Thesis Report

On

Financial Performance Analysis of Shanta Expressions Limited

Submitted by:

MD. Salman Farsi

ID: MBA2302029006

Program: MBA (Major in Finance)

Semester: Spring-2024

Sonargaon University (SU)

Submitted to:

Department of Business Administration

Sonargaon University (SU)

Submitted for the partial fulfillment of the degree of Master of Business Administration

Date of Submission: May 05, 2024

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Nowshin Mahmood Tahiya

Lecturer

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Submitted for the partial fulfillment of the degree of Master of Business Administration



Sonargaon University (SU)

147/I, Green Road, Tejgaon, Dhaka-1215, Bangladesh.

Date of Submission: May 05, 2024

Letter of Transmittal

May 05, 2024

Nowshin Mahmood Tahiya
Lecturer
Department of Business Administration
Sonargaon University

Subject: **Submission of Thesis report on Financial Performance Analysis of Shanta Expressions Limited**

Dear Madam,

With due respect, I would like to inform you that I have prepared my internship report on "**Financial Performance Analysis of Shanta Expressions Limited** " under your kind supervision. In this report, I have tried to give my best effort in consistence with the optimal standard under your instruction. Thanks to you for the effort to ensure successful coordination of the report and the guidance you have provided.

I, sincerely, hope that you will find the report satisfactory and I will be most obliged to clarify and defend my report.

Thank you for your kind supervision.

Yours Sincerely

.....

MD. Salman Farsi

ID: MBA2302029006

Program: MBA (Major in Finance)

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Letter of Acceptance

This is to certify that MD.Salman Farsi bearing ID no. MBA2302029006, a student of MBA Program, Sonargaon University, has completed the thesis report under my supervision. He has been working with Shanta Expressions Limited as an Accounts officer and completed the report entitled "Financial Performance Analysis of Shanta Expressions LimitedF" as a partial requirement of obtaining MBA Degree. He has completed the report by himself and He has been permitted to submit the report.

MD.Salman Farsi bears a strong moral character and a pleasing personality. I wish all the best in her future endeavors.

Yours Sincerely

.....

Nowshin Mahmood Tahiya

Lecturer

Department of Business Administration

Sonargaon University (SU)

Declaration of Student

I am Md. Salman Farsi, a student in the Bachelor of Business Administration program with ID MBA2302029006 at Sonargaon University. I want to sincerely state that the report titled "Financial Performance Analysis of Shanta Expressions Limited and An Overview of RMG Industry of Bangladesh" has been genuinely created by me. During the preparation of this report, I ensured full compliance with international copyright regulations. I also want to clarify that this report has not been submitted anywhere else for the purpose of obtaining a degree.

Yours Sincerely

.....

MD.Salman Farsi

ID: MBA2302029006

Program: MBA (Major in Finance)

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Acknowledgement

Firstly, I would like to convey my gratefulness to almighty Allah for enabling me the strength and opportunity to complete the report within the schedule time successfully.

The thesis paper submitted here is performed as part of my MBA program. Preparation of this report received assistance, guidance and took valuable time of my supervisor Nowshin Mahmood Tahiya Lecturer, Department of Business Administration, Sonargaon University (SU) and Mr. Shohel Khan, Manager, Shanta Expressions Limited.

However, I am immensely indebted to several people of shanta Expressions Limited without whose support the report would have been really difficult to conduct. I would take this opportunity here to thank them for sharing their valuable time for long discussion and wise suggestion, thoughts during the internship program.

Finally, I would like to give thanks to my supervisor Nowshin Mahmood Tahiya for his continuous help, support, and advice and for the time he has spent for the refined my report. Without their continuous support, the report would have been a directionless writing.

Abstract

The Ready-Made Garments (RMG) sector in Bangladesh has emerged as a cornerstone of the nation's economy, serving as a catalyst for economic development and employment generation. This thesis examines the transformative journey of the RMG sector, delving into its historical evolution, current challenges, and future prospects.

Drawing upon a comprehensive review of existing literature and empirical data, this study investigates the key factors contributing to the remarkable growth of the RMG industry in Bangladesh. It explores the role of globalization, trade policies, technological advancements, and labor dynamics in shaping the sector's trajectory.

Furthermore, this thesis critically evaluates the sustainability implications of the RMG industry, considering environmental, social, and economic dimensions. It analyzes the environmental footprint of garment manufacturing processes, the working conditions of garment workers, and the industry's contribution to national GDP and employment.

Moreover, this research identifies the major challenges confronting the RMG sector, including compliance issues, supply chain transparency, labor rights violations, and market volatility. It proposes strategic interventions and policy recommendations aimed at enhancing the sector's sustainability and resilience.

In conclusion, this thesis argues that while the RMG sector in Bangladesh has achieved significant milestones, there is an urgent need for a paradigm shift towards a more sustainable and ethical model of production. By adopting innovative technologies, promoting responsible business practices, and fostering collaboration among stakeholders, the RMG industry can realize its full potential as a driver of inclusive growth and sustainable development in Bangladesh.

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Chapter -01: Introduction



1.1 Background of the Study

Bangladesh, the southern Asian country has a population of around 164 million people. Here agriculture plays a major role as one of the contributor to Bangladesh's economy. However, the garments industry (RMG) of Bangladesh has risen to become the country's largest earner of foreign currency. This industry generates over 4.2 million jobs and contributes considerably to the GDP. Bangladesh's readymade garments (RMG) industry is driven by youthful, urbanizing workers, the majority of whom are women.

Bangladesh's RMG industry has a significant influence on the country's economic progress. There is no doubt that RMG and Textile industries have been the main contributors to Bangladesh's international exports for a long time. This industry is ranked third in the world for garment manufacture, and it has a dominant presence in South Asia.

Statistics shows that Bangladesh's economic backbone is its readymade garment (RMG) manufacturing export profits, which account for around 84 percent of the country's total exports. In the 2018-19 fiscal year, Bangladesh exported RMG items around worth 34.13 billion USD. During the 2016-17 fiscal years, this industry contributed 12.36% to Bangladesh's GDP. Many people, including late Akhter Mohammed Musa, late Mohammed Reaz uddin, Md Humayun, and M Shamsur Rahman, the first President of the BGMEA, have contributed significantly to the development of the RMG industry.

Shanta Expressions Limitad is a Garments Manufacturing Company that oversees a variety of manufacturing and export-oriented Companies. In 2012, the firm was founded and incorporated in Bangladesh. Masco Group Sponsors founded their first export-oriented manufacturing company in 1992 and have since developed into a large conglomerate. The necessity for a management firm to assist coordination and retain control over separate enterprises grew as the number of the companies under management grew. It has various industries works . They are Basically- Knitting Industries Dyeing Industries, Printing Industries, Embroidery industries ,Washing Industries, Garments Industries, Agro Division.

1.1 Objectives of the Study

1.2.1 Broader Objective of the Study

- ✓ To analyze the current financial performance of Shanta Expressions Ltd.

1.2.2 Specific Objectives of the report

- To measure the financial performance of Shanta Expressions Ltd..
- To identify the financial problems regarding Shanta Expressions Ltd..
- To improve the financial performance of Shanta Expressions Ltd..
- To present an overview of Shanta Expressions Ltd..
- To know the different types of products of Shanta Expressions Ltd..
- To provide some recommendations to improve service quality of the Shanta Expressions Ltd.

1.3 Methodology and Data Collection

The methodology of this paper is quantitative in nature. Various data was obtained from a variety of sources while preparing the report. The information gathered is separated into two categories based on its source and type.

The following information is used to write the report.

- ✓ Primary Data
- ✓ Secondary Data

1.3.1 Primary Sources

Primary data are those that are obtained in their raw form for the first time and are thus unique. To use primary data, I've used the following methods:

- Observation on the job throughout the internship period
- Face-to-face conversation
- Practical deskwork
- Consult with experts and officials who are involved

1.3.2 Secondary Sources

The secondary sources data and information are:

- Annual Report
- Publications
- Newspapers
- Website information
- Annual Reports of Shanta Expression Limited

Above and beyond the repository of information, "the internet" has also played an important role in acquiring knowledge for the final report.

1.4 Scope of the Study

- ✓ The scope of this study is to find out the efficiency and loopholes Shanta Expressions Limited based on their financial data. I had to collect the primary data from personal contact with the employee.

  Later on I have used secondary data to complete my report.

1.5 Limitations of the Study

While working with Shanta Expressions Limited Almost one year " time spans seemed very short ". It is a great opportunity for work their environment was very friendly. However, every company has their own policy regarding data confidentiality and so in terms of collecting the information there were some limitations I have faced:

• Most of the primary data were not in the form those can help in writing a thesis.

• Secondary data is also very rare. It is just only the annual report and the website.

• Lack of comprehension of the respondents was the major problem that created many confusions regarding verification of conceptual and theoretical perception.

• Lack of availability of sufficient data.

In spite of these limitation,

In this study have tried to make this report as best as possible. So readers are request to consider these limitations while reading and justifying any part of the report

Chapter -02: Literature Review



2.1 Literature Review

Chowdhury and Rana (2018) in their titled "Impact of intellectual capital on financial performance: evidence from the Bangladeshi textile sector" stated that the purpose of this paper is to investigate the influence of intellectual capital (IC) on financial performance and, in turn, to provide insights into its impact on emerging economies. Data were collected from 34 textile firms in Bangladesh between 2013 and 2017. The IC efficiency, through value-added intellectual coefficient (VAIC) model, and its impact on financial performance, through return on assets (ROA), return on equity and asset turnover (ATO), was examined using descriptive statistics and multiple regression techniques. The analysis is based on secondary data obtained from annual reports.

Islam, Rakib and Adnan (2016) in their paper titled "Ready-Made Garments Sector of Bangladesh: Its Contribution and Challenges towards Development" stated that the ready-made garments (RMG) sector of Bangladesh has got a greater facet than any other sector in terms of growth and foreign exchange earnings. It makes a significant contribution to the national economy by creating generous employment opportunities and reducing poverty through socioeconomic development. Despite unquestionable success story, this sector has got a number of formidable challenges for the future growth. The present study has made a search on different dimensions of contribution and challenges of RMG industry in Bangladesh. To accomplish the task, a descriptive research based on study of available records is conducted. The study reveals that since its inception, especially during the last three decades, the RMG industry contributed significantly through creation of physical infrastructure which is demonstrated by 4222 RMG units along with the development of human capital as around 4 million workforces are directly involved in this industry. It has also contributed tremendously through empowering women as almost 90 percent of its labor force is female which ranked the highest in South-East Asia. In terms of core economic consideration RMG holds almost 14.07 percent of the GDP of Bangladesh as well as the 81 percent of the total export earnings.

Chowdhury, Ahmed and Yasmin (2014) in their paper titled "Prospects and Problems of RMG Industry: A study on Bangladesh" stated that the development of Garments Industry is considered as the priority area in the development policy in many countries, especially in Bangladesh. The young entrepreneurs are engaged in varied form of small and medium scale garments industry which comprises of products like shorts, trousers, shirts, sweaters, blouses, skirts, t-shirts, jackets, sports attire and many more casual and fashion items with the changing times. This study is conducted to analyze the prospects, problems and solution of problems of Readymade Garments Industry in Bangladesh. The findings of this paper show that Bangladesh has a great opportunity to earn a great foreign

currency through developing readymade garments industry. The study also suggests some measure for the removal of ongoing crisis of garment sectors.

Mia and Akter (2019) in their paper titled "Ready-Made Garments Sector of Bangladesh: Its Growth, Contribution and Challenges" stated that the ready-made garments (RMG) sector has a greater potential sector than any other sector in terms of employment and foreign exchange earnings to reduce poverty and make a contribution to the national economy. Based on secondary data, the study is intended to draw the scenario of RMG industry in Bangladesh, especially the growth, contribution, and challenges. It is the largest exporting industry in Bangladesh that has experienced tremendous growth during the last 25 years. Among the people of Bangladesh, about 4 million workers are directly employed in RMG sector. Therefore, the contribution of RMG in total export is increasing day by day. At present, 83.9% of national export in Bangladesh is contributed by RMG export although it was 3.89% in 1983-1984. In fiscal year (FY) 2017-2018, the percentage of ready-made garments (RMG) contribution to gross domestic product (GDP) is 12.26% but it was only 2.74% in FY 1990-1991. So, it indicates that RMG sector is the main contributor of Bangladesh's economy, especially in the export of the country. This sector also faces a lot of challenges, like unskilled workers, insufficient infrastructure, raw materials, energy crisis, safety issue, political crisis, and coverage of accord and alliance. To overcome these challenges, we need to take different steps from owners and major stakeholders.

Abdulkarem and Ismail (2016) in their titled "Cross-country comparison of intellectual capital performance and its impact on financial performance of commercial banks in GCC countries'' stated that the purpose of this paper is to explore the intellectual capital (IC) performance of banks in Gulf Cooperation Council (GCC) countries and to empirically investigate if IC has an impact on financial performance as well as to identify the IC components that may be the drivers of the traditional indicators of bank success. The empirical data are drawn from banks' annual reports over the three-year period of 2008 to 2010. Ordinary least squares regression analysis is constructed to examine the relationships between IC and the banks' financial performance indicators. Public's value-added intellectual coefficient method (VAIC) is applied to measure IC performance.

Allam and Hamdan (2018) in their titled "Intellectual capital and firm performance: Differentiating between accounting-based and market-based performance'' stated that this study sheds light on the relation between intellectual capital and firm performance. The study argues that traditional performance measurement based on accounting is still able to explore the relation between intellectual capital and performance. The study was conducted at 198 firms from two Gulf Cooperation Council countries: Kingdom of Saudi Arabia and Kingdom of Bahrain for the period 2014–2016. To measure

intellectual capital, the value added intellectual coefficient model was adopted along with two measures of performance: accounting-based performance which is return on assets and market-based performance which is Tobin's Q, in addition to the Random-Effects Regression.

Farhana, Sneha, Mondol, Farin and Mahamude (2022) in their paper titled "Business Trend Analysis of RMG Industry in Context of Bangladesh-A Case Study" stated that Bangladesh has made a tremendous contribution to RMG (Ready Made Garment) sector since the 1970s. Textiles and apparels consider for about 85% of the total export earnings of Bangladesh. Though it's quite difficult to mete out the dimension of performance and objection of the RMG sector in Bangladesh but to fulfill the task this study has made a search based on the study of attainable documents. The beauty of this study lies in its way of narration, a sequential way of description. The study discovers that since its inception, the RMG industry contributed significantly to our economy especially during the last three decades. The cross-check analysis has been conducted to compare the last three decades' export of RMG, specific garments export, GDP, market share, etc. to get a lucid idea of the business trend of the RMG industry. These initiatives focus more on the establishment of sound structure, skilled manpower, enhanced market access, access to finance at the competitive interest rate, adaptation with advanced technology as well as institutional development. Therefore, both public and private sectors need to take several preliminaries, independently and collaboratively to overcome these challenges. Moreover, to take control and reserve the golden share of RMG, assured branding needs to be expansive.

Ansary and Barua (2015) in their paper titled "Workplace safety compliance of RMG industry in Bangladesh: Structural assessment of RMG factory buildings" stated that Ready-made garment (RMG) in Bangladesh faces challenges to ensure workplace safety for the millions of garment workers in compliance with the national and international labor standards and labor rights. The recent deadly Rana Plaza collapse resulted in three important plans of actions to address the challenges in the sector. This paper presents an assessment of the potential and challenges of RMG industry in Bangladesh. It presents a detail review of the initiatives taken after Rana Plaza accident along with progress made in terms of overcoming the challenges. It also presents a detail review of the actions the structural assessments of buildings housing RMG factories in Bangladesh including its progress, implementation mechanism, and outcomes. The study reveals that RMG is one of the most important export-oriented business sectors in Bangladesh, which has progressed a lot since the Rana Plaza collapse in terms of achieving workplace safety compliance under three plans of actions, among which achievement in initiatives regarding structural assessment of RMG factory buildings is significant.

Chapter -03: Company Overview



3.1 Company Profile of Shanta Expressions Limited

Shanta Expressions Ltd., established in 2012 as a ready-made garment (RMG) company in Bangladesh, has rapidly emerged as a prominent player in the country's thriving apparel industry. With a steadfast commitment to quality, innovation, and ethical business practices, Shanta Expressions has successfully positioned itself as a leading manufacturer and exporter of a diverse range of apparel products. The company's inception marked the beginning of a journey dedicated to creating high-quality, fashionable, and sustainable clothing for both domestic and international markets.

Shanta Expressions' production facilities are equipped with cutting-edge technology and adhere to stringent quality control measures, ensuring that every garment meets international standards of excellence. The company's vertically integrated approach, encompassing design, fabric sourcing, production, and finishing, enables it to maintain meticulous attention to detail and deliver products that resonate with discerning consumers worldwide. The product portfolio of Shanta Expressions reflects its versatility and adaptability to diverse market demands. From casual wear and formal attire to specialized garments such as active wear and children's clothing, the company offers a comprehensive range of apparel solutions tailored to various consumer segments. Each garment exemplifies the company's dedication to craftsmanship, comfort, and contemporary style, reflecting its ability to anticipate and meet evolving fashion trends.

Shanta Expressions' success in the RMG sector is underpinned by its proactive approach to market dynamics and consumer preferences. The company continually invests in research and development to innovate its product offerings, staying attuned to emerging trends and technological advancements. This agility has enabled Shanta Expressions to consistently deliver apparel that resonates with the ever-changing demands of the global fashion landscape. Moreover, the company's robust distribution network has facilitated its expansion into international markets, allowing it to establish a strong presence in key regions. Through strategic partnerships and collaborations with global stakeholders, Shanta Expressions has successfully extended its reach, showcasing the quality and diversity of Bangladeshi RMG on a global scale.

In conclusion, Shanta Expressions Ltd.'s remarkable journey as an RMG company in Bangladesh exemplifies its unwavering commitment to quality, sustainability, and market relevance. From its inception in 2012 to its current standing as a key player in the industry, the company has showcased resilience, innovation, and a dedication to meeting the diverse apparel needs of consumers worldwide.

3.2 Vision

"To be the most preferred brand in the industry ensuring consumer delight"

3.3 Mission

"We shall increase our turnover by 100 percent in every five years. We shall remain socially committed ethical company"

3.4 Goals

- ✓ Enhance profitability through customers' satisfaction.
- ✓ Maximize the value of being of our customers, shareholders and employees.
- ✓ Optimize contribution to the society.
- ✓ Ensure eco-friendly manufacturing environment.

3.5 Strategic Objectives

- ✓ Enhance productivity to extended our products market demands.
- ✓ Ensure committed and sound supply chain.
- ✓ Maintain the strict compliance of best governance norms to ensure long term sustainability of the company.

3.6 SWOT Analysis of Shanta Expression Limited

SWOT is acronyms for strengths, weaknesses, opportunities, and threats. SWOT analysis is a technique that is used for strategic planning and strategic management. By using this technique an individual or an organization can identify its strengths, weaknesses, opportunities and threats. It is also known as situational assessment or situational analysis. SWOT Analysis is a basic tool that may help you examine what your firm does well currently and develop a successful future plan.

SWOT analysis aids a business in improving its position, product quality, overcoming flaws, risk, and open opportunities, as well as determining the organization's competitive advantage

capabilities. It also allows a business to have a better understanding of its position in the market. The following is SEL's SWOT analysis, which will help you see the company's future potential more clearly.

3.7 Corporate Objectives

Our aim is to add value to life, to outperform the peers in terms of :

- ✓ **Longevity:** This objective focuses on the sustainability and endurance of the company over time. It suggests a commitment to long-term success and stability rather than short-term gains
- ✓ **Customer Service:** Prioritizing customer service indicates a dedication to meeting and exceeding customer expectations, ensuring satisfaction, loyalty, and retention.
- ✓ **Revenue:** The objective of maximizing revenue implies a focus on generating income through sales, services, or other revenue streams. It's a fundamental metric for assessing business performance and growth.
- ✓ **Growth:** Growth objectives emphasize expanding the business, whether through increasing market share, expanding into new markets, or introducing new products or services.
- ✓ **Earnings:** Earnings objectives refer to the profitability of the company, indicating a focus on generating sufficient income to cover expenses and provide returns to shareholders.
- ✓ **Cash Generation:** Cash generation objectives highlight the importance of maintaining healthy cash flows within the organization. Positive cash flow ensures liquidity and the ability to fund operations, investments, and other strategic initiatives.

By prioritizing these objectives, the company aims to excel in its industry, create value for stakeholders, and sustain its success over the long term.

3.8 Functional Strategies

Our strategy is to build long-term partnerships with the customers/consumers. With their support, we aim to maximize the potential of our business- through a combination of enhanced quality of :

- ✓ **Product Quality Enhancement:** Focusing on the quality of products is fundamental. This involves continuous improvement in design, materials, and manufacturing processes to meet or exceed customer expectations. High-quality products contribute to a strong brand reputation, customer satisfaction, and loyalty, thereby supporting longevity and growth.

- ✓ **Service Enhancement:** Improving service encompasses not only customer service interactions but also the overall customer experience. This can include everything from the ease of doing business with your company, the availability of support, to the after-sales service. Excellent service can differentiate your company in a crowded market, fostering strong, long-term customer relationships.
- ✓ **Creative Marketing:** Employing creative marketing strategies is about crafting compelling messages and using innovative channels to engage with your audience. This involves understanding customer needs and preferences deeply and leveraging that knowledge to communicate your value proposition effectively. Creative marketing can increase brand awareness, attract new customers, and retain existing ones, thereby driving revenue and growth.
- ✓ **Competitive Pricing:** Developing a competitive pricing strategy involves setting prices that are attractive to consumers while still sustainable for the company. This requires a thorough understanding of the market, competitors' pricing, and the perceived value of your products or services. Competitive pricing can help capture market share and drive sales, but it should be balanced with the goal of maintaining healthy profit margins.
- ✓ **Cost Efficiency:** Achieving cost efficiency means optimizing your operations to reduce waste and unnecessary expenses without compromising on quality or customer satisfaction. This can involve streamlining processes, adopting new technologies, and negotiating better terms with suppliers. Improving cost efficiency directly impacts earnings and cash generation, enabling more resources to be allocated to growth and innovation.

By implementing these functional strategies effectively, your company can build strong, lasting partnerships with costing.

3.9 Products and Service

1.Terry Towels: Terry towels are a staple in households and commercial establishments like hotels and spas due to their unique construction and versatile usage. Here's a detailed description of terry towels:



Material and Construction:

Terry towels are woven with loop pile on one or both sides, creating a soft and absorbent fabric. The loops can vary in length, influencing the towel's absorbency and plushness. These towels are typically made from cotton because of its excellent absorbency, but they can also be found in cotton-polyester blends which offer added durability. Some luxury versions are made from Egyptian or Turkish cotton, known for their long fibers, resulting in an even softer and more absorbent towel.

2. Terry Bathrobes: Terry bathrobes are a luxurious and practical choice for anyone looking to enhance their bathing experience or simply seeking comfort around the house. Similar to terry towels, these bathrobes are made from looped fabric, which gives them their distinctive plush and absorbent qualities. Here's a closer look at terry bathrobes:



Material and Construction:

Fabric: Terry bathrobes are primarily made from cotton because of its natural absorbency and softness. The fabric is woven with loops on one or both sides, creating a high surface area that quickly absorbs water and makes the robe feel soft against the skin.

Quality Variants: High-quality versions may use Egyptian or Turkish cotton, known for their long fibers, which enhance the robe's softness and absorbency. Some terry robes might also be made from organic cotton or include a blend of materials like bamboo for additional benefits such as eco-friendliness and natural antibacterial properties.

3. T-Shirt: T-shirts are a fundamental part of modern casual wear, beloved worldwide for their simplicity, comfort, and versatility. Initially introduced as undergarments in the early 20th century, T-shirts have evolved into staple garments in everyone's wardrobe, regardless of age or gender. Here's an in-depth look at T-shirts:



Material:

Cotton: The most common fabric for T-shirts due to its softness, breathability, and absorbency. Cotton T-shirts can range from basic and affordable options to high-quality, premium cotton varieties like Pima or Egyptian cotton, known for their long fibers and extra softness.

Polyester: Often used for performance or athletic T-shirts because of its durability and moisture-wicking properties. Polyester is less breathable than cotton but can be engineered to provide sweat-wicking capabilities, making it ideal for sports and outdoor activities.

Blends: Cotton-polyester blends combine the best of both worlds, offering the comfort and breathability of cotton with the durability and wrinkle resistance of polyester. Other blends might include rayon or spandex for stretch and a more flattering fit.

4. Polo Shirts: Polo shirts, often referred to simply as "polos," are a versatile and timeless piece of clothing that blend casual comfort with a touch of formality. Originating from the sport of polo, where they were first worn by polo players in India during the late 19th century, polo shirts have evolved into a staple of casual business attire, sportswear, and everyday fashion. Here's a detailed look at polo shirts:



Material:

Cotton Piqué: The most traditional and widely used fabric for polo shirts, cotton piqué has a textured, waffle-like weave that is breathable and durable. It's ideal for creating a structured look that's also comfortable to wear.

Jersey: Some polo shirts are made from jersey fabric, which is smoother and softer than piqué. Jersey polos offer a more relaxed, stretchy feel, making them suitable for casual wear.

Performance Fabrics: Modern polos are also made from synthetic performance materials, such as polyester blends, which offer moisture-wicking, breathability, and stretch properties. These are particularly favored for athletic or outdoor activities.

5. Denim Jeans: Denim jeans are a quintessential element of global fashion, embodying durability, comfort, and timeless style. Originally designed as work wear for miners in the late 19th century, jeans have transcended their utilitarian origins to become a staple of casual wear and high fashion alike. Here's an in-depth look at denim jeans:



Material:

Denim: Jeans are primarily made from denim, a sturdy cotton twill fabric characterized by its diagonal ribbing. The typical indigo blue color of denim comes from dyeing the warp threads while leaving the weft threads white, creating jeans' distinctive look. However, jeans today are available in a wide range of colors and washes.

Variants: Besides traditional cotton denim, jeans can also be made from blends that include elastin or spandex for stretch, improving comfort and fit.

6. Denim Jacket: A denim jacket, often considered a must-have in casual wardrobes, is a classic piece of outerwear that exudes versatility and timeless appeal. Originating from the United States in the late 19th century, the denim jacket was initially created as durable workwear for laborers and cowboys. It has since transcended its utilitarian roots to become a symbol of style and rebellion, favored across various subcultures and fashion movements. Here’s a closer look at the denim jacket:



Material:

Fabric: Like denim jeans, denim jackets are primarily made from cotton denim, a rugged twill fabric known for its durability and comfort. The fabric is typically dyed with indigo for that classic blue denim look but can also be found in a range of colors and washes.

Weight: Denim jackets come in various weights, from lightweight options suitable for spring and summer to heavier, lined jackets that provide warmth in fall and winter.

7. Baby Cloth: Baby clothes are designed with a focus on comfort, safety, and convenience, catering to the needs of infants and young children who require gentle care and frequent changes. These garments are made from soft, non-irritating materials to protect the baby's delicate skin and are available in a wide range of styles and sizes to accommodate the rapid growth and development stages of early life. Here's an overview of baby clothes:



Material:

Cotton: A popular choice for baby clothes due to its softness, breathability, and hypoallergenic properties. Cotton is gentle on the baby's skin and offers excellent comfort and durability.

Organic Cotton: Grown without the use of synthetic pesticides and fertilizers, organic cotton is preferred for its environmental benefits and reduced risk of causing skin irritations.

Bamboo: Known for its eco-friendly properties, bamboo fabric is extremely soft, naturally antibacterial, and moisture-wicking, making it suitable for baby clothes.

Synthetic Blends: Some baby garments might include synthetic fibers like polyester for added durability and ease of care. However, these materials are generally less breathable than natural fibers.

Services: Shants Expressions LTD. services cover the entire life cycle of a garment, from idea to sample, from initial processing to reverse logistics. Whatever the stage is our services and support is all the way for your brand.

3.10 Buyer Segmentation

Shanta Expressions Ltd. is a company that has established it self as a buyer target for various retail brands including.

- ✓ Kmart
- ✓ Lidl
- ✓ KHQ
- ✓ Lindex
- ✓ Mango

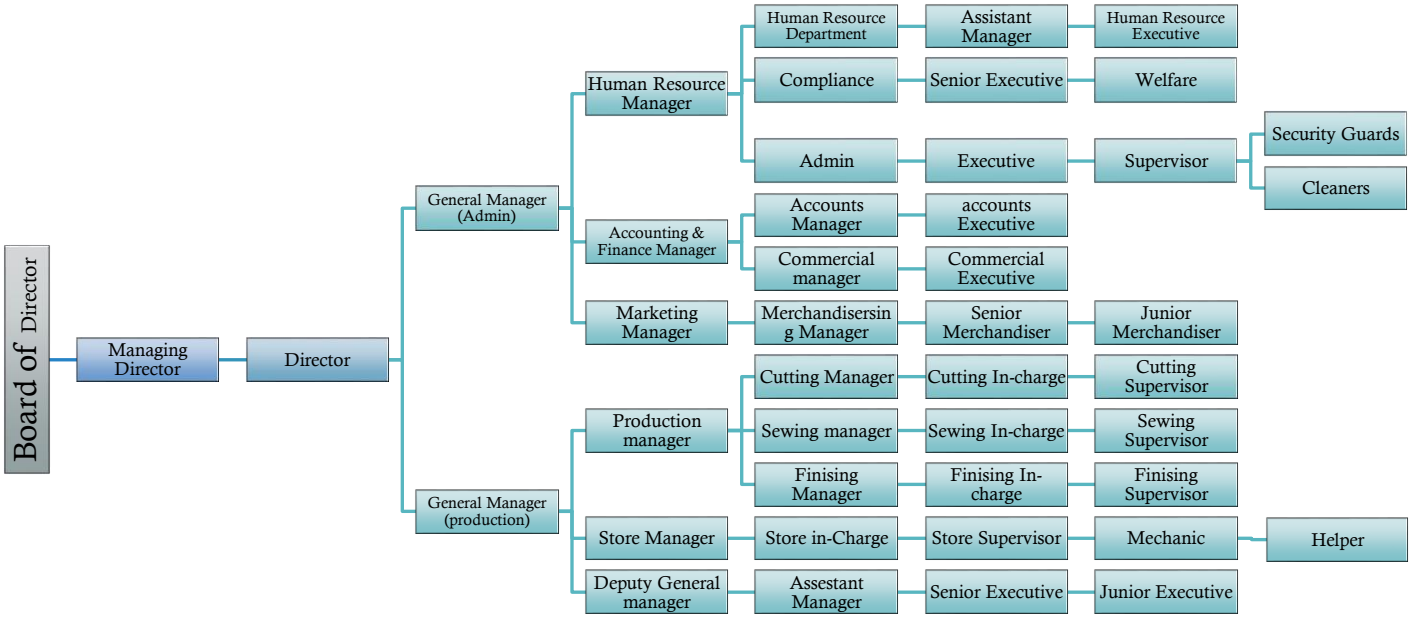
The main customers of the company are :

- ✓ Wal-Mart from Canada
- ✓ Zara from Spain
- ✓ kappa from Italy
- ✓ NV from Netherlands
- ✓ New Wave from (Sweden)
- ✓ Umbro from (UK),
- ✓ Aldi from from (Germany)
- ✓ Stradivarius from (Spain)
- ✓ Bershka from (Spain)
- ✓ Big Star from (Poland)
- ✓ TK International from (Germany)

The company's focus on quality products and efficient supply chain management has made it an attractive partner for these well-known brands.



3.11 Company Organogram



3.12 Major Competitors are

- MARINA APPARELS LTD.
- MARTIN KNIT-WEAR LTD.
- A-Z KNITWEARS LTD.
- CLIFTON TEXTILE AND APP ARELS LTD.
- COMBINED KNITTING LIMITED.
- COMFORT KNIT FASHION LTD.

3.13 Rewards

1. **Masco Group** has been adorned with National Productivity & Quality Excellence Award - 2018 by Ministry of Industries of Bangladesh at the Institute of Diploma Engineers, Bangladesh (IDEB) on 28 July.



Figure: Managing Director of Masco Group Ahmed Arif Billah received the National Productivity & Quality Excellence Award -2018.

2. We are honored to announce that Masco Group has been recognized by the Electronic Safety and Security Association of Bangladesh (ESSAB) Safety Excellence Award 2024 for our steadfast dedication to fire safety maintenance. As a leading garments manufacturer, safety is our top priority. We are grateful to receive this prestigious award from Home Minister Asaduzzaman Khan Kamal.





Chapter -04: Introduction of RMG sector In Bangladesh



4.1 Introduction of RMG sector in Bangladesh

The history of the RMG sector in Bangladesh dates back to the late 1970s when the industry began to emerge as a significant player in the country's economy. Initially, the sector focused on meeting domestic demand, but it later expanded to become a major exporter of ready-made garments. Over the years, the industry has experienced significant growth, attracted foreign investment and contributed substantially to Bangladesh's GDP and employment.

The Ready-Made Garments (RMG) sector in Bangladesh has played a significant role in the country's economy. It began to take off in the late 1970s and has since become one of the largest contributors to Bangladesh's GDP and employment. The sector has attracted foreign investment and has been a key driver of export earnings for the country. Bangladesh's RMG sector is known for its competitive labor costs and has established itself as a major player in the global apparel industry. In recent years, the RMG sector in Bangladesh has shown strong performance, with significant growth in export earnings and production. The sector has continued to attract investment, improve compliance with safety and labor standards, and diversify its product range. Additionally, Bangladesh's RMG sector has adapted to changing market demands and has demonstrated resilience in the face of global economic challenges. The RMG sector in Bangladesh faces several challenges, including labor rights issues, workplace safety concerns, environmental sustainability, and fluctuations in global demand and prices. Additionally, the industry contends with competition from other low-cost manufacturing countries, as well as the need for continued investment in infrastructure and technology to remain competitive in the global market. The GDP growth ratio of the RMG sector in Bangladesh has been significant, consistently contributing a substantial portion to the country's overall economic growth. However, for specific and up-to-date figures, it would be best to refer to the latest official reports or economic indicators.

The Ready-Made Garments (RMG) sector in Bangladesh has emerged as a vital component of the country's economy, playing a pivotal role in driving export earnings and employment. With its origins dating back to the late 1970s, the sector has experienced remarkable growth, attracted foreign investment and established itself as a major player in the global apparel industry. This report aims to provide an overview of the RMG sector in Bangladesh, including its historical development, current status, challenges, and future prospects.

4.2 A brief History of RMG sector in Bangladesh

The ready-made garment (RMG) sector in Bangladesh has seen remarkable growth since its inception in the late 1970s. Initially, the industry began with a few small factories and limited exports. However, due to favorable government policies, low labor costs, and a large workforce, the sector experienced rapid expansion.

In the 1980s, Bangladesh's RMG industry started to gain momentum, attracting attention from international buyers due to its competitive pricing and quality products. This led to a significant increase in export earnings and employment opportunities for the local population.

By the 1990s, the RMG sector had become a vital component of Bangladesh's economy, contributing substantially to the country's GDP and foreign exchange reserves. The industry continued to expand, with a growing number of factories and an increasing range of products.

Despite facing challenges such as workplace safety issues and labor rights concerns, the RMG sector persevered and remained a key driver of Bangladesh's economic growth. Efforts were made to improve working conditions and safety standards in factories, leading to increased confidence from international buyers and consumers.

In the early 2000s, Bangladesh solidified its position as one of the world's leading RMG exporters, particularly in categories like knitwear and woven garments. The industry's resilience and adaptability were evident as it weathered global economic fluctuations and continued to thrive.

As Bangladesh entered the 2010s, the RMG sector focused on sustainability and ethical practices, addressing environmental impact and worker welfare. This commitment to responsible manufacturing further enhanced the industry's reputation on the global stage.

In recent years, the RMG sector has embraced technological advancements and innovation to improve efficiency and product quality. Additionally, diversification into new markets and product lines has expanded the industry's reach and potential for growth.

Today, Bangladesh's RMG sector stands as a cornerstone of the country's economy, providing employment for millions and contributing significantly to export earnings. With ongoing efforts to address challenges and capitalize on opportunities, the industry continues to play a pivotal role in shaping Bangladesh's economic landscape.

4.3 Comparative Statement on Export of RMG & Total Export of Bangladesh

Value in Million USD (Fiscal Year Basis)

Year	Export of RMG	Total Export of Bangladesh	% of RMG's to Total Export
2013-14	24491.88	30186.62	81.13
2014-15	25491.40	31208.94	81.68
2015-16	28094.16	34257.18	82.01
2016-17	28149.84	34655.90	81.23
2017-18	30614.76	36668.17	83.49
2018-19	34133.27	40535.04	84.21
2019-20	27949.19	33674.09	83.00
2020-21	31456.73	38758.31	81.16
2021-22	42613.15	52082.66	81.82
2022-23	46991.61	55558.77	84.58

4.4 Bangladesh's Apparel Export to World

Value in Million USD (Fiscal Year Basis)

Year	Woven	Knit	Total RMG
2013-2014	12442.07	12049.81	24491.88
2014-2015	13064.61	12426.79	25491.40
2015-2016	14738.74	13355.42	28094.16
2016-2017	14392.59	13757.25	28149.84
2017-2018	15426.25	15188.51	30614.76
2018-2019	17244.73	16888.54	34133.27
2019-2020	14041.19	13908.00	27949.19
2020-2021	14496.70	16960.03	31456.73
2021-2022	19398.84	23214.32	42613.16
2022-2023	21253.41	25738.20	46991.61

4.5 Bangladesh's Apparel Export to World

(CY 2021, CY 2022 & CY 2023)

Export Value in Million US

	Woven			Knit			Total			Growth in 2023
EU Countries	**2021**	**2022**	**2023**	**2021**	**2022**	**2023**	**2021**	**2022**	**2023**	
Austria	10.60	13.26	13.12	29.01	40.03	38.75	39.61	53.29	51.87	*-2.67%*
Belgium	219.10	217.50	258.38	418.57	524.41	494.32	637.66	741.91	752.70	*1.45%*
Bulgaria	0.42	0.18	0.16	1.48	0.95	1.78	1.90	1.13	1.94	*72.21%*
Denmark	318.82	420.19	406.24	628.30	803.09	1015.37	947.12	1223.28	1421.60	*16.21%*
Finland	5.84	7.25	16.72	25.08	44.85	39.69	30.92	52.10	56.41	*8.29%*
France	696.66	974.30	1109.16	1260.79	1768.62	1865.87	1957.45	2742.92	2975.02	*8.46%*
Germany	2688.02	3002.33	2197.26	3507.88	4285.29	3895.29	6195.91	7287.62	6092.54	*-16.40%*
Greece	8.72	16.98	17.66	30.78	54.28	56.00	39.50	71.26	73.66	*3.37%*
Italy	399.61	669.69	776.95	911.11	1344.38	1449.08	1310.72	2014.07	2226.03	*10.52%*
Ireland	60.08	84.23	96.37	109.77	141.53	174.55	169.85	225.76	270.91	*20.00%*
Netherlands	496.69	706.33	815.36	704.21	1003.20	1120.96	1200.90	1709.53	1936.32	*13.27%*
Portugal	20.63	36.23	41.06	49.81	81.70	96.20	70.43	117.93	137.26	*16.39%*
Romania	3.45	4.28	19.55	15.39	19.56	79.76	18.85	23.84	99.31	*316.50%*
Spain	1070.73	1341.65	1548.13	1432.14	1932.50	2141.52	2502.87	3274.15	3689.66	*12.69%*
Sweden	213.41	295.73	303.78	440.53	572.29	595.12	653.93	868.02	898.90	*3.56%*
Cyprus	0.19	0.33	0.69	1.84	2.32	2.51	2.04	2.65	3.20	*20.66%*
Czech Republic	119.11	158.04	181.55	105.40	177.15	199.77	224.51	335.19	381.33	*13.76%*
Estonia	0.13	0.07	0.12	0.89	1.51	2.25	1.02	1.58	2.37	*49.92%*
Hungary	23.22	43.44	41.11	86.63	144.99	144.30	109.85	188.43	185.40	*-1.60%*
Latvia	0.24	0.34	0.46	0.80	0.87	4.81	1.04	1.21	5.26	*334.70%*
Lithuania	0.20	0.19	0.05	0.28	0.27	0.11	0.49	0.46	0.16	*-65.15%*
Malta	0.02	0.12	0.17	0.06	0.44	0.27	0.08	0.56	0.44	*-22.11%*
Poland	599.97	680.42	669.96	1041.13	1157.92	1204.18	1641.10	1838.33	1874.14	*1.95%*
Slovakia	22.02	25.53	23.08	50.64	69.50	63.86	72.66	95.03	86.94	*-8.51%*
Slovenia	18.95	29.44	18.95	66.31	104.70	54.38	85.26	134.14	73.33	*-45.33%*
Croatia	3.67	10.32	26.86	10.73	23.07	54.05	14.40	33.40	80.91	*142.26%*
Luxembourg	0.12	0.32	2.88	0.96	2.22	3.52	1.09	2.55	6.40	*151.46%*
Sub-Total (EU)	**7000.60**	**8738.70**	**8585.75**	**10930.54**	**14301.65**	**14798.29**	**17931.15**	**23040.35**	**23384.03**	*1.49%*

4.6 Top Ten Garments Industries in Bangladesh

Bangladesh has a large number of garments, which contribute significantly to the Bangladesh readymade garments business. The top ten from those factories are included in this table:

No.	Company Name
01.	Posh Garments
02.	Ha-Meem Group
03.	Beximco
04.	Square Fashions Limited
05.	DBL Group of Industries
06.	Ananta Group
07.	Fakir Garments Limited
08.	Akij Textile Mills Ltd
09.	Standard Group
10.	Asian Apparels Limited

Chapter -05: Financial Statements of Shant Expressions Limited



5.1 Balance Sheet

(Value in Million)

Particular	2022	2021	2020	2019
Non-Current Assets	9,654,591,591	9,197,198,644	8,573,700,405	6,442,857,255
Current Assets	6,483,183,312	5,296,370,085	4,208,712,799	3,310,220,716
Total Assets	16,137,774,904	1,449,3568,729	12,782,413,204	9,753,077,971
Shareholders' equity	9,405,859,597	7,750,713,063	6,295,114,611	5,070,478,748
Non-Current Liability	1,084,702,802	1,528,677,115	1,153,677,518	1,804,741,039
Current Liability	5,647,212,505	5,214,178,551	5,333,621,075	2,876,857,184
Book value per share	177.62	175.64	178.32	179.54
Total liability & Shareholders' equity	16,137,774,904	14,493,568,729	12,782,413,204	9,753,077,971
Sales	12,880,957,428	11,107,281,260	7,632,078,333	7,671,572,303

5.2 Income Statement

(Value in Million)

Particular	2022	2021	2020	2019
Sales	12,880,957,428	11,107,281,260	7,632,078,333	7,671,572,303
Cost of Goods Sold	6,335,803,240	5,418,971,406	3,603,084,694	3,619,613,644
Gross Profit	6,545,154,188	5,685,309,854	4,028,993,639	4,051,958,659
Net profit before Tax	2,731,512,333	2,330,922,942	1,763,074,859	1,712,375,851
Net profit after Tax	2,006,641,464	1,710,862,525	1,282,945,365	1,237,926,366
Earnings Per Share	37.89	38.77	36.34	43.83

5.3 Cash Flow Statement

(Value in Million)

Particular	2022	2021	2020	2019
Net cash generated by operating activities	1,991,302,920	1,716,467,114	916,596,274	1,057,259,497
Net cash generated by Investing activities	983,096,029	1,028,419,289	2,417,619,497	1,530,972,864
Net cash generated by Investing other activities	969,339,951	676,334,977	140,993,163	633,740,369
Increase in the cash	38,866,940	11,712,848	91,030,787	190,027,002
Cash at the beginning period	252,007,296	240,262,887	331,292,974	141,265,972
Cash at the Ending period	290,874,236	251,975,735	240,262,887	331,292,974

Chapter 6: Financial Statement Analysis of Shanta Expressions Limited



6.1 Short-term Solvency or Liquidity Measure

6.1.1 Current ratio

The current ratio measures a company's ability to pay off its short-term liabilities using its current assets. A higher current ratio generally indicates a better ability to cover short-term obligations.

Current ratio = Current assets ÷ Current liabilities.

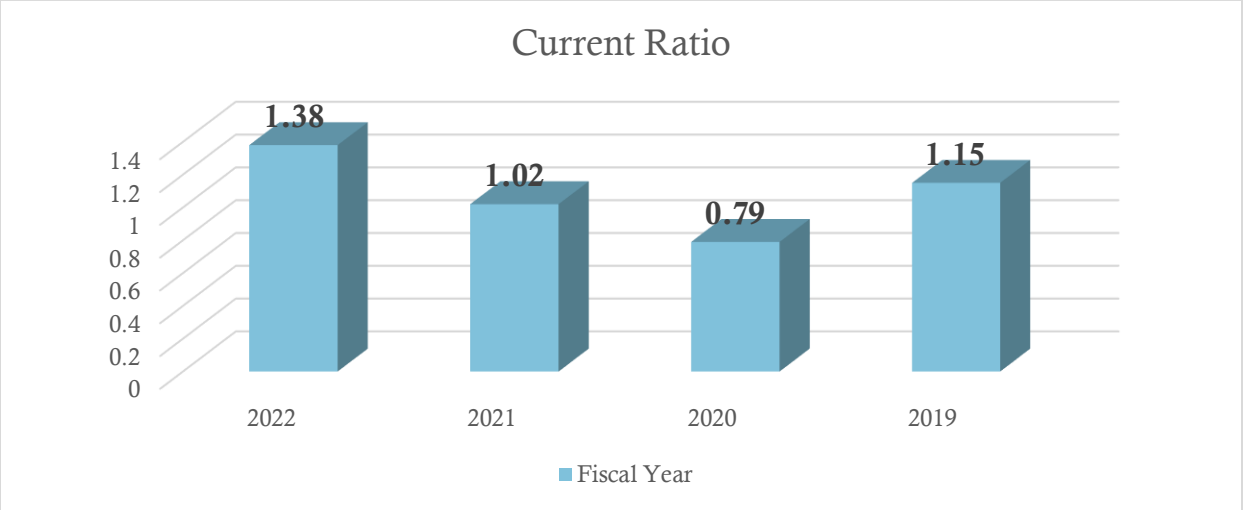
Table 6.1 Current Ratio of Shanta Expression Limited for the Fiscal year 2019-2022

(Value in Million)

Particular	2022	2021	2020	2019
Total Current Assets	6,944	5,296	4,208	3,310
Total Current Liabilities	5,020	5,214	5,333	2,876
Current ratio	1.38	1.02	0.79	1.15

Source: Annual Report of Shanta Expression Limited for the Fiscal year 2019-2022

Figure 6.1 Current Ratio for the Fiscal year 2019-2022



There is upward trend of current ratio. It declined from 2019 to 2020 and reached only 1.02 at 2021 .That means; over the time period Shanta Expressions Ltd. lose it capacity to pay the obligation by using its current assets. But In 2022 again the current assets of Shanta Expressions Ltd.is increases.

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

6.1.2 Acid-Test Ratio

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

Acid test ratio = (Current assets – Inventories) ÷ Current liabilities

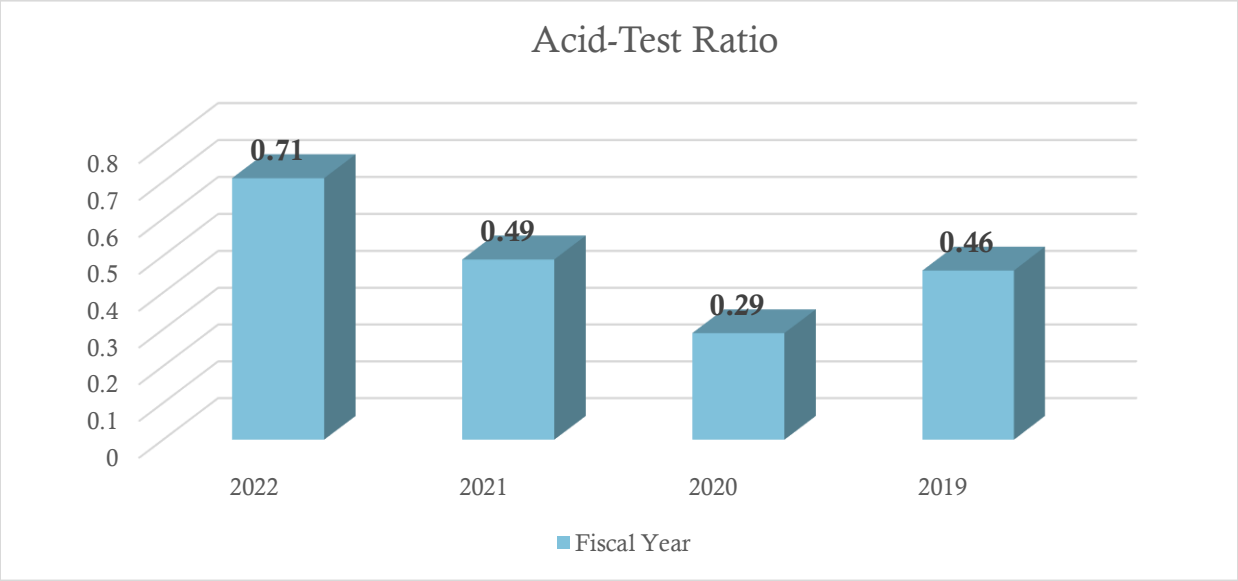
Table 6.2 Acid-Test Ratio of Shanta Expression Limited for the Fiscal year 2019-2022

(Value in Million)

Particular	2022	2021	2020	2019
Total Current Assets-Inventories	3,583	2,536	1,551	1,324
Total Current Liabilities	5,020	5,214	5,333	2,876
Quick ratio	0.71	0.49	0.29	0.46

Source: Annual Report of Shanta Expression Limited for the Fiscal year 2019-2022

Figure 6.2 Acid-Test Ratio for the Fiscal year 2019-2022



The Acid-Test Ratio of Shanta Expressions Ltd. in 2019 is 0.46 times and in 2020 is 0.29 times, which is less than the previous year. In 2021 and 2022 the Acid-Test Ratio of Shanta Expressions Ltd. is increases.

In this evaluations of the Acid-Test Ratio suggest that Shanta liquidity position currently is not good.

6.2 Long-term Solvency or Financial Leverage Ratio

6.2.1 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.

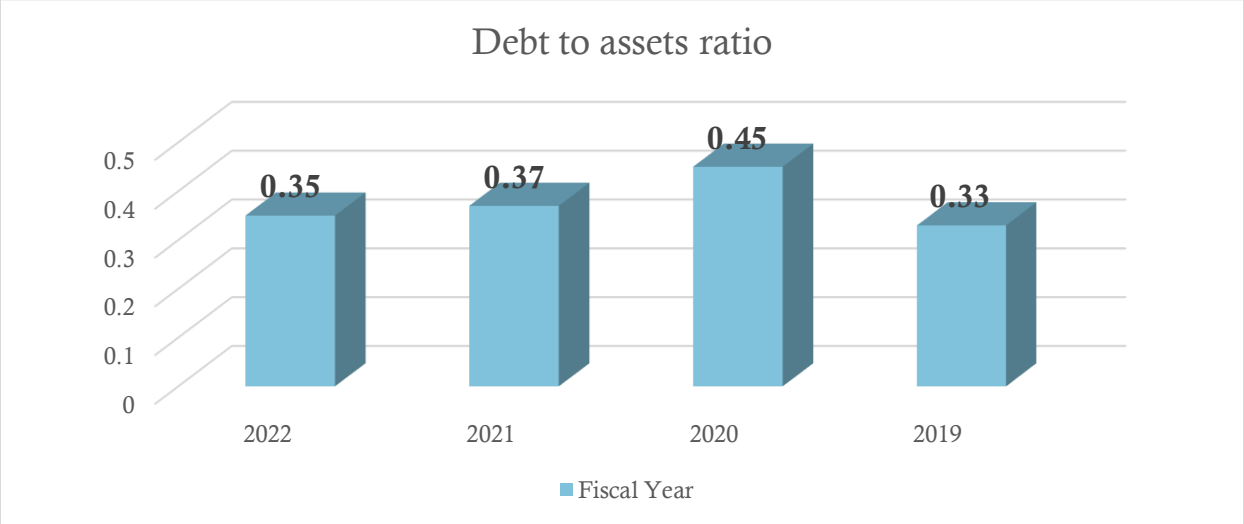
Table 6.3 Debt to Assets Ratio of Shanta Expression Limited for the Fiscal year 2019-2022

(Value in Million)

Particular	2022	2021	2020	2019
Total debt	5,020	5,214	6,487	4,682
Total average assets	14,258	14,258	14,258	14,258
Debt to assets ratio	0.35	0.37	0.45	0.33

Source: Annual Report of Shanta Expression Limited for the Fiscal year 2019-2022

Figure 6.3 Debt to Assets Ratio for the Fiscal year 2019-2022



Debt to total assets ratio of Shanta Expressions Ltd. in 2019 is 0.33 and in 2020 is 0.45, which is greater than the previous year 2019.However in 2021 is 0.37 and in 2022 is 0.35.

In this evaluations of the debt to total assets suggest that Shanta Expressions debt to total assets currently obtained good position.

6.3 Asset Management or Asset Turnover Ratio

6.3.1 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

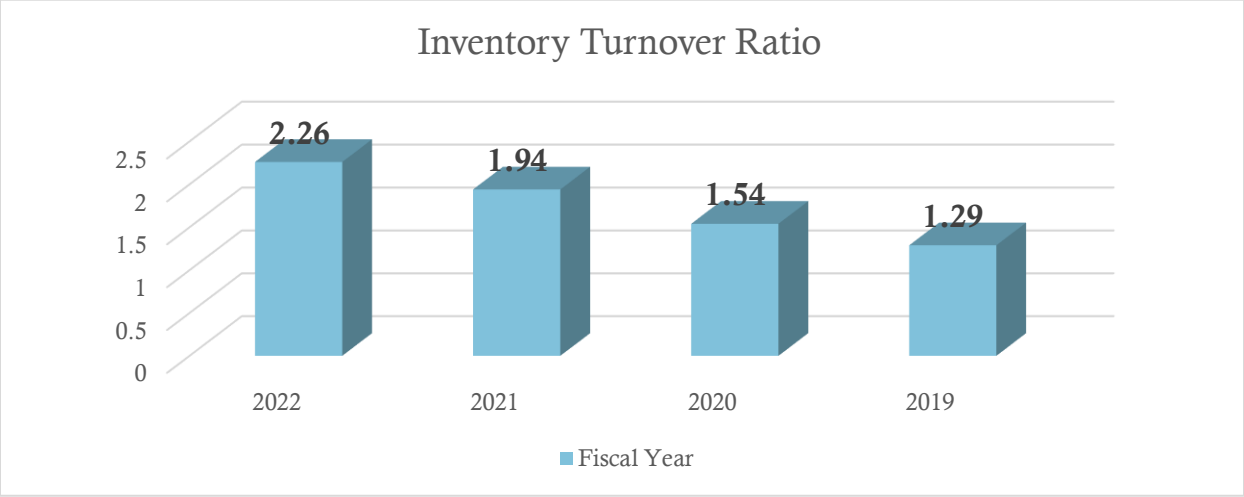
Table 6.4 Inventory Turnover Ratio of Shanta Expression Limited for the Fiscal year 2019-2022

(Value in Million)

Particular	2022	2021	2020	2019
Cost of Goods Sold	6,335	5,418	4,316	3,619
Average Inventory	2799.2	2799.2	2799.2	2799.2
Inventory turnover	2.26	1.94	1.54	1.29

Source: Annual Report of Shanta Expression Limited for the Fiscal year 2019-2022

Figure 6.4 Inventory Turnover Ratio for the Fiscal year 2019-2022



Inventory Turnover Ratio measures how effectively inventory is managed by Shanta Expressions Ltd. comparing cost of goods sold with average inventory for a period. Over the span of 4 years Inventory turnover ratio was worst position in 2019 at 1.29 it implies on that time Shanta had poor sales .therefore, excess inventory. However, in 2022 it was peak and reached 2.26, which indicate strong sales or ineffective buying.

In this evaluations of the Inventory Turnover Ratio suggest that Shanta has strong sales.

6.3.2 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.

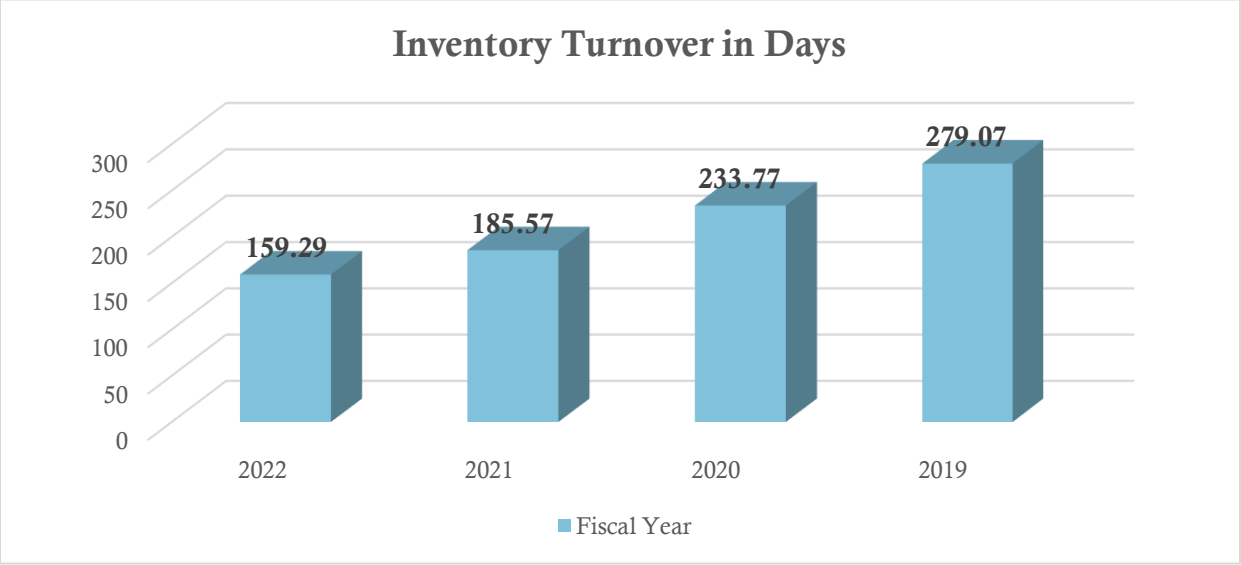
Table 6.5 Inventory Turnover in Days of Shanta Expression Limited for the Fiscal year 2019-2022

(Value in Million)

Particular	2022	2021	2020	2019
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

Source: Annual Report of Shanta Expression Limited for the Fiscal year 2019-2022

Figure 6.5 Inventory Turnover in Days for the Fiscal year 2019-2022



Inventory turnover ratio of Shanta Expressions Ltd. in 2019 is 1.29 times and in 2020 is 1.54 times, which is higher than the previous year 2019. The average selling time of inventories in 2019 is 279.07 days and in 2020 is 233.77 days.

In this evaluations of the inventory turnover suggest that Shanta average days to sale the inventories in days currently are lower than the industry average.

6.3.3 Account Receivable Turnover

This ratio assesses how efficiently a company collects its accounts receivable. A higher ratio implies quicker collection of receivables, which boosts cash flow.

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

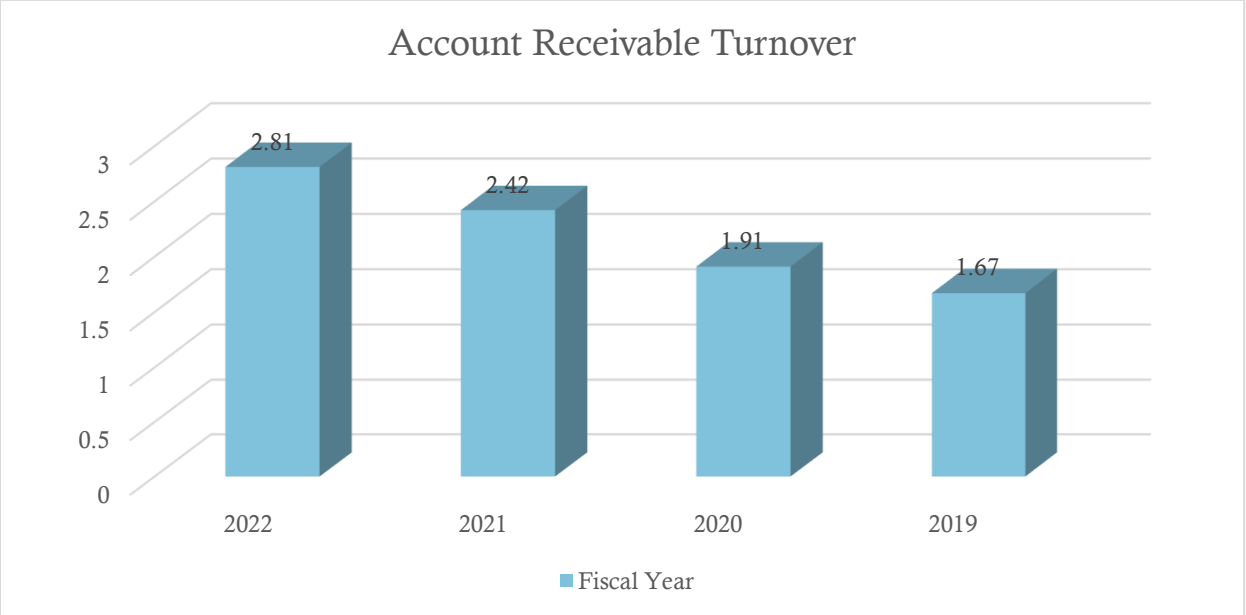
Table 6.6 Account Receivable Turnover of Shanta Expression Limited for the Fiscal year 2019-2022

(Value in Million)

Particular	2022	2021	2020	2019
Net credit sales	12,880	11,107	8,757	7,671
Average net receivables	4588	4588	4588	4588
A/C Rec. turnover	2.81	2.42	1.91	1.67

Source: Annual Report of Shanta Expression Limited for the Fiscal year 2019-2022

Figure 6.6 Account Receivable Turnover for the Fiscal year 2019-2022



Account receivable turnover is increasing day by day .In 2019 it was 1.67 and currently the account receivable turnover reached at 2.21

In this evaluation of account receivable turnover of Shanta Expressions LTD. is increasing it is a good sign for the company.

6.3.4 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 = Days in the year ÷ Account receivable turnover

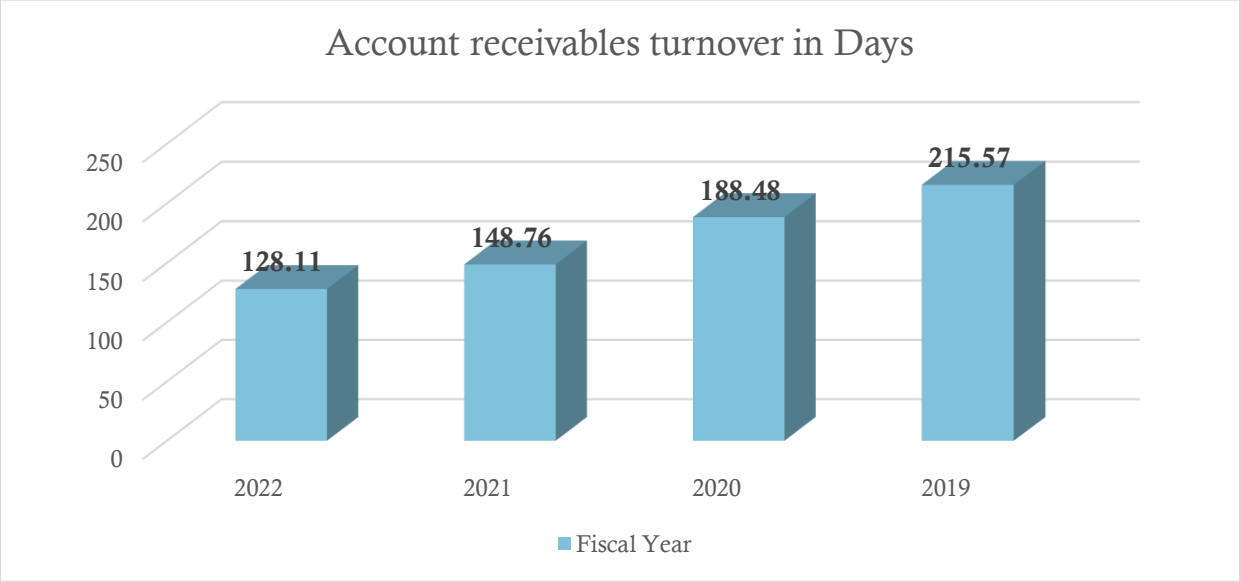
Table 6.7 Account Receivable Turnover in Days of Shanta Expression Limited for the Fiscal year 2019-2022

(Value in Million)

Particular	2022	2021	2020	2019
Days in the year	360	360	360	360
Account receivable turnover	2.81	2.24	1.91	1.67
DSO	128.11	148.76	188.48	215.57

Source: Annual Report of Shanta Expression Limited for the Fiscal year 2019-2022

Figure 6.7 Account Receivable Turnover in Days for the Fiscal year 2019-2022



Accounts receivables turnover ratio of Shanta Expressions Ltd. in 2019 is 1.67 times and in 2020 is 1.91 times, which is higher than the previous year 2020.The firm's ability to collect its credit sales is occurred in 215.57 days in 2019.

In this evaluations of the account receivables turnover suggest that average days to collect its credit sale currently are lower but it is better for the company.

6.4 Profitability Ratio

6.4.1 Return on Investment (ROI)

A performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments:

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

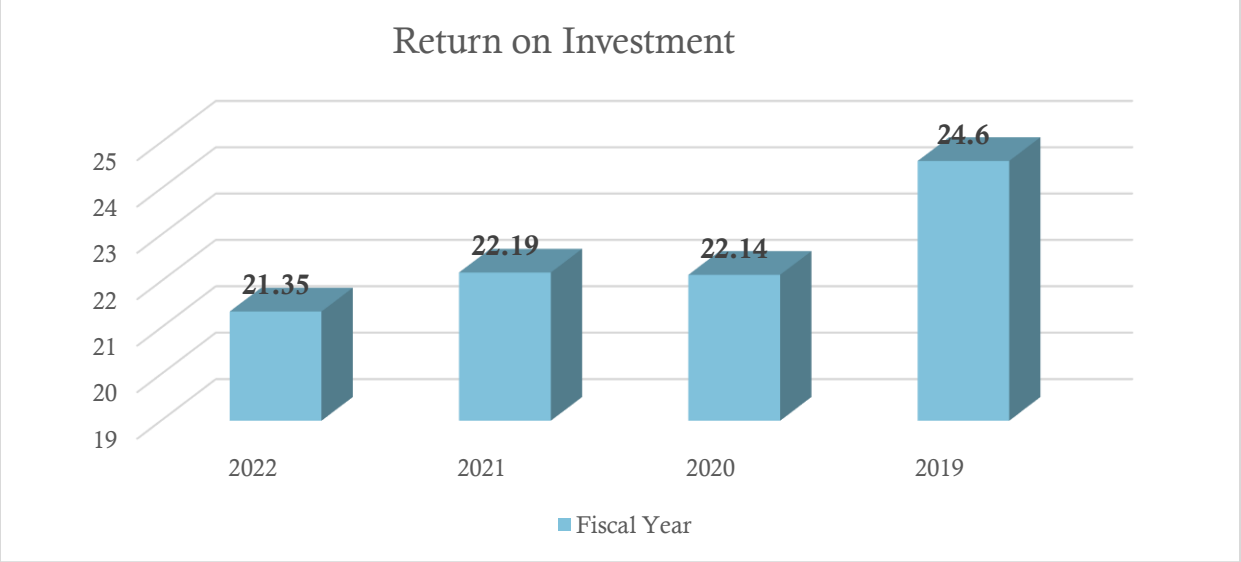
Table 6.8 Return on Investment of Shanta Expression Limited for the Fiscal year 2019-2022

(Value in Million)

Particular	2022	2021	2020	2019
Net Profit	20,080	17,202	13,939	12,472
Total Investment	94,058	77,507	62,951	50,704
ROI	21.35 %	22.19 %	22.14 %	24.60 %

Source: Annual Report of Shanta Expression Limited for the Fiscal year 2019-2022

Figure 6.8 Return on Investment for the Fiscal year 2019-2022



Return on investment of Shanta Expressions Ltd. in 2019 is 24.60% and year to year it is falling down.

In this evaluation of return on investment of Shanta Expressions Ltd. is decreasing day by day though it is in good position ,because it holds the industry standard.

6.4.2 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

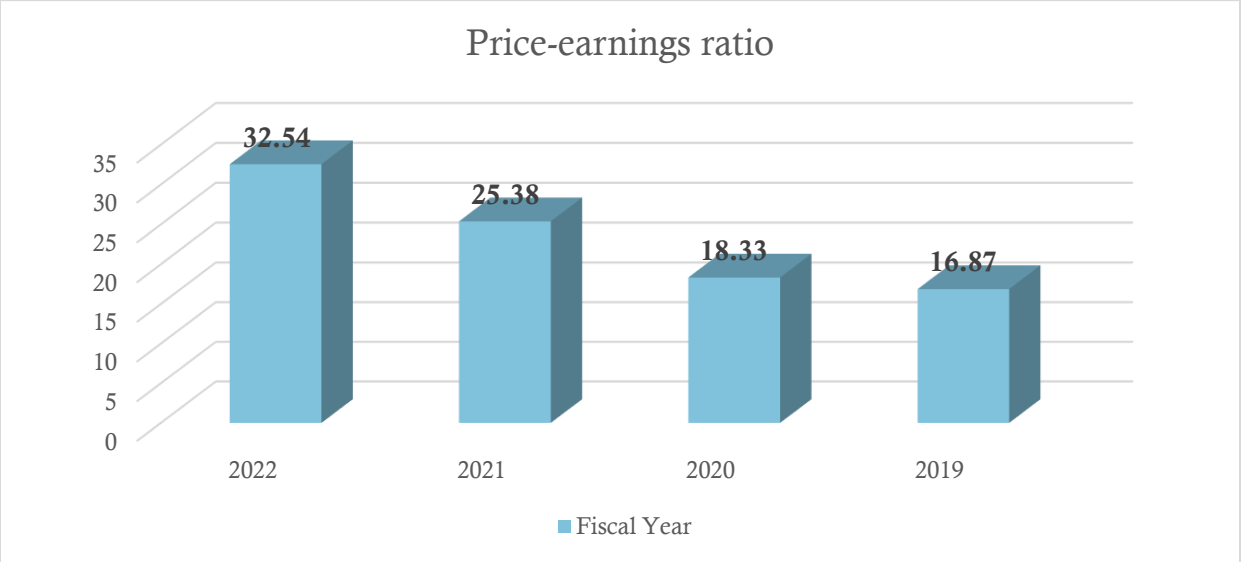
Table 6.9 Price-Earnings Ratio of Shanta Expression Limited for the Fiscal year 2019-2022

(Value in Million)

Particular	2022	2021	2020	2019
Market price per share	1,233	984	722	739
Earnings per share	37.89	38.77	39.38	43.83
Price-earnings ratio	32.54	25.38	18.33	16.87

Source: Annual Report of Shanta Expression Limited for the Fiscal year 2019-2022

Figure 6.9 Price-Earnings Ratio for the Fiscal year 2019-2022



Price-earnings ratio of Shanta Expression Ltd. in 2019 is 16.87 times and in 2022 is 32.54 times, which are continuously increase the previous year.

In this evaluations of the price earnings ratio suggest that Shanta Expression Ltd. price of each share of common stock to earning per share is lower than the industry average.

6.4.3 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

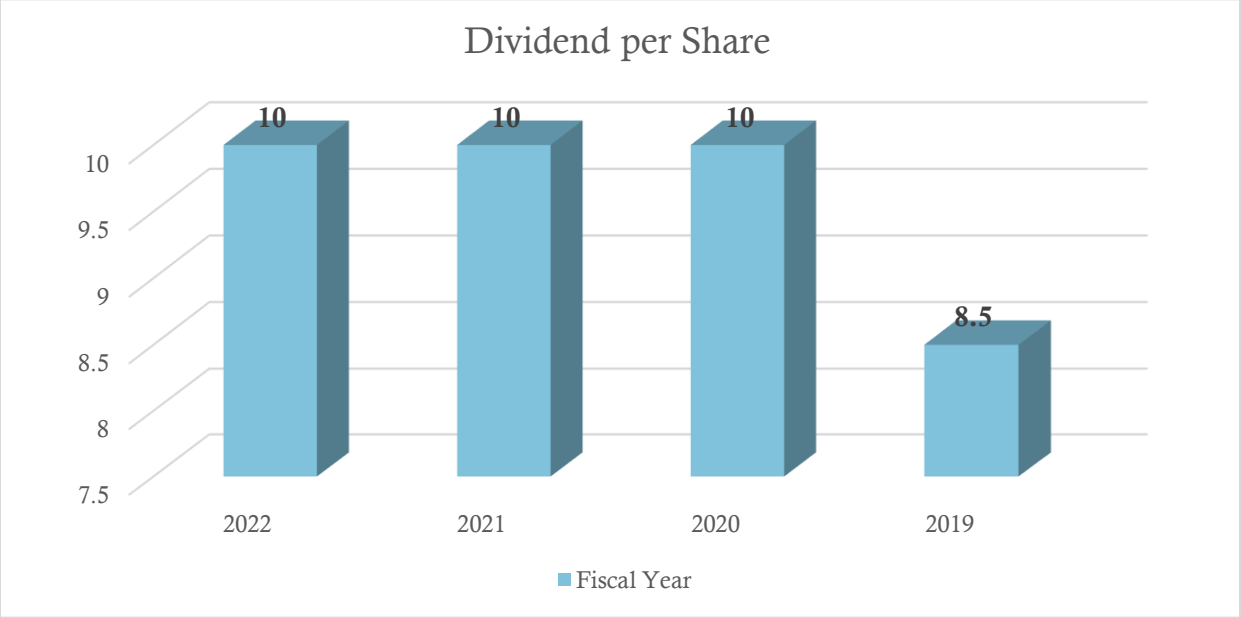
Table 6.10 Dividend per Share of Shanta Expression Limited for the Fiscal year 2019-2022

(Value in Million)

Particular	2022	2021	2020	2019
Common divided	5,295	4,412	3,530	2,400
Number of shares	529	441	353	282
Dividend per Share	10	10	10	8.50

Source: Annual Report of Shanta Expression Limited for the Fiscal year 2019-2022

Figure 6.10 Dividend per Share for the Fiscal year 2019-2022



Dividend per share of Shanta Expression Ltd. in 2019 is 8.50 and in 2020 is 10, which is greater than the previous year 2015. And 2020-2022 are almost equal.

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

6.4.4 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

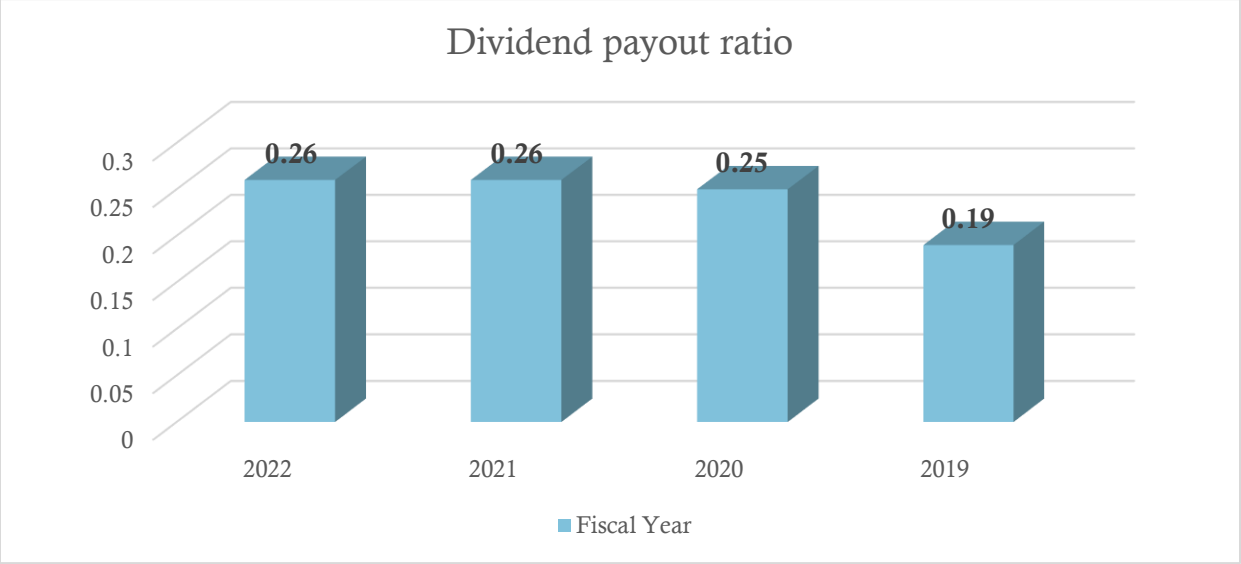
Table 6.11 Dividend Payout Ratio of Shanta Expression Limited for the Fiscal year 2019-2022

(Value in Million)

Particular	2022	2021	2020	2019
Cash dividend	5,295	4,412	3,530	2,400
Net income	20,080	17,202	13,939	12,472
Dividend Payout Ratio	0.26	0.26	0.25	0.19

Source: Annual Report of Shanta Expression Limited for the Fiscal year 2019-2022

Figure 6.11 Dividend Payout Ratio for the Fiscal year 2019-2022



Dividend payout ratio in 2019 is 0.19% and in 2020 is 0.25%, which is greater than the previous year 2019 and 2021-2022 are equal.

6.4.5 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.

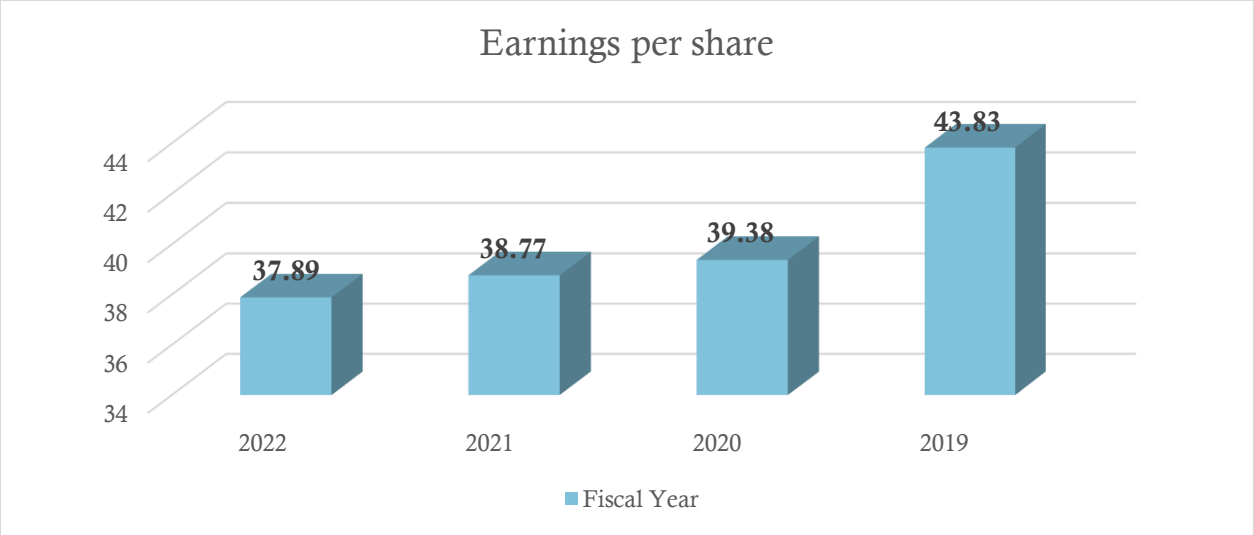
Table 6.12 Earnings per Share of Shanta Expression Limited for the Fiscal year 2019-2022

(Value in Million)

Particular	2022	2021	2020	2019
Net income – Preferred dividend	20,080	17,202	13,939	12,472
No of common share outstanding	529	443	353	284
Earnings per share	37.89	38.77	39.38	43.83

Source: Annual Report of Shanta Expression Limited for the Fiscal year 2019-2022

Figure 6.12 Earnings per Share for the Fiscal year 2019-2022



The Earning per Share of Shanta Expression Ltd. in 2019 is 43.83 and in 2020 is 39.38 which is less than the previous year. In 2021 EPS is decrease and in 2022 again decrease the previous year.

Chapter 7: Findings



7.1 Findings

Financial statements are most significant part of a company because financial statement analysis involves a comparison of a firm's performance with that of other firms in the same line of business, which usually identified by the firm's industry classification. The analysis is used to determine the firm's financial position so as to identify its current strength and weakness and to suggest actions the firm might pursue to take advantage of the strengths and correct any weakness. Here is my findings about this company are as follows:

- ✓ Shanta Expression Limited 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 amounted of idle money which they opportunity to invest.

- ✓ In evaluations of the acid test ratio suggest that Shanta Expression Limited liquidity position currently is poor. Shanta Expression Limited acid test ratio seems inadequate.

- ✓ The average selling time turnover rate is very high in the company, which is harmful for the country.
- ✓ In evaluations of the account receivables turnover suggest that Shanta Expression Limited 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.

- ✓ The examination of the return on assets suggests that Shanta Expression Limited profitability on assets currently is higher than the industry average. I think the return on assets of this company is maintaining a good standard.

Chapter 8: Recommendations and Conclusion



8.1 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.

- ✓ Shanta Expression Limited should keep liquid assets or safety cash balance for unanticipated cash crisis.

- ✓ 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.

- ✓ In 2021 Shanta Expression Limited Working Capital decreased. When a company's current liability is greater than current asset it is a risky position for that company. So, Shanta should increase current assets and decrease current liability. Shanta Expression can reduce the risk to transform current liability into long term debt.

- ✓ Shanta Expression Limited should need to maintain the standard in turnover rate, the average selling time turnover rate is very high in the company, which is harmful for the country.

8.2 Conclusion :

The study of the financial statement is fascinating one for analyzing affirms liquidity, profitability and solvency. It provided us essential information 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 appropriate financial decision in the business field at the right time. This report has been very useful to me because I learned how to prepared ratio analysis. This has improved my knowledge on financial statement which is very helpful in business and commerce every day. The work I did in the project has helped me to understand techniques, applications and usefulness of financial statement to understand the performance of a particular company or enterprise without much difficulty and also understand how to prepare them in future.

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