



**Daffodil**  
*International*  
**University**

## **Faculty of Engineering**

**Department of Textile Engineering**

*REPORT ON*

**‘Study on merchandising procedure of a knit garments industry’**

**Course Title: Project (Thesis)**

**Course Code: TE 4214**

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This Report Presented in Partial Fulfillment of the Requirements for the Degree  
of Bachelor of Science in Textile Engineering.

**Advance in Apparel Manufacturing Technology**

**December, 2018**

## **Declaration**

We attest that this report is totally our own work, except where we have given fully documented references to the work of others and that the materials contained in this report have not previously been submitted for assessment in any formal course of study. If we do anything, which is going to breach the first declaration, the examiner/supervisor has the right to cancel my report at any point of time.

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# Faculty of Engineering

Department of Textile Engineering

## Approval Sheet

This research entitled ‘**Study on a Merchandising procedure of knit garments industry**’ at **Daffodil International University, December, 2018**’ prepared and submitted by **Md. Shahinujjaman Masum (ID: 151-23-4169) & Md. Amit Hasan (ID: 151-23-4287)** in partial fulfillment of the requirement for the degree of BACHELOR OF SCIENCE IN TEXTILE ENGINEERING has been examined and hereby recommended for approval and acceptance.

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# Acknowledgement

At first we would like to express our deep appreciation to Allah for providing the opportunity to complete our Thesis on depth study of Merchandising Procedure.

Firstly, our special thanks go to **Md. Abdullah Al Mamun** sir, Assistant Professor, Department of textile Engineering, Daffodil International University for his encouragement and valuable suggestions.

We would like to thank the management of the Fakir apparels Ltd. for giving us the opportunity to perform the Thesis successfully.

We are indebted to **Md. Mahadi Al Mahabub**, Sr. Manager, (Marketing & Merchandising) **Md. Khandker Kakon**, Sr. Merchandiser (MKC), **Miss. Nabila Islam** (Asst. Merchandiser) for their valuable teaching, advising, supervising and training during our industrial attachment. We hope their valuable information regarding to production process will help us a lot for our future carrier.

## **Dedication**

We dedicate this report to our **Parents** who give us chance to study in Textile Engineering and support us all time.

Specially dedicate this report **Md. Mahadi Al Mahabub**, Sr. Merchandiser (Marketing & Merchandising) of Fakir Apparels Ltd and all the people who have helped us in the Fakir Apparels Ltd to complete this report.

## Abstract

Bangladesh's export earnings carry more than 78% contribution from the Garments, Apparel, and Knitwear Industry. The objective of this thesis is to provide an extensive overview of Garments Merchandising, as well as a reference and guide for its study. The chapters are written for the garments merchandising professional for detailed easing information, who wants an overview or specific information in one particular area.

The book to provide comprehensive information on all aspects of Garments Merchandising from the initial concept of Garments Marketing, Garments Merchandising, Qualification of a good merchandiser, merchandising procedure, Chronological process of Merchandising, important document for a Merchandiser, Costing and Consumption, Garments dry process, Garments washing, Inspection, Basic knowledge for a merchandiser, L.C and Other Documentation are included in this paper. This thesis paper contains the most recent technological information regarding industry practice as well as industry standards. The use of tables will help the reader to understand very easily. Merchandising plays a great role in our economy. The living standard and prosperity of a nation vary directly with increase the foreign currency of a nation and it's totally depends of a merchandiser who deals not only liaison with the buyer but also directly work in the field of production.

Here we observed the merchandising procedure of the order Franz Rugby Shirt which has two options and five sizes. We work with H&M merchandising team in October and November and observed this order till the shipment.

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## 1. Introduction

The textile and clothing industries provide the single source of growth in Bangladesh's rapidly in recent years. Exports of textiles and garments are the principal source of foreign exchange earnings. By 2002 exports of textiles, clothing, and ready-made garments (RMG) accounted for 77% of Bangladesh's total merchandise exports. Bangladesh at USD 6.29 billion and it grew to USD 173.82 billion by 2014, with USD 31.2 billion of that generated by exports, 82% of which was ready made garments. s of 2016 Bangladesh held the 2nd place in producing garments just after China. Bangladesh is the world's second-largest apparel exporter of western fast fashion brands. So that as a textile engineer I think garments sector is the future of our economy. On that note merchandising section plays an important role for the betterment of the textile economy by meeting with different foreign buyers. And they communicate with them to make good relationship for export & import business purposes. In my final semester I have done my internship on fakir apparels limited. In which I gathered a lots of knowledge about different sector like knitting, washing, dyeing, cutting, sewing, finishing, printing, embroidery, industrial engineering, Merchandising. In our final semester first time we introduce about a project or thesis that we have to done a research on a specific topic under the supervision of our respectable teacher. So we have to discuss with our honorable teacher and we choose a topic that we want to take as our project topic. So we are eagerly waiting to give you some more information about merchandising that we learn from the industry.

### 1.2 Origin of the study

The whole project is all about merchandising. In this we want to discuss about the procedure of Merchandising. So these project shows us about the activities of a merchandiser, product development, sampling, production, quality, shipment, marketing. So at the end of the project we can find out what kind of work a merchandiser do.

### 1.3 Objectives

The main thing about this project that it shows the overall activities of a merchandiser in Fakir Apparels Ltd. In this we can find that how they can execute the tech pack, order sheet, sample

development, QC check, approve comment, production, shipment, delivery etc. So the main objectives of this report is as follows

- To be a proactive attitude in nature
- To be a smart, calm & quick decision maker
- To know about the readymade garments sector
- To know about the recent commercial terms
- To learn about the profile of garments industry in our country
- Have an excellent knowledge about product development
- Have knowledge about spinning, knitting, dyeing, washing, finishing, and shipment
- Have to be prepare about new challenge
- Gathered knowledge about shipment procedure
- To know about the merchandising procedure
- Have to be careful about quality with skill operator
- To evaluate merchandising section
- To learn about the effectiveness of merchandising department
- To know about the difference between theoretical & practical knowledge
- To know about the limitations & problems present in merchandising section

#### 1.4 Scopes

This report have been prepared with the help of the merchandiser of fakir apparels ltd. It express that the procedure & the collection of data is very easier process for. They help a lot to know about the procedure of merchandising section. So we are very much lucky to have gather a lots of knowledge in details about the activities of merchandising.

- Discussion
- Factory
- Internet
- Getting help from Mr. Kakon sir team in fakir apparels limited.
- Besides, I have been gathered some information from books & relevant papers which are related to apparel industry.

#### 1.5 Limitations

Basically, we have not faced so many problems in our research because of the help of some brothers & sister. But we know that any kind of obstacles that we have faced in any kind of

work is known as limitation. So we have also few limitations that we faced in the time of our research.

The problems we faced during our research as follows:

- The officer of different departments can't give us so much time that we need.
- Merchandiser have not enough time to give the information in details.
- Get short time visit in different working section.
- Also problem about short time management.
- It's difficult task for us to learn in details about merchandising within 42 days.
- Some confidential data that company are not willing to give us.

## 2. Literature Review

### 2.1 Definition of a merchandiser

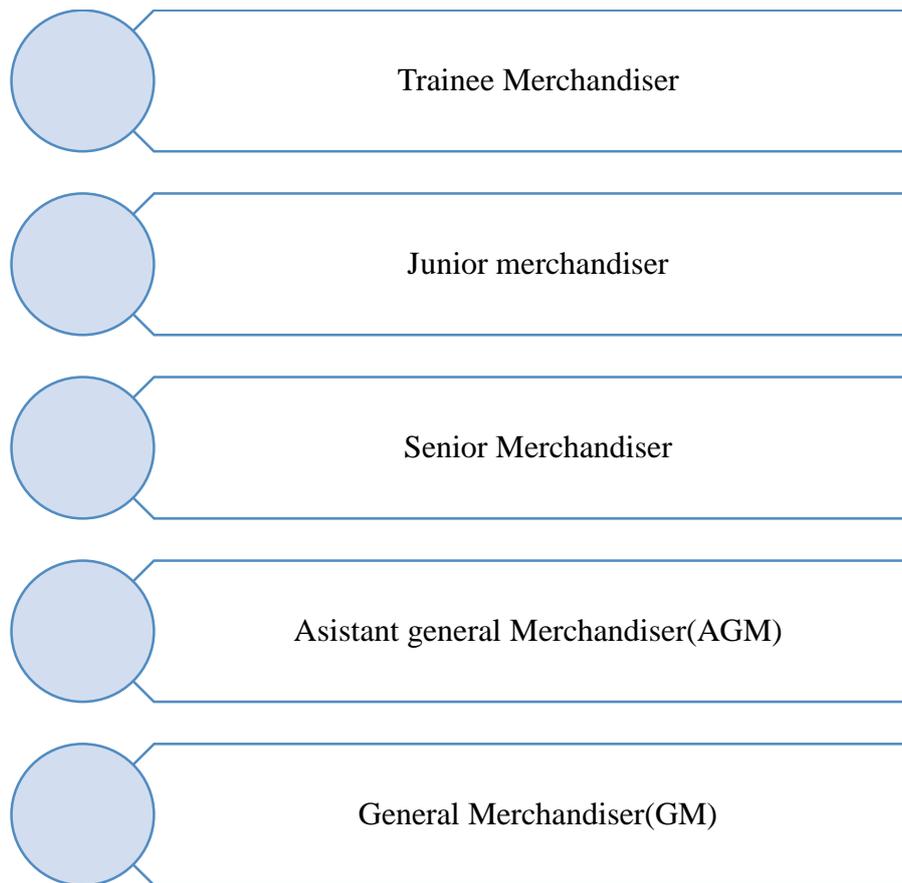
A merchandiser is a business that purchases inventory and resells it to customers for a profit. Retailers and wholesalers are good examples of merchandisers because they typically buy goods from manufacturers to market and sell them to the public consumers.

#### Qualities of a Merchandiser

- Good information in English, Mathematics, Computer proficiency and messages web.
- Good information about fiber, yarn, texture, coloring, printing, completing, colors, shading
- Fastness, pieces of clothing creation, and so forth.
- Clear origination of the typical potential quality issues in the articles of clothing producing.
- Good information of the typical crude materials examination frameworks and articles of clothing inspection system.
- Knowledge of the standard framework utilized in every one of the generation nations, obligation rates, custom control, delivering and managing an account documentation and so forth.
- Right utilization information of different products
- Costing information of crude materials
- Order getting capacity
- Excellent intensity of inspiration to enhance advertising.

- Sincere & mindful.
- Hard laborer.

### 2.3 Merchandising Department Structure



### 2.4 Function of merchandiser

- ❖ Pre Order merchandiser
  - To get request sheet.
  - Consumption estimation
  - Costing and citing of cost
  - Negotiation
  - Price affirmation.
  - Order affirmation.
  - Receive ace L/C

## ❖ Post Arrange Merchandising

- Prepare TNA
- Collecting crude materials
- Select the proper provider.
- Booking texture and extras required to finish the request after watchful count with particular referenced in the request sheet.
- Open BB L/C.
- Receive test of requested crude materials for endorsement.
- Follow up creation.
- Sending acquiring data to the stores.
- Receive PI from providers
- Receive crude materials in store.
- Inspection crude material (both quality and amount)
- Sampling
- Proto type test.
- Development test.
- Salesman test
- Photo test
- Size set example
- Pre creation test.
- Shipment test.
- Banking
- Receive ace L/C
- Check ace L/C
- Amend ace L/C whenever required.
- Production of articles of clothing.
- Making swatch card , get endorsement from purchaser and disseminate in various areas (creation, Qc, Store , Wash , and so forth)
- Booking creation line
- Receive stock give an account of crude materials.
- Attend pre creation meeting.
- Arrange testing of crude materials and send test answer to purchaser.

- Arrange test cutting.
- Start mass creation.
- Request to purchaser for conclusive review.
- Arrangement last review gather IC and send to purchaser.
- Hand over the products to C&F and gather B/L.
- Commercial exercises.
- Submit required documents to the bank for receiving payment  
(PL,BL,IRC,EXP,UD,GSP)
- Pro forma receipt.
- Packing list
- Bill of stacking.
- Inspection Certificate.
- UD, GSP, etc.

## 2.5 Process stream outline for Merchandising

Gotten craftsmanship and size spec for advancement of the example



Making improvement test



Utilization (from CAD) and costing



Meeting with purchaser for cost and request affirmation and LC got

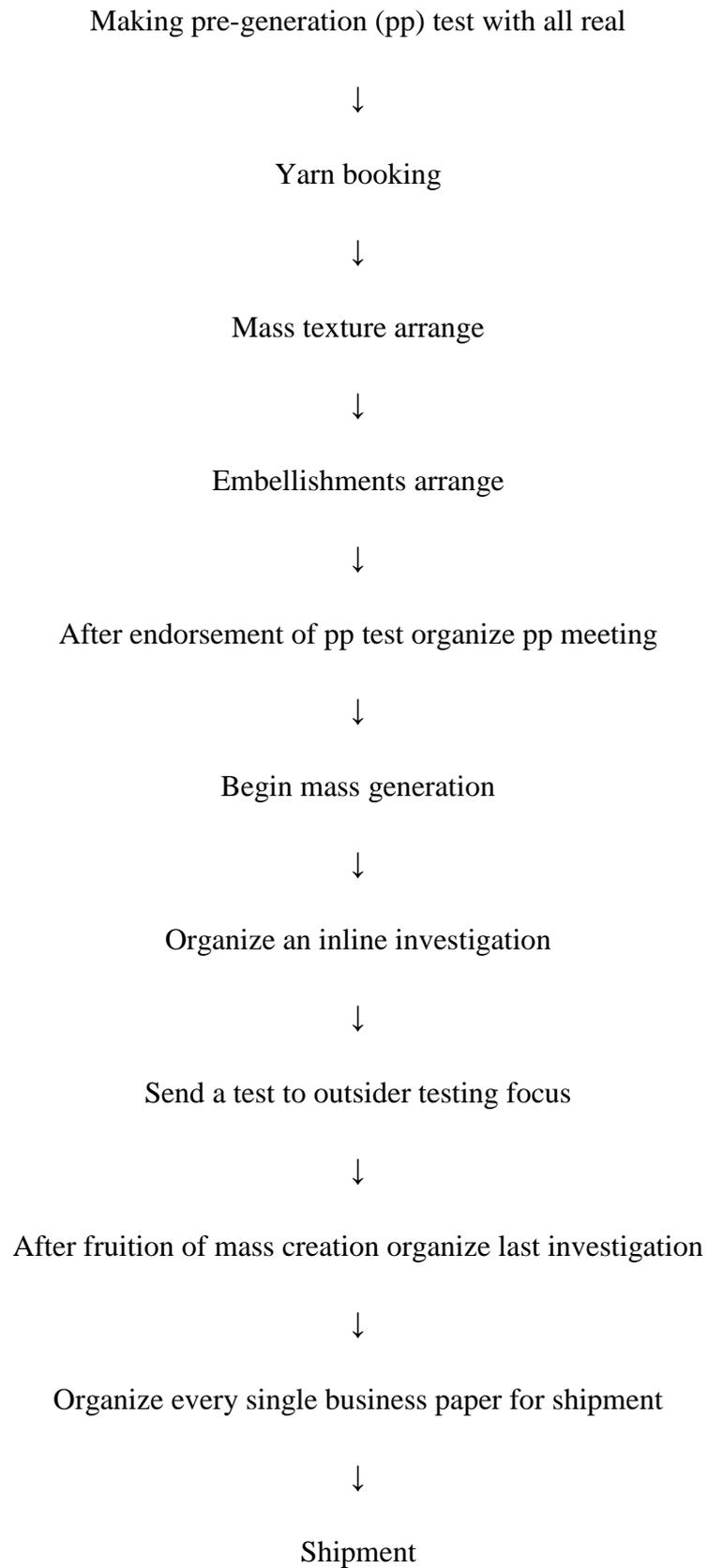


Lab-plunge endorsement



Making diverse sorts of test (according to purchaser necessity) for endorsement





## 2.6 Merchandising Productions Inquiry

1. On accepting an inquiry(s) the merchandiser must set up an agenda and quickly forward all data to 3 production lines from the affirmed plant list for estimating.
2. The merchandiser must ensure that the production line represents considerable authority in the thing being evaluated and has worked with the customer previously.
- 3.2a. Determination of provider ought to be founded on their past execution, effectiveness, conveyance, and so forth.
4. If it is another customer then the merchandiser must examine the inquiry(s) with the dept. take before sending off the inquiry(s).
- 5.3a. In the event of another manufacturing plant, a processing plant assessment ought to be led according to the set gauges. Just Synergies Sourcing endorsed industrial facilities can be utilized for valuing, testing, and so forth.

## 2.7 Quotation Price

1. Prices must be sent inside 1-2 days of getting the request.
2. All enquires must be entered in to the new improvement sheet.
3. Based on the most reduced value the merchandiser must request proto example. Min. 2  
Pics must be requested. One example for the client and one office test.
4. Before citing any costs to the client. The merchandiser ought to get all costs endorsed by the Head of Merchandising or Managing Director.
5. If renegotiation is required at that point include the dept. head, Head of Merchandising and Managing Director so the best costs are finished with the production lines.
6. Final cited cost must be refreshed on the new improvement sheet.

## 2.8 Po package for the factory

Another PO bundle for the manufacturing plant must incorporate the accompanying:

- i. Original PO sheet.
- ii. Spec. Portray and laborer sheet.
- iii. Color print work of art, lab plunge, unique texture swatch and unique trim card.
- iv. Original test (If accessible)

Inside 1 day of receipt of another request the stock supervisor must require a pre-creation interior gathering. The accompanying individuals must go to this gathering:

- a. Head of Operation.
- b. Merchandise Manager.
- c. Acct. Related Merchandiser.
- d. Head of QA Dept.
- e. QA Personal.
- f. Internal QA Personal.

At the gathering the merchandiser will issue all data with respect to the request. This data incorporates:

- a) PO sheet duplicate.
- b) Spec sheet with all related data.
- c) Lab plunge card, print fine art, trims card, and so on.
- d) Original texture swatch (If accessible)
- e) Proto test.

## 2.9 Lab Dip/Strike off

1. Follow up with our client for lab plunges if vital.
2. Upon receipt of the lab plunges from the client, instantly send an imitation to the provider.

3. Follow-up with the provider for provide conveyance of lab plunges most recent inside 5 days.
4. Obtain most extreme quantities of lab plunges from the provider's base 3 for every shading.
5. Upon receipt of lab plunges from the provider, coordinate lab plunges against client particulars by means of visual test or whenever required by the client by means of lab test.
6. Receive Lab Dips Format Sheet from our Lab and join with the agenda, organize connected.
7. Head of division will give the last endorsement earlier sending the examples to the purchasers.
8. Forward the lab plunges to the client alongside the lab test give an account of as and when gotten premise. Ensure the purchaser gets the lab dibs according to their necessity.
9. Follow with the clients for endorsements/remarks.
10. On endorsement illuminate provider.
11. Update Order Checklist, design encased.
12. Update the exceed expectations sheet as needs be, arrange encased.

## 2.10 Dye Lots

1. Follow-up with the provider and quality control for the conveyance of color part.
2. Dye Lot ought to be accessible (6 X 6, for each move) to the merchandisers somewhere around 5 days before the beginning of real creation.
3. Upon receipt of tests from the provider forward the equivalent to lab for lab test and match these against client particulars.
4. Thoroughly observe the shading standard, shading quickness, shrinkage, GSM/development, hang feel, texture quality, sewing pressure, Lycra and so on.
5. Receive Dye Lot test design sheet from lab, arrange connected.
6. Head of office will give the last endorsement earlier sending the examples to the purchasers.

7. Update Order Checklist, arrange encased.
8. Update the exceed expectations sheet in like manner, design encased.

### 2.11 Bulk Accessories

1. Follow-up with the provider for the conveyance of mass extras.
2. These extras ought to be accessible to the merchandisers somewhere around 5 days before the beginning of real generation.
3. Upon receipt coordinate these against client details.
4. Thoroughly check the extras shading and nature of trim against purchaser's remarks.
5. Prepare Bulk Accessories organize sheet, arrange appended.
6. Head of office will give the last endorsement earlier sending the examples to the purchasers.
7. Update Order Checklist, arrange encased.
8. Update the exceed expectations sheet appropriately, design encased.

### 2.12 Production

1. Once testing is finished Head of concern Merchandiser advances the request record to the Head of Quality Control alongside the affirmed test and a duplicate of anticipated generation plan. Ensure the record is sent somewhere around 5 days before beginning of genuine creation.
2. A gathering ought to be led between the Head of Merchandising Department, Concern Merchandiser, Head of Quality Control and Quality Control Officer (Production) talking about every one of the points of interest of request.
3. Obtain a guidance sheet covering all the required data from the quality control officer and endorse.
4. Make beyond any doubt any new remarks are included into the guidance sheet.

5. Regular line up ought to be made with the providers and Quality Control in regards to the status of creation.
6. Make beyond any doubt the Quality Control Department direct all the required investigations i.e; Texture Quality Testing, ILC, IPC, MPC and FRI for each request. For expansive volumes make sure, there are more than 1 MPC being led by the quality control.
7. Obtain day by day generation status from Quality Control and forward the equivalent to IT for refreshing the Web Site most recent by 11:00 each morning.
8. Obtain reports of all the investigation led i.e. Texture Quality Testing, ILC, IPC, MPC& FRI for each request from quality control and keep a duplicate for record.
9. Visit the provider in any event amid one assessment.
10. Make beyond any doubt that FRI is led no less than 2 days before the shipment date.
11. Once Order Checklist is ok, advise purchaser.
12. Update the excel sheet accordingly, format enclosed.

### 2.13 Delivery and Commercial Dept.

1. Regular follow-up is essential to:
2. Ensure goods are handed over to the forwarder.
3. Ensure the forwarder books space/flight for timely delivery of goods.
4. Ensure staffing of goods is conducted.
5. Ensure the date of departure is as per the booking.
6. Obtain vessel/flight details from commercial department & advise buyer.
7. Receive acknowledgement of goods from buyer.
8. Update Order Checklist, format enclosed.
9. Update the excel sheet accordingly, format enclosed.

## 2.14 Documentation

Conduct regular follow up with commercial department & supplier for the timely delivery of all the below mentioned documents to the buyer.

- a. Packing List
- b. Commercial Invoice
- c. GSP
- d. Country of Origin Certificate
- e. Annexure III for Mexico Shipment (must be obtained 1 month prior shipment)
- f. Country of Origin Certificate attested from Argentinean Embassy in India for Argentina shipment (must be obtained 1 month prior shipment)
- g. Bill of Lading /Master Airway Bill is sent from supplier's bank to buyer's bank only.
- h. Inspection Certificate

All these documents are required to be sent to the buyer first via email or fax & then original via courier.

Receive acknowledgement of documents from buyer.

## 2.15 TNA in Knit Garment Industry

A time and action calendar is a most effective communication tool that proves it to be useful to this task. The chart consists of time frames listed for every action planned (major ones) and these actions need to be earned out on time. The purpose of TNA is to cross check at frequent intervals, say, once a week, whether the planning is being executed satisfactorily. The more frequent the checks, the easier it is to correct deviations. TNA is especially useful when a buyer wants to know the status of execution of an order.

## 2.16 Structure of TNA

Normally merchandisers prepare a plan of the order in a spreadsheet by listing down the key processes in first column and planned date of action for each process in the next column. This planning sheet is popularly known as time and action calendar (TNA). Once TNA calendar is made, then it can be easy for merchandiser list down their daily 'to do list' and taking it one by one. As per TNA schedule processes can be executed on timely basis to track whether an order is on track or it will get delayed.

In order to make TNA below mentioned information must be available:

- Process flow of an order with the list of task which need to be performed
- Production capacity of cutting, sewing, washing and finishing
- For sewing - batch wise and product wise capacity (production per day per batch)
- Lead time of activities, e.g. raw material lead time, sampling lead time, etc.
- Shipment date or planned ex-factory date.

Normally TNA does not depend on fabric used in merchandise like woven or knits. TNA is largely depends on the particular process flow of an order, machine requirement and available production capacity. In TNA planned cutting date (PCD) and ex-factory date these are the two most critical dates.

## 2.17 Importance of TNA

The importance of TNA can be summarized.

- It helps to streamline the pre-production activities.
- Easy understanding of order processing.
- Clear understanding of timelines given by buyer.
- It gives the clear idea about the minor or sub activities that need to perform during order processing at different level.
- TNA gives the idea about the status of running order and talks about delay or deviation, if any

- TNA gives the dates at which raw material need to be sourced, in a way it helps to optimize the inventory.
- TNA also reduces the risk of delivery delay.
- 2.20 Factors need to be considered while preparing TNA:
  - Production capacity of plant
  - Style type of merchandise
  - Festivals of manufacturing country
  - Holidays
  - Shipment details
  - Festivals of country from where raw material is imported
  - Logistics facilities
  - Lead time estimated by buyer
  - Style complications
  - Fabric and trims manufacturing complications
  - Buffer required from each department
  - Political stability of the country
  - Flexibility of freight forwarder
  - Response time from buyer at different stages
  - Lead times of various activities like L/C payment, custom clearance, etc.
  - Cut off dates for shipments

### 2.18 Sample TNA Garments Manufacturing order

The TNA derived by assuming the order of 10000 pieces of formal shirts, made out of 100% cotton, plain woven solid dyed fabric, with embroidery logo on it. The order is for SS 2013, delivery date 1st March 2013, shipment at New York-USA.

### 2.19 Remarks

- Production lead time for knitted garments 35-45 days but for woven garments production lead time 90-120 days.

- In knitting garments merchandising pre-production meeting are held 2 or 3 days ago before bulk production.
- In woven garments merchandising pre-production meeting are held 1 week days ago before bulk production.
- Lab rejection are calculated in knitted garments TNA But in woven garments TNA Lab rejection are not calculated.

## 2.20 L/C

A letter of credit is a document from a bank guaranteeing that a seller will receive payment in full as long as certain delivery conditions have been met. In the event that the buyer is unable to make payment on the purchase, the bank will cover the outstanding amount.

## 2.21 Types of L/C

Letters of credit may be of different kind and nature:

- Revocable L/C
- Irrevocable L/C
- Confirmed letter of credit
- Confirmed and irrevocable letter of credit
- Transferable or divisible letter of credit
- Back to back letter of credit
- Red clause letter of credit
- Sight letter of credit
- Usance letter of credit
- Revolving letter of credit
- Stand by letter of credit

All letter of credit therefore, should clearly indicate whether they are revocable or irrevocable. In the absence of such indication the credit shall be deemed to be revocable.

(1) **A revocable L/C:** May be amended or canceled by the issuing bank at any moment and without prior to the beneficiary. In case of revocable credit, however, the L/C issuing bank is bound to.

a) Reimburse a branch or bank with which a revocable credit has been made available for deferred payment, if such branch or bank has, prior to receipt by it for notice of amendment.

b) Reimburse a branch of bank with which a revocable credit has been made available for sight payment, acceptance or negotiation, for any payment, acceptance or negotiation, for any payment, acceptance or negotiation made but such branch or bank prior to receipt by it for notice of amendment or cancellation, against documents which appear on their face to be accordance with the terms and conditions of the credit Study on knit garments merchandising

(2) **An Irrevocable L/C:** Constitutes a definite undertaking of the issuing bank, provided that the stipulated documents are presented, the term and conditions of the credit are complied with: The full name of “L/C” i.e. irrevocable letter of credit which means once it is issued by the bank or the buyer and accepted by the beneficiary (the seller) , it cannot be cancelled or withdrawn by the buyer or the opening bank, unless with the consent of the beneficiary. In short, once the buyer opens the L/C form his bank to cover the goods he has purchased, he will have to pay for the goods when the seller ships the goods exactly as per as the terms stipulated in the L/C.

Therefore, as far as the seller is concerned, the sooner he has the L/C on hand, the safer he is.

(3) **Confirmed letter of credit:** This is such a credit for which exporter’s bank gives all sorts of surety for the advance of payment.

(4) **Confirmed and irrevocable letter of credit:** This combines the quality of clause

(5) **Transferable or divisible L/C:** A Transferable credit is a under which the beneficiary has the right to request the bank called upon to effect payment or acceptance or any bank entitled to effect negotiation to make the credit available in whole or in part to one or more other parties (second beneficiary) A credit can be transferred only if it is expressed designed as “transferable” by the issuing bank. Terms such as “divisible”, “fractional” assignable” and

“transmissible” and nothing to the meeting of term” transferable” and shall not be used, in that case the bank requested to effect the transfer (transferring bank), whether it has confirmed the credit or not shall be under no obligation to effect such transfer except to the extent and in the manner expressly

consented to by such bank. Bank charges in respect of transfers are payable by the first beneficiary unless otherwise specified. A transferable L/C can be transferred once only.

The credit can be transferred only on the terms and conditions specified in the original credit, with the exception of the amount of the credit.

(6) **Back to back L/C:** This type of L/C is opened against the original master L/C. Study on knit garments merchandising.

(7) **Red Clause L/C:** In this credit, the export’s bank is directly to advance his dues even before they produce all export documents to the bank. And some clause is attached there. The manufacturer must have maintained this clause.

(8) **Sight L/C:** It means when the shipper ships the goods covered by the L/C, and presents the document to the bank for negotiation, the bank (the negotiation bank) will credit the proceeds to the shippers account immediately after checking and finding the documents in order. When the documents are sent by the negotiation bank to the L/C opening bank, the L/C opening bank will effect payment to the negotiation bank immediately. Such L/C usually says “AT SIGHT” which means “pay when the bank sees the documents”.

(9) **Usance L/C:** It means L/C with time allowed for the opening bank to make payment of a foreign bill of exchange. Or, put in another way, payment from the L/C opening bank to the negotiation bank will only be made after a period of time as stipulated in the L/C. The length can be worked out between the buyer and the supplier, sometimes 60 days, sometimes 90 days or 120 days.

(10) **Revolving L/C:** It means that the beneficiary can draw money from such L/C up to the amount specified by means of documents, and after drawing, the amount drawn will automatically be replenished and is available for another drawing another drawing and so on.

## 2.22 Various types of L.C. are present in business system some recognized processes are

- MASTER L.C
- BACK TO BACK L.C
- SIGHT L.C

(Note: in Bangladesh sight L.C OR irrevocable L / C is mainly used)

In this trade initially cash money is not used. L. C is the main process for buying & selling.

When a business deal is made for buying & selling between buyer & merchandiser then the

Study on knit garments merchandising buyer gives permission to his bank to open an

L.C. of approx amount & send it to merchandiser's bank. Then this bank informed to merchandiser that an L.C. is accepted. This L.C is called MASTER L.C.

Then merchandiser takes decision about the manufacturer for collecting raw materials

.when merchandiser choose supplier then he tell the supplier to send a pro-forma invoice. After getting p .I. merchandiser tell to his bank to open an L .C send to the supplier's bank. This L. C is opened from mother L .C which is given to merchandiser. This L .C is called back to back or b to b L.C.

When supplier sends the products to merchandiser, then he send a acceptance copy to his bank & a copy to the supplier. Then the supplier can able to get cash from his bank. At the same way merchandiser send the product to the buyer or after shipment he also able to get cash from bank. Shipment of goods is done by B.L (bill of leading).this system is called SIGHT L.C.SIGHT L.C. consists of MASTER & B TO B L.C1

## 2.23 Documentation for shipment

- Packing list
- Commercial invoice
- ERC (export registration certificate)
- Bank account.
- Bill of Lading.

**FOB:** (Free on Board) is simply the Supplier delivers the goods to his nearest Port and hands them over to the Freight Forwarder nominated by the Buyer. Buyer then pays the freight and arranges Insurance

**CNF:** CLEARING & FORWARDING

**CIF:** (Cost, Insurance and Freight) means that the Supplier delivers the goods to his own Freight

Forwarder who then ships the goods to the destination Port. Seller pays freight and insurance. Study on knit garments merchandising From a Buyer's point of view, CIF is better as he does not have to worry about arranging shipping from Supplier to his home Port.

## 2.24 Sampling

Sampling is a process by which designer or developer develop particular parches order or any revision to the style of work and confirm with any specific requirement.

## 2.25 Types of sample

- Approved sample
- Counter sample
- Proto sample
- Size set sample
- Pre-production sample
- Production sample
- Lab-test sample
- Photo shoot sample
- Sales man sample
- Shipment sample

## 2.26 Proto sample

This samples are proto type of new design created by designers. This is the first sample in product development stage. Proto sample is made to communicate the design of a style or a line or to present garment structure. In proto samples fit and fabric detailing is not been considered.

Initial sample just to see the capabilities of the factory whether can make such sample or not.

- Fabric (should be same content and construction but may not be of same color)
- Accessories (Available but if similar is better).
- Embroidery (Just simulation with any embroidery work preferably same size and width but placement should be correct)
- Printing (Simulation with same size quality/type of print but may not be of same pattern and color)
- Attachment of Value Added Items Omamenation (may be simulated with like items)
- Washing (If fabric construction and contents are actual then exact washing may be done to seethe effect of high/low, abrasion, hand feel, softness and drivability)
- Finishing and folding (not necessary)
- Finishing accessories (not necessary)
- Packing (not necessary)

## 2.27 Counter sample

Usually the duplicate sample retained by the sample room for future reference is known as Counter sample but for H&M buyer the counter sample mean the sample with all actual, with approval of witch no production can be proceeded as such Counter Sample for H&M is very important and carries a different meaning all together.

- Fabric (Actual)
- Accessories (All actual)
- Printing (All actual)

- Attachment of Value Added Items (Actual)
- Washing (Actual with all effect of high/low, abrasion, hand feel, softness and drivability in acceptable quality)
- Finishing and folding (As instructed by buyer)
- Finishing accessories (As instructed by buyer)
- Packing (As instructed by buyer)

### 2.28 Size set sample

The purpose of the size set is to check fit of the garment in different sizes. In this stage factory develops samples in multiple sizes. Generally, buyers ask size set sample in jump sizes, like S, L, XXL. Buyer check size set sample and give feedback to factory if anything need to be corrected.

When initially a sample is made then usually the middle size is considered. But after confirmation of all measurement and fitting details then the garment is graded for all the size. For similar size grading-down is carried out and for upper sizes grading-up is done. With this graded measurement all sizes of garments are made and their fitting accuracy is evaluated. Without approval of complete size set cannot proceed for bulk production as such this is also very important and to be made and submitted on time to start bulk production as per schedule date.

- Fabric (Actual)
- Accessories (All actual)
- Printing (All actual)
- Attachment of Value Added Items (Actual)
- Washing (Actual with all effect of high/low, abrasion, hand feel, softness and drivability unacceptable quality)
- Finishing and folding (As instructed by buyer)
- Finishing accessories (As instructed by buyer)
- Packing (As instructed by buyer)

### 2.29 Pre-production sample

All the above samples are made in sampling department. Buyer wants pre-production sample (PP sample) to be made in actual production line, so that operators know what are they going to make. This sample is made with actual fabric, trims and accessories and made by sewing line tailors. PP sample must be approved by buyer or buying house merchants (technical persons) prior to proceeding actual production.

These are very also very important sample as without approval of such sample production cannot be started. Nothing to be confused with size-set sample as size-set sample covers only the sizes whereas Pre-Production sample may have to be all colors of fabric also as different color may have different type's shrinkage and cross-staining character which may have to treat with special care.

- Fabric (Actual)
- Accessories (All actual)
- Printing (All actual)
- Attachment of Value Added Items (Actual)
- Washing (Actual with all effect of high/low, abrasion, hand feel, softness and drivability unacceptable quality)
- Finishing and folding (As instructed by buyer)
- Finishing accessories (As instructed by buyer)
- Packing (As instructed by buyer)

### 2.30 Production sample

Once production is online, few pieces is taken out in the middle of the production. Production pieces are sent to buyer as Production sample. All buyers does not asked for Production sample. Purpose is to cross-check whether factory is following PP sample specification or not. Is the sample to represent the floor production as such these samples are taken from the production of the floor to assess the overall quality standard of the garments being produced.

- Fabric (Actual)
- Accessories (All actual)
- Printing (All actual)
- Attachment of Value Added Items (Actual)

- Washing (Actual with all effect of high/low, abrasion, hand feel, softness and drivability in acceptable quality)
- Finishing and folding (As instructed by buyer)
- Finishing accessories (As instructed by buyer)
- Packing (As instructed by buyer)

### 2.31 Bulk production sample

These are the samples pulled from the bulk production to represent the bulk production. These usually cover all sizes and all colors.

- Fabric (Actual)
- Accessories (All actual)
- Printing (All actual)
- Washing (Actual with all effect of high/low, abrasion, hand feel, softness and drivability in acceptable quality)
- Finishing and folding (As instructed by buyer)
- Finishing accessories (As instructed by buyer)
- Packing (As instructed by buyer)

### 2.32 Photo shoot sample

Sometimes buyer wants to do the advertisement with the garments well ahead of getting the same in the store/market and accordingly they ask for nicely stitched garments. The photo of the garments are taken putting on the same by some models and the same is displayed in the retail shop or advertisement is done on papers, magazines, brochures etc to allure and attract the customers.

- Fabric (Actual)
- Accessories (All actual)
- Printing (All actual)
- Attachment of Value Added Items (Actual)
- Washing (Actual with all effect of high/low, abrasion, hand feel, softness and drivability in acceptable quality)

- Finishing and folding (As instructed by buyer)
- Finishing accessories (As instructed by buyer)
- Packing (As instructed by buyer)

### 2.33 Salesman sample

These are the samples need to supply to buyer to help him in doing campaign for marketing the item. These are displayed in the chain store/retail shop well ahead of the bulk quantity receive by the store.

- Fabric (Actual)
- Accessories (All actual)
- Printing (All actual)
- Attachment of Value Added Items (Actual)
- Washing (Actual with all effect of high/low, abrasion, hand feel, softness and drivability in acceptable quality)
- Finishing and folding (As instructed by buyer)
- Finishing accessories (As instructed by buyer)

### 2.34 Shipment sample

There may be three instances for shipment sample with different requirements from buyer (Before inspection for approval of buyer to conduct final inspection, After inspection but holding the shipment and waiting for buyers comments, After inspection sending buyer to represent the inspected and shipped garments.

- Fabric (Actual)
- Accessories (All actual)
- Printing (All actual)
- Attachment of Value Added Items (Actual)
- Washing (Actual with all effect of high/low, abrasion, hand feel, softness and drivability in acceptable quality)
- Finishing and folding (As instructed by buyer)
- Finishing accessories (As instructed by buyer)
- Packing (As instructed by buyer)

### 2.35 Pre-Production Meeting

Once pre-production (PP) sample is approved (also called sealer sample) and most of the trims are sourced, merchants or production planning department conduct pre-production meeting with production team, quality team and sourcing team. All important comments, procedures to be followed, dos and don'ts are discussed. Scheduling of PCD (planned cut date) and shipment date is announced to all teams.

The processes that are done prior to start of bulk garment production are known as pre-production process. From sample development, approvals, research and development work for orders, testing of raw material to pre-production meeting are pre-production process. Pre-production processes are very important for the efficient production. A typical garment export house generally has following pre-production processes:

### 2.36 Meeting with buyers

In this stage designer of a manufacturing house shows their creations, latest designs to buyers. On other hand if buyer already had fixed design of a style and need few changes on it related to fit, fabrics or trims they discuss those thing with the merchandiser of the manufacturing unit.

Development of initial samples for the buyer

In this stage after receiving buyer's concept or instructions on the new style, samples are made with available fabrics and trims.

Development of fabric sample, bit loom, print and embroidery artwork

Fabric is developed as per the buyer requirement. Fabric development means sourcing of customer specific fabric with matching properties, dyed and finished for solid colors. For the solid color lap dip approval is very important process. Until lap dip sample is approved merchants re-submit lap dips. In case of yarn dyed fabrics merchants develop fabric sample with specified design, stripes or checks.

These fabric samples called as Bit Loom. Other approvals such as print and embroidery artwork approval and color approval are done. It may be done later stage at time of pre- production.

### 2.37 Costing of garment (complete cost as well as manufacturing cost)

Merchants prepare cost sheet with details cost break up such as raw material cost, manufacturing cost, overheads and margin. Costing is very a critical stage. Because whether a company will get order or not depends on their costing.

If they garment cost is very high then manufacturer may lose the order and on other hand if factory keep their cost low, they will not earn profit from the order. Estimation of the garment cost should be done on data based.

### 2.38 Pattern making, correction of pattern, pattern grading

Pattern master prepares first fit pattern, then re-develop pattern adding buyer comments and rectification on fit sample. After fit approval pattern master grade pattern for size set samples only for specified sizes. Once order is ready for production they grade pattern for whole size range.

Each sample has certain purpose. Samples are made in sampling department and sent to buyer for approvals.

Correction of fit samples according to buyer comments

If sample is not approved or further work is recommended by buyer. Correction is done and re-submitted to buyer.

### 2.39 Production planning, Material planning and line planning

To start production on time and ship the order on time planning is must. Planning is needed for material sourcing, production capacity, line planning. Scheduling of jobs and responsibility is defined at this stage.

Placing order for fabrics, trims, accessories and packing materials

Sourcing of raw material.

Testing of fabrics and other raw materials

Physical properties are being tested for bulk fabric. This test can be done in in-house testing labs.

Study of approved sample

For operation break down, work content, critical operation and line setting. Also finding best ways for producing the garment most efficiently in the production stage.

#### 2.40 Production Follow up

Production planning and control is one of the most important aspects of the garment manufacturing industry. Precision in planning equates to on-time shipments, the best use of labor and assurances that appropriate supplies and equipment are available for each order. Production planning involves everything from scheduling each task in the process to execution and delivery of products.

#### 2.41 Keep Costs as low as Possible

Garment manufacturers can't afford to lose time or materials in the production process. Lost time can lead to late fees when products aren't delivered as promised. Buyers quickly find other companies to replace manufacturers who can't deliver, and in an industry that already faces tight competition, you can't take that chance. Raw material prices rise consistently, and poor planning can lead to missed opportunities and higher costs.

With styles changing rapidly and vendors making increasingly smaller orders to keep up with changing trends, the planning phase of each production piece must be as accurate as possible.

#### **Reduce Loss**

About 60 to 70 percent of the cost of a garment is in the fabric, according to Stitch World. As such, it's vital that you order appropriately and track your cutting room processes to keep mistakes to a minimum. Effective production planning relies on your ability to order the appropriate amount of fabric for a run and realize no more than a 2 to 3 percent rate of error in cutting. That means that the number of garments produced should equal 97 to 98 percent of the garments cut.

### **Deliver Timely Shipments**

Early delivery can be as harmful to your company's future as late delivery, because buyers then must accommodate early deliveries with additional storage capacity. Ideally, your planning should allow for exact delivery when the customer demands. At the same time, you need to have sufficient labor and raw material delivery in the exact proportions to meet the deadlines without having to pay extra for overnight material deliveries and labor overtime. According to Stitch World, the trend in the garment industry is to demand

shorter and shorter lead times between ordering and delivery; manufacturers who can meet short lead times have a distinct competitive advantage.

### **Follow Up Daily**

Once you set plans for a garment run and delivery deadlines for each task in the process, you must institute strict follow-up procedures to ensure your plan is being followed correctly. If the cutting room falls behind in its production schedule, for example, your sewing and finishing lines must wait, leading to potential backlogs and missed deadlines for shipment. To avoid lost time in the production, you must provide daily oversight of each step and keep the rest of the line updated with any delays so plans can be adjusted to pick up any slack.

## [2.42 Procedures followed by production](#)

### **Start-up assistance**

C&C Garment Supports team will be present in the production plant at the moment of article startup, to assist at each production process step, in order to achieve the required quality level and production targets in the shortest possible delays.

Special attention will be given to respecting the clients requirements, methods and technical specifications.

C&C Garment Support will follow until the complete process has been secured and guaranteed.

#### 2.43 Production plant evaluation

C&C Garment Support will audit manufacturing plants on behalf of their clients, this can be on general base as well as focused on specific targets (articles, ethnicity) audits will evaluate the manufacturing plants :

- Workforce
- Technical Equipment
- Operational organization
- Productivity
- Quality Assurance System
- Production follow up
- C&C Garment Support are offering to follow / coordinate the complete production process, such as :
  - Production Planning follow up and reporting
  - Periodical checkups at production sites for :
    - Methods
    - Quality level
    - Output / delivery targets
    - Quantitative / Qualitative feedback and adjustment
    - Production reports and summaries
    - Quality system evaluation
  - C&C Garment Support will investigate and evaluate, in function of clients demand and standards, if and how actual/prospected production plants are organized and able to obtain and to maintain the requested quality level.

#### 2.44 Production control

In cases where the quality level might not be obtained entirely by the Quality Assurance System, C&C Garment Support team is available to be present in the production plants to do quality controls on finished articles during production, as well as final controls before shipping.

Production quality controls will be based on the technical specifications and checklists composed with the client.

Controls are always AQL-based (ISO 2859) and results are reported in a clear and understandable format to manufacturer as well as to the client.

As Quality Assurance and Prevention are very important to us, not only will the defects be mentioned, C&C Garment Support will propose solutions for improvement and repair as well.

#### 2.45 Final Inspection

If you are already working in garment production, you might know that garments are inspected at various stages in manufacturing process.

The simple steps involved in making quality inspection reports.

- Design quality inspection format(s)
- Record quality inspection data while inspecting goods - online or off the line
- Analyze data and make summary of the reports.

#### 2.46 Making an Inspection Report

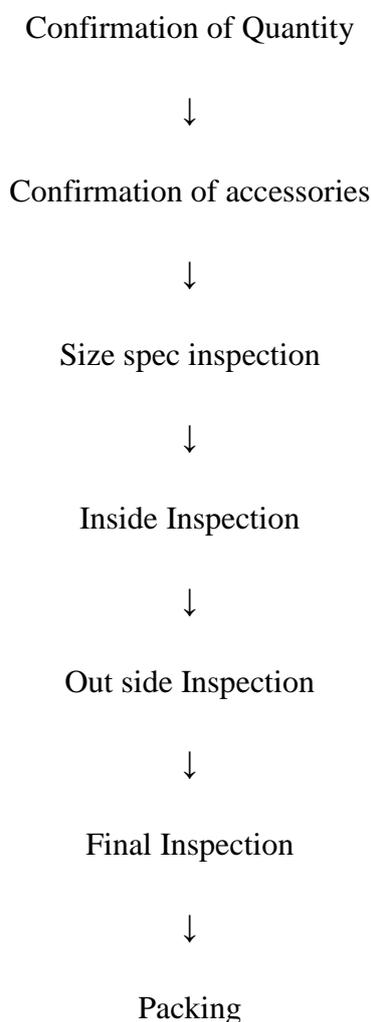
First define what is the purpose of making a quality inspection report in your factory? Then according to the information requirement you have to design inspection format. For your information common quality measures are Percentage Defective of garments in a production lot, DHU etc.

Your objective of garment inspection might be one of the followings. Method of making inspection report explained accordingly.

### 2.47 Garment Inspection

The inspections are done to control the quality is means by examining the products without the products any instruments. To examine the fabric, sewing, button, thread, zipper, garments measurements and so on according to specification or desired standard is called inspection. There are so many facilities for inspection in every section of garments industries. The aim of inspection is to reduce the time and cost by identifying the faults or defects in every step of garments making.

#### Flow Chart of Garment Inspection



### 2.48 Inspection Procedure of Garments are Described Below

#### 1. Confirmation of Quantity:

First step of garment inspection start with confirmation of Quantity with the vendors packing list by counting all Pices. Of each box. If Qty is not matching to the packing list and written in the box then this discrepancy is informed to the vendor.

## **2. Confirmation of Accessories:**

Next step is the confirmation of accessories, here we confirm brand tags, demerit tags, Price tags, or other tags, wash care labels, woven labels, or other labels and accessories as required by the buyer.

## **3. Size Spec inspection:**

After confirmation of accessories all pcs are checked as per size spec based on the instruction sheet which is given by the buyer side. If any measurement problem is noticed then we check the original sample and inform the buyer same time.

## **4. In Side Inspection:**

At this stage garment is checked from reverse side to ensure that there is no fabric defect, poor stitching, and stains etc. in the garment.

## **5. Out Side Inspection:**

At this stage garment is checked from outside to ensure that there is no color variation, weaving defect, fabric defect, printing defect, holes, poor stitching, bad smell , dying defect and stains etc. in the garment.

## **6. Final Inspection:**

Final Inspection stage is the most important part of inspection process, here garment is rechecked to confirm that inspection is done properly without missing any checking step if any defect is noticed we put it into rejection bin or send it for repay.

## **7. Packing:**

All “Grade-A” goods are put back into poly bags as per the original packaging and then they are send for needle inspection.

So, depending on the quality of defect some garments are send for repair and some are rejected.

## 2.49 Shipment & Delivery

### **Documentation for shipment:**

- Packing list
- Commercial invoice
- ERC(export registration certificate)
- Bank account.
- Bill of Lading.

**FOB:** (Free on Board) is simply the Supplier delivers the goods to his nearest Port and hands them over to the Freight Forwarder nominated by the Buyer. Buyer then pays the freight and arranges Insurance

### **CNF: CLEARING & FORWARDING**

**CIF:** (Cost Insurance Freight) means that the Supplier delivers the goods to his own Freight Forwarder who then ships the goods to the destination Port. Seller pays freight and insurance.

From a Buyer's point of view, CIF is better as he does not have to worry about arranging shipping from Supplier to his home Port.

## 2.50 Terms of trade

### **C&F (cost and freight)**

The seller/supplier agrees to contract the freight and pay "cost and freight" for loading the goods, cleared for export, on board a vessel and the charges to ship the goods to destination. The buyer bears the risk of the goods from the time they pass the ship's rail at the port of shipment and pay for the insurance coverage, and for the unloading costs at the port of destination.

### **CIF (cost, insurance, freight)**

The seller's price includes all charges, freight and insurance up to the point where the ship carrying the goods arrives at the port of destination; the goods must be cleared for export by the seller. From that point the buyer has to bear all charges and risks, including unloading costs.

**CM:** This refers to the manufacturing cost and this term means "cut and make". The buyer supplies all the materials to the manufacturer.

**CMQ:** This term means "cut, make and quota" and is similar to 'CM' except that the manufacturer has to supply the quota as well.

**FOB:** This term means "Free On Board". The supplier is responsible for all charges (including export licenses, export taxes, etc.) and risks until the goods have passed over the ship's rail at the port of shipment; the merchandise must be cleared for export. The buyer contracts and pays for the freight and bears all risks for loss or damage to the goods as soon as the merchandise passes the ship's rail. The buyer also pays for all import duties and clears the goods through customs at the point of destination.

**FOB Airport (FOA):** This is similar to the term FOB except that the mode of transportation is an air carrier. The supplier fulfills his obligations after he has delivered the goods to the air carrier. The goods must be cleared for export by the supplier.

**Export License:** In Hong Kong, export licenses are needed for all garments and textile products. The licenses are issued by the Trade Department.

**Packing List:** This is a document that indicates the contents of each individual carton/ package in the container. The packing list includes the cubic measurement of the cartons/package, the weight, the number of cartons/packages, the breakdown of the goods by size/color/quantity. This document is prepared by the seller or the ship owner, and the buyer can specify which information should be included.

## **2.51 Shipping terms**

**Consignee:** The person whose name appears on the bill of lading or airway bill as the party to whom the goods are to be delivered by the carrier

**FCL (full container load):** A fully loaded container which may be in weight or cubic measurement terms, contracted by one shipper, and conveyed to one consignee and to one destination

**LCL (less container load):** A consignment of cargo which does not fill a full container, grouped with other consignments for the same destination.

**Shipper:** This is the person whose name appears on the bill of lading or airway bill as the party who has contracted the carrier to dispatch the goods.

**Shipping Marks:** These are marks essential to identifying cargo and linking that cargo with specific documents. Because these marks are important as identifiers, the marks and numbers should be as simple as possible. Shipping marks include the abbreviated name of buyer, reference number, destination, package number, and container number (if applicable).

**Garment on Hangers (GOH):** The garments are packed into the container on hangers

## 2.52 Letter of Credit (L/C)

Letters of credit (L/C) is in general a conditional document extended by the bank in connection with presentation of export value. L/C plays a very dominant role in this matter. On receipt of this document from the buyer, the exporters become sure that they would obtain foreign currency after the peaceful shipment of the consignment directed by the buyer in the L/C. and for monetary transactions in this connection the negotiation banks stand as a symbol of surety for the exporters. Negotiating bank act on behalf of the exporter and is held liable or responsible for realization of exporter's money from the L/C opening bank.

A credit may be advised to a beneficiary through another bank (the advising bank) without engagement on the part of the advising bank, but that bank shall take reasonable care to check the apparent authenticity of the credit which it advises. All credit will always clearly indicate whether they are available by sight payment, by differed payment, by acceptance or by negotiation. Moreover every credit must nominate the bank (nominated bank) which is authorized to pay (paying bank) or to accept drafts (accepting bank) or to negotiate (negotiating bank), unless the credit allows negotiation by any bank (negotiating bank).

The nominated bank unless is the issuing bank or the confirming bank, its nomination by the issuing bank does not constitute any undertaking by the nominated bank to pay, accept or negotiation. When an L/C issuing bank instructs a bank (advising bank) by any telegrams mission to advise a credit or a amendment to a credit, and intends the mail confirmation to be the operative credit instrument.

There are some methods of payment of export value. These are as follows:

- Through letters of credit
- Through advance T.T remittances
- Deferred payment
- C.A.D basis etc.

Of all the methods referred to above, letter of credit method is most popular and it is in fashion.

### 2.53 Common parties in an L/C

Letters of credit accomplish their purpose by substituting the credit of the bank for that of the customer, for the purpose of facilitating trade. There are basically two types: commercial and standby. The commercial letter of credit is the primary payment mechanism for a transaction, whereas the standby letter of credit is a secondary payment mechanism.

### 2.54 Opening an L/C

Letter of Credit – A common term known to almost all business world. Buyer entered in to a contract with your overseas supplier to import machinery for production at your factory. As per your contract each other, a buyer need to open a Letter of credit (LC). In this case, Letter of credit is opened by your bank (or other opening bank) and beneficiary of letter of credit is your overseas seller of machinery. Letter of credit is a guarantee given by your bank (not buyer) to your buyer's bank on account of your buyer. The amount under LC is transferred as per the terms and conditions mentioned in Letter of credit. Please also read other articles about Letter of Credit in same website to know more about Letter of Credit.

### 2.55 Procedures to open a Letter of Credit

A buyer can approach to the bank to open a Letter of credit. The concerned officer at bank helps you in filling up necessary application to open an LC. Since the LC is opened on the basis of the purchase contract, a copy purchase order / export contract has to be produced with along with other required documents. The bank may ask you to keep certain percentage of 'margin amount' with bank.

### 2.56 Document needed to present an L/C

Documents required for New Importer while Opening L/C:

An importer should follow the relevant import formalities while the importer tends to import goods to Bangladesh. A list of significant documents which are required for a new importer while opening a L/C is given below:

- Account to be maintained with the bank.
- Valid Import Registration Certificate (IRC).
- Bonded warehouse license (in case of export oriented industry).
- Pro-forma Invoice (PI) issued by the foreign supplier.
- Insurance cover note.
- Trade license.
- TIN (Tax Identification Number) Certificate.
- VAT (Value Added Tax) Certificate.
- Declaration in triplicate regarding the payment of income tax by the importer.
- Letter of Credit Authorization Form duly filled in and signed by the importer.
- One set of IMP form duly signed by the importer.
- Valid membership certificate from a registered Chamber of Commerce and Industry or Trade Association.
- Membership certificate from BGMEA (Bangladesh Garment Manufacturers and Exporters Association) in case of Garments Industry.
- Proof of payment of renewal fees for the IRC.
- Certificate of incorporation with RJSC (Registrar Joint Stock Companies).
- Certificate of commencement.
- Resolution of Board of Directors.
- Any such documents as may be required as per Import Policy Order (IPO).

### 2.57 Discrepant Documents

A list of common discrepancies is given below:

- Unclean Bill of Lading.
- Bill of Lading.
- Bill of Lading undated.

- Shipment effected from port other than that stipulated in the credit.
- Goods shipped on deck (unless stipulated in the credit).
- Full set of bill of lading not presented.
- Certificate of country of origin not presented.
- Certificate notifying insurance company of shipment not presented.
- Weighment certificate not presented.
- Cuttings or alterations in documents not authenticated.
- Documents inconsistent with each other.
- Description of goods on invoice differs from that in the credit.
- Weights differ between documents.
- The amount shown in invoice and bill of exchange differ.
- Shipping marks and numbers differ between documents.
- Credit amount exceeded.
- Credit expired.
- Documents not presented in time.
- Late shipment.
- Short shipment.
- Absence of documents called for in the credit.
- Bill of exchange drawn on a wrong party.
- Bill of exchange payable on an indeterminable date.
- Absence of signatures in the documents.
- Packing list not submitted.
- Inspection certificate not submitted.
- Unit price not mentioned in invoice.

## 2.58 Errors in an L/C

### Common Defects in Documentation

About half of all drawings presented contain discrepancies. A discrepancy is an irregularity in the documents that causes them to be in non-compliance to the letter of credit. Requirements set forth in the letter of credit cannot be waived or altered by the issuing bank without the express consent of the customer. The beneficiary should prepare and examine all documents

carefully before presentation to the paying bank to avoid any delay in receipt of payment. Commonly found discrepancies between the letter of credit and supporting documents include:

- Letter of Credit has expired prior to presentation of draft.
- Bill of Lading evidences delivery prior to or after the date range stated in the credit.
- Stale dated documents.
- Changes included in the invoice not authorized in the credit.
- Inconsistent description of goods.
- Insurance document errors.
- Invoice amount not equal to draft amount.
- Ports of loading and destination not as specified in the credit.
- Description of merchandise is not as stated in credit.
- A document required by the credit is not presented.
- Documents are inconsistent as to general information such as volume, quality, etc.
- Names of documents not exact as described in the credit. Beneficiary information must be exact.
- Invoice or statement is not signed as stipulated in the letter of credit.

When a discrepancy is detected by the negotiating bank, a correction to the document may be allowed if it can be done quickly while remaining in the control of the bank. If time is not a factor, the exporter should request that the negotiating bank return the documents for corrections.

If there is not enough time to make corrections, the exporter should request that the negotiating bank send the documents to the issuing bank on an approval basis or notify the issuing bank by

wire, outline the discrepancies, and request authority to pay. Payment cannot be made until all parties have agreed to jointly waive the discrepancy.

### 2.59 Bill of Lading

A bill of lading is a document issued by a carrier, e.g. a ship's master, acknowledging that specified goods have been received on board as cargo for conveyance to a named place for delivery to the consignee who is usually identified. A through bill of lading involves the use of at least two different modes of transport from road, rail, air, and sea. The term derives from the noun "bill", a schedule of costs for services supplied or to be supplied, and from the verb "to lade" which means to load a cargo onto a ship or other form of transport.

A document evidencing the receipt of goods for shipment and issued by a freight carrier engaged in the business of forwarding or transporting goods. The documents evidence control of goods. They also serve as a receipt for the merchandise shipped and as evidence of the carrier's obligation to transport the goods to their proper destination.

### Warranty of Title

A warranty given by a seller to a buyer of goods that states that the title being conveyed is good and that the transfer is rightful. This is a method of certifying clear title to product transfer. It is generally issued to the purchaser and issuing bank expressing an agreement to indemnify and hold both parties harmless.

### 2.60 Letter of Indemnity

Specifically indemnifies the patron against a certain stated circumstance. Indemnification is normally used to warranty that transport documents will be furnished in proper order when available.

### **Tips for Exporters**

- Communicate with your clients in detail before they follow for letters of credit.

- Consider whether or not a confirmed letter of savings is needed.
- Ask for a copy of the utility to be fax to you, so you can test for phrases or prerequisites that can also purpose you troubles in compliance.
- Upon first advice of the letter of credit, check that all its terms and stipulations can be complied with within the prescribed time limits.
- Many shows of documents run into issues with time-limits. You must be aware of at least three time constraints - the expiration date of the credit, the trendy transport date and the maximum time allowed between dispatch and presentation.
- If the letter of credit score calls for files provided by means of third parties, make real looking allowance for the time this may take to complete.
- After dispatch of the goods, take a look at all the archives each towards the terms of the savings and towards each different for inside consistency.

### 2.61 Short declaration of principles

The fashionable short form bill of lading is a part of the contract of carriage of goods and it serves a wide variety of purposes:

It is evidence that a legitimate contract of carriage exists and it comprises the full terms of the contract between the consignor and the provider via reference (i.e. the quick form truly refers to the main contract as an present document, whereas the lengthy shape of a consignment of lading issued by the service sets out all the terms of the contract of carriage); it is a receipt signed by way of the provider confirming whether goods matching the

Contract description have been received in proper situation (a bill will be described as easy if the goods have been acquired on board in obvious exact condition and stowed prepared for transport); and it is also a document of transfer, but not a negotiable instrument, i.e. it governs all the felony aspects of bodily carriage but, in contrast to a cheque or different negotiable instrument, it does now not affect ownership of the items surely being carried. This fits everyday experience in that the contract a character would possibly make with a commercial carrier like FedEx is separate from any contract for the sale of the goods to be carried.

### 2.62 Order invoice of lading

This invoice uses specific phrases to make the invoice negotiable, e.g. it states that transport is to be made to the further order of the consignee the usage of words such as "delivery to A Ltd. or to order or assigns". Consequently, it can be endorsed with the aid of A Ltd. or the proper to

take transport can be transferred by bodily transport of the invoice accompanied with the aid of enough evidence of Led's intention to transfer.

### **Bearer consignment of lading**

This consignment states that shipping shall be made to whosoever holds the bill. Such bill can also be created explicitly or it is an order invoice that fails to nominate the consignee whether or not in its original structure or thru an endorsement in blank. A bearer consignment can be negotiated via bodily del

### **2.63 Performa Invoice (PI Sheet and its items)**

P.I Sheet means P.I Performa Invoice. After giving order reserving to suppliers for Fabric/ Accessories by using merchandising branch Supplier Issue Performa Invoice. In foreign alternate transaction, a Performa consignment is a record that states a commitment from the seller to reserve some items to be bought to a sure person, the buyer. the client places an order and if the vendor agrees, it lengthen a Performa bill and consents to all the phrases distinctive in it, the items are ship and the Performa is replaced by means of a commercial bill Merchandising branch has to take a look at these things properly:

#### **Top part:**

- Name and tackle of seller
- Invoice number and date.
- Buyer title and address.
- Body/middle part:
- Product description.
- Unit price.
- Total price.
- Bottom part:
- Shipment date.
- Shipment terms FOB or C&F.
- Country of origin.
- Terms of payment, at sight or one hundred twenty days.
- Others exclusive terms.

Performa Invoice is a document that's sent to a buyer quoting/accepting fee and bringing up terms and prerequisites of payment, cargo etc. so that customer can open LC according to the Performa Invoice. Performa Invoice is no longer a actual invoice – it is merely a file that publicizes the seller's dedication to furnish the products or offerings fixed to the purchaser at sure prices.

## 2.64 Importance of Performa Invoice

Often when conceivable importers are duly comfy with the product, quality, pattern dispatched for approval or lab analysis, packing, delivery schedule and prices acceptable. They request for a company offer from the exporters.

This is not enough facts for importers to make a buying decision. To make lifestyles easier for buyers, exporters always quote the usage of a cautiously organized Performa invoice.

It is a frequent for most exporters to furnish their buyers with confined information when asked for a quotation. This lack of details and accurate information by way of exporters is in all likelihood a fundamental aspect why merchandise with true quality and competitive prices do now not get sold.

Whether you are the exporter or the importer, it is quite fundamental that you recognize how profitable exporters quote buyers the usage of seasoned forma invoice. You be in a position to certainly distinguish the differences between quotation, Performa bill and commercial invoice. The following brief descriptions are meant to help you understand their variations and to grant you with all the items that you should encompass in a Performa invoice plus the areas that you have to consider when completing a commercial invoice.

### **Quotations**

A worksheet for calculating export expenses to sell items or services at a mentioned rate and below particular conditions, the quotation is normally introduced to the consumer in a formal way the usage of a Performa invoice. A quotation can also consist of all the contents that show up in a traditional pro forma bill except:

- (1) Country of starting place of product and
- (2) The title Performa invoice.

## 2.65 Description about HEMA

HEMA (Dutch pronunciation: (he:ma) originally an acronym for Hollandsche Eenheidsprijzen Maatschappij Amsterdam, "Hollandic Standard Prices Company Amsterdam") is originally a Dutch bargain retail chain that began lifestyles as a dime store, owned via the British investment company Lion Capital LLP from 2007 to 2018, when it was bought to Dutch billionaire Marcel Boekhoorn. The chain is characterized by using exceptionally low pricing of normal housewares, which are in most cases made via and for the chain itself, often with original design. The first HEMA opened in Amsterdam on four November 1926, set up by means of the owners of the luxurious department keep De Bijenkorf. Originally, as a price-point retailer at high areas in city centers, items have been offered the use of well known expenditures (hence its name), with the whole lot having a popular rate of 10, 25 or 50 cents, and later also seventy five and a hundred cents. The relative monetary growth in the Netherlands in the duration 1900–1930 benefited HEMA.

During World War II, a wide variety of Jewish personnel (there have been a enormously high variety because of the Jewish roots of the company) were murdered through the Nazis, which is remembered each year by way of laying a wreath on 4 May, the Dutch Remembrance of the Dead, at the head office.

After World War II, this model may want to now not be sustained and the well

known pricing system used to be abandoned. But a length of fast growth followed: now almost each town of any importance in the Netherlands has a HEMA. Locations carry a broad variety of goods, which include clothing, food, bicycle equipment, gardening tools, and work place supplies.

In June 2007 Lion Capital bought the chain from Maxeda. In 2010, general pricing was reintroduced.[1] In 2015, HEMA used to be for the eighth time in a row the most integral brand in the Netherlands.

Since 2009 HEMA has opened small versions of their stores in railway stations, at Schiphol Airport and in small villages in the Netherlands, as well as their first mini market. HEMA employed in excess of 10,000 employees at over 500 stores by way of March 2011. HEMA opened its 700th keep on 14 December 2015 at Central Station in it is additionally the tenth shop of the retail chain on a Dutch railway station.

## HEMA store at London Stansted Airport

On 4 January 2014, HEMA's CEO Ronald van Zetten announced that it would department out to Spain and the UK opening the first stores within six months as nicely in addition expanding in France. The first Spanish keep opened on 3 April on Calle Fuencarral in Madrid, and the first British keep will be open in the Victoria Place shopping centre, subsequent Victoria station in London on 12 June.

### 2.66 Description about H & M

The company was once founded by Erling Persson in 1947, when he opened his first store in Västerås, Sweden. The shop, called Hennes completely offered women's clothing. Initially dispensed through the company's online catalogue, there are now H&M home stores placed internationally.

Hennes & Mauritz AB is a Swedish multinational clothing-retail business enterprise known for its fast-fashion clothing for men, women, young adults and children. H&M and its related groups function in sixty two international locations with over 4,500 shops and as of H&M: The Secret to its Success. Founded in 1947, Swedish apparel retailer H & M Hennes & Mauritz AB (STO:HM-B), in many instances recognized as H&M, has grown into one of the most recognizable brands in the fashion industry.

### Marketing & collaboration

In 2008, H&M bought 60 percentage of shares in the Swedish fashion organization Fabric Scand inavien AB, and bought the last shares in 2010 with a charge total ling SEK552 million (\$62.3 million). The company's three brands- Cheap Monday, Monki, and Weekday- continue to be run as separate concepts

For spring and summer time 2009, the British fashion designer Matthew Williamson created two exclusive tiers for the organization – the first being a collection of women's clothes released in selected stores. The 2d series saw Williamson department into menswear for the first time, solely in selected stores.

The 2nd collection also featured swimming wear for men and girls and was once on hand in each business enterprise keep worldwide.[21] On 14 November 2009, the organization released a limited-edition diffusion series through Jimmy Choo proposing shoes and handbags, ranging from £30 to £170 including a range of men's shoes. The collection also included clothing designed by means of Choo for the first time, many garments made from suede and leather,

and was once accessible in 200 shops worldwide, together with London's Oxford Circus store.[Sonia Rykiel additionally collaborated with the company, with the aid of designing a female knitwear and lingerie vary that was released in chosen organisation shops on 5 December 2009.

### 3. Methodology

#### 3.1 Order Sheet

**Purchase Order Sheet:** This is normally known as P.O. It is a industrial document. It is a written income contract between purchaser and seller detailing the genuine merchandise to be dispatched from a single vendor/ buyer.

Purchase Order - Online  
H&M

Supplier Original

Order No:	152261-5882	Product No:	0756710
PT Prod No:	53692	Product Name:	Franz Rugby Shirt
Date of Order:	01 Nov, 2018	Product Description:	Jumper/Sweater - Top-Long sleeve-Transitional-Other neck
Supplier Code:	2838	Season:	9-2019
Supplier Name:	FAKR APPARELS LTD.	Customs Customer Group:	Men
Option No:	1BDDH	Type of Construction:	Jersey
Development No:	0721119D		

Country of Production:	Bangladesh	Packing Mode:	Flat
Country of Delivery:	Bangladesh	No of Pieces:	1
Country of Origin:	Bangladesh	Sales Mode:	Single
Terms of Payment:	20 DAYS SHIP LESS 2%		

Terms of Delivery  
 NL/OE, OU, OG, OF, OB, SW, OR, OJ, WE, OK, OT, OI, LD  
 Transport by sea flatpacked. Terms: Free carrier Chattagram (Direct/via River Terminal/via Rail). Service Provider: Damco. Incoterms 2010.

Time of Delivery	
10 Dec, 2018:	OU (ONA40), SW (ONEH7), OR (ORUC7), OT (OTRH4), LD (OMXL3)
17 Dec, 2018:	NL/OE (OCE33), OF (OGEA3), OJ (OJPG1)
24 Dec, 2018:	WE (OWEG5), OK (OKRQ8)
31 Dec, 2018:	OG (OGBB7), OB (OCNB4), OI (OINL1)

Quantity/Article						
Article No	H&M Colour Code	PT Article Number	Colour	Graphical Appearance	Cost	Qty/Article
001	76-223	01	Blue Dark	Embroidery	5.34 USD	1411
					Total Quantity:	1411

Invoice Average Price	Country
5.34 USD	NL/OE, OU, OG, OF, OB, SW, OR, OJ, WE, OK, OT, OI, LD

**By accepting and performing under this Order, the Supplier acknowledges:**  
 (i) that he has received H&M Standard Purchase Conditions including the other standard conditions referred to therein; and  
 (ii) that the Conditions apply to the sale and purchase of Goods comprised in this Order; and  
 (iii) that the Supplier is bound by the terms set forth in the said Conditions.

Puls Trading Far East Ltd, buying agent for, and part of The H&M Group		
Visiting Address:	Suite 2102B, 21st Floor, Tower 6, China Hong Kong City 33 Canton Road, Tsim Sha Tsui Kowloon, Hong Kong +852 2736 8888 +852 2116 0365	Postal Address: Suite 2102B, 21st Floor, Tower 6, China Hong Kong City 33 Canton Road, Tsim Sha Tsui Kowloon, Hong Kong
Telephone:		
Fax:		

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Purchase Order Detail - Online  
H&M

Supplier Original

Order No:	152281-5882	Product No:	0756710
PT Prod No:	53652	Product Name:	Frenz Rugby Shirt
Date of Order:	01 Nov, 2018	Product Description:	Jumper/Sweater - Top-Long sleeve-Transitional-Other neck
Supplier Code:	2638	Season:	9-2019
Supplier Name:	FAKIR APPARELS LTD.	Customs Customer Group:	Men
Option No:	18DDH	Type of Construction:	Jersey
Development No:	0721119D		

Country of Production:	Bangladesh	Packing Mode:	Flat
Country of Delivery:	Bangladesh	No. of Pieces:	1
Country of Origin:	Bangladesh	Sales Mode:	Single
Terms of Payment:	20 DAYS SHIP LESS 2%		

Terms of Delivery

OB  
Transport by sea flatpacked. Terms: Free carrier Chattagram (Direct/Via River Terminal/Via Rail). Service Provider: Damco. Incoterms 2010.

Time of Delivery

31 Dec, 2018: OB (OCN84)

Quantity/Article

Article No	H&M Colour Code	PT Article Number	Colour	Graphical Appearance	Cost	Qty/Article
001	76-223	01	Blue Dark	Embroidery	5.34 USD	361
Total Quantity:						361

Invoice Average Price	Country
5.34 USD	OB

**By accepting and performing under this Order, the Supplier acknowledges:**

- (i) that he has received H&M Standard Purchase Conditions including the other standard conditions referred to therein; and
- (ii) that the Conditions apply to the sale and purchase of Goods comprised in this Order; and
- (iii) that the Supplier is bound by the terms set forth in the said Conditions.

**BUYER:** H & M Hennes & Mauritz (Shanghai) Commercial Ltd Co.  
81-3F, 645-689 Middle Huai Hai Road  
Lu Wan District  
Shanghai  
Peoples Republic of China

Puls Trading Far East Ltd, buying agent for, and part of The H&M Group  
**Visiting Address:** Suite 2102B, 21st Floor, Tower 6,  
China Hong Kong City  
33 Canton Road, Tsim Sha Tsui  
Kowloon, Hong Kong  
**Telephone:** +852 2736 6688  
**Fax:** +852 2116 0365  
**Postal Address:** Suite 2102B, 21st Floor, Tower 6,  
China Hong Kong City  
33 Canton Road, Tsim Sha Tsui  
Kowloon, Hong Kong

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Purchase Order Detail - Online  
H&M

Supplier Original

Order No:	152281-5882	Product No:	0756710
PT Prod No:	53932	Product Name:	Frnz Rugby Shirt
Date of Order:	01 Nov, 2018	Product Description:	Jumper/Sweater - Top-Long sleeve-Transitional-Other neck
Supplier Code:	2638	Season:	9-2019
Supplier Name:	FAKIR APPARELS LTD.	Customs Customer Group:	Men
Option No:	18DDH	Type of Construction:	Jersey
Development No:	0721119D		

Country of Production:	Bangladesh	Packing Mode:	Flat
Country of Delivery:	Bangladesh	No of Pieces:	1
Country of Origin:	Bangladesh	Sales Mode:	Single
Terms of Payment:	20 DAYS SHIP LESS 2%		

Terms of Delivery

OJ  
Transport by sea flatpacked. Terms: Free carrier Chattagram (Direc/Via River Terminal/Via Rail). Service Provider: Damco. Incoterms 2010.

Time of Delivery

17 Dec, 2018: OJ (OJPG1)

Quantity/Article

Article No	H&M Colour Code	PT Article Number	Colour	Graphical Appearance	Cost	Qty/Article
001	76-223	01	Blue Dark	Embroidery	5.34 USD	53
Total Quantity:						53

Invoice Average Price	Country
5.34 USD	OJ

By accepting and performing under this Order, the Supplier acknowledges:

- (i) that he has received H&M Standard Purchase Conditions including the other standard conditions referred to therein; and
- (ii) that the Conditions apply to the sale and purchase of Goods comprised in this Order; and
- (iii) that the Supplier is bound by the terms set forth in the said Conditions.

**BUYER:** H&M Hennes & Meuritz Japan KK  
GLP KAWASAKI  
3-1-4 Bagami-Shincho  
Kawasaki-Ku, Kawasaki City  
Kanagawa 210-0832, Japan

Puls Trading Far East Ltd, buying agent for, and part of The H&M Group

Waiting Address: Suite 2102B, 21st Floor, Tower 6,  
China Hong Kong City  
33 Canton Road, Tsim Sha Tsui  
Kowloon, Hong Kong

Telephone: +852 2736 6888  
Fax: +852 2116 0385

Postal Address: Suite 2102B, 21st Floor, Tower 6,  
China Hong Kong City  
33 Canton Road, Tsim Sha Tsui  
Kowloon, Hong Kong

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Purchase Order Detail - Online  
H&M

Supplier Original

Order No:	152281-5882	Product No:	0756710
PT Prod No:	53832	Product Name:	Finanz Rugby Shirt
Date of Order:	01 Nov, 2018	Product Description:	Jumper/Sweater - Top-Long sleeve-Transitional-Other neck
Supplier Code:	2638	Season:	S-2019
Supplier Name:	FAKIR APPARELS LTD.	Customs Customer Group:	Men
Option No:	18DDH	Type of Construction:	Jersey
Development No:	0721119D		

Country of Production:	Bangladesh	Packing Mode:	Flat
Country of Delivery:	Bangladesh	No of Pieces:	1
Country of Origin:	Bangladesh	Sales Mode:	Single
Terms of Payment:	20 DAYS SHIP LESS 2%		

Terms of Delivery
OK
Transport by sea flatpacked. Terms: Free carrier Chattagram (Dired/Via River Terminal/Via Rail). Service Provider: Damco. Incoterms 2010.

Time of Delivery
24 Dec, 2018: OK (OK/IG2)

Quantity/Article						
Article No	H&M Colour Code	PT Article Number	Colour	Graphical Appearance	Cost	Qty/Article
001	76-223	01	Blue Dark	Embroidery	5.34 USD	11
Total Quantity:						11

Invoice Average Price	Country
5.34 USD	OK

**By accepting and performing under this Order, the Supplier acknowledges:**  
 (i) that he has received H&M Standard Purchase Conditions including the other standard conditions referred to therein; and  
 (ii) that the Conditions apply to the sale and purchase of Goods comprised in this Order; and  
 (iii) that the Supplier is bound by the terms set forth in the said Conditions.

**BUYER:** H&M Hennes & Mauritz Ltd  
 19F, OCI Building  
 94 Sogong-ro, Jung-gu,  
 04532, Seoul  
 Republic of Korea

Puls Trading Far East Ltd, buying agent for, and part of The H&M Group  
**Visiting Address:** Suite 2102B, 21st Floor, Tower 6,  
 China Hong Kong City  
 33 Canton Road, Tsim Sha Tsui  
 Kowloon, Hong Kong  
**Telephone:** +852 2736 6688  
**Fax:** +852 2116 0385  
**Postal Address:** Suite 2102B, 21st Floor, Tower 6,  
 China Hong Kong City  
 33 Canton Road, Tsim Sha Tsui  
 Kowloon, Hong Kong

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Purchase Order Detail - Online  
H&M

Supplier Original

Order No:	152281-8882	Product No:	0796710
PT Prod No:	50992	Product Name:	Frenz Rugby Shirt
Date of Order:	01 Nov, 2018	Product Description:	Jumper/Sweater - Top-Long sleeve-Transitional-Other neck
Supplier Code:	2638	Season:	S-2019
Supplier Name:	FAKIR APPARELS LTD.	Customs Customer Group:	Men
Option No:	18DDH	Type of Construction:	Jersey
Development No:	072119D		

Country of Production:	Bangladesh	Packing Mode:	Flat
Country of Delivery:	Bangladesh	No of Pieces:	1
Country of Origin:	Bangladesh	Sales Mode:	Single
Terms of Payment:	20 DAYS SHIP LESS 2%		

**Terms of Delivery**  
OI  
Transport by sea flatpacked. Terms: Free carrier Chattagram (Dired/Via River Terminal/Via Rail). Service Provider: Damco. Incoterms 2010.

**Time of Delivery**  
31 Dec, 2018: OI (ONL1)

Article No	H&M Colour Code	PT Article Number	Colour	Graphical Appearance	Cost	Qty/Article
001	76-223	01	Blue Dark	Embroidery	5.34 USD	30
Total Quantity:						30

Invoice Average Price	Country
5.34 USD	OI

**By accepting and performing under this Order, the Supplier acknowledges:**  
(i) that he has received H&M Standard Purchase Conditions including the other standard conditions referred to therein; and  
(ii) that the Conditions apply to the sale and purchase of Goods comprised in this Order; and  
(iii) that the Supplier is bound by the terms set forth in the said Conditions.

**BUYER:** H&M Hennes & Mauritz Retail Private Limited  
A - Wing, 2nd floor  
D-3, District Center Saket  
New Delhi - 110017  
India

Puls Trading Far East Ltd, buying agent for, and part of The H&M Group  
**Visiting Address:** Suite 2102B, 21st Floor, Tower B, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong  
**Telephone:** +852 2736 8888  
**Fax:** +852 2116 0388  
**Postal Address:** Suite 2102B, 21st Floor, Tower B, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

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**Purchase Order - Sales Sample**  
**H&M**

Supplier Original

Sales Sample Order No:	57604	Product No:	0756710
Purchase Order No:	152281-5882	Product Name:	Finenz Rugby Shirt
Date of Order:	01 Nov, 2018	Product Description:	Jumper/Sweater - Top-Long sleeve-Transitional-Other neck
Supplier Code:	2638	Season:	9-2019
Supplier Name:	FAKIR APPARELS LTD.	Customs Customer Group:	Men
		Type of Construction:	Jersey

**Terms Of Delivery**

Transport by Courier: DHL  
 Account number to be used at shipment: 959169904.

**Time Of Delivery**

As soon as possible after approved Final Inspection of Order no. 152281-5882 and no later than 10 Dec, 2018

**Destination**

H&M Hennes & Mauritz GBC AB  
 Palermogatan 18  
 115 56 Stockholm  
 Sweden

**Sales Sample Terms**

The Sales Samples should be picked from bulk production of above mentioned Purchase Order no. Supplier is responsible to pick and send the Sales Samples from the first shipment batch after approved Final Inspection.  
 All Sales Samples should have correct hang tags and price tags attached before shipping. The Sales Samples should be packed with individual Polybags and have IT stickers (online) attached to each bag as in packing instructions – PIM.  
 All Sales Samples should be packed and shipped together in one parcel and sent by the Courier. If Sales sample from different Orders have the same Time of Delivery they can be shipped together in one parcel and sent by the Courier.  
 Costs for Sales Samples are included in the total price for the above mentioned Purchase Order no.  
 If the Supplier fails to deliver Sales Samples at the Time of Delivery, the Buyer has a right to cancel the above mentioned Purchase Order no. without any liability to the Supplier and the Supplier shall reimburse the Buyer for any and all costs in relation to such cancellation.

Article No	H&M Colour Code	PT Article Number	Colour	Graphical Appearance	Size	Qty
001	76-223	01	Blue Dark	Embroidery	M	2
001	76-223	01	Blue Dark	Embroidery	L	1

**By accepting and performing under this Order, the Supplier acknowledges:**

- (i) that he has received H&M Standard Purchasing Conditions including the other standard conditions referred to therein; and
- (ii) that the Condition apply to the sales and purchase of Goods comprised in this Order; and
- (iii) that the Supplier is bound by the terms set forth in the said Conditions.

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3.1 Figure: Order Sheet

## **P.O. Contains following components**

The Purchase Order is furnished to the supplier as a report of the Purchase.

**Purchase Order Number:** The wide variety is constant to the buy order. This is used to become aware of a precise order and for departmental document keeping.

**Vendor's Name and Address:** It includes the complete name and tackle of the man or woman or organization which manufacture the merchandise.

**Quantity:** The quantity of the item being bought has to consist of in P.O.

**UQP (Unit of Purchase):** The packaging of the style/item to be bought (i.e., each, box, package, poly, dozen, carton etc.)

**Unit Price:** The unit fee of the order.

**Extended Price/ Total Price:** The total charge of the order need to be mentioned.

**Description:** The whole order description is written on it i.e; color ationand size clever breakdown, imperative designs, buttons and different trims, printings, stitching thread used etc.

Ship To

**Deliver To:** The complete address of the shipping location.

**Date:** The date of order acquire and the shipment date.

**Payment Terms**

**Freight Terms**

**Ship Via**

**F.O.B**

**Freight Terms**

### **3.2 Tech Pack**

A tech pack is an informative sheet that designers create to talk with a producer all the quintessential components wished to construct a product. Typically designers will consist of measurements, materials, colors, trim, hardware, grading, labels, tags, etc.

STYLE: FRANZ RUGBY SWEATER

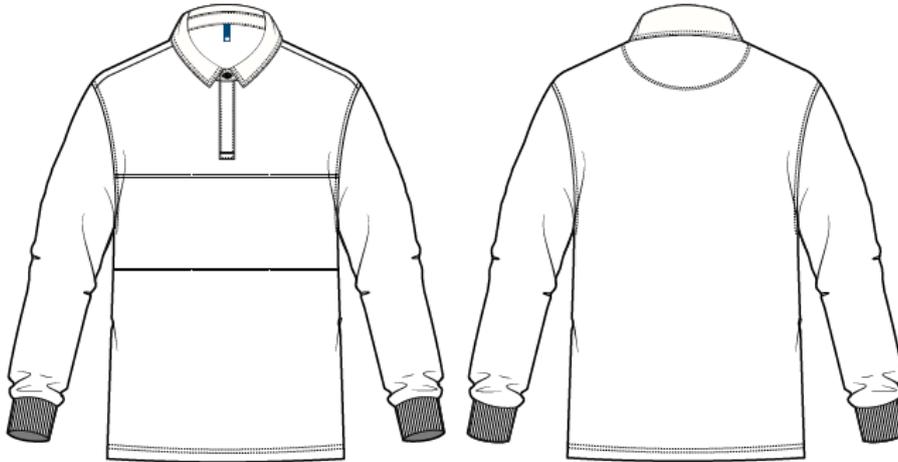
DEPT: 5882 DIVIDED BLUE

S: 9



Clean sketch

DIVIDED



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DESIGNER: ALEX ALLEN/CIARA ARTT

DATE OF CREATION: 180626

STYLE: FRANZ RUGBY SWEATER

DEPT: 5882 DIVIDED BLUE

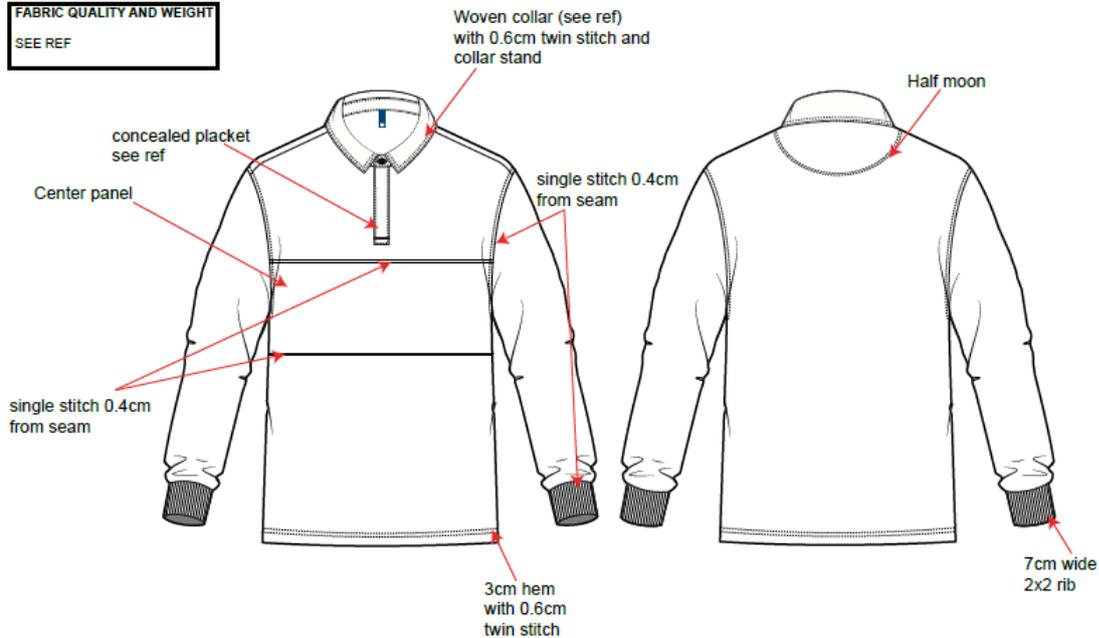
S: 9



Info

FABRIC QUALITY AND WEIGHT  
SEE REF

DIVIDED



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DESIGNER: ALEX ALLEN/CIARA ARTT

DATE OF CREATION: 180626

STYLE: FRANZ RUGBY SWEATER DEPT: 5882 DIVIDED BLUE S: 9 **H&M**

Info

REF FOR QUALITY AND WEIGHT OF 2X2 CUFFS



**DIVIDED**

FOLLOW REF FOR QUALITIES OF COLLAR PLEASE MAKE 250GSM



TRIMS

Buttons	Description and size:	Finish:
	Plastic Button/4 Hole High (PB/4H-H) 18L	PB/4H-H Imitation Corozo 10-100 (M) Matte

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DESIGNER: ALEX ALLEN/CIARA ARTT

DATE OF CREATION: 180626

★ REVISION: 180920

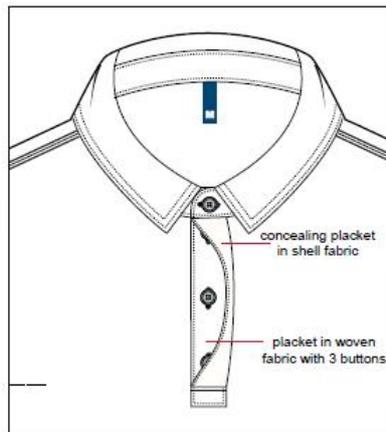
STYLE: FRANZ RUGBY SWEATER DEPT: 5882 DIVIDED BLUE S: 9 **H&M**

Info

FOLLOW REF FOR FABRIC QUALITY AND REF



REF FOR LOOK OF CONCEALED PLACKET AND COLLAR



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DESIGNER: ALEX ALLEN/CIARA ARTT

DATE OF CREATION: 180626

STYLE: FRANZ RUGBY SWEATER

DEPT: 5882 DIVIDED BLUE

S: 9



Colorways

DIVIDED

OPTION 1



BODY	RIBS	STITCHING	INNER PLACKET	COLLAR & PLACKET	STITCHING ON COLLAR	BUTTONS	PRINT
76-223	76-223	76-223	10-100	10-100	10-100	10-100	10-100

MATTE

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DESIGNER: ALEX ALLEN/CIARA ARTT

DATE OF CREATION: 180626

STYLE: FRANZ RUGBY SWEATER

DEPT: 5882 DIVIDED BLUE

S: 9



Print

DIVIDED

CHEST EMBROIDERY PLACEMENT  
PLS PLACE 19 CM FROM HIGHEST SHOULDER POINT  
AND 7 CM FROM SLEEVE EDGE



New York

1,5 CM



10-100  
EMBROIDERY

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DESIGNER: ALEX ALLEN/CIARA ARTT

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REVISION: 180920

STYLE: FRANZ RUGBY SWEATER	DEPT: 5882 DIVIDED BLUE	S: 9	<b>DIVIDED</b>
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Colorways

**OPTION 2**

BODY	RIBS	STITCHING	INNER PLACKET	COLLAR & PLACKET	STITCHING ON COLLAR	BUTTONS	PRINT
07-105 CVC MELANGE	07-105 CVC MELANGE	DTM	10-100	10-100	10-100	10-100 MATTE	09-060 EMBROIDERY

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STYLE: FRANZ RUGBY SWEATER	DEPT: 5882 DIVIDED BLUE	S: 9	<b>DIVIDED</b>
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CHEST EMBROIDERY PLACEMENT  
 PLS PLACE 19 CM FROM HIGHEST SHOULDER POINT  
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★

1,5 CM

PLS USE PDF
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09-060  
EMBROIDERY

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3.1.2 Figure: Tech pack

M-chart No: 003-74056-1

5882

Season: 9-2019

M-chart name: FRANZ RUGBY

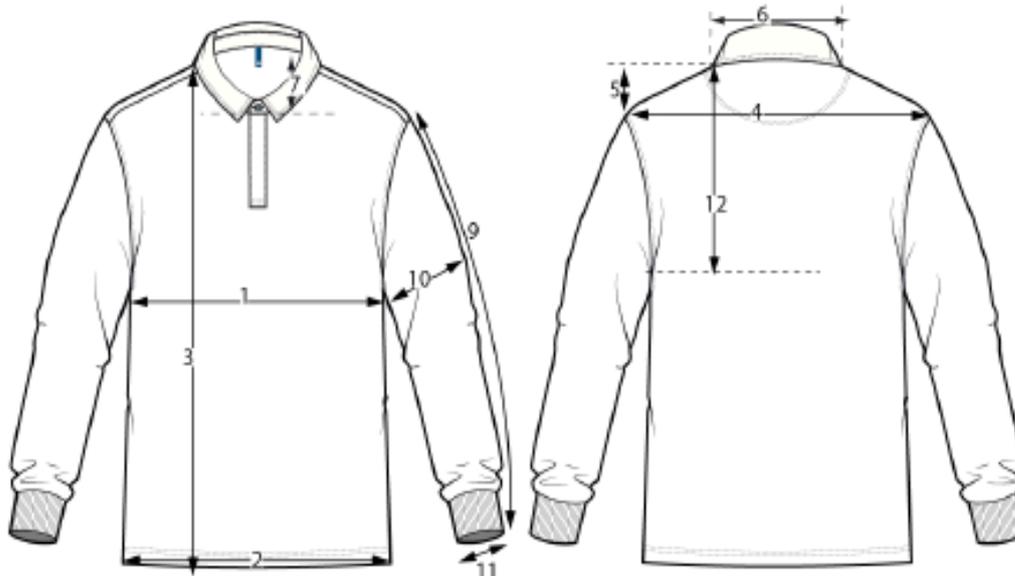
Divided Blue

Order No: 152281-5882

Seam allowance added

Style Pattern: 74056-1\_dxf

Ref Pattern:



*wrev. m-ment	XS	S	M	L	XL	XXL
QC 1 1/2 CHEST	52	56	60	64	68	72
QC 2 1/2 BOTTOM	52	56	60	64	68	72
3 FRONT LENGTH fr hps	72	73.5	75	76.5	78	79.5
QC 4 SHOULDER TO SHOULDER	47	49	51	53	55	57
5 SHOULDER SLANT	5.05	5.4	5.75	6.1	6.45	6.8
QC 6 NECK WIDTH	15.15	15.95	16.75	17.55	18.35	18.35
7 NECK DROP FRONT	7.75	8.25	8.75	9.25	9.75	9.75
8 NECK DROP BACK	2.25	2.25	2.25	2.25	2.25	2.25
QC 9 SLEEVE LENGTH	65	66	67	68	69	70
10 1/2 BICEPS	20.25	21.5	22.75	24	25.25	26.5
11 1/2 BOTTOM SLEEVE at rib	9	9.5	10	10.5	11	11.5
QC 12 SCYE DEPTH	31	32	33	34	35	36
QC 13 1/2 MINIMUM EXTENDED NECKLINE	30	30	30	30	30	30

Status: Published	Published By: Hinton, Remi	Published Date: 02 Jul 2018	Page 1 of 1
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3.1.3 Figure: Measurement Sheet

**This tack pack shows the details information about the order:**

**1. Fabric Details:** The composition of the fabric. Its yarns type, construction, weight and GSM. This additionally gives the notion of fabric consumption and costing for the style.

**2. Color combination:** In a tech pack it additionally describes the shade composition of the fabric. In this order the yarn dyed cloth consists of solid navy blue for option A, grey melange and white and black embroidery for option A & B respectively.

**3. Trims and accessories details:** In a tech pack there be given the important points of trims and accessories and additionally their placement details. In this tech pack the important points of the most important label and others small embroidery are given.

**4. Embroidery details:** In this tech pack the small print sketch of the embroidery section is given. Also the placement of the embroidery part.

**5. Stitching details:** The stitching and building small print of the precise fashion is given in this tech pack. If the building and stitching is incorrect then the garments will no longer be organized properly.

**6. Measurement Details:** The size important points of the garments is given with the aid of the buyer for the specific fashion of the garments.

### 3.3 TNA

**TNA:** “Time & action” plan. Basically TNA express the schedule time or fabric booking, cutting, sewing, production, delivery. So it mention all in details of 45/90/120 days working procedure.

- It is one of the most important jobs of a merchandiser for conducting his or her jobs appropriately and within a scheduled time.
- All the activities are included here. Such as Booking of fabric & accessories, Sampling, Cutting, Printing, Embroidery, Sewing, Finishing, Final inspection and commercial activities.

### 3.4 TNA Documents from H & M

Evolve   A Fast React product																Order Event Progress	
4 4301.3800.8 (07-02-18)																Printed on 24-Nov-18 2:37:45 PM Page 1.a	
(RAZIB)																	
<b>Fakir Apparels Ltd</b>																	
Red Color = Late    Gray Color = Complete																	
Buyer	Style	Trial Cut Date	Trial Submission Date	Trial Approve Date	Knitting Start	Knitting TOD Start	Knitting TOD End	Dye Start	Fabrics TOD Start	FQAD Start	Fabrics TOD End	FQAD End	PCD Start	PCD End	Print TOD Start	Print TOD End	
HnM	Banks Hoodie	24-Nov-18	26-Nov-18	27-Nov-18	17-Nov-18	20-Nov-18	25-Nov-18	23-Nov-18	25-Nov-18	n/a	29-Nov-18	n/a	28-Nov-18	01-Dec-18	29-Nov-18	03-Dec-18	
		-	-	-	-	-	-	-	-	n/a	-	n/a	-	-	-	-	
		-	-	-	-	-	-	22-Nov-18	-	n/a	-	n/a	-	-	-	-	
HnM	Banks Hoodie	n/a	n/a	n/a	17-Nov-18	20-Nov-18	27-Nov-18	21-Nov-18	23-Nov-18	n/a	06-Dec-18	n/a	29-Nov-18	09-Dec-18	01-Dec-18	10-Dec-18	
		n/a	n/a	n/a	-	-	-	-	-	n/a	-	n/a	-	-	-	-	
		n/a	n/a	n/a	-	-	-	21-Nov-18	22-Nov-18	n/a	-	n/a	-	-	-	-	
HnM	Banks Hoodie	n/a	n/a	n/a	17-Nov-18	20-Nov-18	27-Nov-18	21-Nov-18	23-Nov-18	n/a	06-Dec-18	n/a	29-Nov-18	09-Dec-18	01-Dec-18	10-Dec-18	
		n/a	n/a	n/a	-	-	-	-	-	n/a	-	n/a	-	-	-	-	
		n/a	n/a	n/a	-	-	-	21-Nov-18	22-Nov-18	n/a	-	n/a	-	-	-	-	
HnM	Banks Hoodie	n/a	n/a	n/a	27-Nov-18	29-Nov-18	15-Dec-18	01-Dec-18	04-Dec-18	n/a	18-Dec-18	n/a	09-Dec-18	22-Dec-18	12-Dec-18	23-Dec-18	
		n/a	n/a	n/a	-	-	-	-	-	n/a	-	n/a	-	-	-	-	
		n/a	n/a	n/a	-	-	-	-	-	n/a	-	n/a	-	-	-	-	
HnM	Banks Hoodie	n/a	n/a	n/a	30-Nov-18	03-Dec-18	22-Dec-18	06-Dec-18	08-Dec-18	n/a	25-Dec-18	n/a	14-Dec-18	29-Dec-18	17-Dec-18	30-Dec-18	
		n/a	n/a	n/a	-	-	-	-	-	n/a	-	n/a	-	-	-	-	
		n/a	n/a	n/a	-	-	-	-	-	n/a	-	n/a	-	-	-	-	

Fakir Apparels Ltd

Red Color = Late || Gray Color = Complete

Buyer	Style	Order No	Ex-fly	Plan Qty	PO Qty		PO Receive/OPD	Yarn Receive Date	Fabrics Booking	Counter/Trial FABrics Rcvd	Counter Sample Submit	PSO Approval	Sample Submit Date	Final Sample Approve	Sewing Accessories InHouse	PP Meeting
HnM	Banks Hoodie	415915-1676-07	08-Dec-18	1,524	1,456	Target Date	n/a	n/a	16-Nov-18	n/a	n/a	n/a	n/a	22-Nov-18	25-Nov-18	23-Nov-18
						Expected Date	n/a	n/a	-	n/a	n/a	n/a	n/a	-	-	-
						Completed Date	n/a	n/a	-	n/a	n/a	n/a	n/a	-	-	-
HnM	Banks Hoodie	415915-1676-07	15-Dec-18	1,370	1,309	Target Date	n/a	n/a	16-Nov-18	n/a	n/a	n/a	n/a	n/a	25-Nov-18	n/a
						Expected Date	n/a	n/a	-	n/a	n/a	n/a	n/a	-	n/a	
						Completed Date	n/a	n/a	-	n/a	n/a	n/a	n/a	-	n/a	
HnM	Banks Hoodie	415915-1676-07	22-Dec-18	1,615	1,547	Target Date	n/a	n/a	16-Nov-18	n/a	n/a	n/a	n/a	n/a	25-Nov-18	n/a
						Expected Date	n/a	n/a	-	n/a	n/a	n/a	n/a	-	n/a	
						Completed Date	n/a	n/a	-	n/a	n/a	n/a	n/a	-	n/a	
HnM	Banks Hoodie	415915-1676-07	29-Dec-18	1,378	1,320	Target Date	n/a	25-Nov-18	16-Nov-18	n/a	n/a	n/a	n/a	n/a	04-Dec-18	n/a
						Expected Date	n/a	-	-	n/a	n/a	n/a	n/a	-	n/a	
						Completed Date	n/a	-	-	n/a	n/a	n/a	n/a	-	n/a	
HnM	Banks Hoodie	415915-1676-07	05-Jan-19	202	196	Target Date	n/a	27-Nov-18	17-Nov-18	n/a	n/a	n/a	n/a	n/a	09-Dec-18	n/a
						Expected Date	n/a	-	-	n/a	n/a	n/a	n/a	-	n/a	
						Completed Date	n/a	-	-	n/a	n/a	n/a	n/a	-	n/a	

Fakir Apparels Ltd

Red Color = Late || Gray Color = Complete

Buyer	Style	Emb TOD Start	Emb TOD End	Sewing Start	Sewing End	Inspection Date
HnM	Banks Hoodie	29-Nov-18	03-Dec-18	30-Nov-18	05-Dec-18	06-Dec-18
		-	-	-	-	-
		-	-	-	-	-
HnM	Banks Hoodie	01-Dec-18	10-Dec-18	02-Dec-18	12-Dec-18	13-Dec-18
		-	-	-	-	-
		-	-	-	-	-
HnM	Banks Hoodie	01-Dec-18	10-Dec-18	02-Dec-18	12-Dec-18	13-Dec-18
		-	-	-	-	-
		-	-	-	-	-
HnM	Banks Hoodie	12-Dec-18	23-Dec-18	14-Dec-18	26-Dec-18	27-Dec-18
		-	-	-	-	-
		-	-	-	-	-
HnM	Banks Hoodie	17-Dec-18	30-Dec-18	19-Dec-18	01-Jan-19	03-Jan-19
		-	-	-	-	-
		-	-	-	-	-

3.1.4 Figure: TNA

### 3.5 Sample

**Sample:** According to consumer requirements the pattern of a unique fashion is developed in sample section. Sample section is the key department of a garments industry. Because right here after receiving the order the garment improvement starts. After approving exclusive kinds of sample, the bulk manufacturing starts. If pattern making is now not correct, the manufacturer will no longer get the order. So in pattern area the most experienced and technical personnel are worked. In a clothes industry, the pattern which is come from client and it is observed for bulk manufacturing is called sample.

#### **Types of Samples Required for Completing a Garments Order:**

There are ordinarily eight sorts of pattern needed for completing a garment order. Those are

1. Quotation sample (Fit Sample)
2. Counter sample
3. Receive fit sample
4. Size set sample
5. Salesman sample
6. Pre-production sample
7. Top over production sample (TOP)
8. Shipment sample.

#### **All the above clothes samples are discussed in the below:**

1. **Proto sample:** It is the very first pattern is made by the manufacturer. It is organized in accordance to the buyer's requirement. It is a trial sample and it is additionally called improvement sample. Buyer wishes to see here that how it looks like after applying the new diagram on it. It can be made by means of any sorts and colour of fabric. For this type of sample 2-3 pieces garments must be made the place 1 piece for producer and rest of these are sent to the customer for checking and giving the facts of correction.

2. **Fit sample:** After approving proto sample, match sample is made by way of following buyer's provided correction and dimension sheet. This sample also can be made via using similar fabric, nearer GSM and any color. In Fit sample, stitching and measurement ought to be accurate. In this sample fabrication and coloration can be modified but no compromise on stitching and measurement. 2-3 clothes are made in in shape sample the place 1piece kept by the manufacturer and relaxation of those are dispatched to the buyer.

3. **Size set sample:** After approving healthy sample, based totally on the patterns of permitted sample, all the other sizes samples of a unique style have to be graded here and make sample for different sizes. After that, make 2-3 portions pattern for each dimension of that order. Manufacturer preserve 1 piece sample for himself and ship 1 or 2 samples to the consumer for slicing approval. Here, the most necessary factor is, except the size set pattern approval, slicing ought to no longer be started.

4. **Counter sample:** This type of samples are the samples that are made based totally on the feedback received from the buyer. For this sample approval, 2-3pcs garments are required.

5. **Salesman pattern (SMS):** Salesman pattern is used through sales team of customer to enlarge the sales of any garment. Buyer sends the pattern with the aid of his/her salesman in the market to acquire market remarks from the consumers. Around 200-500pcs of garments are made depending on the customers and season. The predominant objective of SMS sample are to test market, feedback, Buyer's design, order increase, etc.

6. **Pre-production sample (PPS):** P.P pattern need to be made in genuine production line by retaining up all actual of an order specification. It is the crucial stage of a garments order where any pattern may be approved or rejected. If the pattern approves then can go for the rest of the manner of the particular order. But if the sample rejects then there will be the revision of previous processes. Planning manufacturing and manage department is also get concerned in this stage. Once PPC department is concerned then there is no way for accepting of any fashion change. It is the most fundamental stage than other stages. Extra care must be taken here to verify an order correctly.

7. **Top of production pattern (TOP):** During the running manufacturing of two an order in manufacturing line, a few samples sent to the client or consumers to check as TOP sample. TOP pattern has a top notch significance in attaining the believe of the buyer. If TOP sample failed to approve its required quality then total order can also get resumed.

8. **Shipment sample:** Shipment sample is required after completing final inspection, when items are equipped for the shipment. It is a sample that displays what buyers will acquire down to Q.C, folding, tagging, bagging, labeling and last packaging included.

In exclusive sorts of sample making system the purchaser offers some correction as their requirement. If any fault occurs in sample making then the subsequent sample must be dispatched successfully as per their requirements. So client makes remarks on unique samples are given below. The manufacturer ought to observe the comments.

## Sample Order Request

### Sample Order

**Product Development Name** Franz Rugby Shirt  
**Product Development No** 0721119D BDDH  
**Supplier** FAKIR APPARELS LTD.  
**Created Date** 19 Jul 2018  
**Created By** Arafat, Sheikh Mohammad

Please confirm delivery dates and quantity for below mentioned samples.

Option	Sample Type	Size	Colour	Quantity	Purpose of Development	Comment	LT	To be Received
Option 1 767679	Quotation Sample	M	 76-223 Blue Dark	3			2	30 Jul 2018
Option 2 767680	Quotation Sample	M	 07-105 Grey	3			2	30 Jul 2018

## Quotation Sample Request

Franz Rugby Shirt - 0721119D

### Supplier Quotation Request

HM

Product Development No	0721119D	
Product Development Name	Franz Rugby Shirt	
Date of Request	19 Jul 2018	
Our Reference	Arafat, Sheikh Mohammod	
Supplier	FAKIR APPARELS LTD.	

### Product Development Description

#### Product Development Description

GPO info: New style, please send sample for fit.

#### M-chart and Sizes

M-chart Name	M-chart Id	Base Size
FRANZ RUGBY	003-74056-1	M

## 3.6 Consumption

**Consumption:** Quantity of raw materials required to produce a complete garment

Fabric, sewing thread, button, label and other accessories

### **Basic information relevant to consumption:**

- Measurement with technical specification
  - Style description
- Fabrics description
- Fabric width /weight
- Available fabric width: 35'', 45'', 50'', 55'', 60''
- Washing shrinkage.

### **Method of consumption**

Two types of method are used to make the consumption they are as follows:

**Marker method:** In this method, the parts of different size patterns are set on a marker, usually patterns of all size. It gives exact fabric consumption.

**Mathematical process:** In this method, consumption is calculated by using the measurement of different parts mentioned in the specification sheet.

# Consumption sheet

Fakir Apparels Ltd. | BSCIC Industrial Area,  
Enayetnagar, Shashangaon, Fatullah, Narayanganj.  
**Costing Fabrics Consumption Sheet.**

Created by Sample CAD Section.

Order No		Marker Type	COSTING										Date :		Season:		Mr. Rakib			
Style Name:		049CC2C001										Monday, November 19, 2018				Remarks				
Marker Name	Body Parts	Fabric Constration	GSM	Fabric Width Inch		Size Ratio					Total Qty	Marker Length		Length Allowance	Total Marker Length In inch.	Length Waste %	Actual Consumption in Ydrs/Dzn.	Actual Consumption in Kgy/Dzn.	XS To XXL	
				Cutable Dia Inch	Finish Dia Inch	XS	S	M	L	XL		XXL	YRDS							Inch
												9.0	5	33	3 inch	220.32	1.02	0.00	3.275	Solid
	Main Body	95% Ctn 5% Els Terry	240	68 inch	72 inch					9		9.0	1	18	3 inch	58.14	1.02	0.00	0.648	Solid
	Waist Iner Binding	95% Ctn 5% Els S/Jersey	180	68 inch	72 inch					9		0.0	0	0	0 inch	0.00	1.02	0.00	0.200	Solid
Actual Cons =																0.00	4.123			

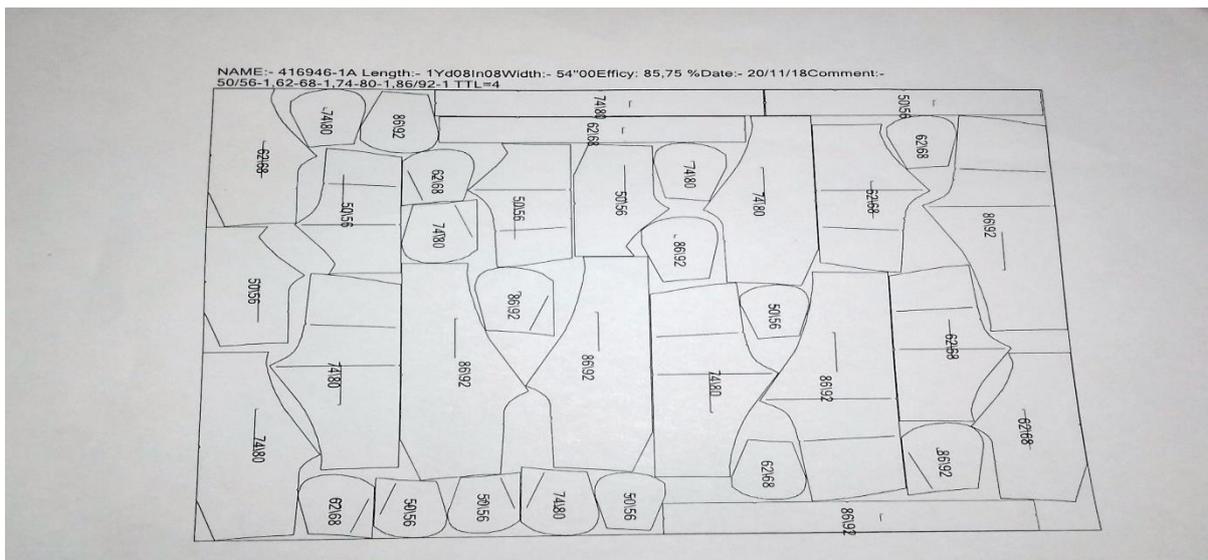
  

Process Loss		
Arias Are	Percentage %	Remarks
Knitting		
Deying		
Curting Loss		
Exara Cutting		
Printing		
Embroidery		
Gmts Wash		
Others		
G.Total		

Note: Con's Make Without Wash % if need wash plz add.  
Pls Add Drawesting For W/B.

HBM

Revised Con's due PKT size & BCKPKT fak



3.6 Figure: Consumption

### 3.7 Costing & Quotation

**Costing:** Costing is the method of estimating and then figuring out the whole fee of producing a garment, which include the cost of materials, labor and transportation as nicely as the customary expenses of the running the business. Merchandiser has to have thorough grasp of costing.

#### Costing sheet for option 1

FAL										
Date	23-Oct	Buyer : H&M					Item	Quantity	Delivery Date	
Division	: Divided 5882	Franz Rugby Shirt OP-1								
Style	0721119D-5882									
Size	: XS_XXL									
Season	: 09									
CM	: M/C -36Pro/hr 110									
Option	: CTN Solid 250 GSM									
Option	Fabrication	Placement	Width	Size	Process	Cons/Dz	Unit	Unit Pri	Total Price	
Body	100% BCI Cotton Single Jersey 250 GSM	Body	74	XS-XXL	5%	5.53	Kgs	\$5.84	\$32.30	
Rib	1x1 Rib GSM 280	NK Rib	Any Tube	XS-XXL	5%	0.43	Kgs	\$6.50	\$2.79	
								<b>Total Fabric Cost</b>	<b>\$35.09</b>	

SL No	ACCESSORIES		Cons/Dz	Unit	Unit Price	Total Price			
1	Main Label	Divided 18001	1.05	Dzn	\$0.18	\$0.19			
2	Care Label	HM30012	1.05	Dzn	\$0.27	\$0.28			
3	Size Label	Divided22000	1.05	Dzn	\$0.05	\$0.05			
4	Price Hangtag		1.05	Dzn	\$0.38	\$0.40			
5	Thread 50/2 @ 220/mtr		280	Mtr	\$0.56	\$0.47			
6	Flag label		0	Dzn	\$0.10	\$0.00			
7	Button		1.05	Dzn	\$0.12	\$0.13			
8	1.2 CM Twill Tape	Bktape	0	Yds	\$0.05	\$0.00			
9	3.2 CM Canvas Tape	For Placket	0	Yds	\$0.12	\$0.00			
10	Fabrics	Woven For Placket	2.4	yds	\$1.80	\$4.32			
11	Zipper		0	Pcs	\$0.32	\$0.00			
12	Poly		1.05	Pcs	\$0.28	\$0.29			
13	Carton (58x40x35 cm) & 20pcs/carton		100	Pcs	\$1.40	\$0.17			
14	Packing Materials		1.05	Pcs	\$0.02	\$0.25			
						<b>Total Trims &amp; Accessories C</b>	<b>\$6.55</b>		

Fabrics		\$35.09						
Accessories		\$6.55						
<b>CM</b>		<b>####</b>						
Emblishment Embroidery		\$2.00						
Heavy Garment Wash		\$0.00						
Print/Screen Print		\$0.00						
3rd Party Test		\$0.10						
Commercial Cost		\$0.40						
<b>Total FOB/Dz</b>		\$60.89						
<b>Total FOB/Pc</b>		<b>\$5.07</b>						
FOB With HM Comm @ 2%		<b>\$5.18</b>						
Target Price								
Margin on FOB including commision		\$0.11						
<b>Offer Price</b>		<b>\$5.29</b>						
<b>Sr.Merchandiser</b>	<b>M.Manager</b>		<b>Sr.GM</b>	<b>ED</b>		<b>Director/MD</b>		

Calculation of CM FAL		
Overall Machine cost per month/BDT		86000 BDT
Total Number of Machine required to complete		35
Total Machines		0
Total working day/Month		26
Total working hrs/day		10
Targeted production /hr		100
Dollar Conversion rate		83
<b>CM/Dz</b>		<b>\$16.74</b>

## LOCAL Yarn Price from Mr. Tetu 23rd Oct

Main Body Single Jersey 250 GSM			1x1 Rib GSM 350		
Costing Blocks	%Usage or % Wastage	Unit Price (USD/Kg)	Costing Blocks	%Usage or % Wastage	Unit Price (USD/Kg)
Yarn 1(100% BCI Ctn 28s)	100.00%	\$3.60	Yarn 1(100% BCI Ctn 28s)	95.00%	\$3.60
Yarn 1	100.00%	\$0.00	Yarn 2 (20 DNR Elastane)	5.00%	\$6.50
Yarn 3	0.00%	\$0.00	Yarn 1(100% BCI Ctn 20s)	0.00%	\$0.00
<b>Net Yarn Price</b>		<b>\$3.60</b>	<b>Net Yarn Price</b>		<b>\$3.75</b>
Commercial, Handling & Transport		\$0.10	Commercial, Handling & Transport		\$0.10
<b>Total Yarn Cost</b>		<b>\$3.70</b>	<b>Total Yarn Cost</b>		<b>\$3.85</b>
Knitting Cost		\$0.30	Knitting Cost		\$0.40
Knitting Wastage	1.00%	\$0.04	Knitting Wastage	1.00%	\$0.04
<b>Knitting Cost</b>		<b>\$0.34</b>	<b>Knitting Cost</b>		<b>\$0.44</b>
Pre-Treatment Cost		\$0.00	Pre-Treatment Cost		\$0.00
Dyeing Cost		\$1.30	Dyeing Cost		\$1.30
Printing Cost		\$0.00	Printing Cost		\$0.00
Finishing Cost		\$0.00	Finishing Cost		\$0.00
Heat Setting Cost		\$0.00	Heat Setting Cost		\$0.30
Special Finish 1		\$0.00	Special Finish 1		\$0.00
Special Finish 2		\$0.00	Special Finish 2		\$0.00
Special Finish 3		\$0.00	Special Finish 3		\$0.00
Dyeing/Printing Finishing Wastage	10%	\$0.40	Dyeing/Printing Finishing Wastage	12%	\$0.51
<b>Dyeing, Printing and Finishing Cost</b>		<b>\$1.70</b>	<b>Dyeing, Printing and Finishing Cost</b>		<b>\$2.11</b>

## Costing Sheet for optional 2

FAL										
Date	13-Oct	Buyer : H&M					Item	Quantity	Delivery Date	
Division	: Divided 5882	Franz Rugby Shirt OP-2								
Style	0721119D-5882									
Size	: XS_XXL									
Season	: 09									
CM	: M/C -36Pro/hr 100									
Option	: CTN Solid 250 GSM									
Option	Fabrication	Placement	Width	Size	Process	Cons/Dz	Unit	Unit Pri	Total Price	
Body	90% Organic Cotton 10% Viscose Single Jersey 250 GSM	Body	74	XS-XXL	5%	5.53	Kgs	\$5.12	\$28.31	
Rib	1x1 Rib GSM 280	NK Rib	Any Tube	XS-XXL	5%	0.43	Kgs	\$5.79	\$2.49	
								<b>Total Fabric Cost</b>	<b>\$30.80</b>	

SL No	ACCESSORIES		Cons/Dz	Unit	Unit Price	Total Price	
1	Main Label	Divided 18001	1.05	Dzn	\$0.18	\$0.19	
2	Care Label	HM30012	1.05	Dzn	\$0.27	\$0.28	
3	Size Label	Divided22000	1.05	Dzn	\$0.05	\$0.05	
4	Price Hangtag		1.05	Dzn	\$0.38	\$0.40	
5	Thread 50/2 @ 220/mtr		280	Mtr	\$0.56	\$0.47	
6	Flag label		0	Dzn	\$0.10	\$0.00	
7	Button		1.05	Dzn	\$0.12	\$0.13	
8	1.2 CM Twill Tape	Bk tape	0	Yds	\$0.05	\$0.00	
9	3.2 CM Canvas Tape	For Placket	0	Yds	\$0.12	\$0.00	
10	Fabrics	Woven For Placket	2.4	yds	\$1.80	\$4.32	
11	Zipper		0	Pcs	\$0.32	\$0.00	
12	Poly		1.05	Pcs	\$0.28	\$0.29	
13	Carton (58x40x35 cm) & 20pcs/carton		100	Pcs	\$1.40	\$0.17	
14	Packing Materials		1.05	Pcs	\$0.02	\$0.25	
					<b>Total Trims &amp; Accessories C</b>	<b>\$6.55</b>	

Fabrics		\$30.80					
Accessories		\$6.55					
<b>CM</b>		<b>\$16.74</b>					
Emblishment Embroidery		\$2.00					
Heavy Garment Wash		\$0.00					
Print/Screen Print		\$0.00					
3rd Party Test		\$0.10					
Commercial Cost		\$0.40					
<b>Total FOB/Dz</b>		\$56.59					
<b>Total FOB/Pc</b>		<b>\$4.72</b>					
FOB With HM Comm @ 2%		<b>\$4.81</b>					
Target Price							
Margin on FOB including commision		\$0.10					
<b>Offer Price</b>		<b>\$4.91</b>					
<b>Sr.Merchandiser</b>	<b>M.Manager</b>		<b>Sr.GM</b>	<b>ED</b>		<b>Director/MD</b>	

Calculation of CM FAL		
Overall Machine cost per month/BDT		86000 BDT
Total Number of Machine required to complete an item		35
Total Machines		0
Total working day/Month		26
Total working hrs/day		10
Targeted production /hr		100
Dollar Conversion rate		83
<b>CM/Dz</b>		<b>\$16.74</b>

LOCAL Yarn Pricew-40					
Main Body Single Jersey 250 GSM			1x1 Rib GSM 350		
Costing Blocks	%Usage or % Wastage	Unit Price (USD/Kg)	Costing Blocks	%Usage or % Wastage	Unit Price (USD/Kg)
Yarn 1 (90% Organic Ctn 10% Viscose 28s)	100.00%	\$3.40	Yarn 1 (90% Organic Ctn 10% Viscose 28s)	95.00%	\$3.40
Yarn 1	100.00%	\$0.00	Yarn 2 (20 DNR Elastane)	5.00%	\$6.50
Yarn 3	0.00%	\$0.00	Yarn 1 (100% BCI Ctn 20s)	0.00%	\$0.00
<b>Net Yarn Price</b>		<b>\$3.40</b>	<b>Net Yarn Price</b>		<b>\$3.56</b>
Commercial, Handling & Transport		\$0.10	Commercial, Handling & Transport		\$0.10
<b>Total Yarn Cost</b>		<b>\$3.50</b>	<b>Total Yarn Cost</b>		<b>\$3.66</b>
Knitting Cost		\$0.30	Knitting Cost		\$0.30
Knitting Wastage	1.00%	\$0.04	Knitting Wastage	4.00%	\$0.15
<b>Knitting Cost</b>		<b>\$0.34</b>	<b>Knitting Cost</b>		<b>\$0.45</b>
Pre-Treatment Cost		\$0.00	Pre-Treatment Cost		\$0.00
Dyeing Cost		\$0.80	Dyeing Cost		\$0.80
Printing Cost		\$0.00	Printing Cost		\$0.00
Finishing Cost		\$0.00	Finishing Cost		\$0.00
Heat Setting Cost		\$0.00	Heat Setting Cost		\$0.30
Special Finish 1		\$0.00	Special Finish 1		\$0.00
Special Finish 2		\$0.00	Special Finish 2		\$0.00
Special Finish 3		\$0.00	Special Finish 3		\$0.00
Dyeing/Printing Finishing Wastage	10%	\$0.38	Dyeing/Printing Finishing Wastage	12%	\$0.49
<b>Dyeing, Printing and Finishing Cost</b>		<b>\$1.18</b>	<b>Dyeing, Printing and Finishing Cost</b>		<b>\$1.59</b>
<b>Profit &amp; Overhead</b>		<b>\$0.10</b>	<b>Profit &amp; Overhead</b>		<b>\$0.10</b>
<b>Fabric Price (In USD/Kg)</b>		<b>\$5.12</b>	<b>Fabric Price (In USD/Kg)</b>		<b>\$5.79</b>

3.7 Figure: Costing

### 3.8 Lab Test Report

The Quality Test Method (QTM) is the full check method used to affirm complete product fine and performance. Results from QTM testing are used to decide if a product has met the Quality Standards.

H & M has some rules for the test to get quality product. So the test procedure company followed are as follows

 <b>FTS</b> Fakir Testing Services	Test Report No	FTS18039228	Date	13.10.2018
	Buyer/ Customer	H&M	Color/ Color Code	09-199
	Type of Sample	Sample	Fabrication	Ly Pique
	Division/Season	08	Composition	57% Ctn, 38% Poly, 5% Els
Order/ Product no	Color Sample	Quantity(kg)	-	-
Style	Matteo	Product Stage	Sample	-
Batch/ Lot	55200	Process	-	-
Care Label Instruction	    			
Test Name & Method	Description	Result	Pass/Fail	Min Requirements
D/S to Household Laundering H&M TM LA: 03( A/5X Wash)	Length	-1.00%	Pass	±5 %
	Width	-2.50%		
Twisting (Spirality) (A/5X Wash) H&M TM LA: 04	Side Seam	1.00%	Pass	< 5% or 1cm, < 8% or 1cm.
Fabric Weight EN 12127	Required	230	Pass	±5 %
	Actual	226		
Pilling Resistance (ICI Pilling Box) ISO 12945-1	Pilling Box- 14,400 rev	-	-	3
Bursting Strength ISO 13938-2	Testing Area: 7.3 cm2	4	Pass	< 200 gsm: 250 kPa
Appearance after 5X Wash H&M TM LA: 02	Sape, Seam Puckering/ Breaks, Unravels, Handfeel, Holes, Uneven fading/ Shading, Cracking, Surface Change, Uneven Wadding, Bubbly, Care label, Fibre loss	No Major change	Pass	No Major change
Colour Fastness to Rubbing ISO 105 X12	Dry	4-5	Pass	3-4/4
	Wet	4-5		2-3/3
Colour Fastness to Household Laundering H&M TM CF: 03	Colour Change	4-5	Pass	4
	Color Staining On Acetate	-		3-4/2
	Cotton	4-5		
	Nylon	4-5		
	Polyester	4-5		
	Acrylic	4-5		
Wool	4-5			
Colour Fastness to Water ISO 105 E01	Cross Staining	-	Pass	4-5
	Colour Change	4-5		4
	Color Staining On Acetate	-		3-4
	Cotton	4-5		
	Nylon	4-5		
	Polyester	4-5		
Acrylic	4-5			
Wool	4-5			
Colour Fastness to Perspiration ISO 105 E04	Cross Staining	-	Pass	4-5
	Colour Change	Acid: 4-5, Alkali: 4-5		3/ 3-4
	Color Staining On Acetate	-		
	Cotton	4-5		
	Nylon	4-5		
	Polyester	4-5		
Acrylic	4-5			
Wool	4-5			
Colour Fastness to Artificial Light ISO 105 B02 (Method 2)	Blue Wool Standard 5	-	-	3
	Colour Change	-	-	4
Color Fastness to Saliva GB/T 18886- 2002	Color Staining On Acetate	-	-	4
	Cotton	-		
	Nylon	-		
	Polyester	-		
	Acrylic	-		
	Wool	-		
Cross Staining	-	4-5		
Colour Fastness to Yellowing ISO 105 X18	White & Light Color Only	-	-	4
pH Value ISO 3071		-	N/A	4.0-7.5/4.0-8.5/4.0-9.0
Remarks	Checked By			Lab Manager
Tested By				

### 3.9 Test Procedure for “FRANZ RUGBY” Shirt

**In-house Lab Test Report**

FTS 180399/29 **WASH TEST** Date: 14.11.18

H&M's O/N:	40ESSE-5882	Supplier Name:	Fakir Apparels Ltd.
Department:	FRANZ Rugby shirt	Supp. Merchandiser:	Mr. Aziz
Sample Type:	Counter Sample	Composition:	100% cotton
Dyeing Mill:	Fakir Apparels Ltd.	Size:	M
Model Desc.:	Jumper/Sweater top long sleeve, contrast colour.	Colour:	76-223
Care Instructions:		Fabric Treatment:	-

Wash with similar colours  
 Extra Information: DO NOT iron ON Decoration.

**2. Colour Fastness to household laundering**

Staining :	4-5
Change in Colour : A/SX: 4-5 A/SX: 4-5	
Cross Staining :	4-5

**3. Colour Fastness to Rubbing (ISO 105-X12)**

	Description :	front	back	Rib
DRY	Before Wash:	4	4	5-4
	After Wash:	4	4	4
WET	Before Wash:	-	-	-
	After Wash :	-	-	-

**1. Dimensional Stability to washing (IS 5077 / I: Q 6330 / ISO 3759)**

Length		Before wash [cm]	After 1 wash [cm]	Diff. [cm]	Diff. [%]	After 5 washes [cm]	Diff. [cm]	Diff. [%]
1		73.5	74.0	0.5	+0.7	74.3	0.8	+1.0
2		68.0	67.2	0.8	-1.1	67.5	0.5	-0.7
3		68.0	68.2	0.2	+0.3	68.5	0.5	+0.7
Width								
1		59.0	58.8	1.2	-2.0	58.5	1.5	-2.5
2		69.5	68.0	1.5	-2.5	68.5	1.0	-1.7

Twisting  $0.6/58.0 = 1.0\%$        $1/5 \times 0.5 / 58.5 = 0.8\%$        $3/20 \times 50$

**Remarks** (If result is below H&M's requirement in any of below items, please put a tick and remark details beside it.)

Shrinkage / Increase       CF to rubbing  
 CF to washing       Appearance

Comments Appearance A/SX: NO major change.

**Result**     OK     NOT OK

Performed by \_\_\_\_\_  
Date 14.11.18

Wash Test 1(2)

**In-house Lab Test Report**

**Tested specimen**

Colour Fastness to Washing



- 4.5 4.5 4.5 4.5 4.5

Colour Fastness to Rubbing (B.W. & A.W.)

B.W: Front

Back

Rib

A.W: Front

Back

Rib

Wash Test 4

4

4

Ms 11/11/15

2(2)

### Colour fastness to water

According to EN ISO 105-E01

Order number/Product cev no: 402282 - 5822  
Buyer: H&M  
Colour: 76-229  
Composition: 100% cotton  
Placement: mid H f front

#### Test result:

Colour staining

Acetate	-
Cotton	4.5
Polyamide	4.5
Polyester	4.5
Acrylic	4.5
Wool	4.5

Change in colour 4.5

Cross staining 4.5

Pass:  Fail

Performed by: [Signature]  
Date: 17.11.18

Test report template for H&M acc



**Global Product Compliance Department**

Valid for all brands in H&M group

October 2014

**Colour fastness to Perspiration**

According to EN ISO 105 E04 or Chinese standard GB/T 3922-1995

Order number/Product dev no: 108888-5882  
Buyer: H&M  
Colour: 76-223  
Composition: 100% cotton  
Placement: multifibre

**Test result:**

Colour staining - Acid

Acetate	-
Cotton	4.5
Polyamide	4.5
Polyester	4.5
Acrylic	4.5
Wool	4.5

Change in colour

Acid	4.5
------	-----

Cross staining

Acid	4.5
------	-----

Pass:  Fail:

Performed by: [Signature]  
Date: 17.11.18



Test report template for H&M approved supplier lab

3(1)

**Global Product Compliance Department**

Valid for all brands in H&M group

October 2014

**Colour fastness to Perspiration**

According to EN ISO 105 E04 or Chinese standard GB/T 3922-1995

Order number/Product dev no: 408222-5122  
Buyer: H&M  
Colour: 76-093  
Composition: 100% cotton  
Placement: Multi/Bottle

**Test result:**

Colour staining - Alkaline

Acetate	-
Cotton	4-5
Polyamide	4-5
Polyester	4-5
Acrylic	4-5
Wool	4-5

Change in colour

Alkaline	4-5
----------	-----

Cross staining

Alkaline	4-5
----------	-----

Pass:  Fail:

Performed by: [Signature]

Date: 17-11-18

Test report template for H&M approval

3(1)

### Colour fastness to Dye Transfer In Storage

Order number/Product dev no: 408888-5882  
Buyer: H&M  
Colour: 76-22.9  
Composition: 100% cotton  
Placement: multifibre

**Test result:**

Colour staining

Acetate	-
Cotton	4-5
Polyamide	4-5
Polyester	4-5
Acrylic	4-5
Wool	4-5

Change in colour 4-5

Cross staining 4-5



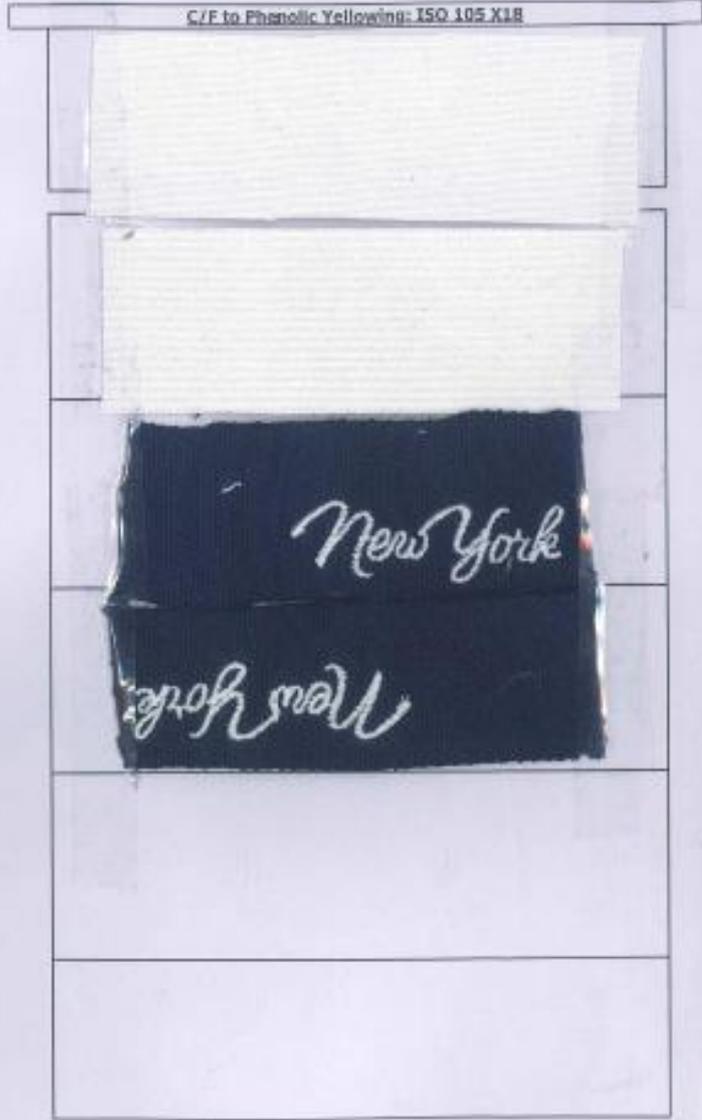
Pass:  Fail

Performed by: [Signature]  
Date: 17.11.18

Test Report No: \_\_\_\_\_ Date: 14.11.18

Buyer	: HBM	Color/Color Code	: 76-229
Order/Article/Style	: 405888-5882	Fabrication	: 100% ctn. STJ
Applicant/Submitted By	: -	Remarks	: -

Note: The results relate only to the items tested



Original Swatch

Final Result: 4

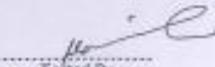
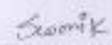
Specimen1: 4

Specimen2: 4

Specimen3:

Specimen4:

Specimen5:

  
Tested By
  
Checked/Verified By
  
Approved By

### pH Test (Supplier)

Order : Analyse the pH value according to H&M internal standard based on ISO 3071-1980 or EN 1413:1998.

Sample: Sample(s) marked with order number (o/n) as below

Limit :  $4 \leq \text{pH} \leq 7.5$

Sample Color	H&M Creder No	Measured pH Values			Result *	Comment
		1: st	2: nd	3: rd		
76-228	108288-5882	6.8	7.0	7.0	7.0	pass

The result is the average of the 2: nd and 3: rd measured pH values

Calibration (%)	----
pH of Buffer 4:	4.01
pH of Buffer 7:	7.00
pH of Buffer 10:	10.01

Analyze performed by (Supplier): Fakir Apparels Ltd

Laboratory Technician: Hd. Mainul Islam

Date: 17.11.18

Signature of the technician: 

3.9 Figure: Wash Test

### 3.10 Final Inspection (AQL)

#### Final Inspection

After the completion of the order there need to look at the excellent of the product. This inspection is completed via third party. So there want to e book a date in a third birthday party testing institution. It is additionally called last random inspection.

The inspection is executed on the foundation of a chart and it is referred to as AQL chart. AQL capacity suitable fine level. Please note, at some point of Inspection, defective products are categorised as Critical, Major or Minor in accordance to their significance to the customers. One quintessential defect can make the order fail in end result of Inspection.

So, this inspection have been done in three ways they are:

- **Critical Defect** is one that relates to a safety or felony problem, or a transport error which prevents distribution of the product to the customer.
- **Major defect** is one that significantly influences the usefulness or elegance of the product, due to the fact it constantly consequences in a consumer return and / or an instantaneous or later complaint.
- **Minor defect** is one which may now not always be seen through the user, and which doesn't really have an effect on the usefulness or beauty of the product.

There is zero tolerance for critical defect. It is zero tolerance.

**AQL TABLE (Inspection Table)**

SL No	Lot/	AQL	Max no	AQL	Max no	AQL	Max no
	Quantity(GMTS size in units)	1.5	defective allowed	2.5	defective allowed	4.0	defective allowed
1	51-90	8	0	20	1	13	1
2	91-150	32	1	20	1	20	1
3	151-280	32	1	32	2	32	3
4	281-500	50	2	50	3	50	5
5	501-1200	80	3	80	5	80	7
6	1201-3200	125	5	125	7	125	10
7	3201-10000	200	7	200	14	200	14
8	10001-35000	315	10	315	14	315	21
9	35001-150000	500	14	500	21	315	21
10	150001-190000	800	21	500	21	35	21

This is the chart of inspection that is done for the H&M product in industry

#### **S.O.P of initial/trial inspection for NQC**

1. Take FTD approval (Hanger approval & comments).
2. Seal number check with comments & buyer comments read.
3. Shade match with standard/pantone/counter sample.
4. If possible check product with dummy.
5. Style check for complete garments with c/s.
6. Needle detection for baby order with m/c calibration report check.
7. Nickel test.
8. Button pull test with m/c calibration (all test report done by own).
9. GSM check.
10. Complete garments measurement for each & every process (min. 3 pcs for each size).
11. Quality check.
12. Major/minor/critical defect have to segregate.
13. Make inspection report & collect sign of all responsible.

#### **S.O.P of inline inspection for NQC**

1. Production status & plan have to collect from planning dept.
2. Duplicate c/s check, seal check with sign, initial comments & buyer comments read, documents check with duplicate c/s.
3. All report check (daily inline, cut panel measurement, SPI, traffic light chart, complete garments measurement before & after iron, 4 time inspection, reject status check).
4. Review quality data analysis based on monthly result to identify areas for improvement.
5. Style check for complete garments with ref. sample.
6. Garments shade check.
7. Garments twisting check.
8. If possible check product with dummy.
9. Each & every processes check with SPI & tension (m/c stop if any problem found also start after solve).
10. Have to call production & quality responsible of H&M if any fault found.
11. Have to solve each & every line if any problems found for that style also demand to show some goods from each line.
12. Pick up size wise & color wise garment.
13. Complete garments measurement for each & every process (min. 3 pcs for each size).
14. Needle detection for baby order with m/c calibration report check.
15. Nickel test.
16. Button pull test with m/c calibration (all test report done by own).
17. GSM check.
18. Quality check.
19. Major/minor/critical defect have to segregate.
20. Broken needle policy must have to check with sub-store & ask.
21. Make inspection report & collect sign of all responsible.

#### **S.O.P of final inspection for NQC**

1. Carton pick with signature as per AQL also cross check picked carton properly with packing list.
2. Shipping mark & price tag check with packing list.
3. Packing list check for 1<sup>st</sup> carton, if picked.
4. Make inspection report heading.
5. Counter seal number check & comments read.
6. Style check & price tag check with rumba sheet.
7. Check all the report including test report before 1<sup>st</sup> shipment.
8. Previous report check.
9. Randomly carton quantity check for solid & mixed both.
10. Garments shade check randomly with counter.
11. Pick garments from each & every carton by own as per AQL.
12. Moisture check for each & every carton.
13. Needle detection for baby order with m/c calibration report check.
14. Nickel test.
15. Button pull test with m/c calibration (all test report done by own).
16. GSM check.
17. Garments keeping size wise.
18. Measurement for each & every measuring area (min. 3 pcs for each size & color code mention with sign).
19. Quality check.
20. Major/minor/critical defect must be segregate to show.
21. Supplier sign must collect after inspection (pass/fail both).
22. Have to take proper initiative/involve responsible person when critical defect found or inspection failed.
23. All kinds of work stop after getting critical problem, also top management call when critical defect found.

AQL chart that should be maintained carefully



### INSPECTION REPORT DRAFT

(Official Inspection Report will be available on <http://qfirst.br.sgs.com>)

Rev.02 16.MARCH.2016

Report Number:	GLNWT0000	Handle Branch :	SGS Bangladesh Ltd.
To :	SGS Brazil		
Attn :	Ms. Luana Brito	Fax / E-mail :	<a href="mailto:luana.brito@sgs.com">luana.brito@sgs.com</a>
CC:	Ms. Aline Rosa	Fax / E-mail :	<a href="mailto:aline.rosa@sgs.com">aline.rosa@sgs.com</a>
Attn.:	Tuhin Ullah Khan	Fax / E-mail :	<a href="mailto:Tuhin.ullah@sgs.com">Tuhin.ullah@sgs.com</a>
From :	SGS Bangladesh Ltd.	Fax / E-mail :	
SGS File No.:	4280695	Date:	11-Feb-2018
		SGS Registration No.:	Nil
Renner PO Number:	2295425	Style Nr.:	CA20
Services:	FRI <input checked="" type="checkbox"/>	Re-Insp.	<input type="checkbox"/>
Supplier:	Nafisa International Trading DWCLLC	Supplier Code:	34995612
Factory Name:	Horizon Fashion Wear Ltd.		
Location:	5B.K Bari,Mirzapur Union,Gazipur Sadar,Gazipur		
Products:	Men's Short Sleeve Tee Shirt.	Order Qty. (pcs)	13,100 Pcs
Brand:	RIPPING <input checked="" type="checkbox"/> BLUE STEEL <input type="checkbox"/> CORTELE <input type="checkbox"/> JUST BE <input type="checkbox"/> REQUEST <input type="checkbox"/>		
Inspector	Tarik Ahmed		
Date of inspection:	12-Feb-2018	<input type="checkbox"/> Please don't carry out inspection if no any spec.	
Start time:	13:25	Finish time:	18:30
		Waiting time	00:00 (HH:MM)



### INSPECTION REPORT DRAFT

(Official Inspection Report will be available on <http://qfirst.br.sgs.com>)

Rev.02 16.MARCH.2016

QUANTITIES			Normal Level II - AQL: 2.5/ 4.0				Level S2 - AQL: 2.5					
ITEM	STATED	PRESENTED	Sample size-in pieces				PACKAGE		DIMENSIONAL			
PIECE:	12572	12572	315 Pcs				QUANTITY:	05	QUANTITY:	20		
PACKAGES:	1202	1202	TOLERANCE:	Major	14	Minor	21	TOLERANCE:	00	TOLERANCE:	03	
			ACTUAL:	Major	09	Minor	14	CR	Actual	00	Actual	01

Remark: Garment need to weight (both knit, woven with wadding and accessories even)

Size	PP	P	M	G	GG
Gram	134	142	156	166	184

Result: APPROVED  / DISAPPROVED

Photographs: Will be able in the System SysOpe.

Remarks: Please ensure to seal all inspected samples at site after inspection (polybag+carton)

I have been informed of the inspection conclusion and follow up action, which I understand are provisional.

SGS Inspector(s) were present at the inspection location according to the above time sheet.

I have not made any attempt to influence the SGS Inspector-s / staff through gratification, entertainment or payment of any kind.

No courtesy is being requested by SGS inspector / staff or otherwise, the SGS General Manager has been / will be informed:

Name:		On:	
<input checked="" type="checkbox"/> Manufacturer's / Supplier's	<input type="checkbox"/> Supplier's:	Inspector's:	
Signature:		Signature:	
Name: Mr. Mir Bellal Hossen		Name: Tarik Ahmed	
Company /Position: Ass. Merchandiser		Date: 12/02/2018	
Date: 12/02/2018			

**SGS**

**MEASUREMENT CONTROL REPORT**

ORDER NO: 2295425

QTY: CAMISETA MANGA CURTA QUANTIDADE: 20 RS  
 BLENDED

Date: 12.02.18

POM	MEASUREMENT POINTS	Tot.	Size S					Size M					Size L					Size XL															
			Col.	SPEC				Col.	SPEC				Col.	SPEC				Col.	SPEC														
				1	2	3	4	5		1	2	3	4	5		1	2	3	4	5		1	2	3	4	5							
103	ACROSS BACK	15	39	23	H	-1	✓	41	V	25	H	+	✓	44	H	+	25	H	+	✓	47	V	-1	25	V	✓	50	H	-1	25	H	+	✓
122	FRONT LENGTH	2	68	V	-1	25	V	70	H	-1	25	H	+	72	H	-1	25	H	-1	74	H	+	2	76	H	-1	25	H	-1	25	H	+	✓
132	SLEEVE LENGTH	1	22	H	+	25	H	+	23	H	+	25	H	+	24	H	+	25	H	+	25	H	+	26	H	+	26	H	+	26	H	+	✓
175	NECK DROP	1	9	V	25	V	✓	9	V	-1	25	V	✓	9	V	25	V	✓	9	V	25	V	✓	10	H	+	25	H	+	✓			
176	ARMHOLE DEPTH	1	23	V	25	V	✓	24	H	+	25	H	+	25	H	+	25	H	+	26	V	25	V	✓	27	H	+	25	H	+	✓		
178	NECK WIDTH	1	18	H	+	25	H	+	18	H	+	25	H	+	19	H	+	25	H	+	20	H	+	25	H	+	21	H	+	25	H	+	✓
207	SLEEVE OPENING	1	16	H	+	25	H	+	17	H	+	25	H	+	18	H	+	25	H	+	19	H	+	25	H	+	20	V	25	V	✓		
209	CHEST WIDTH	15	49	H	+	25	H	+	51	H	+	25	H	+	54	H	+	25	H	+	57	V	25	V	✓	60	H	+	25	H	+	✓	
213	SWEEP	15	49	V	25	V	✓	51	H	+	25	H	+	54	H	+	25	H	+	57	V	-1	25	V	✓	60	H	+	25	H	+	✓	
	COLOR																																
	ANTHRACITE																																

Inspector:

*[Signature]*  
12/02/18



3.10 Figure: AQL

In this file the order has approved. Here, the fundamental fault discovered 9 and tolerance is 14 and minor fault located 14 and tolerance is 21.

After the inspection the order is equipped for shipment.

### 3.11 Packing list (Size / color breakdown)

Packing List - Online H&M		Supplier Original	
Order No:	152281-5882	Product No:	0756710
PT Prod No:	53692	Product Name:	Franz Rugby Shirt
Date of Order:	01 Nov, 2018	Product Description:	Jumper/Sweater - Top-Long sleeve-Transitional-Other neck
Supplier Code:	2638	Season:	9-2019
Supplier Name:	FAKIR APPARELS LTD.	Customs Customer Group:	Men
Option No:	1BDDH	Type of Construction:	Jersey
Development No:	0721119D		

#### Size / Colour breakdown

Netherlands/Poland (Online H&M Europe)  
DEW255

Article No:	001
H&M Colour Code:	76-223
Colour Name:	Blue Dark
Graphical Appearance:	Embroidery
Description:	Opt 1 New York
PT Article Number	01
Option No	1BDDH

#### Solid

XS (XS)*	5
S (S)*	8
M (M)*	12
L (L)*	11
XL (XL)*	9
XXL (XXL)*	4
<b>Quantity:</b>	<b>49</b>

#### Total

XS (XS)*	5
S (S)*	8
M (M)*	12
L (L)*	11
XL (XL)*	9
XXL (XXL)*	4
<b>Quantity:</b>	<b>49</b>

\* Sizes in brackets indicate general European sizes

Puls Trading Far East Ltd, buying agent for, and part of The H&M Group	
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Postal Address:	Suite 2102B, 21st Floor, Tower 6, China Hong Kong City 33 Canton Road, Tsim Sha Tsui Kowloon, Hong Kong
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Fax:	+852 2116 0365

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01 Nov, 2018  
1:12 PM

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**Packing List - Online  
H&M**

Supplier Original

Order No:	152281-5882	Product No:	0756710
PT Prod No:	53692	Product Name:	Franz Rugby Shirt
Date of Order:	01 Nov, 2018	Product Description:	Jumper/Sweater - Top-Long sleeve-Transitional-Other neck
Supplier Code:	2638	Season:	9-2019
Supplier Name:	FAKIR APPARELS LTD.	Customs Customer Group:	Men
Option No:	1BDDH	Type of Construction:	Jersey
Development No:	0721119D		

**Size / Colour breakdown**

Netherlands/Poland (Online H&M Europe)  
PLW067

Article No:	001
H&M Colour Code:	76-223
Colour Name:	Blue Dark
Graphical Appearance:	Embroidery
Description:	Opt 1 New York
PT Article Number	01
Option No	1BDDH

**Solid**

XS (XS)*	1
S (S)*	2
M (M)*	3
L (L)*	3
XL (XL)*	2
XXL (XXL)*	0
<b>Quantity:</b>	<b>11</b>

**Total**

**Total**

XS (XS)*	1
S (S)*	2
M (M)*	3
L (L)*	3
XL (XL)*	2
XXL (XXL)*	0
<b>Quantity:</b>	<b>11</b>

\* Sizes in brackets indicate general European sizes

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**Packing List - Online  
H&M**

Supplier Original

Order No:	152281-5882	Product No:	0756710
PT Prod No:	53692	Product Name:	Franz Rugby Shirt
Date of Order:	01 Nov, 2018	Product Description:	Jumper/Sweater - Top-Long sleeve-Transitional-Other neck
Supplier Code:	2638	Season:	9-2019
Supplier Name:	FAKIR APPARELS LTD.	Customs Customer Group:	Men
Option No:	1BDDH	Type of Construction:	Jersey
Development No:	0721119D		

**Size / Colour breakdown**

**USA (Online H&M)**

Article No:	001
H&M Colour Code:	76-223
Colour Name:	Blue Dark
Graphical Appearance:	Embroidery
Description:	Opt 1 New York
PT Article Number	01
Option No	1BDDH

**Solid**

XS (XS)*	21
S (S)*	63
M (M)*	93
L (L)*	78
XL (XL)*	33
XXL (XXL)*	12
<b>Quantity:</b>	<b>300</b>

**Total**

**Total**

XS (XS)*	21
S (S)*	63
M (M)*	93
L (L)*	78
XL (XL)*	33
XXL (XXL)*	12
<b>Quantity:</b>	<b>300</b>

\* Sizes in brackets indicate general European sizes

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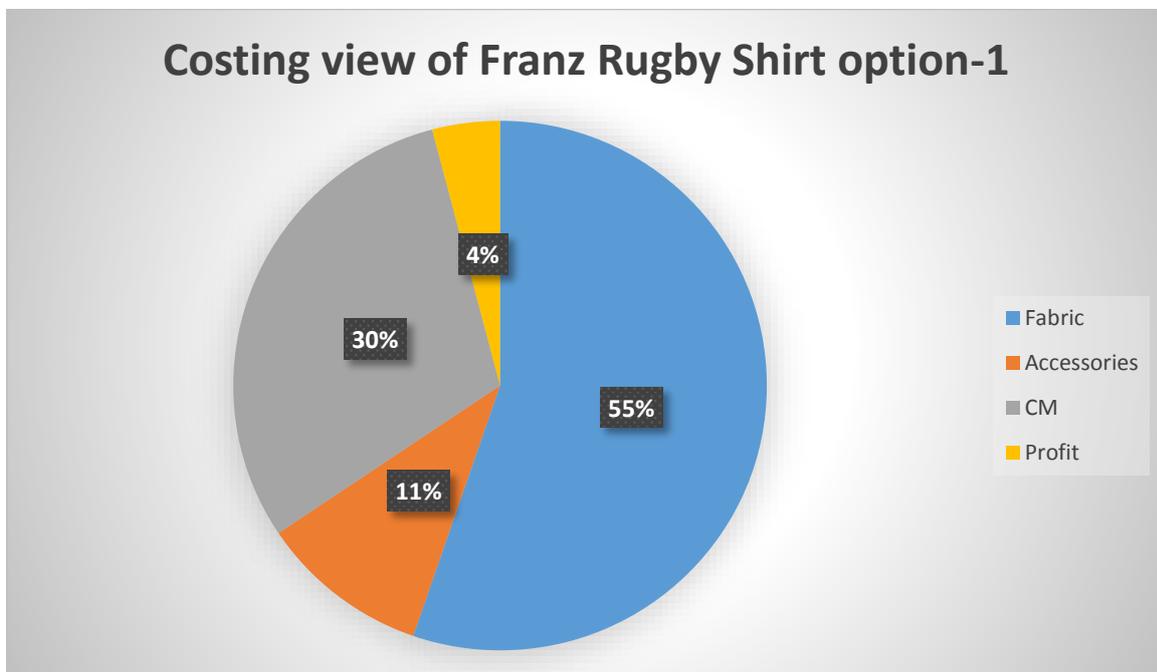
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3.11 Figure: Packing List

## 04. Result and Discussion

We observed that H&M ordered Franz Rugby Shirt which has two options. There are Dark navy with white embroidery (option-1) and Grey mélangé with black embroidery on the left chest. After sending six pieces quotation sample, medium size for option 1 & 2 (both are 3 pieces) and further fit sample, size set sample, counter sample has been sent. After confirming the order they arrange a pre-production meeting in Fakir Apparels Ltd. According to purchase order sheet and technical package consumption, costing, testing, bulk production follow up, final inspection, packing has been done respectively.

Though the style is solid, the costing of option-1 and option-2 is different because of their color.



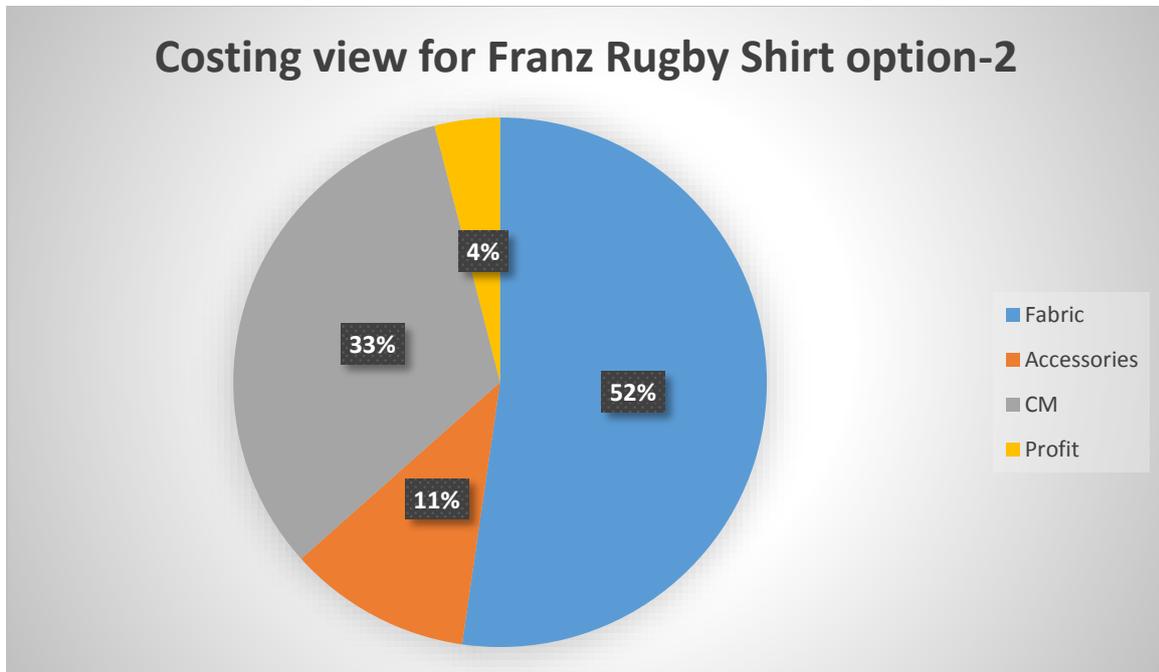
Here, Fabric cost is \$35.09

Accessories cost is \$6.55

CM with others cost is \$19.24

Profit is \$2.6

### Costing view for Franz Rugby Shirt option-2



Here, Fabric cost \$30.80  
Accessories cost \$6,55  
CM cost is \$19.24  
Profit \$2.33

Here option-1 dark blue color is little bit more costly than option-2 grey because of its dyeing cost.

## 05. Conclusion

Merchandiser performs an essential role in clothes business. The end result of the study showing that there are a lot of steps to improve our merchandising administration skill will have positive implications for the business community as properly as countrywide merchandising panel. The skilled merchandiser is always demandable in each and every country. It can also be an honorable occupation for educated person. For development garments area merchandising administration system will have to focuses on current system. Merchandiser is the most valuable human sources for the development of the organization. For the development of this valuable useful resource there are many elements involved. To enlarge the productivity of a company effectively, efficient merchandiser will have to develop.

It may additionally an honorable professional for skilled persons. For the improvement of merchandising there are many factors involved. Merchandising performs an important role. To enlarge the productivity of an organization effectively, environment friendly merchandiser will have to develop. Preparation of future enterprise managers should provide for the development of managerial competencies referring to merchandiser function. Colleges and universities presenting Textile Engineering curriculum would do well to evaluate their guides as they relate to the findings of this study.

At last we can say that after doing this project we got a clear concept about merchandising procedure of H&M merchandising team in fakir apparels limited. Also, we not only gather knowledge about merchandising but also the whole procedure to manufacture a complete garment. In a nutshell, this experience is a great asset for our future days.

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