

# Financial Performance of Rizvi Fashion Ltd.

**By**

Jannatul Ferdous Antora

Id: 19164033

An internship report submitted to the Brac university in partial fulfillment of the requirement for the degree of MBA

Brac Business School

BRAC University

Submission Date: 01-06-2023

BRAC University

## **Declaration:**

It is hereby declared that

- 1) The internship report submitted is my own original work while completing MBA 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 have acknowledged all main sources of help.

Student's Full Name & Signature:

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Jannatul Ferdous Antora

Id: 19164033

Supervisor Full Name & Signature:

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Dr. Kausar Alam

Assistant Professor, BBS

## Letter of Transmittal

01 June 2023

To

Dr. Md. Kausar Alam

Assistant Professor, BBS

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of internship report on "Financial Performance Analysis of Rizvi Fashions Limited."

Dear Sir,

My internship report on "Financial Performance Analysis of Rizvi Fashions Limited" is being submitted with great delight. I put a lot of effort into properly completing this report in accordance with the instructions you and the relevant organization supplied. My theoretical and practical understanding both grew as a result of the internship program.

During the review of this report, I will be required to respond to any questions that could be asked. I thus ask and believe that you will be gracious enough to accept my report and comply as a result.

Sincerely Yours,

---

Jannatul Ferdous Antora

ID:19164033

MBA Major in Finance

BRAC Business School

BRAC University



**RIZVI**  
fashions ltd

Head Office  
Modhumita Building, 4<sup>th</sup> Floor  
158-160, Motijheel C/A  
Dhaka-1000, Bangladesh

Factory  
Anwar Jang Road  
1 No. Kalma Bazar  
Savar, Dhaka-1341

Ref: Rizvi Fashions Ltd. Admin & HR 101/08/2022

Date: 15/11/2022

## To Whom It May Concern

This is to certify that Mst. Jannatul Ferdous Antora has been served as regular employee in Rizvi Fashions Ltd. since 10-Sep-2022 as a Asst. Officer (Accounts) ID No. AF10030 under Accounts & Finance department. She is sincere, honest & devoted to his work.

Sincerely

  
15/11/22



**Rabeul hasan**  
**Sr. Manager (Accounts & Finance)**  
**Rizvi Fashions Ltd.**

T: 88 02 712 08 99, 096 17 000 444  
M: 88 096 17 000 442  
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www.rizvifashions.com

## **Acknowledgement:**

First and foremost, I would like to express my gratitude to Dr. Md. Kausar Alam, Dr. Suman Paul Chowdhury and Dr. Mohammad Enamul Hoque, Assistant Professor, BBS, who served as my advisor throughout the entire period. Without their technical advice and assistance, this study article would not have been conceivable. Second, I want to thank my on-site boss, Rabiul Hasan, Sr. Manager of Accounts, Finance & Procurement, for giving me the information and supplies I needed while I was there.

My appreciation also extends to my fellow interns, the employees, and the management of Rizvi Fashions Limited for their cooperation and assistance throughout the internship. Thanks to everybody.

## **Executive Summary:**

The report is based on my internship program and the financial statements for 2019, 2020, and 2021 from Rizvi Fashions Limited. Bangladesh-based Rizvi Fashion Limited is a clothes producer and exporter. The company was founded in 1987 and specializes in creating a large selection of high-quality apparel for both men and women, including knitwear, denim, woven, and sweater items.

Modern manufacturing facilities and cutting-edge machinery and equipment enable Rizvi Fashion Limited to produce a large number of clothes effectively. In order to guarantee that their products meet the highest quality requirements, the company also employs a group of skilled individuals that supervise the entire production process, from designing to final delivery.

The company exports its goods to numerous nations throughout the world, including Canada, the United States, Japan, and Europe. The company Rizvi Fashion Limited is dedicated to upholding moral standards, including observing all applicable labor and environmental laws.

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# **CHATPERT ONE**

## **Introduction**



### 1.1 Student Information:

Student Name : Jannatul Ferdous Antora  
Student ID : 19164033  
Program : Master of Bachelor Administration  
Major : Finance

### 1.2 Internship Information:

Internship Period : October 10<sup>th</sup> 2022 to December 10<sup>th</sup> 2022  
Company Name : Rizvi Fashion Limited  
Division : Account, Finance & Procurement  
Address : Anwar Jang Road, 1 No. Kalma Bazar Savar, Dhaka-1341.

### 1.3 Supervisor's Information:

Supervisor Name : Rabiul Hasan  
Supervisor Position : Sr. Manager  
Job Description : Accounts, Finance & Procurement

### 1.4 Internship Outcome:

#### **What should I contribute to the company?**

I was assisting the present staff members as an intern. Additionally, contribute to meetings and brainstorming sessions, as well as give the firm day-to-day business procedures.

#### **Benefits to the students:**

An internship offers the student practical experience, professional chances, and opportunities for personal development. Students will be more competitive when applying for jobs as a result. Students who intern will acquire useful abilities to highlight on their resumes. It's typical to obtain a letter of recommendation or a potential job letter following a fruitful internship.

#### **Difficulties:**

One of my primary requirements for an intern is that they complete some actual office work. Other than some printing and scanning, I don't get much work during the second and third weeks. I have now been given a genuine job to do. But how do I move forward, I don't comprehend. I am aware of numerous approaches, but does my boss have a preferred method? I was totally baffled.

**CHAPTER TWO**  
**Rizvi Fashion Limited at a Glance**

## Company Profile

### History:

Rizvi Fashions Limited is a Knit Composite and Ready Made Garment (RMG) unit that is entirely export-focused. Manufacturing company Rizvi Fashions Limited was founded in 2013. This company has a very bright future because the management is working hard to make the plant grade A. The business has quickly established conformity with global labor regulations and environmental standards. Beautiful scenery surrounds the Rizvi Fashions factory, which also have their own power supply, open space, dormitories, a hospital, a workshop, a mosque, water, and other modern amenities. A boundary wall and a well-trained and equipped security team are in place to secure the factory. Rizvi Fashions is capable of developing a wide range of items. To accomplish quality and stick to a budget, we use cutting-edge techniques like CAD-CAM. In order to make international sourcing simpler, our management team has a thorough awareness of both the needs of businesses in the West and the production capacities of businesses in the East. The apparel industry is the only thing that Rizvi Fashions concentrates on. Depending on the item and style, the factories can produce between 2.0 and 2.5 million pieces of clothing every month with their more than 1450 contemporary machines. The production objectives of our clients are the first priority for our team of 2150 people in both management and production. We encourage all of our potential clients to come see and inspect our factories in person. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) includes Rizvi Fashions among its members. The primary items include overall shorts of all types, jersey, t-shirts, lingerie, baby clothes, and jeans.

### Mission of the company:

The objective of Rizvi Fashion is to uphold its history as a leader in the world of premium apparel and ready-made garments, and we are dedicated to advancing the values of community and service that are shared by all people. From conception to adulthood, our products are designed to make people feel special, fashionable, and at ease. We strive for an integrated approach to product design and production that emphasizes creativity, cutting-edge technologies, and special consideration for the demands and lifestyles of our customers. In order to support our customers, meet and surpass their expectations, and help them become more competitive in the marketplace, Rizvi Fashions is dedicated to doing so. People from all around the world work at Rizvi Fashions. We take pride in being a multicultural, international company and support coexistence both inside the Rizvi Fashions family and in the places where we live and work. The business is dedicated to creating a secure and healthy work environment that offers its staff members the chance to advance within the Rizvi Fashions family. The business is dedicated to developing further while taking our corporate social and environmental stewardship obligations into account. Rizvi Fashions Group leads the industry and proves our dedication to our customers and their future with top-notch manufacturing facilities and cutting-edge technology. By reaching the greatest levels of production efficiency, product superiority, and price competitiveness, we set the bar for the whole industry. We provide quantifiable value to our customers by utilizing a powerful combination of cutting-edge facilities, a qualified and enthusiastic team, sophisticated production management systems, and our application of best practices.

**Vision of the company:**

At Rizvi Fashions, we work hard to retain our status as a leading manufacturer of high-quality ready-to-wear products on a global scale. Our constant innovation and creativity are driven by our passion to help our customers, and we strive to meet and exceed their expectations while upholding our fundamental social and environmental principles.

**Manufacturing:**

Knitwear, lingerie, and baby items are the company's main product lines. On 180,000 square feet of production floors with ergonomic layouts, we have 25 completely integrated production lines. The enterprise, which employs more than 2,000 people, has the potential to make one million pieces each month. For sewing, Rizvi Fashions employs a variety of machines from manufacturers like Juki, Brothers, Golden Whell, ZO JI, Pagasus, Siruba, and NISO. Best production techniques are used by Rizvi Fashions, and our teams of professional and knowledgeable industrial engineers and quality assurance specialists make sure that we can consistently supply high-quality goods. Our facilities all go above and beyond the compliance standards of some of the top retailers in the world, including The G. Guelden Pfenning (GP), KIK TEXTILLIEN, Primark Stores Ltd UK, BAUMHUTER Int., WOODBRIDGE, and others. We take pride in providing safe, amiable, and comfortable work environments for our employees.

**CORPORATE SOCIAL  
RESPONSIBILITY:****THE RIZVI FASHIONS LTD. CSR FRAMEWORK**

Since the beginning of the year, non-governmental and other groups that keep an eye on labor and social compliance concerns in Bangladesh have made significant improvements to the corporate social responsibility (CSR) Standards. A fundamental aspect of how we want to conduct business and a key component of our effective business strategy is that Rizvi Fashions takes proactive steps to incorporate cutting-edge social, labor, and environmental practices into its business operations so that our people and communities can benefit from working in an enjoyable and friendly environment.

**OUR CSR PRACTICES AND STANDARDS**

The importance of CSR is felt throughout the whole organization. We are able to give our staff the greatest facilities possible only via coordinated efforts from all departments at all organizational levels. Additionally, Rizvi Fashions has had great success cultivating positive working relationships with both its communities and workforce. An incomplete list of the services we offer is shown below:

- Medical facility with on-call doctors and nurses; • Daycare facility with trained staff members who look after children.
- A dining area and canteen where workers may have their snacks and lunch.
- Male and female prayer areas that are segregated.
- Water fountains that provide safe drinking water are located throughout the plant.
- Payment of benefits and compensation on time.
- Annual picnic for all staff members as part of team-building exercises
- Female welfare officers providing consultancy and employee awareness.
- Training programs for sewing operators, helpers and quality inspectors.

## **HRM & COMPLIANCE:**

### **FINANCIAL STABILITY**

Our efforts to encourage financial responsibility and competence enable us to economically empower our employees and teach them how to manage their money wisely through savings and investments.

- Implementing a Money Management Awareness Program in Collaboration with Banks and Financial Institutions is a part of our Financial Stability Plan.
- Teaching employees how to use the financial system, encouraging them to save money wisely, and
- Taking the effort to open bank accounts for employees so that wages can be paid out safely are all examples of good employee education.

### **HEALTH & FAMILY WELLBEING**

A team that is strong and cohesive has members that are healthy and engaged! We are able to keep our personnel emotionally and physically healthy for the work they do by integrating initiatives to promote health and well-being among them. Our obligations don't end here! At Rizvi Fashions, we take care of our employees' families by offering a variety of perks that may be used.

- Focus initiatives to raise awareness of issues relating to HIV/AIDS and reproductive health are a part of our health and family well-being agenda.
- Raising awareness of women's health through the implementation of BSR's HER project, which was created with the consideration of female manufacturing employees.
- Rolling out awareness programs across all divisions in the form of group discussions, consultations, visuals, and videos to educate workers on their family health and safety
- Rizvi Fashion's affiliations with health clinics in the city allow our workers to take advantage of free breakfast and subsidized lunch programs, which promote good nutrition among our employees.

### **SAFE & HEALTHY WORK ENVIRONMENT**

We don't take our obligation to protect the health and safety of our workers and employees lightly. Comprehensive safety plans have been implemented at every Rizvi Fashions location to guarantee that safety procedures are followed both during regular business hours and in case of an emergency. Our LEED Gold certifications take things a step further in terms of enhancing the working environments at our facilities and fostering a positive work environment for our employees.

Additionally, we pledge to:

- Communicate our sustainability goals both internally and internationally and include them in the education and training of our staff.
- Promoting the idea of a greener and cleaner environment among our employees.
- Educating all employees on the value of healthy lifestyle choices, with a focus on enhancing drinking water quality to prevent waterborne illnesses.

### **EDUCATIONAL & PROFESSIONAL DEVELOPMENT**

Our total dedication to our workers' academic and professional growth demonstrates the value we place on each person's ongoing development. It is what keeps us at the top of our field and in front of the learning curve.

Implementing programs for the development of personal and life skills across all units is part of our objective for educational and professional development.

- Implementing orientation and training programs to improve our employees' knowledge
- Research is currently being done to launch a program that educates the families of our workers based on the educational status of their kids.

### **EQUALITY & ACCEPTANCE**

Greater diversity in the workplace fosters innovation and novel approaches to problems. When it comes to hiring new personnel, Rizvi Fashions aggressively promotes diversity and equality and does not make any distinctions based on gender, ethnicity, or religion. We strongly support employee freedom and follow strict protocols to make sure that no one at any of our facilities engages in forced labor, especially child labor.

Rizvi Fashions follows predetermined rules and regulations in accordance with BEPZA and national laws as a professionally managed business concern. Our established policy and complaints handling procedure are upheld with the utmost honesty.

#### **Clients:**

- PUMA
- PRIMARK
- FILS
- ALDI

- PEPCO
- Lefties
- SCANWEAR
- OVS
- LPP
- MATALAN
- next

**CHAPTER THREE**

**Financial Performance Analysis of Rizvi  
Fashion Limited  
For the years 2019-2021**



## **Origin of the Report**

The BRAC University internship program is a requirement for graduation and a component of the MBA curriculum's internship program. The major goal of the internship program is to expose students to the world of the most difficult jobs. As an intern, your first challenge will be to translate academic ideas into practical experience. There are several goals for an internship program, including the following:

- To learn more about the specifics of job responsibilities;
- To gain awareness of the current, highly competitive business environment.
- Recognize the differences between learning from books and experience.
- To satisfy prerequisites for the MBA Program.

I was placed at Rizvi Fashion Limited to complete the internship program under the direction of Dr. Md. Kausar Alam, my academic supervisor. The report title was chosen by the supervisor to meet company needs and internship program criteria. I was required to produce this report, which provides a summary of the structure and a financial analysis of Rizvi Fashion Limited, in order to satisfy all the requirements of the internship program.

## **Background**

In Bangladesh, one of the top clothing manufacturers is Rizvi Fashion Limited. The financial analysis of Rizvi Fashion Limited was the basis for the report. The report is broken into four chapters, including an introduction, an organizational section, a learning section, and a recommendation & conclusion chapter. The report's origin, context, goals, sources, and limitations are all described in Chapter 1. Management facets like history, vision, mission, objective, and philosophy are discussed in Chapter 2. Financial performance analysis techniques like ratio analysis, are described in Chapter 3. Conclusion, recommendations, are included in Chapter 4.

## **Report objectives**

By examining financial data, the report's main objective is to determine Rizvi fashion's status. Anyway, this study's goal is different from others. The report's objectives are listed below.

- To evaluate Rizvi Fashion Limited's financial performance.
- To reflect on the intern's experience at the company and apply academic knowledge to real-world situations.

There are some particular goals.

- These include using ratio analysis to determine the location.
- Statement with a common size.
- Identify issues make recommendation.

## **Methodology**

Financial performance analysis of Rizvi Fashion Limited can be conducted using several methodologies, including ratio analysis, trend analysis, and common size analysis. Here are the steps you can follow to conduct a comprehensive financial performance analysis report of Rizvi Fashion Limited:

1. Obtain financial statements: Obtain the income statement, balance sheet, and cash flow statement of Rizvi Fashion Limited for the relevant period. The period under consideration can be for a single year or multiple years.
2. Calculate financial ratios: Use the financial statements to calculate financial ratios that provide insights into the company's financial performance. Some of the ratios I can calculate include liquidity ratios, profitability ratios, efficiency ratios, and leverage ratios. For example, I can calculate the current ratio, return on assets, inventory turnover ratio, debt-to-equity ratio, and others.
3. Conduct trend analysis: Conduct trend analysis by comparing Rizvi Fashion Limited's financial ratios over time. This will help me identify trends and patterns in the company's financial performance, such as whether the company's profitability is improving or declining.
4. Interpret results: Interpret the results of my analysis to draw conclusions about Rizvi Fashion Limited's financial performance. Identify strengths and weaknesses in the company's financial performance and make recommendations for improvement.
5. Prepare report: Summarize findings in a report that includes an executive summary, an introduction, a methodology section, the results of analysis, and conclusions and recommendations.

By following these steps, I can conduct a comprehensive financial performance analysis of Rizvi Fashion Limited and provide valuable insights to stakeholders.

#### **Method of Data collection:**

I have collected data from various sources, such as:

- Annual Reports
- Company's Official Websites
- Documents.

#### **Limitations:**

As an intern, I do not have the authority to make decisions or implement changes in the company. You may need to seek approval from your supervisor or other higher-ups before taking any action. Limited Access: You may not have access to all the company's resources, such as confidential information or financial data. This is done to protect the company's interests and maintain its competitive advantage. Limited Time: Internships are typically short-term, which may limit the amount of time you have to learn

about the company and its operations. You may need to work quickly to complete your assigned tasks within the given timeframe. Limited Compensation: As an intern, you may not receive the same level of compensation as a full-time employee. This is because internships are designed to provide you with learning opportunities and hands-on experience rather than financial gain.

### **Ratio analysis:**

One important tool for financial analysis is ratio analysis. A ratio is a term used to describe the relationship between two financial facts that is scientifically described. For evaluating the financial status and displaying on a solid, ratio can be utilized as a catalog or index. The liquidity, solvency, productivity, asset gearing, etc. are highlighted through ratio analysis.

### **Supposition of Ratio analysis:**

The ratio figure is the most popular way to summarize information from financial proclamations. Reasons for using provisional ratios include:

- ❖ Planning for the eventual outcome of dimension disparities across the bank.
- ❖ Improving the information's ability to support a basic geometric assumption.
- ❖ Making the assumption that a ratio is the variable under consideration.
- ❖ Establishing a relationship between a financial ratio and the evaluation of unpredictable attention that is experientially witnessed.

### **Principal and make use of ratio analysis:**

Ratio analysis is particularly significant in the modern society. One advantage of ratio analysis is its ability to compare risk and return. Ratios can also provide a summary of a firm, including its aggressive financial plans, remarkable commission, fiscal, and savings features, and financial personality. Ratios are particularly useful in calculations for both insiders and outsiders of the firm.

## **Ratio Analysis of Rizvi Fashion Limited**

### **Liquidity Ratios:**

The company's capacity to settle its short-term debts depends on its liquidity. A higher liquidity ratio indicates that the corporation has the financial resources necessary to pay down its short-term debt.

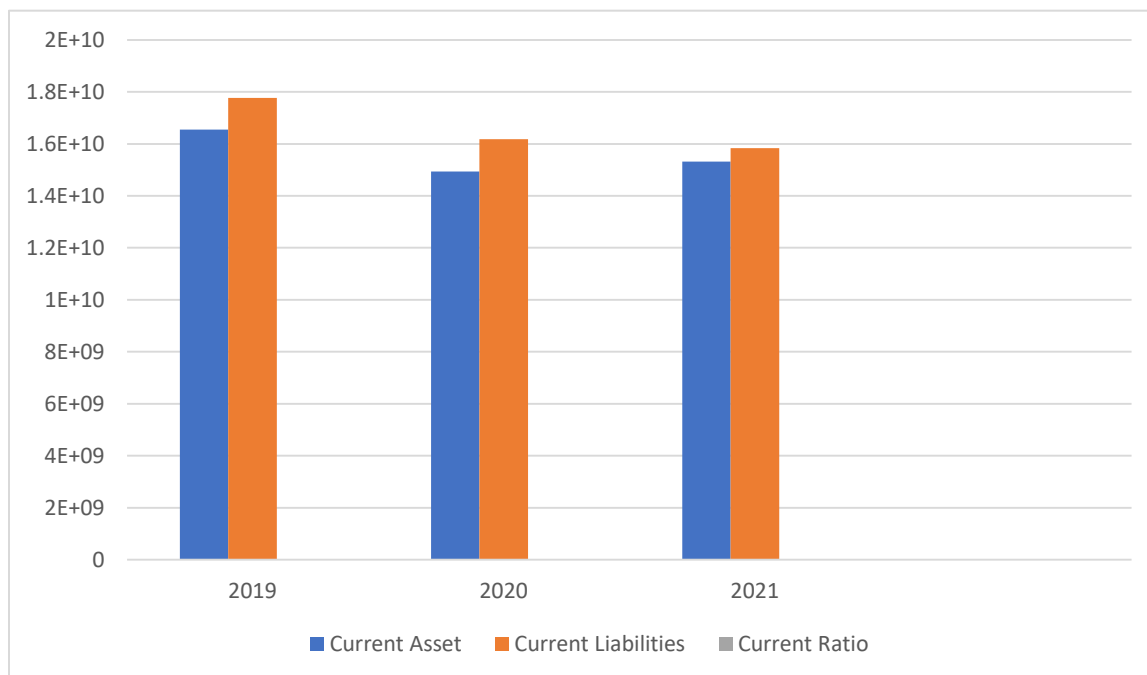
(a)**Current Ratios:** The difference between current assets and current liabilities is known as the current ratio. Because it demonstrates a company's potential to pay back its obligations over the following 12 months, the current ratio test is very well-liked globally.

**Formula:**

$$\text{Current ratio} = \frac{\text{Current Asset}}{\text{Current Liabilities}}$$

| Year | Current Asset | Current Liabilities | Current Ratio |
|------|---------------|---------------------|---------------|
| 2019 | 16552520058   | 17763310917         | 0.93          |
| 2020 | 14931429134   | 16178604488         | 0.92          |
| 2021 | 15316947598   | 15829546471         | 0.97          |

Source: Annual report of 2019-2021



**Interpretation:**

The Rizvi Fashion Limited current ratio is little less than the 2:1 standard current ratio. The highest was 0.97 in 2021, however in 2019 it was only 0.93. On the other hand, 0.92 was the lowest value across these three years.

**(b) Quick Ratio:**

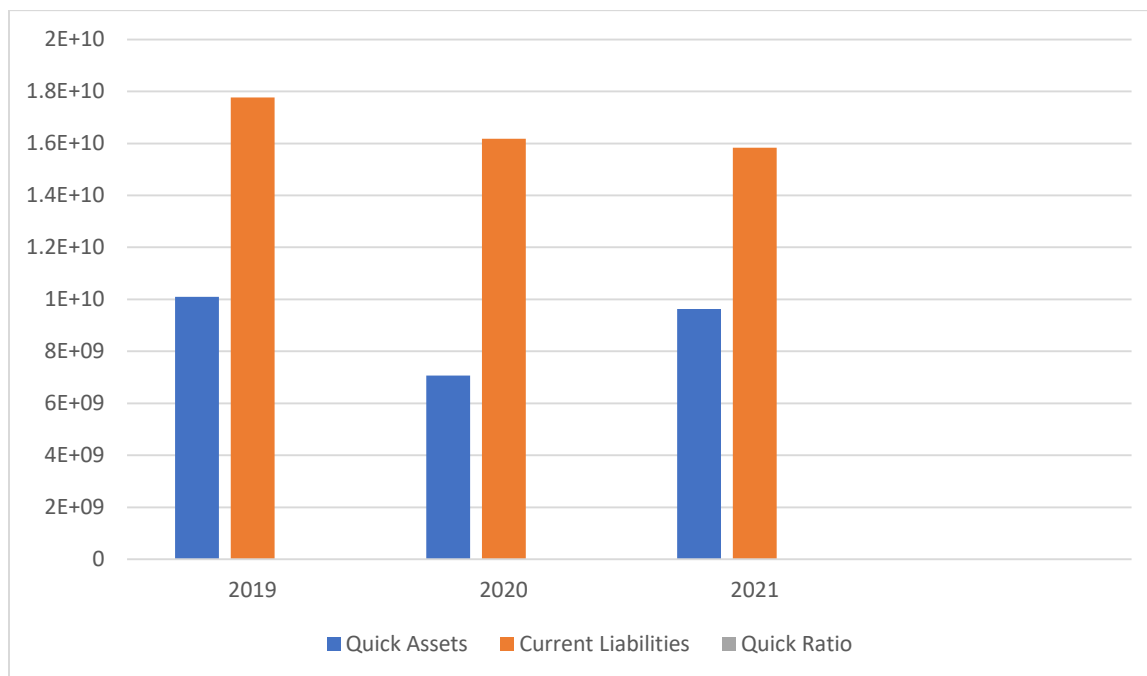
Acid test is another term for quick ratio. A quick test shows the distinction between a company's current liabilities and quick assets.

**Formula:**

$$\text{Quick ratio} = \frac{\text{Quick Asset}}{\text{Current Liabilities}}$$

| Year | Quick Asset | Current Liabilities | Quick Ratio |
|------|-------------|---------------------|-------------|
| 2019 | 10099590791 | 17763310917         | 0.57        |
| 2020 | 7069225271  | 16178604488         | 0.44        |
| 2021 | 9631974052  | 15829546471         | 0.61        |

Source: Annual report of 2019-2021



**Interpretation:**

The Rizvi Fashion Limited quick ratio is smaller than the recognized standard quick ratio of 1:1, which is the ratio that is considered to be the industry standard. The fastest ratio during the past three years was higher in 2021, at 0.61. The lowest quick ratio was 0.44 in 2020, while it was 0.57 in 2019.

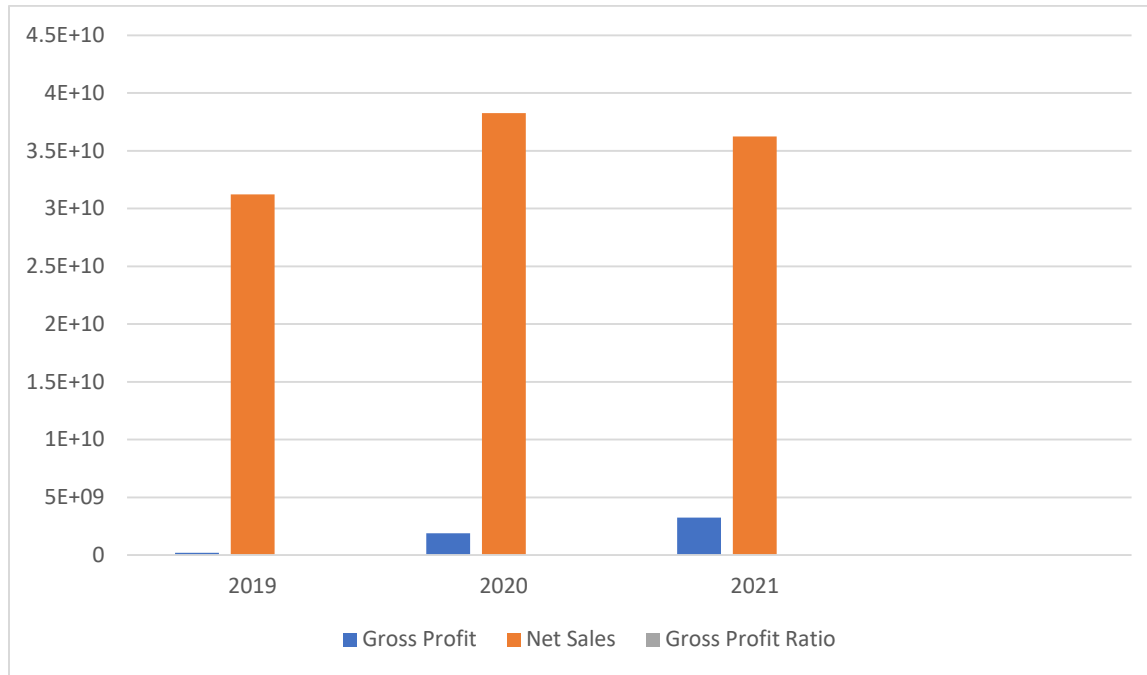
**© Gross Profit Ratio:**

**Formula:**

$$\text{Gross profit ratio} = \frac{\text{Gross profit}}{\text{Sales}} * 100$$

| Year | Gross profit | Net sales   | Gross profit ratio |
|------|--------------|-------------|--------------------|
| 2019 | 191457497    | 31234710327 | 6.13%              |
| 2020 | 1888439411   | 38253464657 | 4.94%              |
| 2021 | 3250148580   | 36229050933 | 8.97%              |

Source: Annual report of 2019-2021



### Interpretation:

Of the three years, 2020 had the lowest gross profit ratio and 2021 had the highest. The greatest percentage among these three years was in 2019, when it was 6.13%, followed by 2016 and 2017 at 4.94% and 8.97%.

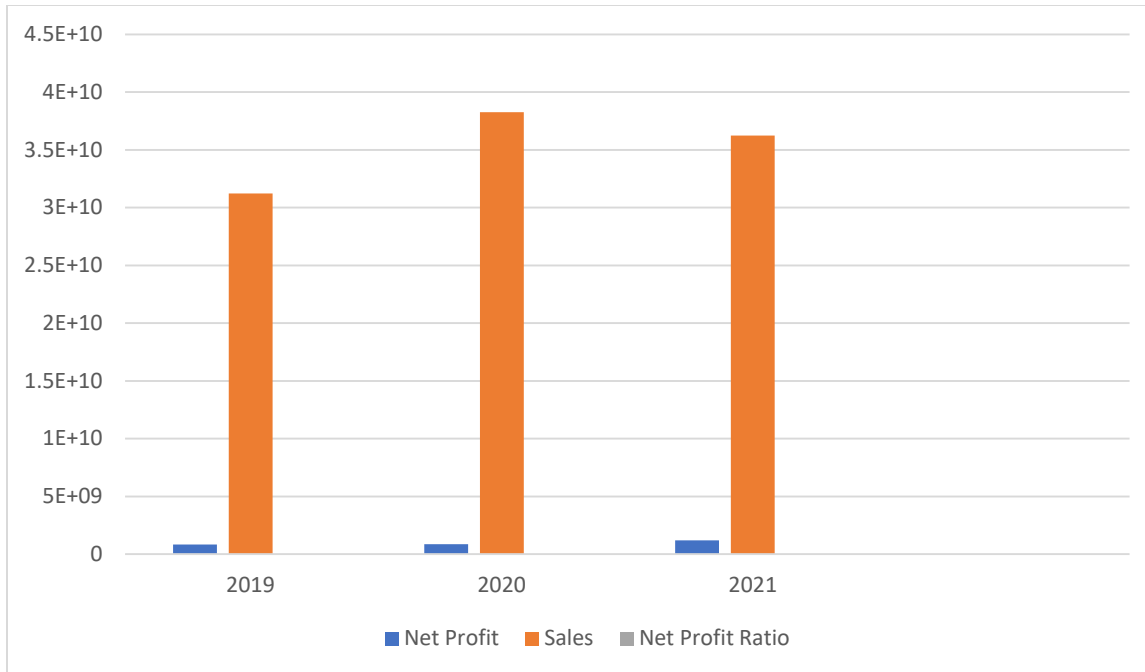
### (d) Net profit ratio:

Formula:

$$\text{Net profit ratio} = \frac{\text{Net profit}}{\text{Sales}} * 100$$

| Year | Net profit | Sales       | Net profit ratio |
|------|------------|-------------|------------------|
| 2019 | 839205050  | 31234710327 | 2.69%            |
| 2020 | 865331036  | 38253464657 | 2.26%            |
| 2021 | 1196113781 | 36229050933 | 3.30%            |

Source: Annual report of 2019-2021



**Interpretation:**

Net profit ratio is the result of subtracting non-operating costs from operational profit and adding non-operating income. Higher net profit ratios indicate that the corporation is in a stronger position and raise concerns among outside parties. The net profit ratio in 2019 was 2.69%, in 2020 it was 2.26%, and in 2021 it was 3.30%. The highest net profit ratio in these three years occurred in 2021.

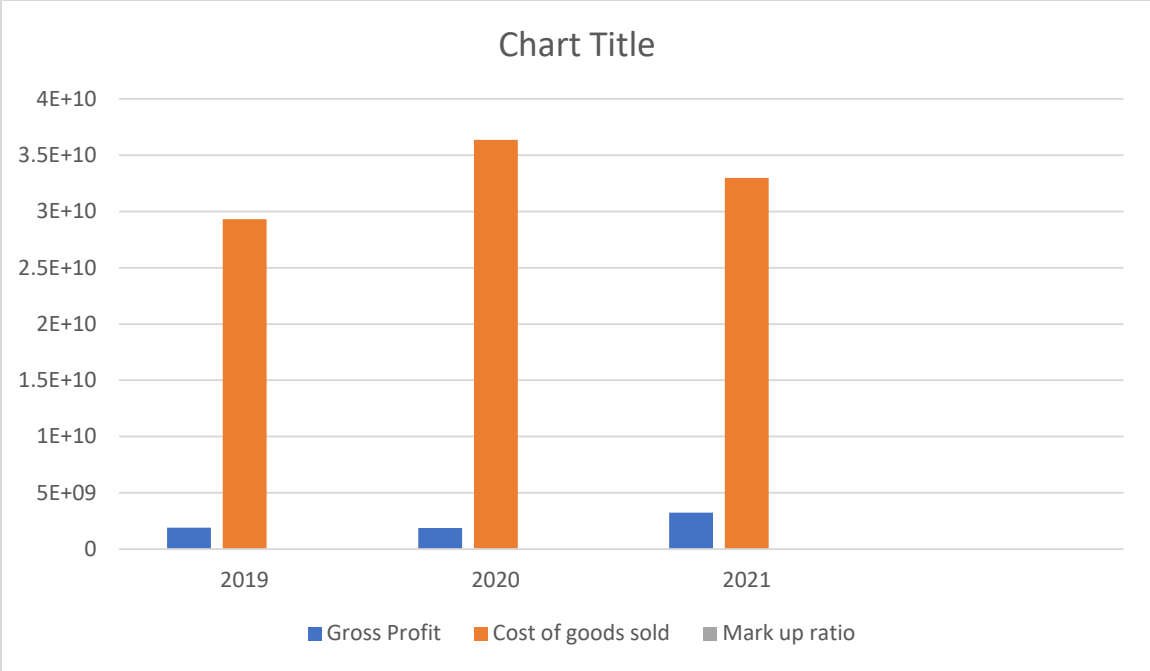
**(e) Mark up:**

**Formula:**

$$\text{Mark up} = \frac{\text{Gross profit}}{\text{cost of goods sold}} * 100$$

| Year | Gross profit | Cost of goods sold | Mark up ratio |
|------|--------------|--------------------|---------------|
| 2019 | 1914574971   | 29320135356        | 6.52%         |
| 2020 | 1888439411   | 36365025246        | 5.19%         |
| 2021 | 3250148580   | 32978902353        | 9.85%         |

Source: Annual report of 2019-2021



**Interpretation:**

The ratio with the highest markup was 9.85% in 2021, and the ratio with the lowest markup was 5.19% in 2020. 2019 had a 6.52% increase. The increasing and declining pattern is depicted in the figure.

**(f) Return on capital employed:**

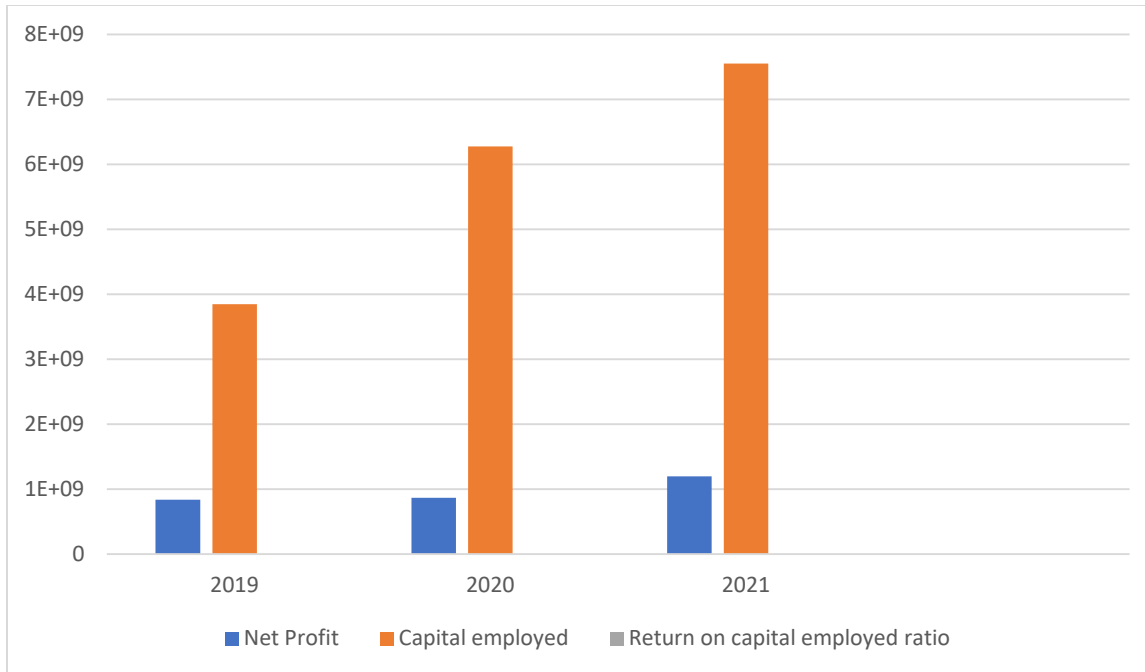
**Formula:**

$$\text{Return on capital employed} = \frac{\text{net profit}}{\text{capital employed}} * 100$$

| Year | Net profit | Capital employed | Return on capital employed ratio |
|------|------------|------------------|----------------------------------|
| 2019 | 839205050  | 3846786000       | 21.82%                           |
| 2020 | 865331036  | 6276104000       | 13.79%                           |
| 2021 | 1196113781 | 7549537000       | 15.84%                           |

Source: Annual report of 2019-2021





**Interpretation:**

The performance of the return on capital indicates the company's current state. The highest return on capital employed occurred in 2019 at 21.82%. The following year, it dropped to 13.79% (the lowest ratio), but in 2021, it slightly increased to 15.84%. In these 3 years, we saw an upward and downward tendency.

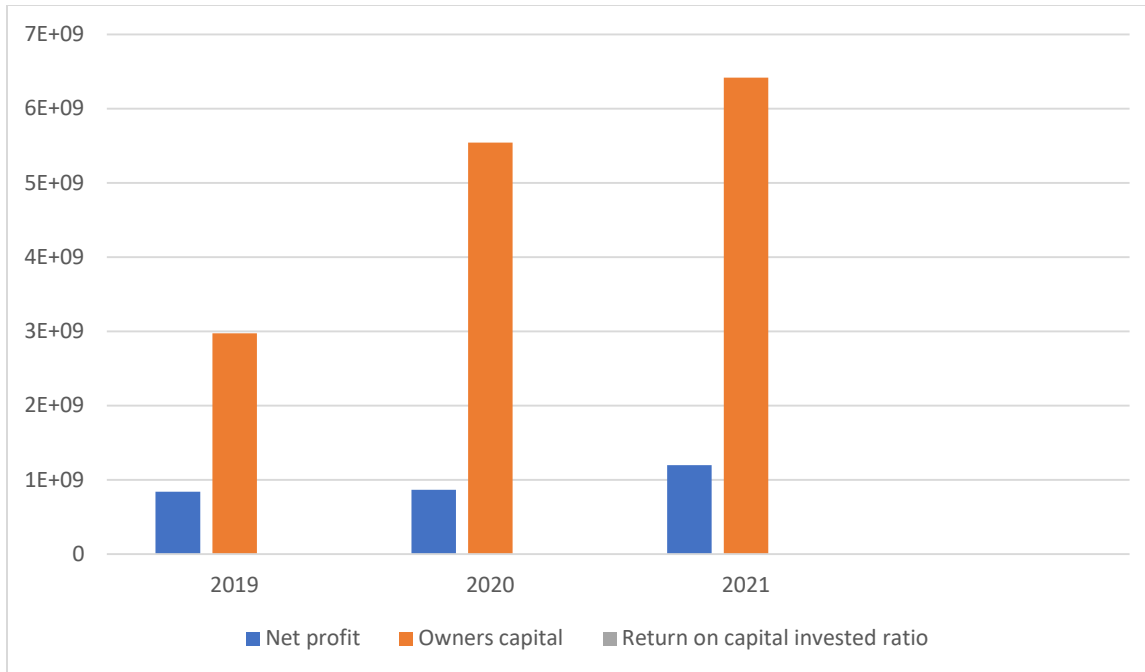
**(g) Return on capital invested:**

**Formula:**

$$\text{Return on capital invested} = \frac{\text{net profit}}{\text{owners capital}} * 100$$

| Year | Net profit | Owners capital | Return on capital invested ratio |
|------|------------|----------------|----------------------------------|
| 2019 | 839205050  | 2974081000     | 28.22%                           |
| 2020 | 865331036  | 5540654000     | 15.62%                           |
| 2021 | 1196113781 | 6417895000     | 18.64%                           |

Source: Annual report of 2019-2021



**Interpretation:**

Because invested companies always adhere to this ratio, return on capital is a crucial ratio for organizations. The return on capital invested ratio reveals the present financial standing of the organization. The company's peak ratio, which was 28.22%, came in 2019; its lowest ratio, 15.62%, came in 2020.

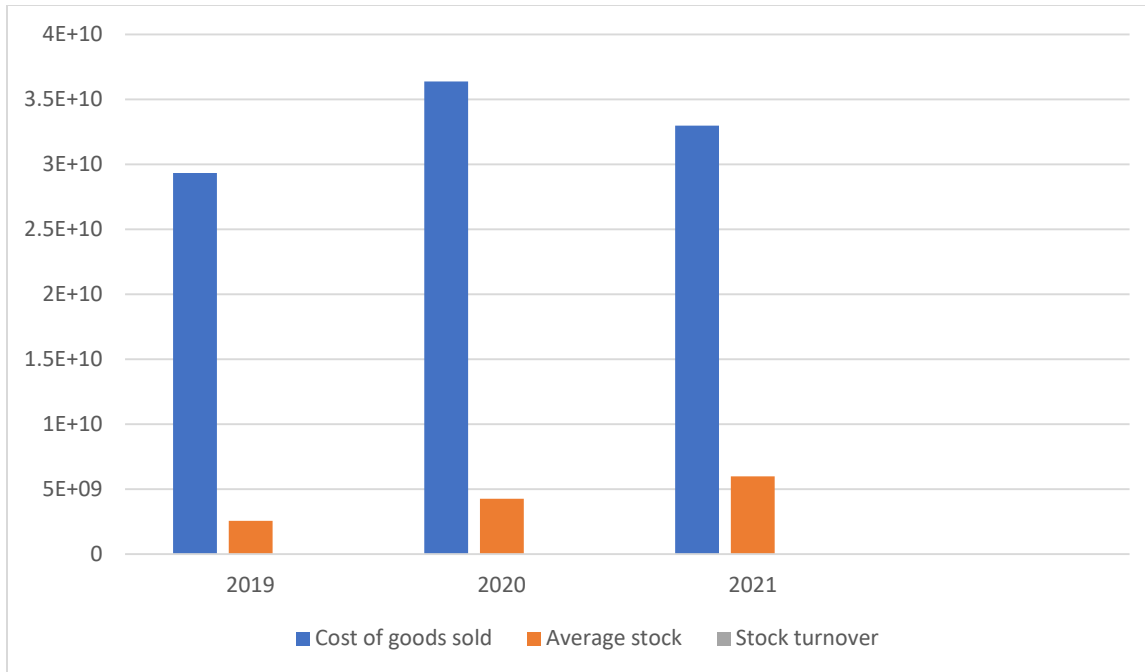
**(h) Stock Turnover:**

**Formula:**

$$\text{Stock turnover} = \frac{\text{cost of goods sold}}{\text{average stock}}$$

| Year | Cost of goods sold | Average stock | Stock turnover |
|------|--------------------|---------------|----------------|
| 2019 | 29320135356        | 2554478121    | 11 times       |
| 2020 | 36365025246        | 4257367195    | 8.54 times     |
| 2021 | 32978902353        | 5979274403    | 5.52 times     |

Source: Annual report of 2019-2021



**Interpretation:**

The lowest turnover ratio was in 2021, and the highest turnover ratio was in 2019 (11 times) (5.52 times). 2020 (8.54 times) saw a little decrease from 2019. The graph depicts a declining trend.

**Common Size Analysis:**

1. Vertical analysis
2. Horizontal analysis

**Horizontal analysis of balance sheet:**

|                                     | 2019          | 2020          | 2021          |
|-------------------------------------|---------------|---------------|---------------|
| <b>Asset</b>                        |               |               |               |
| Treasury banks cash and balance     | 140           | 150           | 160           |
| Other banks balance                 | 400           | 500           | 600           |
| Funds                               | 160           | 250           | 210           |
| Advance                             | 170           | 190           | 210           |
| Other property                      | 175           | 185           | 275           |
| In commission fixed resources       | 240           | 275           | 320           |
| <b>Total Assets</b>                 | <b>214.16</b> | <b>258.33</b> | <b>295.83</b> |
| <b>Liabilities &amp; Equity</b>     |               |               |               |
| Bills allocated                     | 135           | 180           | 150           |
| Borrowing from economic org         | 68            | 165           | 105           |
| Deposits                            | 180           | 205           | 230           |
| Subordinated loans                  | 170           | 170           | 130           |
| Extra liabilities                   | 260           | 350           | 415           |
| Postponed tariff liabilities        | 690           | 495           | 80            |
| <b>Total Liabilities</b>            | <b>250.5</b>  | <b>260.83</b> | <b>185</b>    |
| <b>Represent By</b>                 |               |               |               |
| Divide assets                       | 205           | 270           | 320           |
| Treasury                            | 270           | 240           | 310           |
| Out of place income                 | 325           | 560           | 405           |
| Leftover on revaluation of property | 185           | 270           | 270           |
| <b>Total Equality</b>               | <b>230</b>    | <b>300</b>    | <b>320</b>    |
| <b>Total Liabilities and Equity</b> | <b>243</b>    | <b>320</b>    | <b>325</b>    |

Source: Annual report of 2019-2021

### Horizontal Analysis on Income Statement:

|  | 2019    | 2020    | 2021   |
|--|---------|---------|--------|
| Mark up/<br>return/interest earned                             | 375     | 455     | 550    |
| <b>Non Mark up/Interest income</b>                             |         |         |        |
| Charge, payment and<br>brokerage profits                       | 265     | 360     | 370    |
| Dividend revenue   | 70      | 120     | 570    |
| Profits from commerce<br>in foreign exchange                   | 175     | 215     | 415    |
| Unrealized<br>(defeat)/grow on<br>revaluation of venture       | 105     | 55      | 655    |
| Additional revenue   | 145     | 185     | 220    |
| Total Non mark up/<br>Interest profits                         | 210     | 400     | 340    |
| <b>Total Profits</b>   | 192.14  | 255.71  | 445.71 |
| <b>Expenses</b>  |         |         |        |
| Mark<br>up/arrival/concern<br>earned expensed                  | 620     | 685     | 830    |
| Provision against non-<br>performing loans                     | 185     | 635     | 550    |
| Provision for the<br>diminution in the value<br>of investments | -       | -       | 68300  |
| Awful debts on paper<br>off straight                           | 435     | 1665    | 8060   |
| <b>Non Mark up/Interest Expenses</b>                           |         |         |        |
| Managerial fixed cost  | 220     | 305     | 390    |
| Additional provisions  | -       | 0.70    | 280    |
| Other charge   | 2540    | 560     | 7220   |
| <b>Total non mark<br/>up/interest expenses</b>                 | 571.42  | 550.1   | 12114  |
| Unexpected / abnormal objects                                  |         |         |        |
| PBT  | 150     | 275     | 105    |
| Taxation   |         |         |        |
| -present   | 80      | 295     | 290    |
| -previous years  | 485     | 0.05    | 1065   |
| -delayed   | 11680   | 8770    | 27700  |
| <b>Total Expenses</b>  | 3091.75 | 2335.01 | 7291   |
| PAT  | 161.42  | 286.65  | 119.17 |

Source: Annual report of 2019-2021

## Interpretation:

- From 2019 to 2021, there will be more hard cash and equilibrium with treasury banks due to an increase in money deposits and additional balance sheets. due to an increase in deposits after the incident.
  1. The balance in other banks is rising.
  2. Savings have a rapid growth trend.
  3. Benefits increase as leaning increases.
- Fixed assets have also increased from 2019 to 2021.
- In general, Rizvi Fashion Limited's overall resources are increasing
- Aside from the increase in markup interest from 2019 to 2021.
- Additional non-mark-up/interest income, such as charges, payment revenue, dividend takings, growth on securities transaction, and additional profits, are also on the rise.
- In addition to expenses, such as business expenses, provisions for nonperforming loans, bad debts that were indiscriminately written off, and administrative operating costs are rising. however the increase in income outweighs the increase in expenses.
- From 2019 to 2021, revenue both before and after taxes increased.

**Vertical Analysis of Balance Sheet:**

|   | 2019         | 2020         | 2021         |
|---|--------------|--------------|--------------|
| <b>Asset</b>                                    |              |              |              |
| Ready money and equilibrium with treasury banks | 10.11        | 10.95        | 8.35         |
| Balances with extra banks                       | 5.60         | 3.59         | 7.20         |
| Reserves  | 19.52        | 25.91        | 20.78        |
| Advance   | 54.40        | 53.05        | 56.20        |
| Extra property                                  | 3.05         | 2.80         | 2.53         |
| Working permanent property                      | 2.81         | 2.65         | 4            |
| <b>Total Assets</b>                             | <b>100</b>   | <b>100</b>   | <b>100</b>   |
| <b>Liabilities &amp; Equity</b>                 |              |              |              |
| Bills allocated                                 | 2.12         | 2.25         | 0.95         |
| Borrowing from economic institutions            | 2.04         | 5.47         | 4.96         |
| Deposits  | 85.90        | 82.06        | 85.17        |
| Subordinated loans                              | 2.15         | 0.98         | 0.75         |
| Extra liability                                 | 2.67         | 3.92         | 3.23         |
| Postponed tax liability                         | 0.68         | 0.40         | 0.06         |
| <b>Total Liabilities</b>                        | <b>95.56</b> | <b>95.07</b> | <b>95.12</b> |
| <b>Represented By</b>                           |              |              |              |
| Distribute assets                               | 1.80         | 1.95         | 2.30         |
| Capital   | 1.00         | 0.75         | 0.90         |
| Out of place earnings                           | 1.03         | 1.49         | 0.98         |
| Remaining in revaluation of property            | 0.60         | 0.74         | 0.70         |
| <b>Total Equity</b>                             | <b>4.45</b>  | <b>4.94</b>  | <b>4.89</b>  |
| <b>Total Liabilities and equity</b>             | <b>100</b>   | <b>100</b>   | <b>100</b>   |

Source: Annual report of 2019-2021

**Vertical Analysis of Income statement:**

|   | 2019  | 2020  | 2021  |
|---|-------|-------|-------|
| Net sale  | 85.79 | 80.02 | 82.55 |
| <b>Non Merk up/ significance income</b>               |       |       |       |
| Payment, charge and brokerage profits                 | 8.39  | 8.63  | 10.00 |
| Bonus revenue   | 0.16  | 0.18  | 0.80  |
| Takings from trade in overseas exchange               | 2.59  | 1.49  | 2.55  |
| Unrealized (defeat)/expand on revaluation of venture  | 0.10  | 0.07  | 0.50  |
| Additional revenue                                    | 2.46  | 1.32  | 2.44  |
| Entire non mark up/interest takings                   | 13.20 | 20.90 | 15.45 |
| <b>Total income</b>                                   | 100   | 100   | 100   |
| <b>Expenses</b>                                       |       |       |       |
| Mark up/arrival/awareness earned expensed             | 60.40 | 50.23 | 55.02 |
| Stipulation beside non performing loans               | 4.85  | 9.45  | 6.61  |
| Stipulation for the reduction in the worth of savings | -     | -     | 4.00  |
| Awful debts printed off openly                        | 0.01  | 0.02  | 0.16  |
| <b>Non mark up/ interest expenses</b>                 |       |       |       |
| Managerial operating cost                             | 24.00 | 26.00 | 28.85 |
| Additional requirements                               | -     | 0.03  | 0.07  |
| Additional charges                                    | 0.24  | 0.02  | 0.35  |
| Total non mark up/interest expenses                   | 24.24 | 26.05 | 29.27 |
| Unusual / abnormal substance                          |       |       |       |
| PBT   | 10.50 | 14.20 | 4.90  |
| Taxes   |       |       |       |
| -present  | 1.96  | 5.48  | 4.80  |
| -previous years                                       | 0.40  | 0.01  | 0.62  |
| -postponed  | 1.76  | 1.00  | 2.81  |
| <b>Total expenses</b>                                 | 92.78 | 90.16 | 96.41 |
| PAT   | 7.22  | 9.84  | 3.59  |

Source: Annual report of 2019-2021



**Vertical Analysis Balance Sheet:**

The balance sheet reveals that from 2019 to 2021, Rizvi Fashion Limited's balance with other banks is growing, which is a wonderful symbol for the nation. The lending to financial institutions is, however, declining from 2019 to 2020, which is bad for the organization. The slight percentage change in investments and advances is acceptable.

The company's borrowing from financial institutions is reducing from 8.22% to 3.92%, which has a positive impact on both income and interest expenses. Deferred tax liabilities rose to 0.70% in 2019 before declining to 0.06% in 2021, which is excellent for the business.

**Vertical Analysis of Income Statement:**

The income statement shows that net sales are the company's main source of income and that they are rising 85.79% in 2019 and 82.55% in 2017, which is not good news for the business. On the other hand, in 2021 operating costs, extra fees, interest costs, and other expenses will all rise. The company would suffer if expenses continued to rise in the future.

**CHAPTER FOUR**  
**Recommendation & Conclusion**

**Recommendation:**

Consumers are increasingly concerned about the environmental and social impact of the clothing industry. By implementing sustainable and ethical manufacturing practices, Rizvi Fashion Limited can attract customers who prioritize these values. Rizvi Fashion Limited could consider expanding its product range to include other types of clothing or accessories that complement its current offerings. This could help the company appeal to a wider range of customers and increase revenue.

With the rise of e-commerce, Rizvi Fashion Limited could benefit from establishing an online presence and selling products through its own website or online marketplaces. This could help the company reach a wider audience and increase sales. Rizvi Fashion Limited has built a reputation for quality and attention to detail. The company could continue to prioritize these values and focus on innovation to stay ahead of competitors.

Employees are the backbone of any manufacturing company. By investing in employee development, Rizvi Fashion Limited can improve the skills and productivity of its workforce and create a positive work culture. This could lead to better quality products and higher customer satisfaction.

**Conclusion:**

Rizvi Fashions Ltd has been producing clothing for nine years and is continually expanding. It was a wonderful chance and experience, and it gave me excellent industry training. This was a wonderful life event. Whenever I had an internship, I always made an effort to learn the fundamental operations of a knit factory. The economy of our country is heavily based on the ready-to-wear industry. From my internship work, I gained a lot of theoretical and practical information. My industrial internship helped me make the most of my theoretical knowledge, and as a result, I will be able to carry out my professional obligations both now and in the future. I learned more about the system used to manufacture knit clothing through this process.

I've learned a lot about manufacturing processes, numerous kinds of machinery and equipment, and industrial management thanks to my industrial attachment. I will greatly improve my work and advance my career as a result of my internship experience.

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