

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

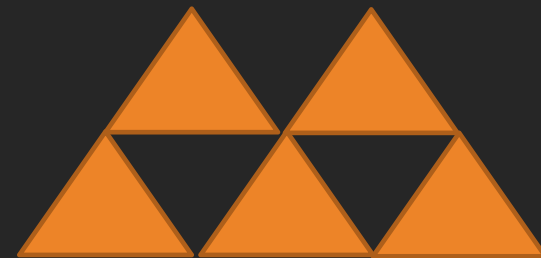


- ACCOUNTING REPORT WRITING AND PRESENTATION

ANALYZING THE FINANCIAL STATEMENTS

SAIHAM COTTON MILLS LTD.

SQUARE TEXTILES LTD.

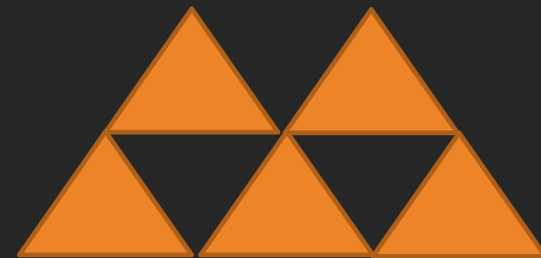






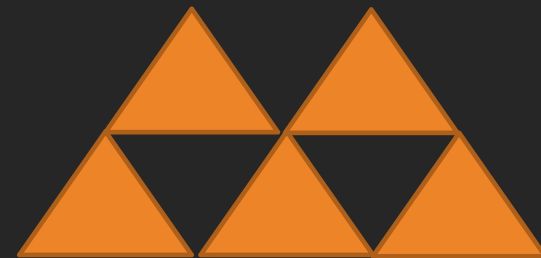
SAIHAM COTTON MILLS LTD. SQUARE TEXTILES LTD.

**TWO OF THE BEST COMPANIES CONTRIBUTING IN
OUR NATIONAL ECONOMY.**



VERTICAL ANALYSIS

SAIHAM COTTON MILLS LTD.



200042125: Mizbaul Haque Maruf

BALANCE SHEET ANALYSIS

1.2E+10

1E+10

8E+09

6E+09

4E+09

2E+09

0

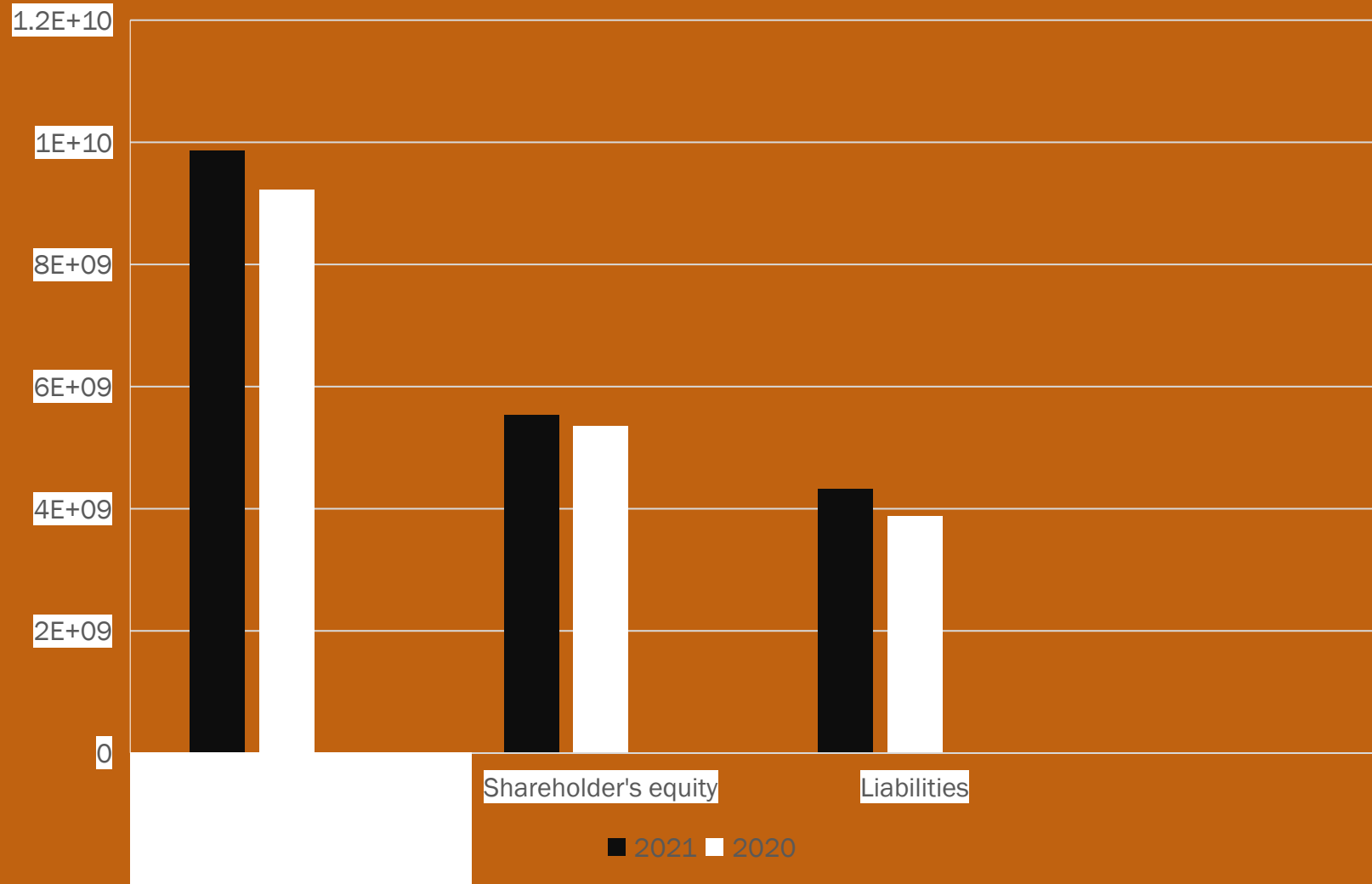
Shareholder's equity

Liabilities

■ 2021 ■ 2020

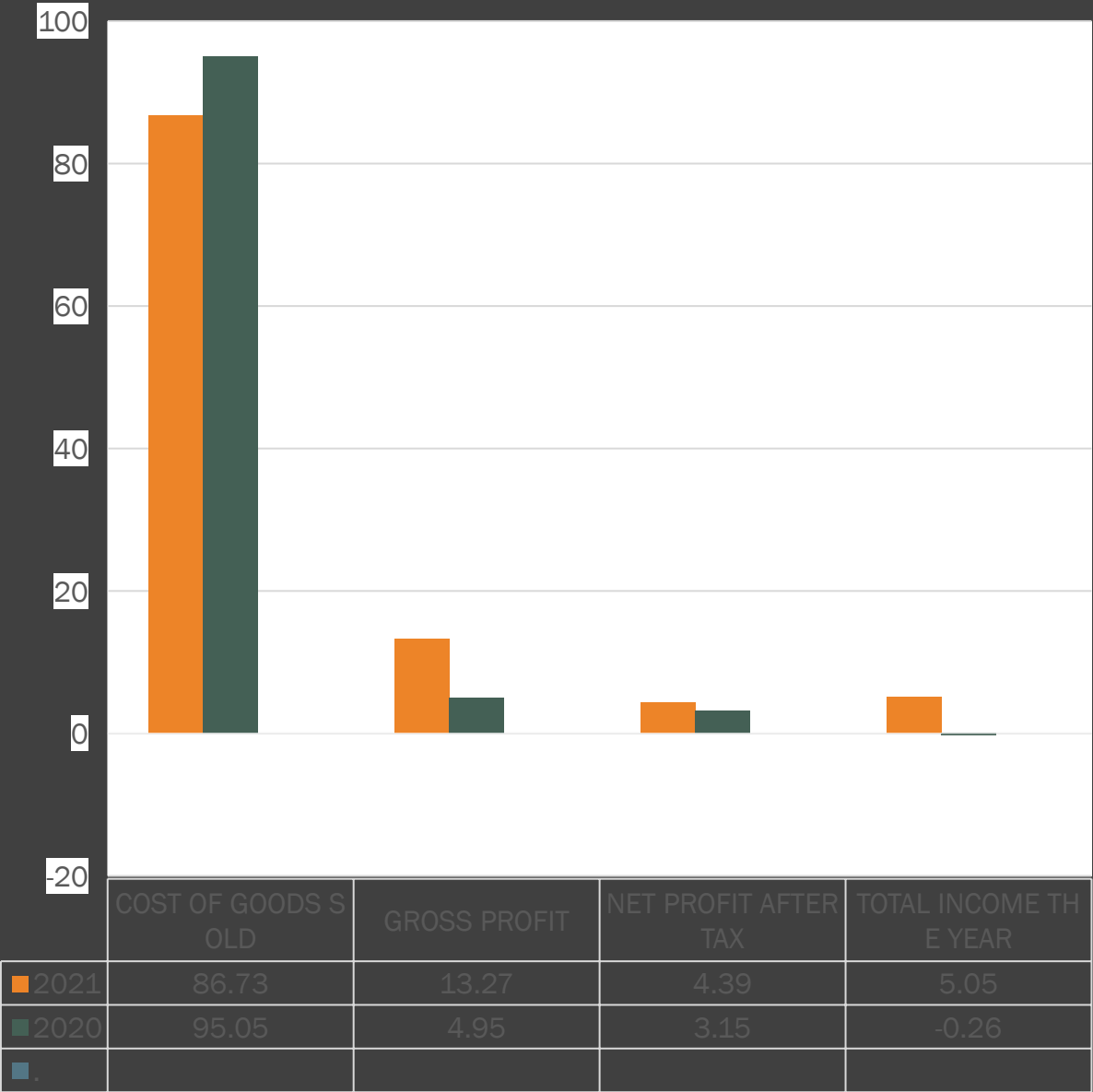


BALANCE SHEET ANALYSIS



PRETTY
STABLE
CONDITION!

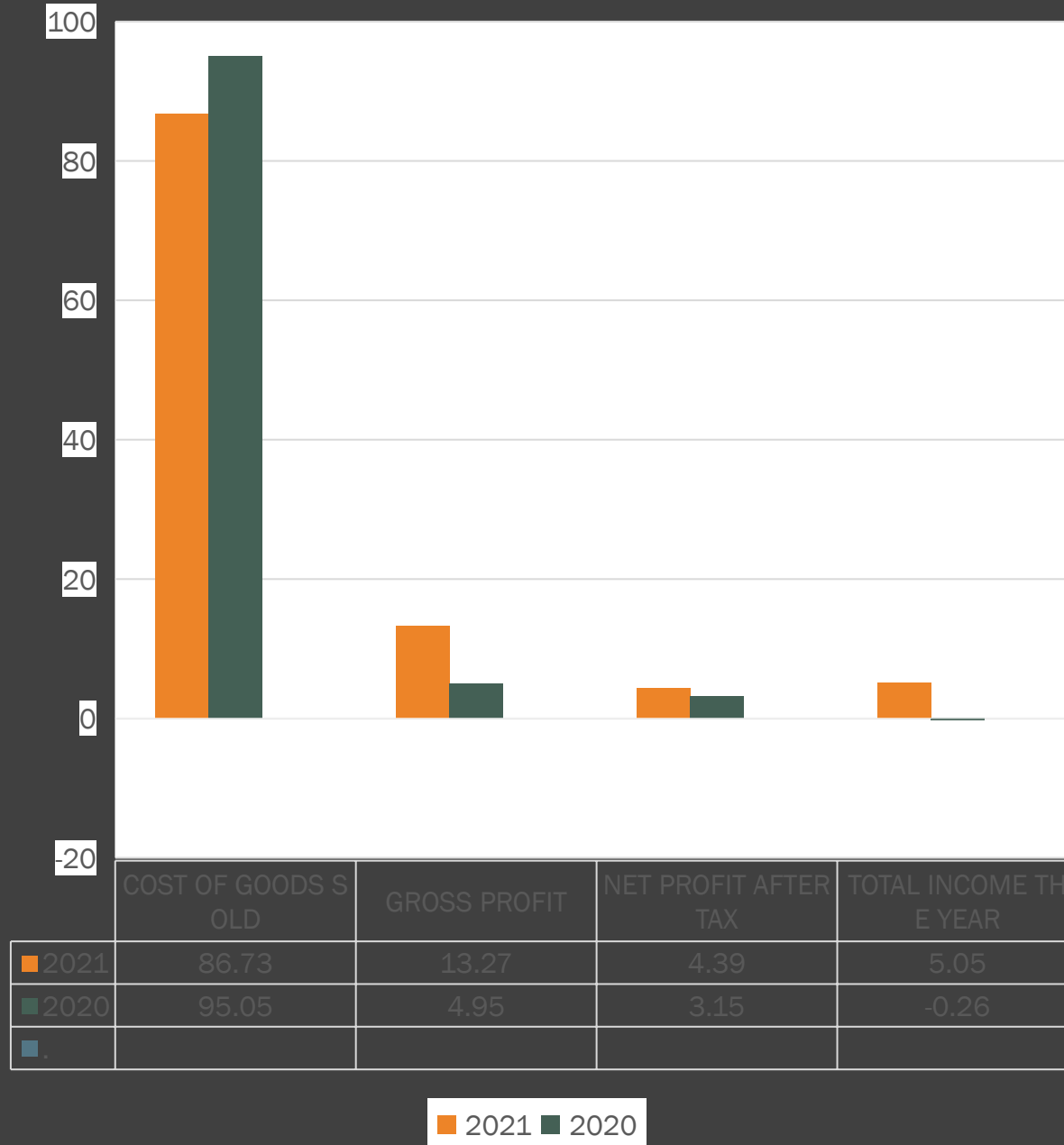
INCOME STATEMENT ANALYZATION



- **COST OF GOODS SOLD GOT REDUCED BY ALMOST 10%**
- **GROSS PROFIT INCREASED BY AROUND 8 %.**
- **NET PROFIT INCREASED BY 1.25 %.**
- **TOTAL INCOME DRASTICALLY INCREASED BY ALMOST 6%.**

2021 2020

INCOME STATEMENT

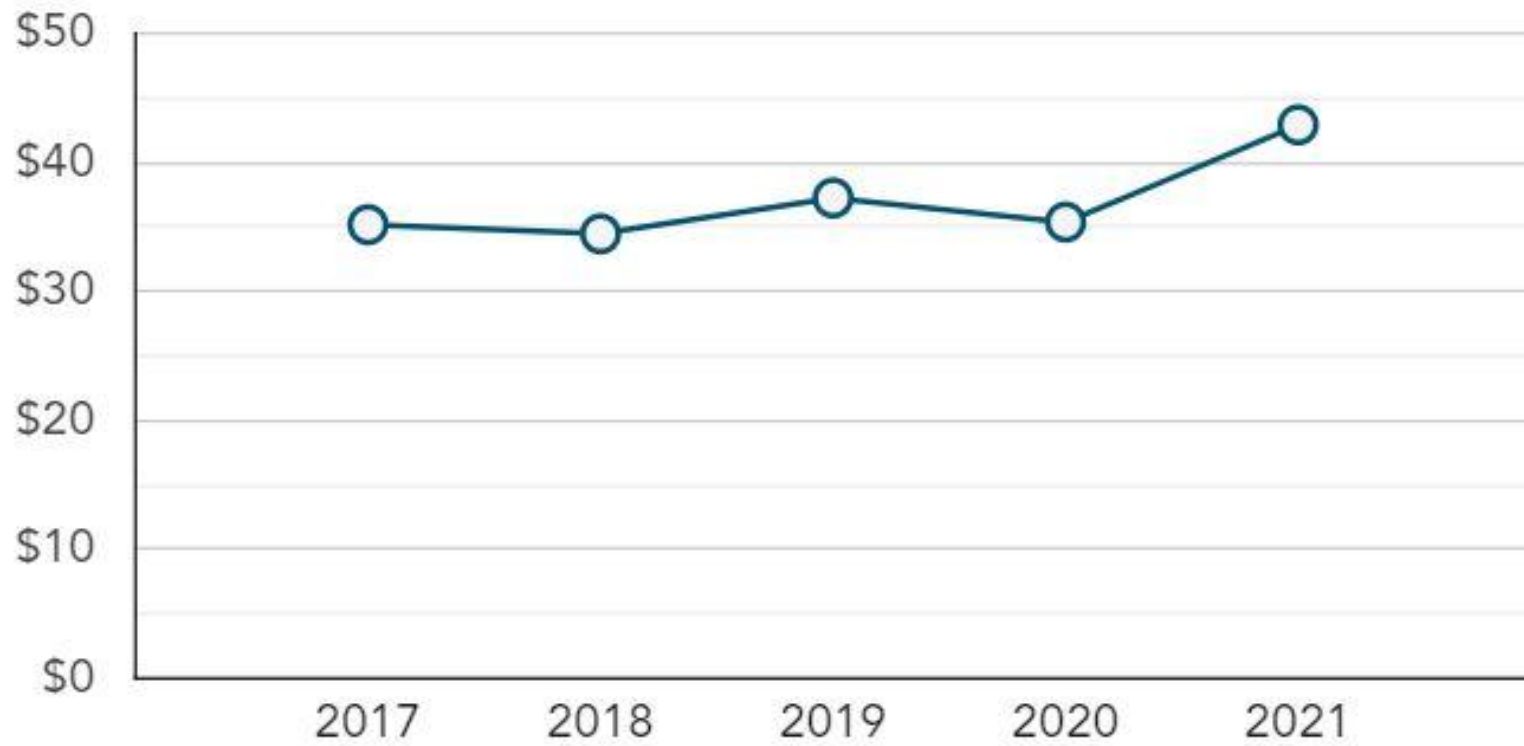


- **COST OF GOODS SOLD GOT REDUCED BY ALMOST 10%**
- **GROSS PROFIT INCREASED BY AROUND 8 %.**
- **NET PROFIT INCREASED BY 1.25 %.**
- **TOTAL INCOME DRASTICALLY INCREASED BY ALMOST 6%.**

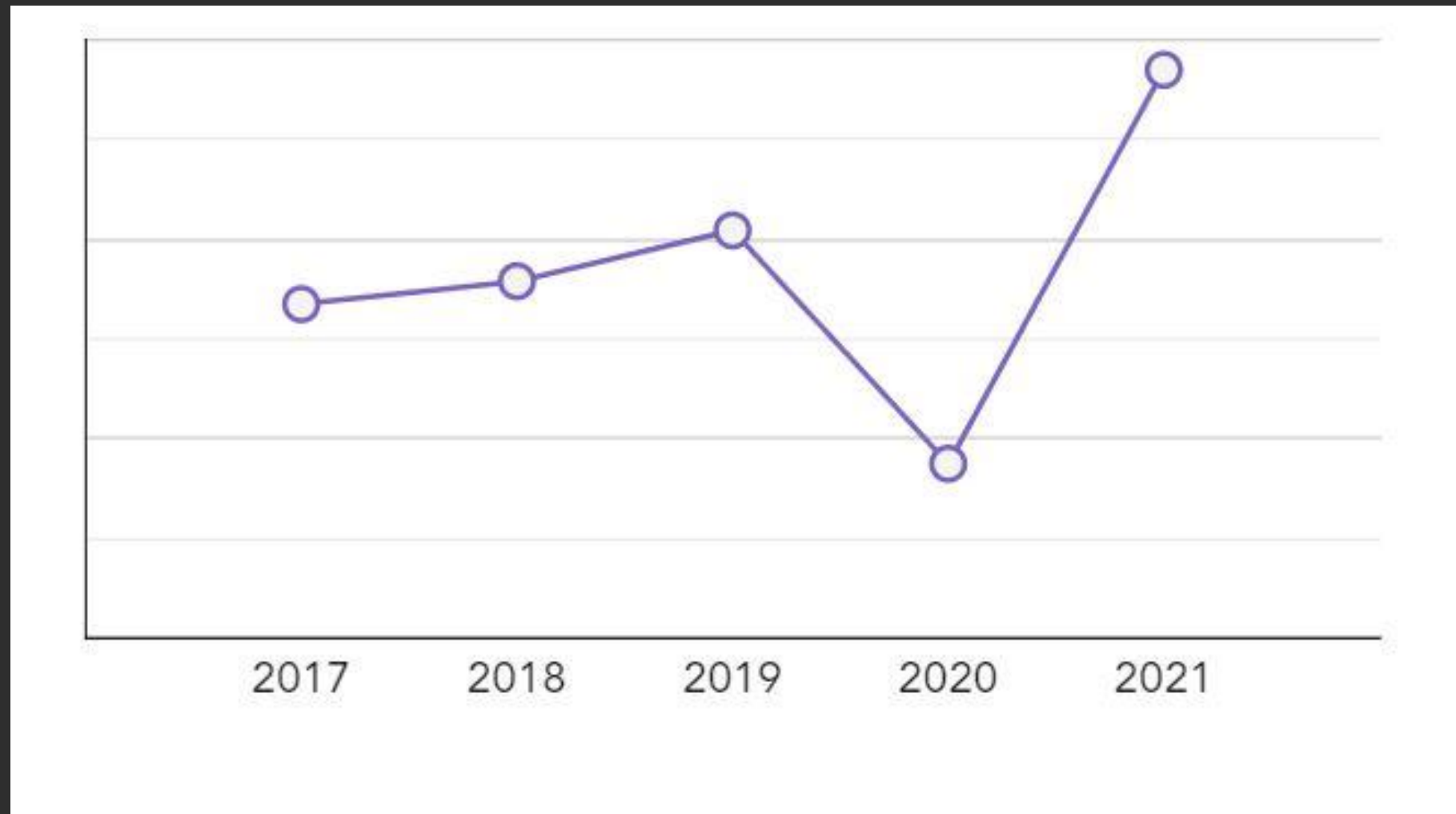
A GREAT YEAR FOR SAIHAM INDEED!

SALES : 42.92 M

In Millions



GROSS PROFIT : 5.7 M



SAIHAM COTTON MILLS LTD.

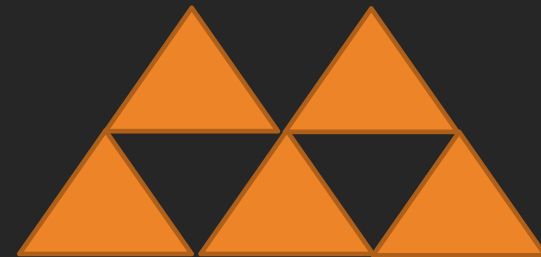
THE BEST PERFORMANCE OF ALL TIME!



HORIZONTAL ANALYSIS (COMPARISON)

SQUARE TEXTILES LTD.

SAIHAM COTTON MILLS LTD.



200042128: Oishy Fatema Akhand

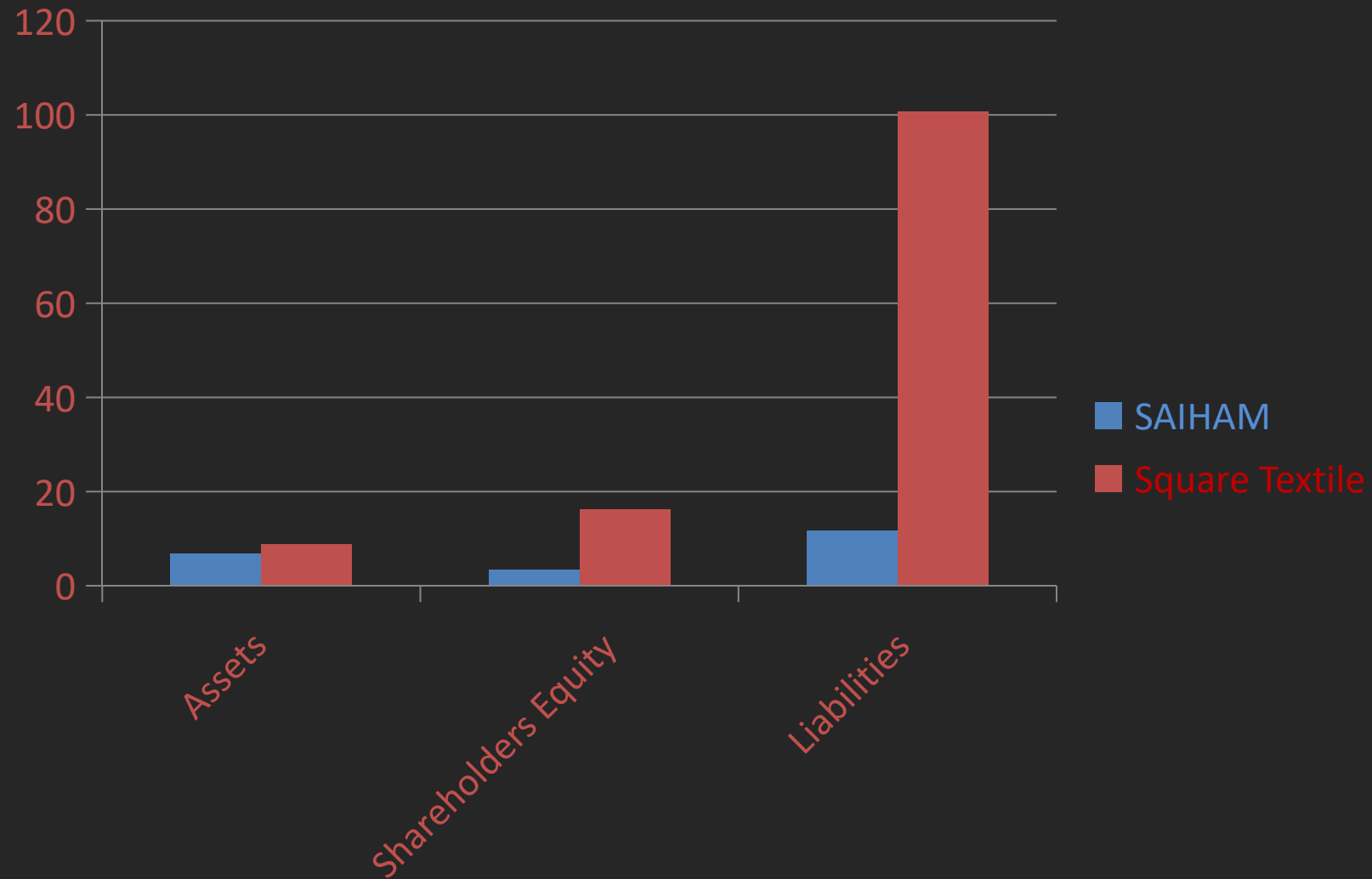
**BALANCE SHEET ANALYSIS FOR AMOUNT(INCREASE OR DECREASE)
FOR YEAR 2021 AND 2020**



- **SIGNIFICANT VARIANCES IN ASSETS AND SHAREHOLDER EQUITY BETWEEN TWO CORPORATIONS MAY BE SEEN IN THE FLOW CHART. SQUARE TEXTILE HAS SEEN A SUBSTANTIALLY BIGGER GAIN IN ASSETS AND SHAREHOLDER EQUITY THAN SAIHAM COTTON MILLS.**

- **IT CAN ALSO BE STATED THAT THE INCREASE(OR DECREASE) IN LIABILITIES OF THE TWO COMPANIES ARE ALMOST THE SAME.**

BALANCE SHEET ANALYSIS FOR PERCENTAGES(INCREASE OR DECREASE) FOR YEAR 2021 AND 2020



- THE LIABILITIES COLUMN OF SQUARE TEXTILE IS WAY HIGHER THAN THAT OF SAIHAM COTTON MILLS.

- FOR THE OTHER TWO COLUMNS AS WELL, SQUARE TEXTILE HAS HIGHER RATES THAN SAIHAM COTTON MILLS.

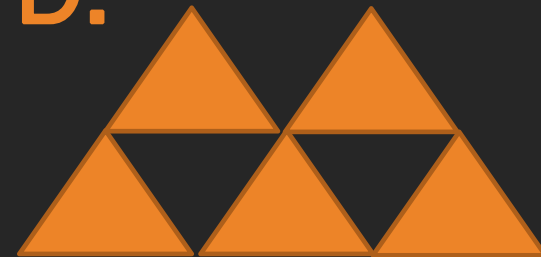
CONCLUSION :

THE CONDENSED BALANCE SHEETS OF THE TWO COMPANIES REVEAL THAT SQUARE TEXTILES LTD HAS HIGHER RATES FOR THE YEARS 2021 AND 2020, BOTH FOR PERCENTAGES AND QUANTITIES (INCREASE OR DECREASE).

HORIZONTAL ANALYSIS (COMPARISON)

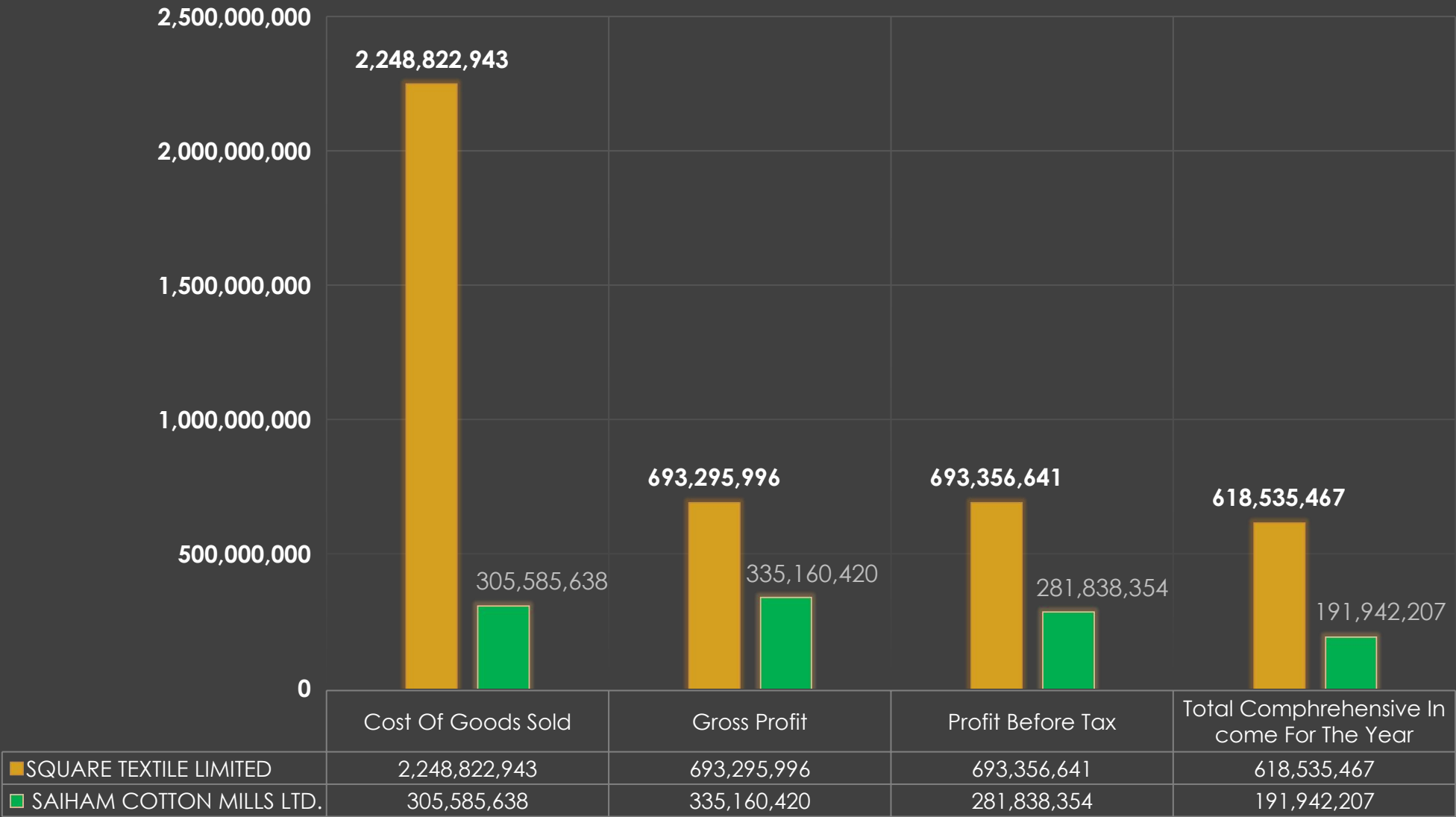
SQUARE TEXTILES LTD.

SAIHAM COTTON MILLS LTD.

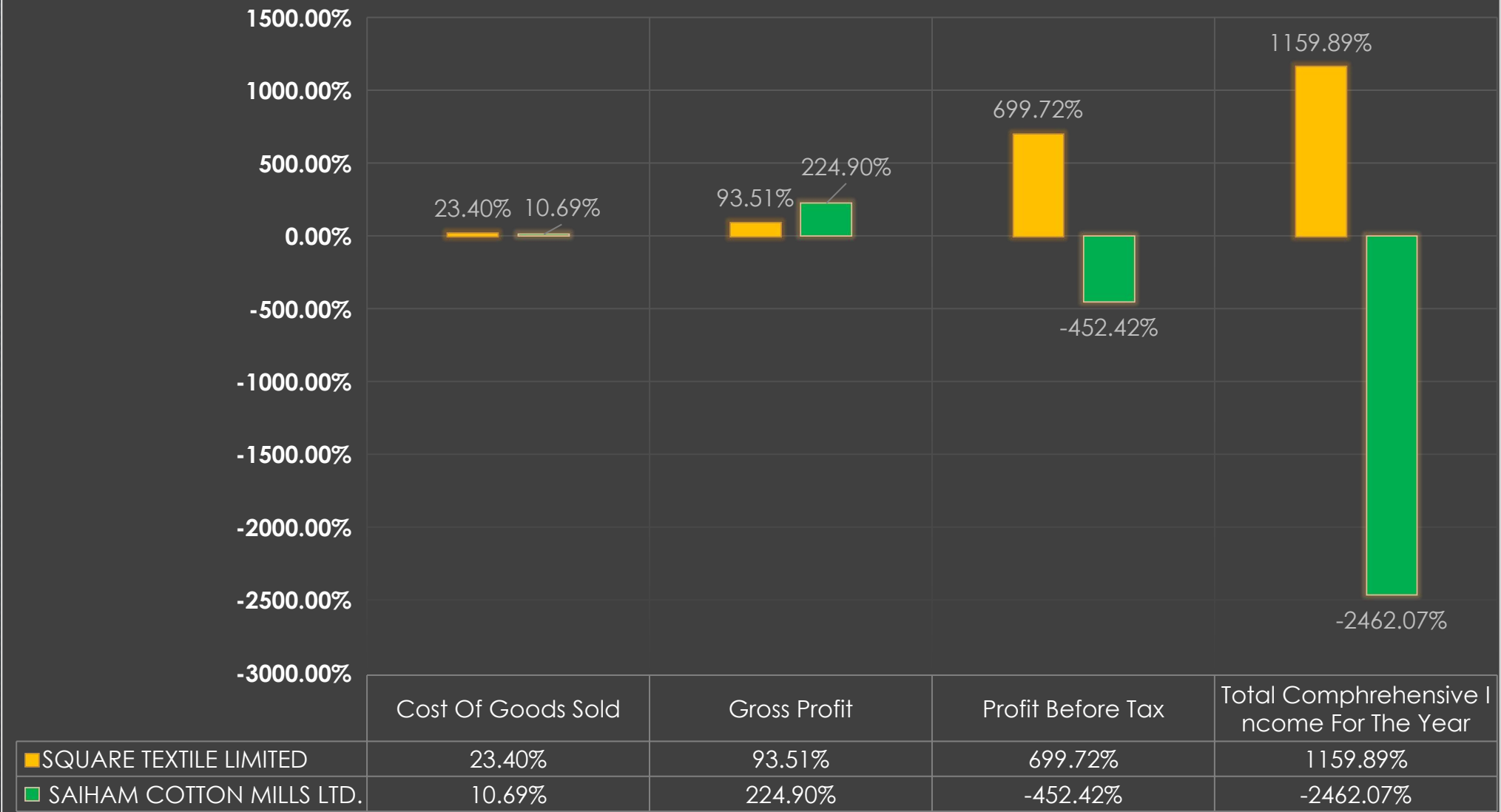


200042127: Adeba Islam

Inter Company Horizontal Analysis of Income Statement



Inter Company Horizontal Analysis of Income Statement

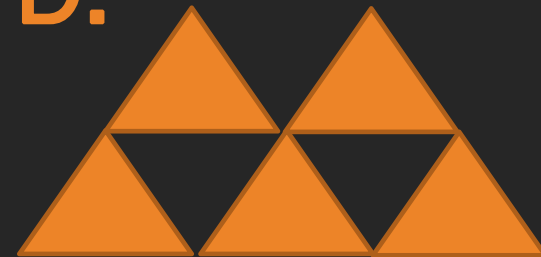


- **SQUARE TEXTILES LIMITED HAD A VERY HIGH AMOUNT OF GOODS SOLD COMPARED TO THE SAIHAM COTTON MILLS LTD .**
- **GROSS PROFIT OF SAIHAM COTTON MILLS LTD WAS MUCH HIGHER COMPARED TO SQUARE TEXTILES LIMITED.**
- **BUT FROM GRAPH WE SEE THAT ,FOR SAIHAM COTTON MILLS LTD 2020 WAS A YEAR OF LOSS, OBVIOUSLY DUE TO A FIRE BREAKDOWN AT WAREHOUSE OF THE COMPANY.**
- **AFTER ANALYZING THE GRAPH WE CAN SAY THAT SQUARE TEXTILE LIMITED DID BETTER COMPARED TO SAIHAM COTTON MILLS LTD IN THE YEAR 2021. NEVERTHELESS, BOTH OF THEM GREW IN VOLUMES AND SQUARE DID SIGNIFICANTLY BETTER IN THIS ASPECT.**

VERTICAL ANALYSIS (COMPARISON)

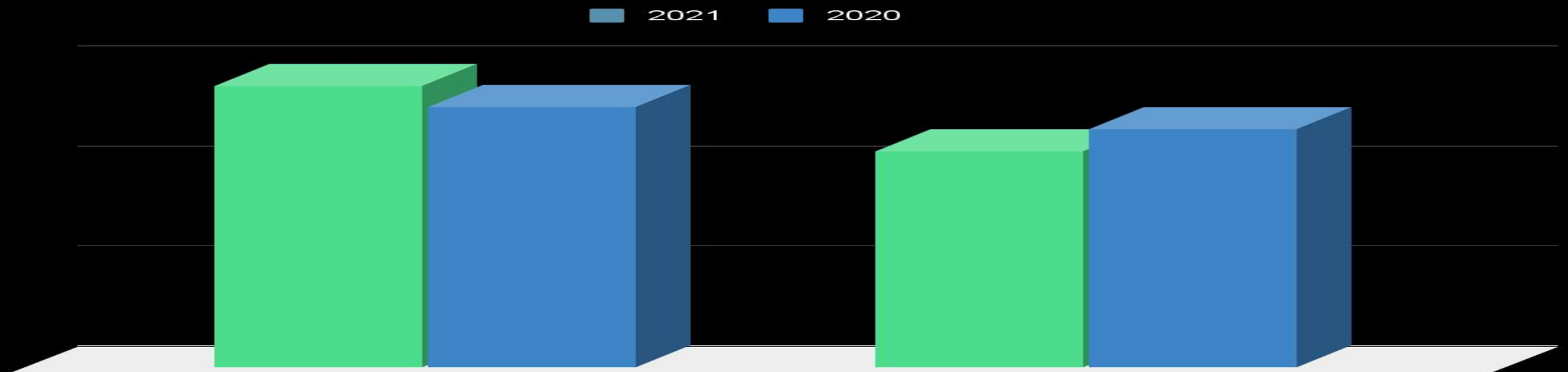
SQUARE TEXTILES LTD.

SAIHAM COTTON MILLS LTD.



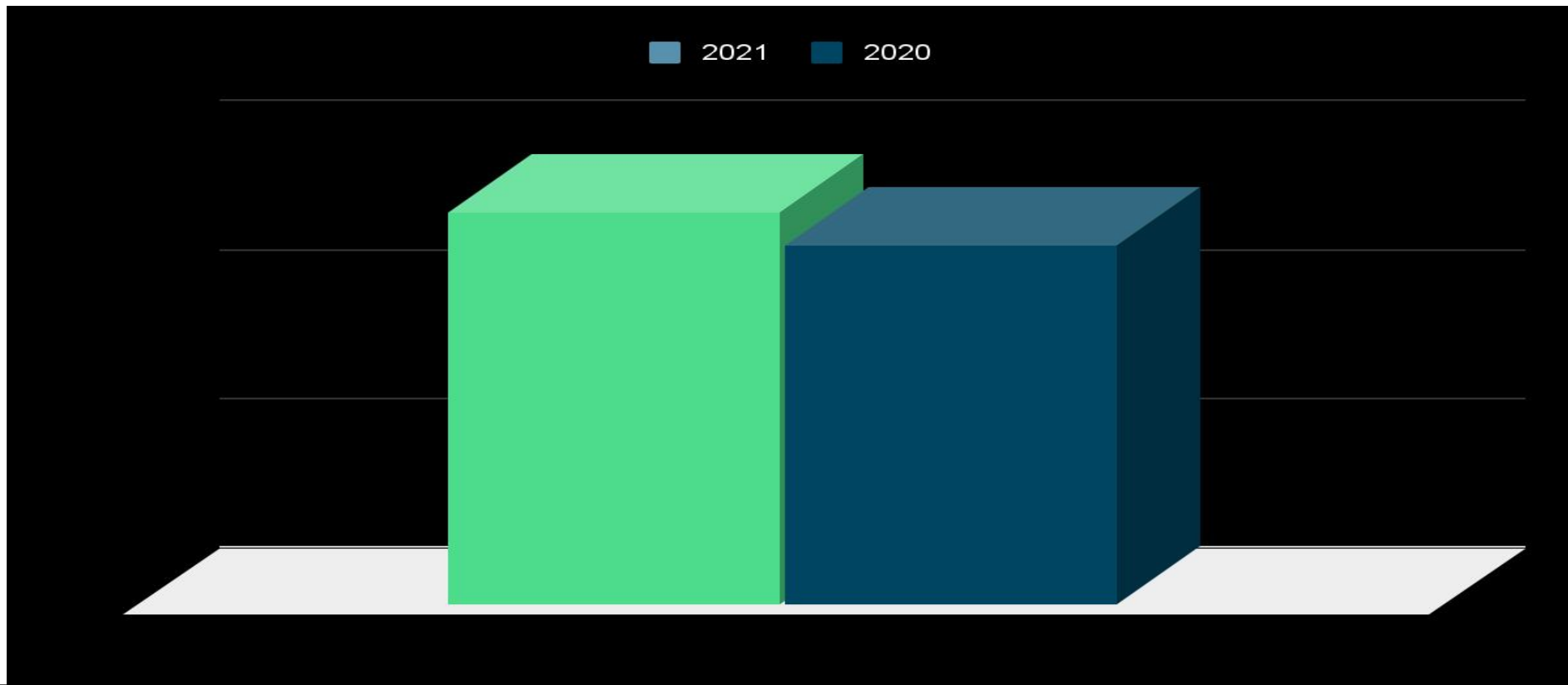
CURRENT AND NONCURRENT ASSETS

By observing the Vertical Analysis we can see that , there has been an increase of 4.37% in Current assets which increased from 52.19% to 56.56%. On the other hand, Non-current assets decreased the same amount in the past 1 year . which indicates that the liquidity of the assets has increased with in 1 year which is a positive sign for the company;



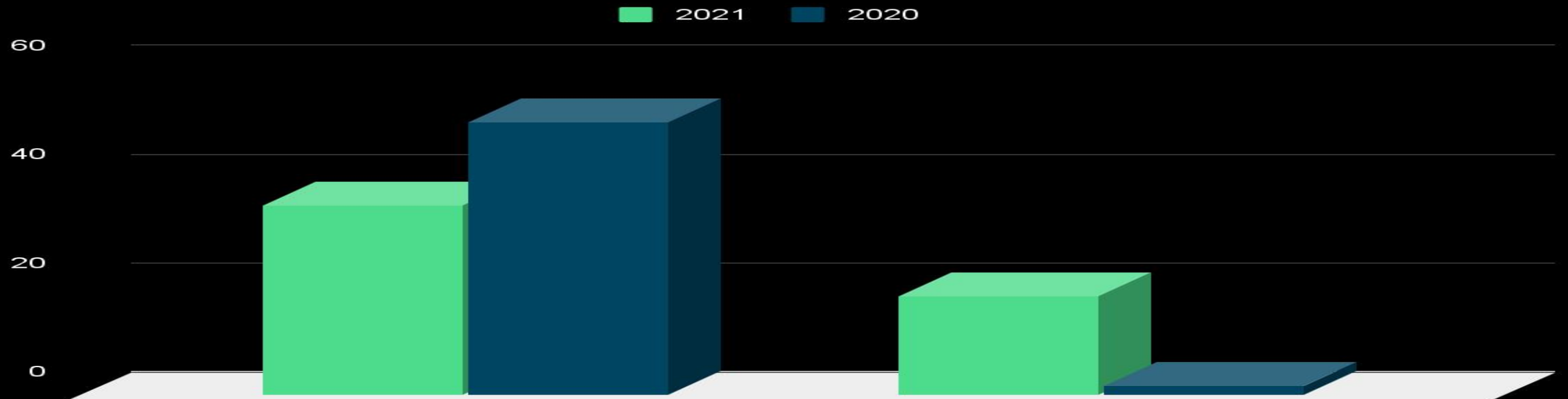
SHAREHOLDERS EQUITY:

Shareholder's equity has decreased 1.08% and came from 13.21% in 2020 to 12.13% in 2021.



CURRENT AND NONCURRENT LIABILITIES:

There has been a major increase in Current liabilities which decreased a galloping 15.45% and went from 50.26% to 34.81%..Non Current Liabilities on the other hand also had a huge increase ,it went up from 1.74% to 18.16%.





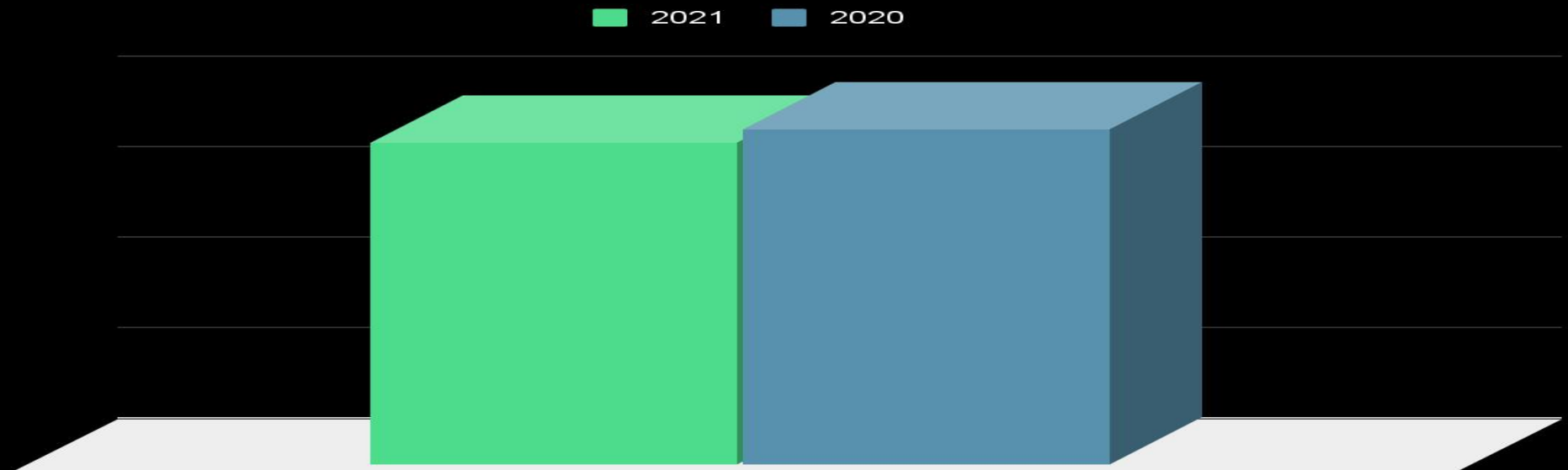
CONCLUSION:

Except a decrease in Current Liabilities and increase in Non-Current Liabilities there has been no major change.

INCOME STATEMENT:

Cost of Goods Sold:

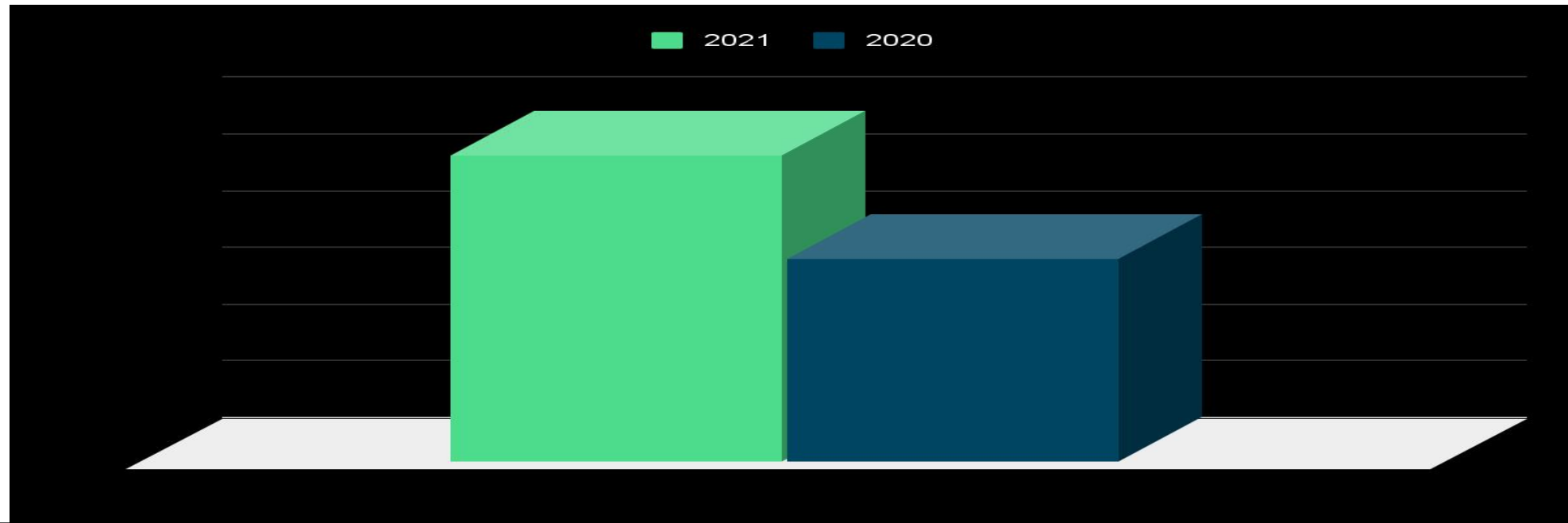
It decreased and went down from 92.84% to 89.21%. Which is a positive sign for the company. Because, if cost of goods increases the net income decreases.



GROSS PROFIT:

Gross profit:

The Gross profit increased 3.63% and went from 7.16% to 10.79% in 2021. Which shows a positive change in the efficiency of the management generating profit.

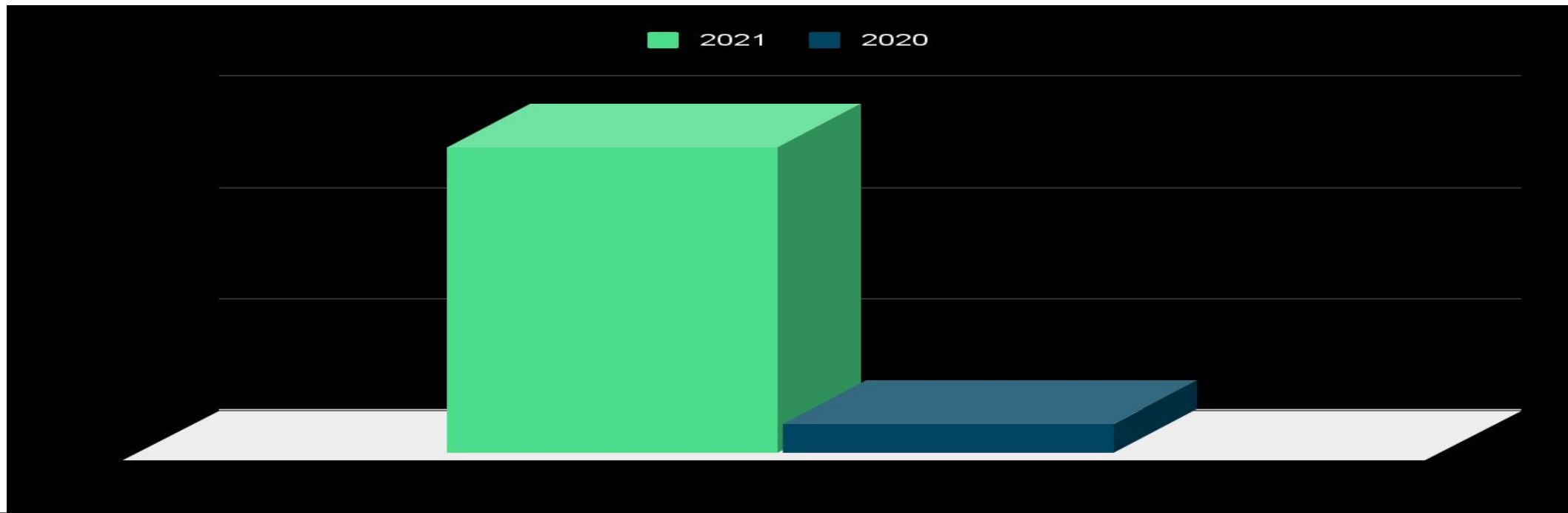


NET INCOME:

Net Income:

The Net income for the period increased 4.53% . And it went up from 0.52% to 5.05%.

Which is an good indication for the company





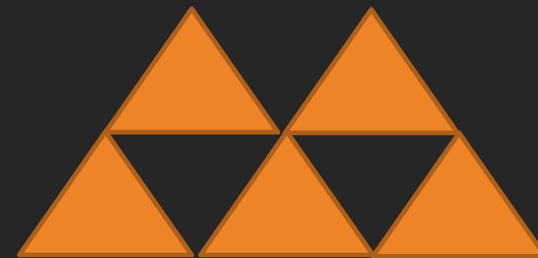
FINAL CONCLUSION:

The company is showing good results and improved its profit and reduced the cost of goods which shows that the company is making more revenue and improving as a whole.

RATIO ANALYSIS

(INTRA COMPANY COMPARISON)

SQUARE TEXTILES LTD.

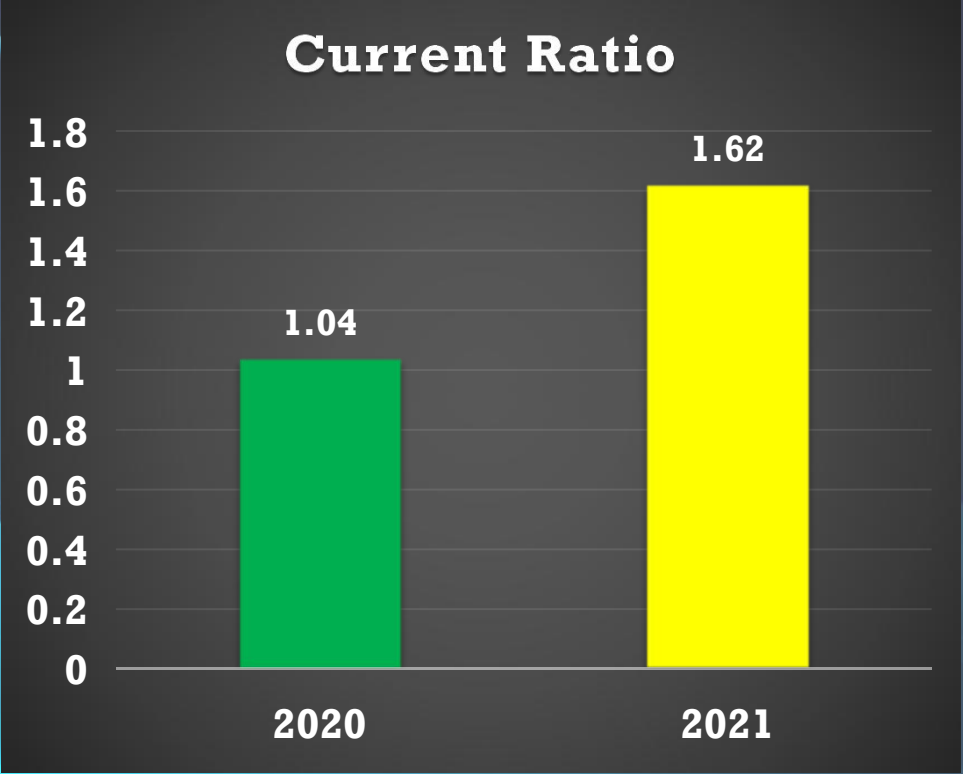


200042130: Md. Siamul Mubin Tamim

Particulars	Ammount		
	2021	2020	2019
Current asset	9,197,615,462	7,798,973,675	
Total asset	16,261,828,767	14,942,545,836	13628330610
Current Liabilities	5,661,519,456	7,509,456,668	
Cash & Cash Equivalents	1,439,307,061	296,506,321	
Accounts Receivable	4,808,315,632	4,006,190,860	
Net Sales Revenue	13,293,569,580	10,351,450,641	
Net receives	4,808,315,632	4,006,190,860	3,254,869,758
Cost of goods sold	11,858,829,437	9,610,006,494	
Inventory	2,664,689,616	3,212,755,636	3,108,769,448
Net Income	671,862,451	53,326,984	
Common Shareholders Equity	7,632,190,882	7,157,580,431	7,498,757,447
Cash Dividend	197252000	394,504,000	
Total Liabilities	8614638915	7770024429	

1. Current ratio = $\frac{\text{Current assets}}{\text{Current liabilities}}$

2021		2020	
9197615462	=1.62:1	7798973675	=1.04:1
5661519456		7509456668	



INCREASED IN 2021!!

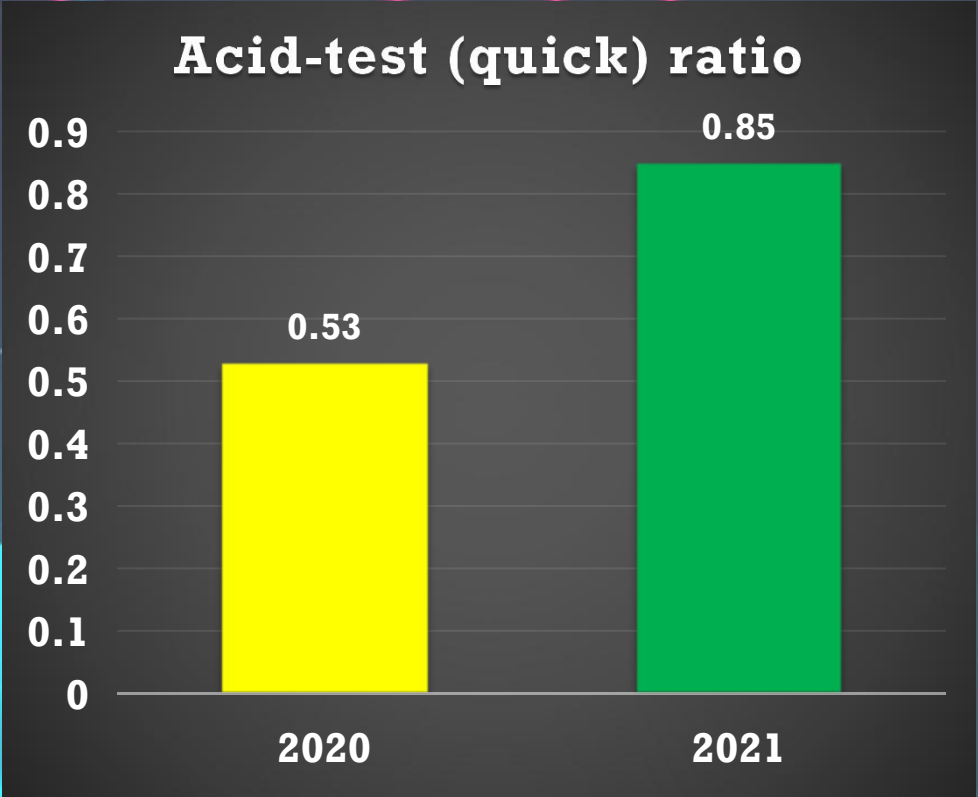


2.Acid-test (quick) ratio=

Investments Receivables (net)

Current liabilities

2021		2020	
4808315632	=0.85:1	4006190860	=0.53:1
5661519456		7509456668	



ALMOST SAME!!



$$3. \text{Receivables Turnover} = \frac{\text{Net credit sales}}{\text{Average net receivables}}$$

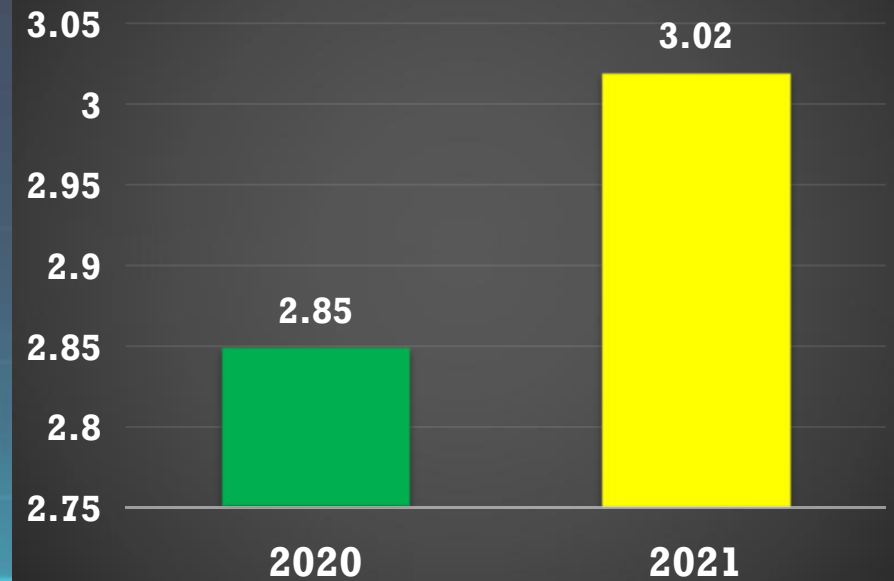
2021

$$\frac{13293569580}{(4006190860 + 4808315632)/2} = 3.02 \text{ times}$$

2020

$$\frac{10351450641}{(3,254,869,758 + 4,006,190,860)/2} = 2.85 \text{ times}$$

Receivables Turnover

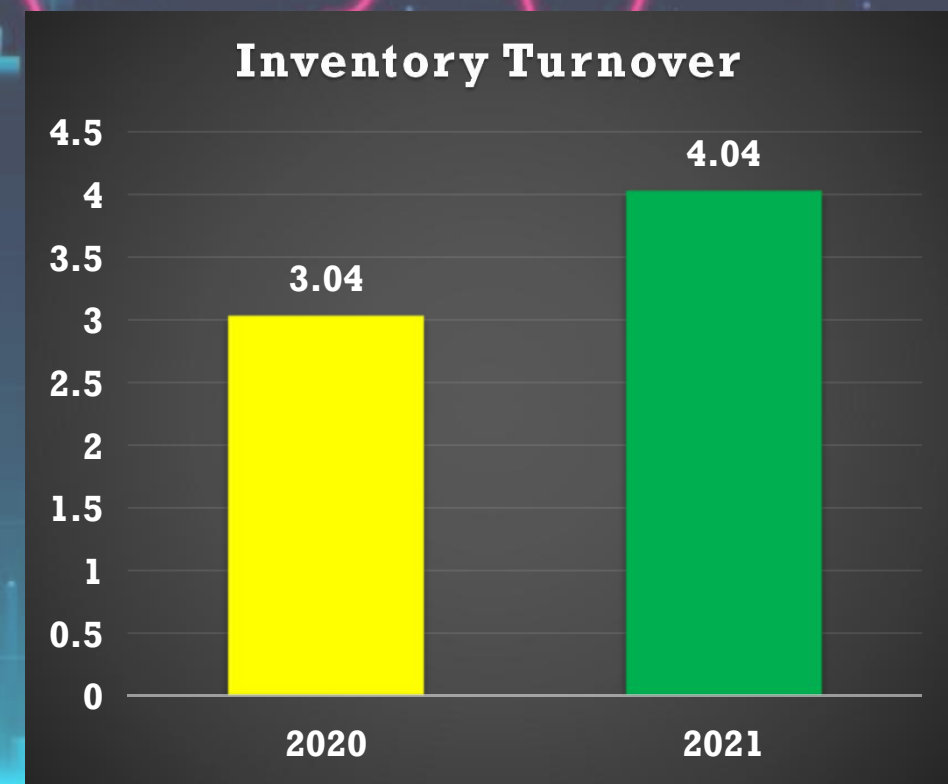


INCREASED IN 2021!!



$$4. \text{Inventory Turnover} = \frac{\text{Cost of goods sold}}{\text{Average inventory}}$$

2021		2020	
$\frac{11858829437}{(3212755636 + 2664689616)/2}$	=4.04 times	$\frac{9610006494}{(3,108,769,448 + 3,212,755,636)/2}$	=3.04 times



INCREASED IN 2021!!



$$5. \text{Profit margin} = \frac{\text{Net income}}{\text{Net sales}}$$

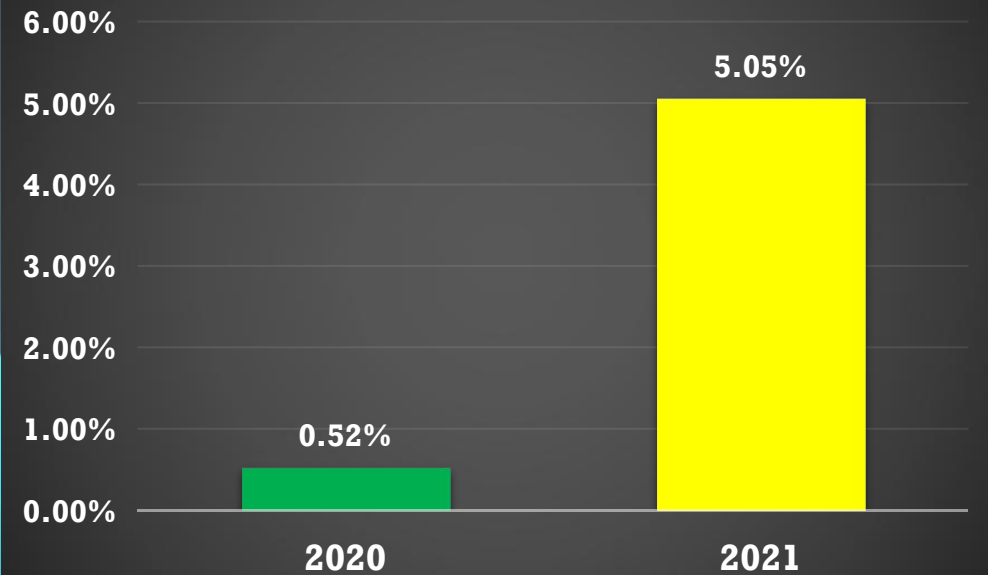
2021

2020

$\frac{671862451}{13293569580} = 5.05\%$

$\frac{53326984}{10351450641} = 0.52\%$

Profit margin

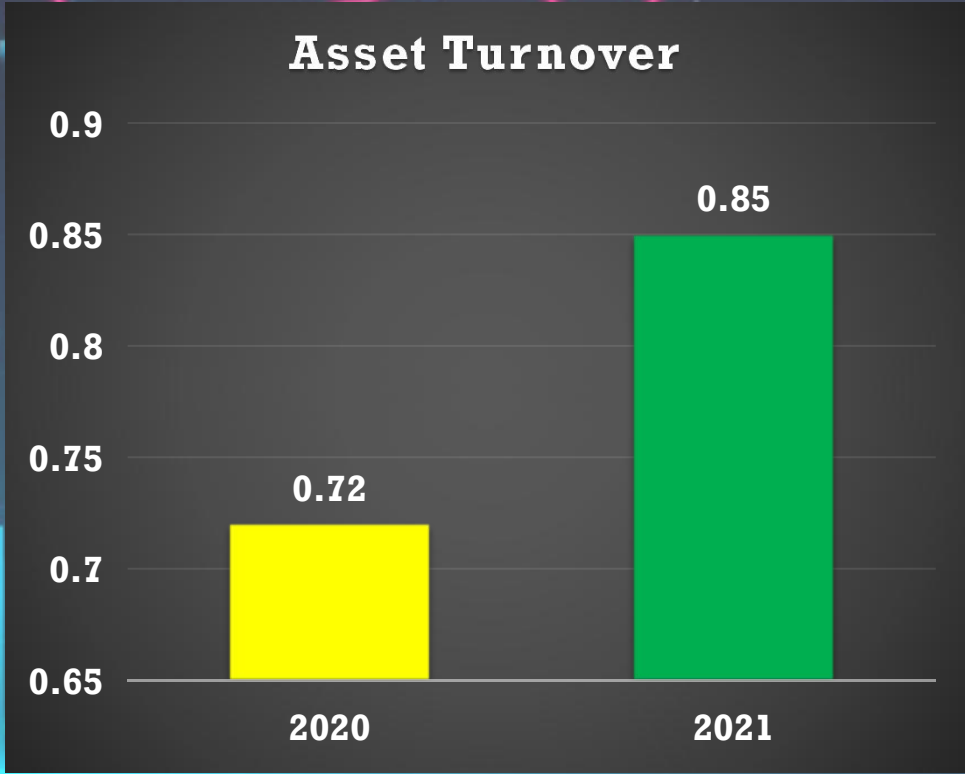


HUGE INCREASE IN 2021!!

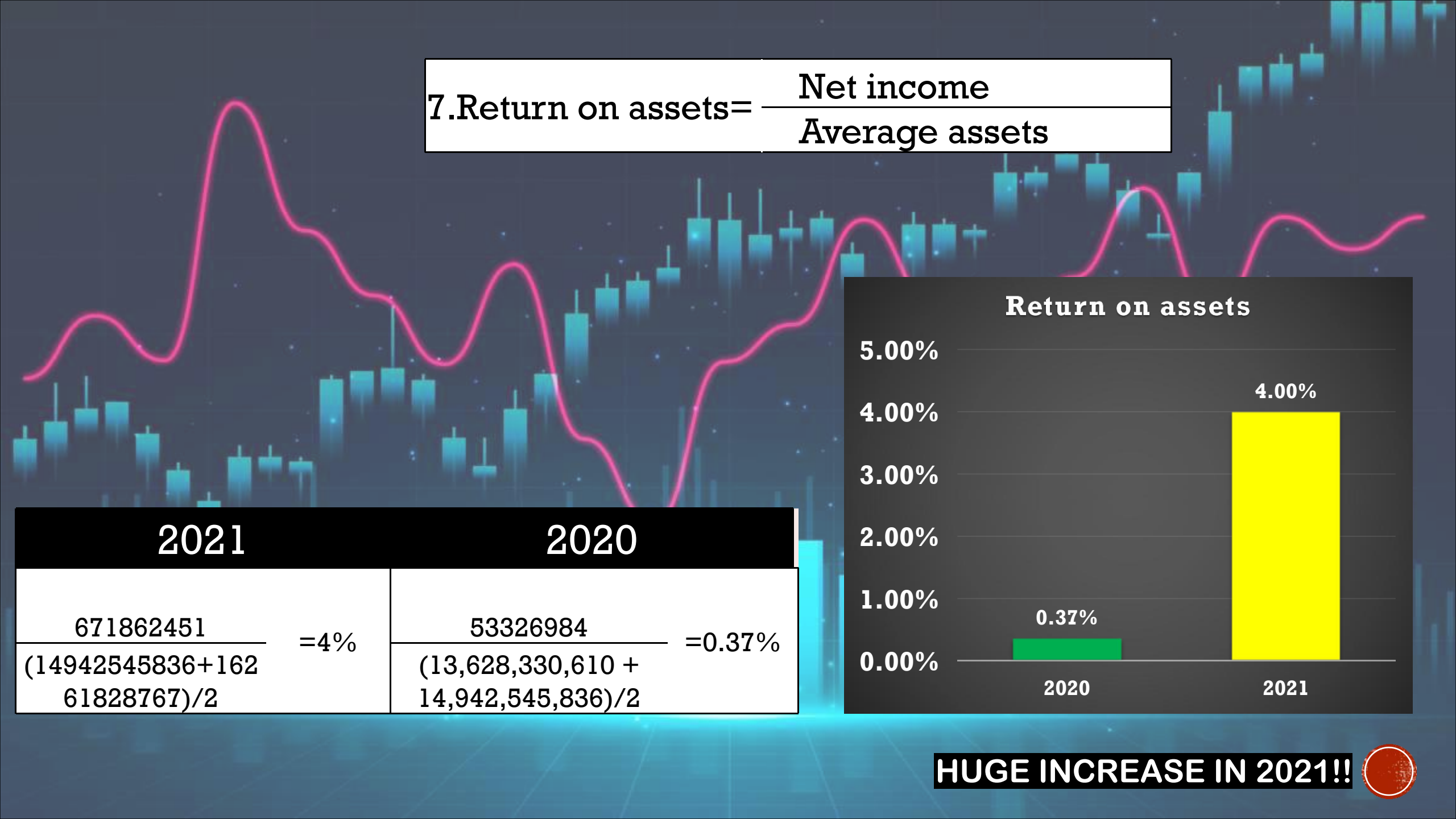


6.Asset Turnover= $\frac{\text{Net sales}}{\text{Average assets}}$

2021		2020	
$\frac{13293569580}{(14942545836+16261828767)/2}$	=0.85 times	$\frac{10351450641}{(13,628,330,610 + 14,942,545,836)/2}$	=0.72 times



ALMOST SAME!!


$$7. \text{Return on assets} = \frac{\text{Net income}}{\text{Average assets}}$$

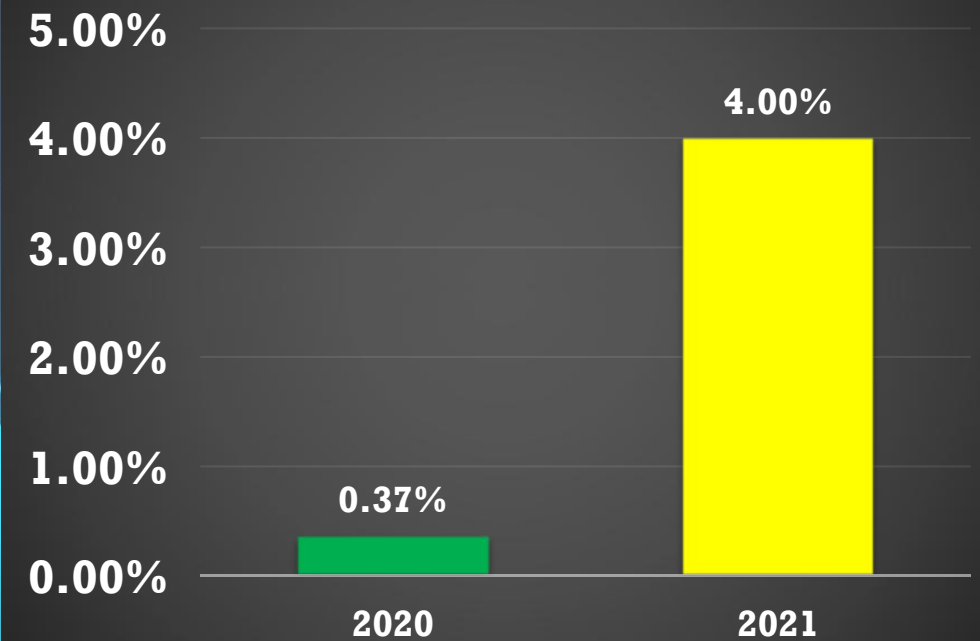
2021

$$\frac{671862451}{(14942545836 + 16261828767)/2} = 4\%$$

2020

$$\frac{53326984}{(13,628,330,610 + 14,942,545,836)/2} = 0.37\%$$

Return on assets



HUGE INCREASE IN 2021!!



8. Return on common shareholders equity =

Net income - Preferred
dividends

Average common shareholders equity

2021

2020

671862451-
197252000

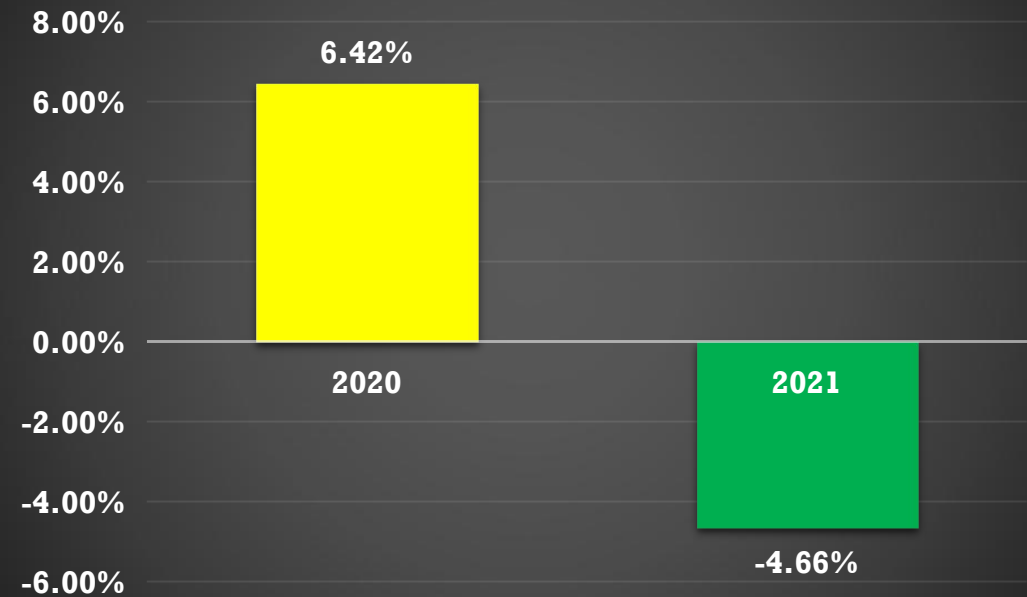
=6.42%

394504000-53326984
(7498757447+7157580
431)/2

=-4.66%

(7157580431+76321
90882)/2

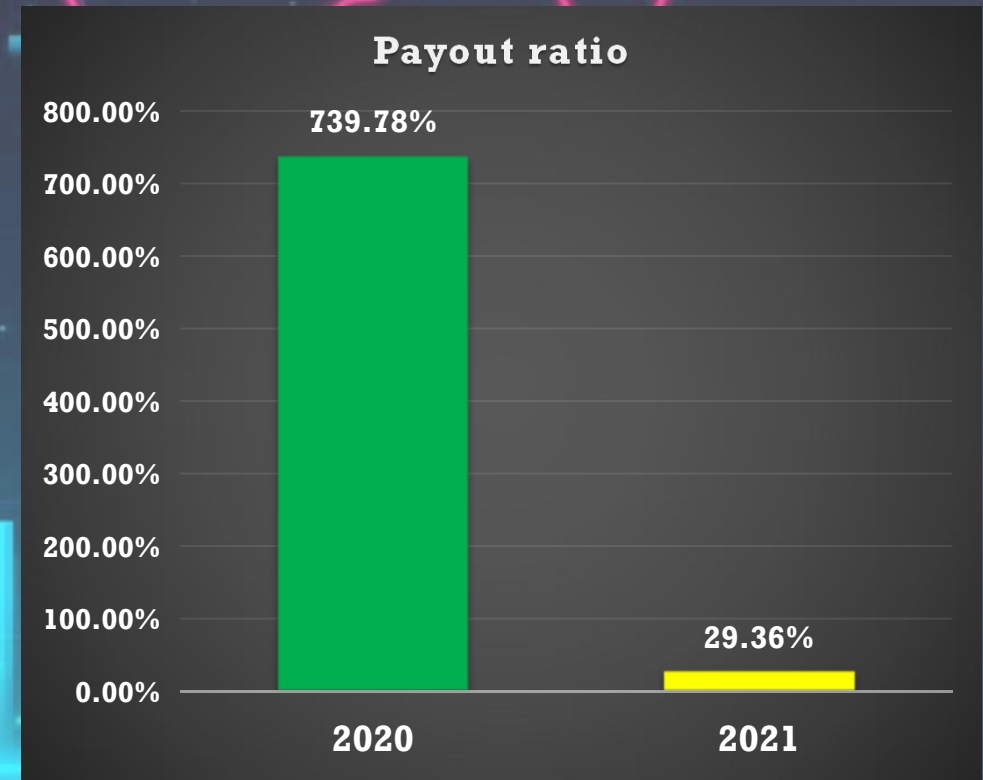
Return on common shareholders equity



IT'S NEGATIVE IN 2020!!



$$9. \text{Payout ratio} = \frac{\text{Cash dividends}}{\text{Net income}}$$



2021		2020	
197252000	=29.36%	394504000	=739.78%
671862451		53326984	

HUGE DECREASE IN 2021!!



$$10. \text{Debt To Total Assets Ratio} = \frac{\text{Total liabilities}}{\text{Total assets}}$$

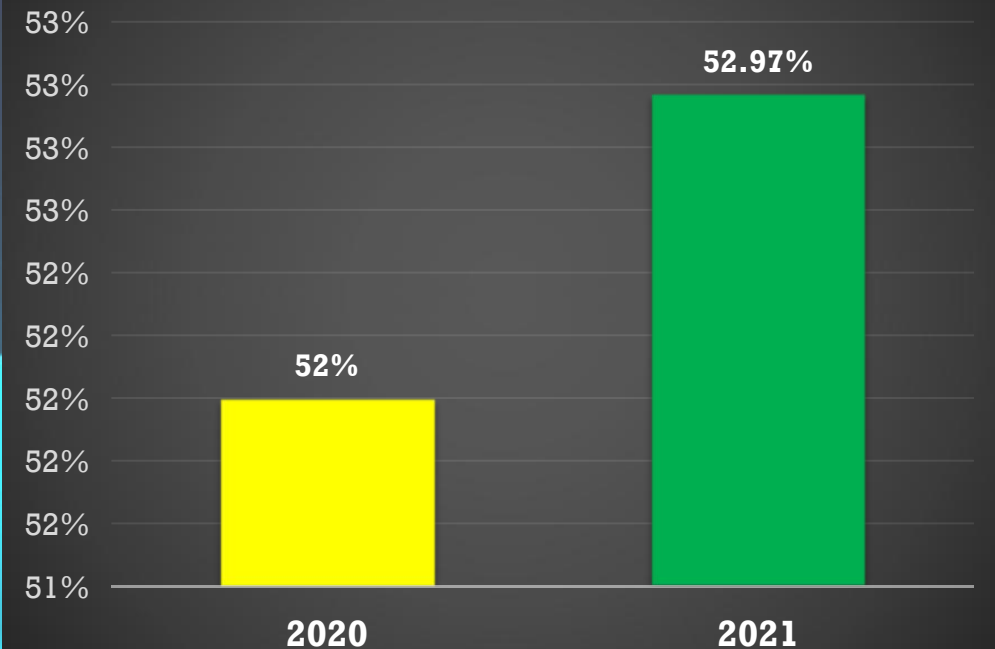
2021

$\frac{8614638915}{16261828767} = 52.97\%$

2020

$\frac{7770024429}{14942545836} = 52\%$

Debt to total assets ratio



ALMOST SAME!!

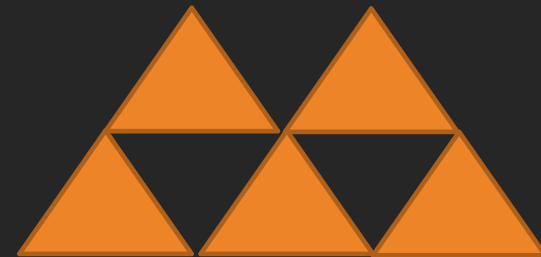


RATIO ANALYSIS

(INTER COMPANY COMPARISON)

SAIHAM COTTON MILLS LTD.

SQUARE TEXTILES LTD.

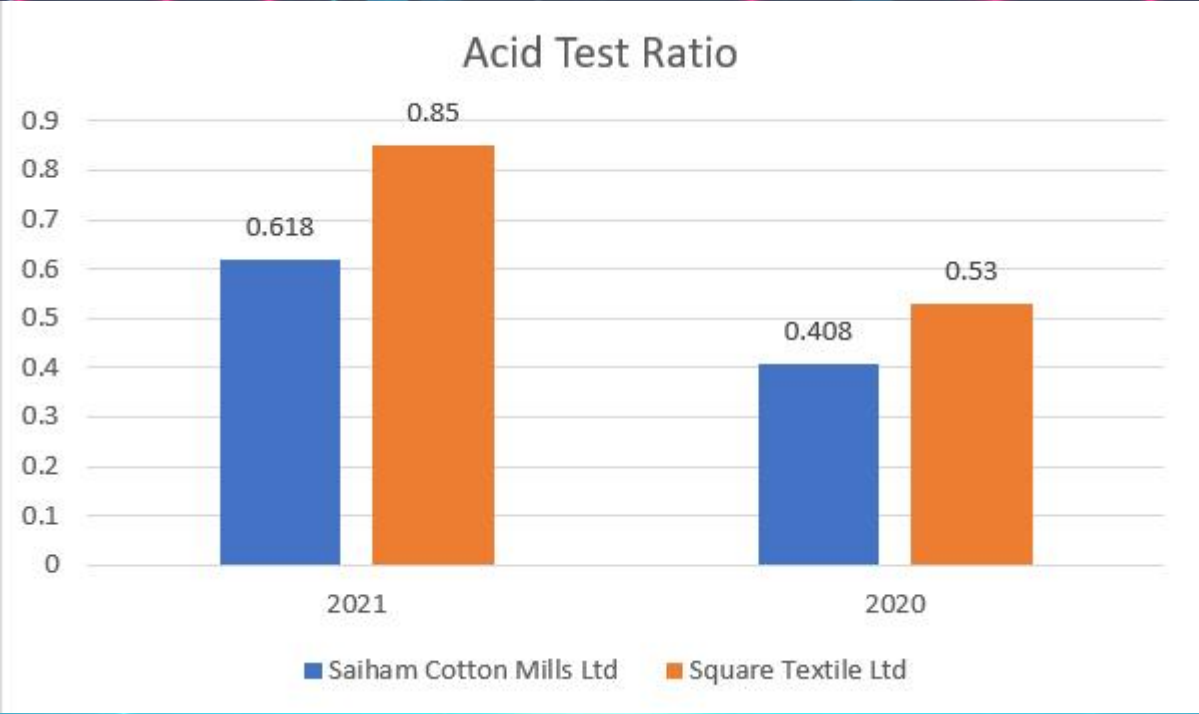


200042131: Mohammad Ittehad Rahman Sami

1. Current ratio = $\frac{\text{Current assets}}{\text{Current liabilities}}$



2. Acid-test (quick) ratio = $\frac{\text{Investments Receivables (net)}}{\text{Current liabilities}}$



$$3. \text{Receivables Turnover} = \frac{\text{Net credit sales}}{\text{Average net receivables}}$$



$$4. \text{Inventory Turnover} = \frac{\text{Cost of goods sold}}{\text{Average inventory}}$$



$$5. \text{Profit margin} = \frac{\text{Net income}}{\text{Net sales}}$$



$$6. \text{Asset Turnover} = \frac{\text{Net sales}}{\text{Average assets}}$$



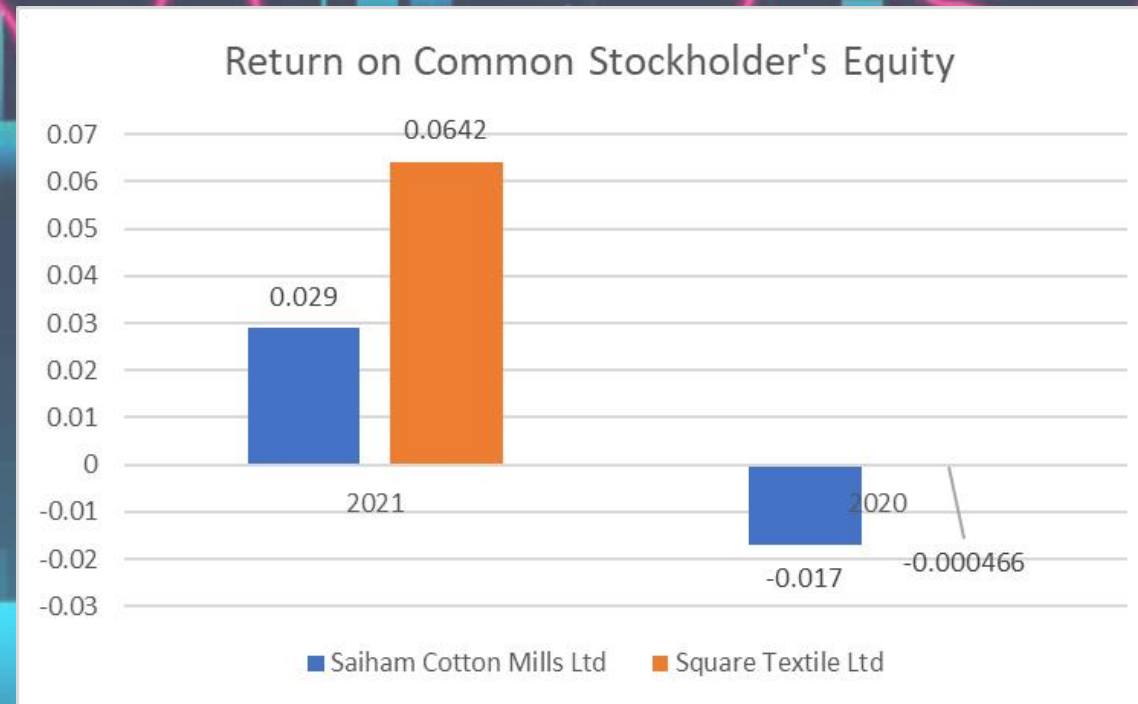
$$7. \text{Return on assets} = \frac{\text{Net income}}{\text{Average assets}}$$



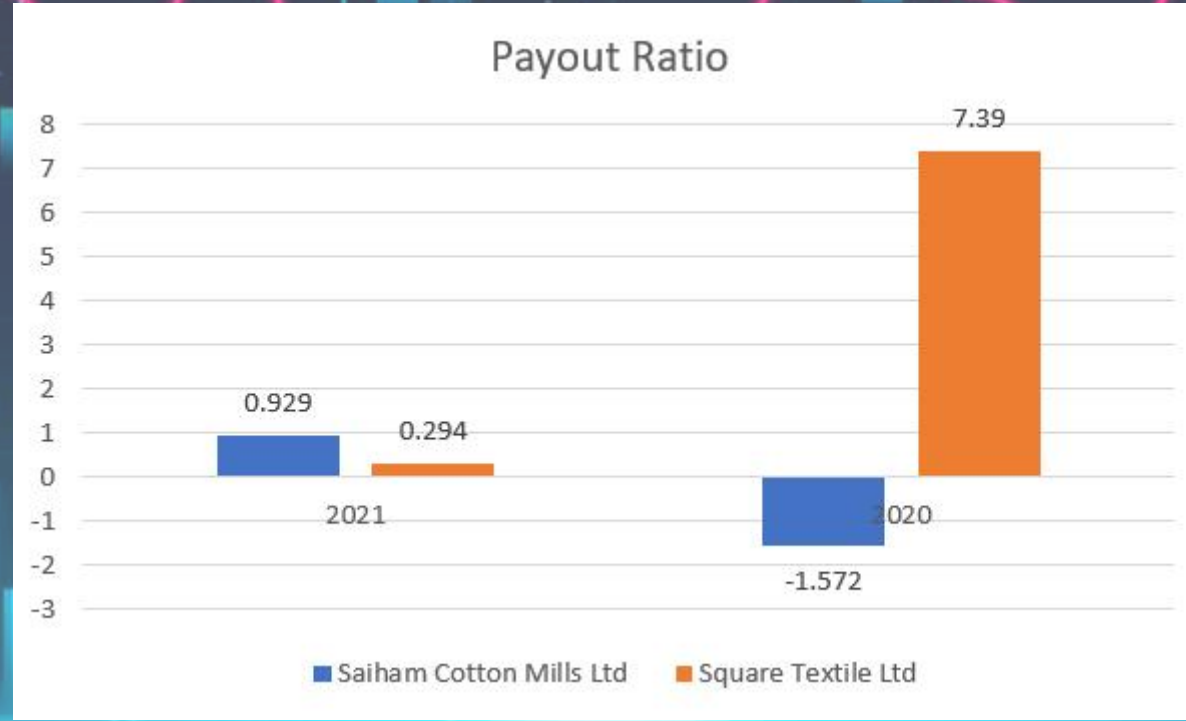
8. Return on common shareholders equity =

Net income - Preferred
dividends

Average common shareholders equity



$$9. \text{Payout ratio} = \frac{\text{Cash dividends}}{\text{Net income}}$$



$$10. \text{Debt to total assets ratio} = \frac{\text{Total liabilities}}{\text{Total assets}}$$



- THE END -

“THANK YOU”

