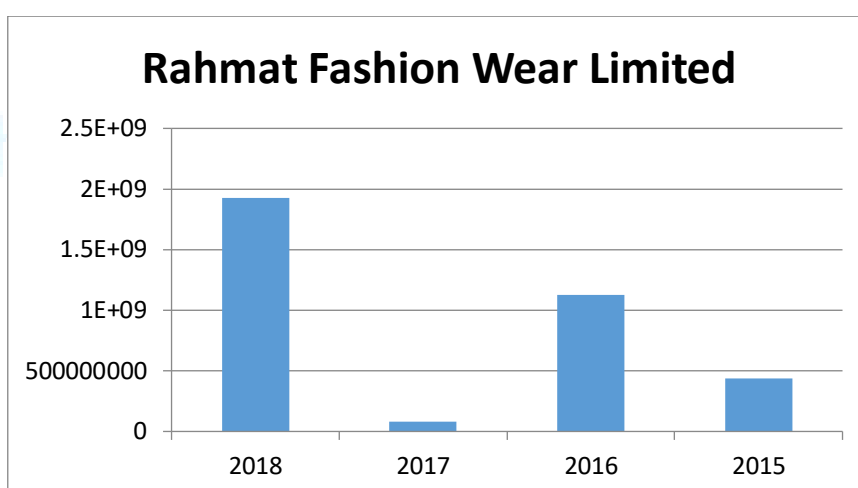
Chapter Four
Financial Performance
Analysis
Of Rahmat Fashion Wear
Ltd

Working Capital

Working capital is the excess of current assets over the current liabilities. It is calculated by deducting current liabilities from current assets.

Working capital = Current assets – Current liabilities.

Year	2018	2017	2016	2015
Total Current Assets	6,944,314,809	5,296,370,085	4,208,712,799	3,310,220,716
Total Current Liabilities	5,020,284,099	5,214,178,551	5,333,621,075	2,876,857,184
Working Capital	1924030710	82191534	1124908276	433363532



Graphical Presentation 01- Working Capital

Interpretation: Here 2015-2016 Total Working Capital is increase but in 2016-2017 Working Capital is decrease. In 2018 again Working Capital increases.

My Evaluation of Working Capital is currently good .

Current ratio

The current ratio is a generally used measure for evaluating company's liquidity & short-term debt-reimbursing ability:

Current ratio = Current assets ÷ Current liabilities.

Rahmat Fashion Wear Ltd

Year	2018	2017	2016	2015
Total Current Assets	6,944,314,809	5,296,370,085	4,208,712,799	3,310,220,716
Total Current Liabilities	5,020,284,099	5,214,178,551	5,333,621,075	2,876,857,184
Current ratio	1.38	1.02	0.79	1.15



Graphical Presentation 02- Current Ratio.

Interpretation: There is ascendant trend of present day ratio. It declined from 2015 to 2016 and reached simplest 1.02 at 2017. That means; over the time unfashionable Rahmat Fashion Wear Limited misplace its ability to pay the requirement by the usage of its current assets. But In 2018 again the current ratio of Rahmat Fashion Wear Limited increases.

My evaluations of the current ratio suggest that liquidity position currently is good.

Acid-Test Ratio

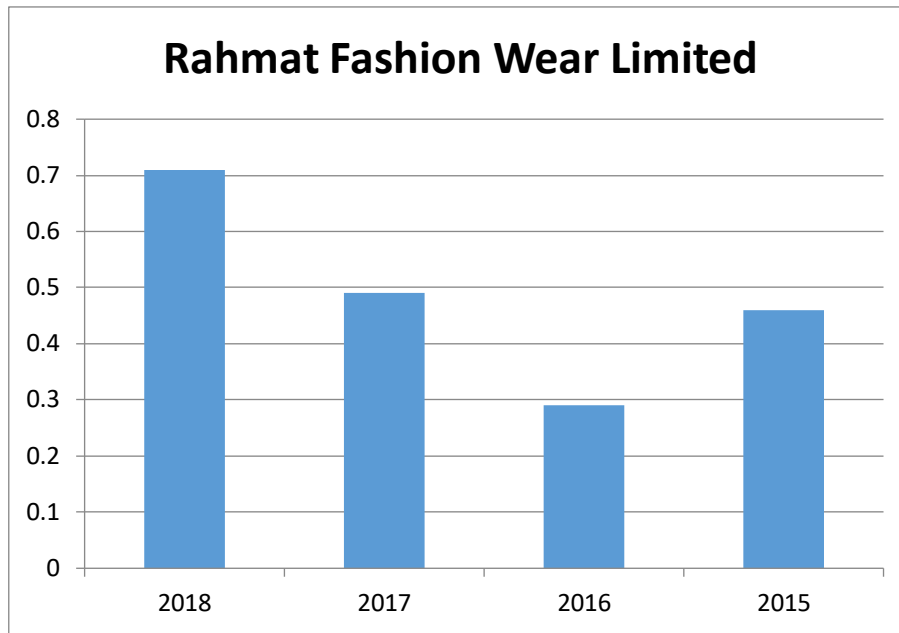
The acid-test ratio is a measure of a company's immediate short-term liquidity.

Acid test ratio = $(\text{Current assets} - \text{Inventories}) \div \text{Current liabilities}$

Year	2017	2016	2016	2016
Total -Current Assets	6,944,314,809 - 3,361,710,600	5,296,370,085 - 2,760,765,470	4,208,712,799 - 2,657,779,255	3,310,220,716 - 1,986,744,883
Total Current Liabilities	5,020,284,099	5,214,178,551	5,333,621,075	2,876,857,184

Rahmat Fashion Wear Ltd

Quick ratio	0.71	0.49	0.29	0.46
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Graphical Presentation 03- Acid-Test Ratio.

Interpretation: The Acid-Test Ratio of Rahmat Fashion Wear Ltd. in 2015 is 0.46 times and in 2016 is 0.29 times, which is less than the previous year. In 2017 and 2018 the Acid-Test Ratio of Rahmat Fashion Wear Ltd increases.

My evaluations of the Acid-Test Ratio suggest that Rahmat Fashion Wear Ltd's liquidity position currently is not good.

Inventory Turnover Ratio

The total inventory turnover ratio measures the liquidity of inventories of a firm. It is calculated by dividing cost of goods sold by inventories.

Inventory turnover = Cost of goods sold ÷ Average inventories

Average Inventory: 261595429

Year	2018	2017	2016	2015
Cost of Goods Sold	6,335,803,240	5,418,971,406	4,316,775,028	3,619,613,644
Average Inventory	2799244620.2	2799244620.2	2799244620.2	2799244620.2
Inventory turnover	2.26	1.94	1.54	1.29



Graphical Presentation 04-Inventory Turnover Ratio.

Interpretation: Inventory Turnover Ratio measures how efficaciously stock is managed by means of Rahmat Fashion Wear Ltd evaluating cost of items sold with common inventory for a period. Over the span of 4 years Inventory turnover ratio was worst role in 2015 at 1.29 it implies on that time Rahmat Fashion Wear Ltd had terrible income .therefore, excess inventory. However, in 2018 it was top and reached 2.26, which indicate robust income or ineffective buying.

My evaluations of the Inventory Turnover Ratio suggest that Rahmat Fashion Wear Ltd has a strong sales.

Inventory Turnover in Days

Inventory turnover in day's measure the average days to sale the inventories.

Inventory Turnover in Days = Days in the year ÷ Inventory turnover.

Year	2018	2017	2016	2015
Days in the year	360	360	360	360
Inventory turnover	2.26	1.94	1.54	1.29
Inventory Turnover in Days	159.29	185.57	233.77	279.07



Graphical Presentation 05-Inventory Turnover in Days.

Interpretation: Inventory turnover ratio of Rahmat Fashion Wear Ltd. in 2015 is 1.29 instances and in 2016 is 1.54 times, which is higher than the preceding 12 months 2015. The average selling time of inventories in 2015 is 279.07 days and in 2016 is 233.77 days.

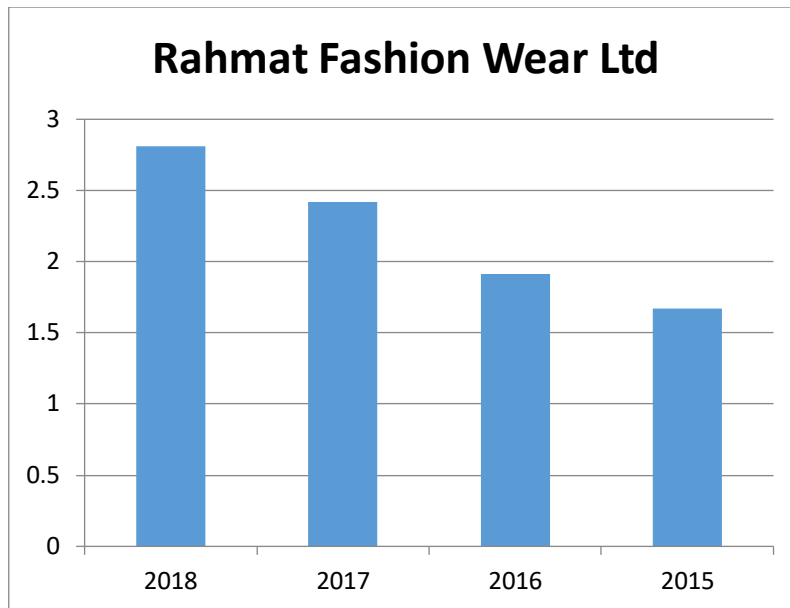
My evaluations of the inventory turnover suggest that Rahmat Fashion Wear Ltd's average days to sale the inventories in days currently are lower than the industry average.

Account Receivable Turnover

Account receivable turnover measures the liquidity of receivables.

Account receivable turnover = Net credit sales ÷ Average net receivables.

Year	2018	2017	2016	2015
Net credit sales	12,880,957,428	11,107,281,260	8,757,405,748	7,671,572,303
Average net receivables	4,588,352,945	4,588,352,945	4,588,352,945	4,588,352,945
A/C Rec turnover	2.81	2.42	1.91	1.67



Graphical Presentation 06-Account Receivable Turnover

Interpretation: Account receivable turnover is increasing day by day. In 2015 it was 1.67 and currently the account receivable turnover reached at 2.21

My evaluation of account receivable turnover of Rahmat Fashion Wear Ltd Eco Apparel is increasing it is a good sign for the company.

Account Receivable Turnover in Days (DSO)

Account receivables turnover in Days (DSO) is used to evaluate the firm's ability to collect its credit sale in a timely manner.

$DSO = \text{Days in the year} \div \text{Account receivable turnover}$

Year	2018	2017	2016	2015
Days in the year	360	360	360	360
Account receivable turnover	2.81	2.42	1.91	1.67
DSO	128.11	148.76	188.48	215.57



Graphical Presentation 07-Account Receivable Turnover in Days.

Interpretation: Accounts receivables turnover ratio of Rahmat Fashion Wear Ltd. in 2015 is 1.67 times and in 2016 is 1.91 times, which is greater than the preceding yr 2016. The firm's capability to gather its savings income is befall in 215.57 days in 2015. My evaluations of the account receivables turnover endorse that average days to gather its savings sale currently are decrease however it is better for the company.

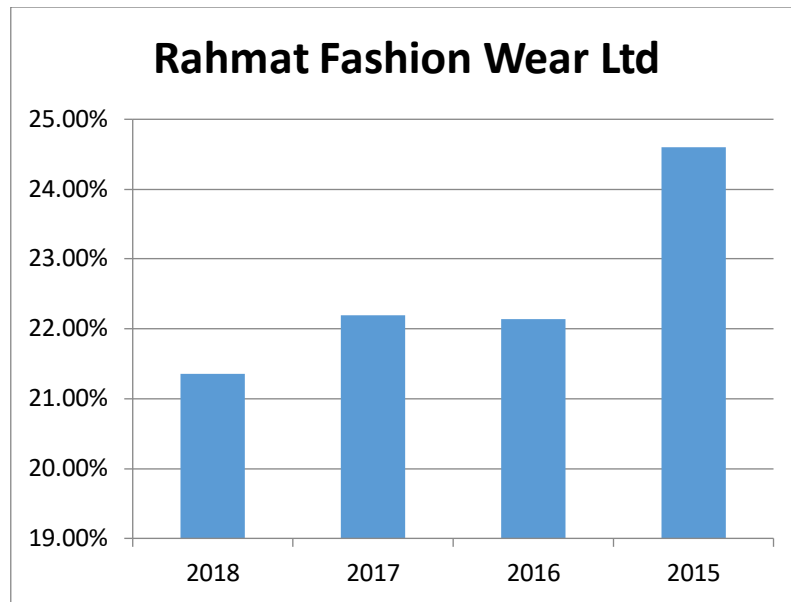
Return on Investment (ROI)

A performance measure used to evaluate the efficiency of an funding or to compare the effectivity of a wide variety of special investments:

$$\text{Return on Investment (ROI)} = \frac{\text{Net Profit}}{\text{Total Investment}} * 100$$

Year	2018	2017	2016	2015
Net Profit	2,008,012,584	1,720,208,645	1,393,928,731	1,247,275,330
Total Investment	9,405,859,597	7,750,713,063	6,295,114,611	5,070,479,748
ROI	21.35 %	22.19 %	22.14 %	24.60%

Rahmat Fashion Wear Ltd



Graphical Presentation 08-Return on Investment.

Interpretation: Return on investment of Rahmat Fashion Wear Ltd in 2015 is 24.60% and year to year it is falling down.

My evaluation of return on investment of Rahmat Fashion Wear Ltd is decreasing day by day though it is in good position, because it holds the industry standard.

Rahmat Fashion Wear Ltd

Debt to Assets Ratio

Debt to assets ratio measures the percentage of assets provided by the creditors.

Debt to assets ratio = Total debt ÷ Total average assets.

Year	2018	2017	2016	2015
Total debt	5,020,284,099	5,214,178,551	6,487,298,593	4,682,598,223
Total average assets	14258236150	14258236150	14258236150	14258236150
Debt to assets ratio	0.35	0.37	0.45	0.33



Graphical Presentation 09-Debt to Assets Ratio.

Interpretation: Debt to total assets ratio of Rahmat Fashion Wear Ltd. in 2015 is 0.33 and in 2016 is 0.45, which is greater than the previous year 2015. However in 2017 is 0.37 and in 2018 is 0.35.

My evaluations of the debt to total assets suggest that Rahmat Fashion Wear Ltd's debt to total assets currently obtained good position.

Return on Common Shareholders' Equity (ROE)

This ratio shows how many taka of net income were earned for each taka invested by the owners.

Return on common shareholders' equity = $(\text{Net income} - \text{Preferred dividend}) \div \text{common equity}$.

Year	2018	2017	2016	2015
Net income	2,008,012,584	1,720,208,645	1,393,928,731	1,247,275,330
Common equity	10,543,077,114	7,750,713,063	6,295,114,611	5,070,479,748
Return on common shareholders' equity	0.19	0.22	0.22	0.25



Graphical Presentation10-Return on Equity.

Interpretation: Return on fairness in 2015 is 0.25% and in 2016 is 0.22%, which is much less than the preceding yr 2015.2017 performed equal as 2016, however in 2018 it decreased.

My critiques of the return on ROE endorse that Rahmat Fashion Wear Ltd's net profits were earned for each taka invested by using the proprietors is higher than the enterprise average. So I assume the return on frequent shareholders' fairness of this corporation is preserving a true well-known.

Net Profit Margin

Net profit margin measures the income per taka of sales.

Net profit margin = Net income ÷ Net sales

Year	2018	2017	2016	2015
Net income	2,008,012,584	1,720,208,645	1,393,928,731	1,247,275,330
Net sales	12,880,957,428	11,107,281,260	8,757,405,748	7,671,572,303
Net profit margin	0.16	0.15	0.16	0.16



Graphical Presentation1 1-Net Profit Margin.

Interpretation: Net profit margin in 2015 is 0.16% and in 2016 is 0.16%, in 2017 is 0.15, in 2018 is 0.16 which is almost equal than the previous year 2015.

My evaluations of the net profit margin suggest that net income were earned for each takeoff sales is lower than the industry average. So they should decrease their expense to increase the profit.

Earnings per Share

Earnings per share measures of the net income earned on share of common stock.

Earnings per share = (Net income – Preferred dividend) ÷ Number of common share outstanding.

Year	2018	2017	2016	2015
Net income – Preferred dividend	2,008,012,584	1,720,208,645	1,393,928,731	1,247,275,330
No of common share outstanding	52995845	44369580	35396869	28457114
Earnings per share	37.89	38.77	39.38	43.83

Rahmat Fashion Wear Ltd



Graphical Presentation 12-Earning per share.

Interpretation: The Earning per Share of Rahmat Fashion Wear Ltd Eco clothing two Ltd. in 2015 is 43.83 and in 2016 is 39.38 which is less than the previous year. In 2017 EPS is minimize and in 2018 again expand the preceding year.

Rahmat Fashion Wear Ltd

Price-Earnings Ratio

Price-earnings ratio measures the market price of each share of common stock to the earnings per share.

Price-earnings ratio = Market price per share ÷ Earning per share

Year	2018	2017	2016	2015
Market price per share	1,233	984	722	739.50
Earnings per share	37.89	38.77	39.38	43.83
Price-earnings ratio	32.54	25.38	18.33	16.87

Rahmat Fashion Wear Ltd



Graphical Presentation13-Price Earnings Ratio.

Interpretation: Price-earnings ratio of Rahmat Fashion Wear Ltd. in 2015 is 16.87 times and in 2018 is 32.54 times, which are continuously increase the previous year.

My evaluations of the price earnings ratio suggest that Rahmat Fashion Wear Ltd.'s price of each share of common stock to earning per share is lower than the industry average.

Rahmat Fashion Wear Ltd

Dividend per Share

It measures the company's dividend on each share. It is calculated by dividing common divided by number of shares outstanding.

Dividend per Share = Common divided ÷ Number of shares

Year	2018	2017	2016	2015
Common divided	529,535,140	441,279,290	353,023,430	240,055,938
Number of shares	52,953,514	44,127,929	35,302,343	28,241,875
Dividend per Share	10	10	10	8.50

Rahmat Fashion Wear Ltd



Graphical Presentation 14-Dividend per share.

Interpretation: Dividend per share of Ltd. in 2015 is 8.50 and in 2016 is 10, which is greater than the previous year 2015. And 2016-2018 are almost equal.

My evaluations of dividend per share suggest that the try to increase its dividend per share.

Rahmat Fashion Wear Ltd

Dividend Payout Ratio

Dividend payout ratio measures the percentages of earnings distributed in the form of cash dividends.

Dividend Payout Ratio = Cash dividend ÷ Net income

Year	2018	2017	2016	2015
Cash dividend	529,535,140	441,279,290	353,023,430	240,055,938
Net income	2,008,012,584	1,720,208,645	1,393,928,731	1,247,275,330
Dividend Payout Ratio	0.26	0.26	0.25	0.19

Rahmat Fashion Wear Ltd



Graphical Presentation 15-Dividend per share.

Interpretation: Dividend payout ratio in 2015 is 0.19% and in 2016 is 0.25%, which is increased than the preceding yr 2015 and 2017-2018 are equal.

My critiques of the dividend payout ratio recommend that the earnings allotted in the form of money dividends are higher than the industry average. So I suppose the time dividend payout ratio of this enterprise is keeping goods standard.

Chapter Five

Findings,

Recommendations &

Conclusion

Rahmat Fashion Wear Ltd

Findings of the Report:

Financial statements are most sizeable section of an organization due to the fact economic statement evaluation entails a contrast of a firm's overall performance with that of other companies in the same line of business, which usually recognized by means of the firm's enterprise classification. The analysis is used to decide the firm's monetary function so as to perceive its modern energy and weak spot and to recommend moves the company may pursue to take gain of the strengths and correct any weakness. Here is our recommendations about this organization are as follows:

- Rahmat Fashion Wear Ltd. has liquidity ability 1.49 times to pay the short term debtor, which is higher than the probable ideal ratio 1.2 times. They have little amount of idle money which they opportunity to invest.
- My evaluations of the acid test ratio suggest that Rahmat Fashion Wear Ltd.'s liquidity position currently is poor. Rahmat Fashion Wear Ltd.' acid test ratio seems inadequate.
- The average selling time turnover rate is very high in the company, which is harmful for the country. So they should need to maintain the standard.
- My evaluations of the account receivables turnover suggest that Rahmat Fashion Wear Ltd.'s average days to collect its credit sale currently is lower than the industry average which is determines that company's account receivables turnover is good.
- My examination of the return on assets suggests that Rahmat Fashion Wear Ltd.'s profitability on assets currently is higher than the industry average. I think the return on assets of this company is maintaining a good standard. So they should try to keep the stability.
- My assessment of the total assets turnover ratio suggests that Rahmat Fashion Wear Ltd.'s plant and equipment to help generate sales is higher than the industry average. I think the total assets turnover of this company is satisfactory.
- My valuation of the debt to total assets suggests that Rahmat Fashion Wear Ltd.'s debt to total assets currently is lower than the industry average. So they have the opportunity to expand their business by increasing their debt.
- My evaluations of the debt to total equity ratio suggest that Rahmat Fashion Wear Ltd.'s debt to total equity currently is higher than the previous year. So they should maintain this permanence.
- My opinion of the return on common shareholders' equity suggests that Rahmat Fashion Wear Ltd.'s net income were earned for each taka invested by the owners is higher than the industry average. I think the return on common shareholders' equity of this company is maintaining a good standard. So they should maintain this immovability
- My evaluations of the net profit margin suggest that Rahmat Fashion Wear Ltd.'s net income were earned for each taka of sales is lower than the industry average. So they should increase their net profit volume.

Recommendations

- ❖ Coordination among the employee of the finance department must be stronger to bring maximum output. So, they should utilize the efficiency of the employee. They can organize workshop, seminars and provide more training to develop their work ability and motivate them towards work by setting goals.
- ❖ Rahmat Fashion Wear Ltd. should keep liquid assets or safety cash balance for unanticipated cash crisis.
- ❖ In 2017 Rahmat Fashion Wear Ltd.'s Working Capital decreased. When a company's current liability is greater than current asset it is a risky position for that company .So, Rahmat Fashion Wear Ltd should increase current assets and decrease current liability .Rahmat Fashion Wear Ltd can reduce the risk to transform current liability into long term debt.
- ❖ The company should concentrate on the quick ratio since it can go far beyond the ideal ratio 1:1. For that they have to manage their inventory properly. If they produce more inventories they can become obsolete and outdated while they remain unsold. On the other hand, if they produce fewer inventories they will be unable to fulfill customer demand as a customer will switch to their competitors.

Conclusion

The study of the economic announcement is captivating one for examining affirms liquidity, profitability and solvency. It furnished us fundamental facts to company's relative performances with in the industry as well as determining the company's competitive competence position. Financial statement analysis helps us to take fabulous monetary selection in the business field at the right time.

Rahmat Fashion Wear Ltd

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