



Internship Report
On
“Financial Performance Analysis of SQ Hues Ltd”



Submitted By

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Letter of Transmittal

Date: 25.12.2019

Nusrat Nargis

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Subject: **Submission of Internship Report.**

Dear Ma'am,

With immense pleasure, I am submitting my internship report of “**Financial Performance Analysis of SQ Hues Ltd.**” which was assigned me as a part of my MBA Program. I have tried my level best to complete this report with the necessary information and suggested proposal that you were provide me as your best as well.

I have a clear belief that the report will fulfill your expectation and I have tried to give my best to make appropriate report as per your instruction. I would be very grateful if you accept my report. Your kind consideration and also your cooperation will be highly appreciated.

I am highly obliged for your guide and continuous cooperation and I hope that the report will complete as your expectations.

Thank you

Sincerely yours

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Declaration

I humbly declare that this report is based on work, carried by me and no part of it has been previously for any higher degree. The report was conducted in the department of Business Administration, Daffodil International University under the guidance of Nusrat Nargis Ma'am. It is also declare that, this report has been prepared for academic purpose alone and has not been/ will not be submitted elsewhere for any other purposes.



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Letter of Approval

This to certify that Imran Hossain , ID: 181-14-2636, Program MBA, Batch 49th, Major in Finance is a regular student of Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University. He has successfully completed his internship program at SQ Hues Ltd, SQ Station, Mymensingh and has prepared this internship report under my direct supervision. His assigned internship topic was “**Financial Performance Analysis of SQ Hues Ltd.**”. I think that the report is worthy of fulfilling the partial requirements of MBA program.

I wish his happiness and every success in life.

Nusrat Nargis

Assistant Professor
Department of Business Administration
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Acknowledgement

First of all I would glad to dispatch my deepest gratefulness to the Almighty Allah for giving me the intensity and prowess to complete my work. Additionally, I am deeply indebted to my family & my Internship supervisor **Ms. Nusrat Nargis, Assistant Professor**, Department of Business Administration, Daffodil International University. Additionally, many people who supported me to make this report. I could never be able to complete this report successfully without support of them. Most important thing is that, I am very thankful to Mr. Dinesh Kumara Sudusinghe (GM, Supply Chain) SQ Hues Ltd. All the time he advised me with his friendly behavior at every steps of my working experience. They gave me a lot of information of the Company internal work and knowledge about the Supply Chain Management Department and operations.

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Executive Summary

The RMG segment of Bangladesh recounts to a noteworthy anecdote about the authority of private ventures in the effective transformation of the nation to a significant fare arranged economy. SQ Group is one of the readymade articles of clothing and material which is remaining at driving situation in their fare execution, showcasing systems and budgetary qualities Ensuring best quality nature of their readymade pieces of clothing item through the best use of most recent innovation and activity the board, making due commitment to the national economy and building up themselves immovably at home and abroad as a front positioning piece of clothing of the nation have been their appreciated vision. So to keep the concordance with their vision SQ Group attempting to improve its labor ability through different ways, since they have confidence in guaranteeing the ideal execution through the gifted workforce. At The Company's review, history, its vision, structure and so forth that give an understanding about their exercises.

SQ Hues Ltd. can likewise be viewed as one of the business adventures of SQ Group while different endeavors incorporate a few business territories like Sweaters, Lingerie and shirt. Notwithstanding of beginning its tasks in Bangladesh in 1993, SQ Hues Ltd has gotten famous in the attire business inside an extremely limited capacity to focus time. Dyeing and knitting are the essential products of SQ Hues Ltd. Here savvy offering, better observing and better assistance with appropriate confirmation of 100% fare quality are what made SQ Hues Ltd celebrated over the world.



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Chapter-01

Introduction of the report



1.0: Introduction:

The readymade pieces of clothing industry goes about as an impetus for the advancement of Bangladesh. The "Made in Bangladesh" tag has additionally brought magnificence for the nation, making it an esteemed brand over the globe. Bangladesh, which was once named by pessimists an "endless bin" has now become a "container brimming with ponders." The nation with its restricted assets has been keeping up 6% yearly normal GDP development rate and has realized surprising social and human advancement. The business that has been making essential commitment to remaking the nation and its economy is none other than the readymade piece of clothing (RMG) industry which is presently the single greatest fare worker for Bangladesh. The area represents 83% of complete fare profit of the nation.

It involves fantastic certainty – how the economy of Bangladesh continues creating at a steady rate. By and by, we envision Bangladesh achieving the middle compensation country status by 2021. We immovably accept that our dream will turn out true to form inside the foreordained time and subsequently, RMG business will doubtlessly expect an imperative part in showing up the longing.

Notwithstanding the significant advancement of our RMG industry, and its awe inspiring possibilities, challenges are still there. Perhaps the best test that the RMG business is confronting now is to ensure working condition security and better working conditions for the colossal number of vestment workers.

Two significant frequencies, the Tazreen fire and the Rana Plaza fall, have passed on the issue of workplace prosperity to the front line and drove all accomplices to go about varying. Following the dreadful scenes, various stages, for instance, the Bangladesh Accord on Fire and Building Safety, the Alliance for Bangladesh Worker Safety and National Plan of Action have been shaped to improve assembling and end prosperity of Bangladesh's bit of dress industry.



All people from the BGMEA and BKMEA are working full scale to finish the medicinal movement structures which is suggested by the Accord, Alliance and National Plan of Action after assessments, despite contributing enormous proportion of money.

Alongside challenges a shimmering future is holding on for the development of article of clothing industry of Bangladesh. Starting without any planning, Bangladesh has gained some stunning ground and is at present one of 10 new creating countries on the planet. The macroeconomic unfaltering quality, 6% yearly typical GDP advancement, healthy execution of repayment and toll, strong remote money hold, and striking social and human improvement over the earlier decade – all mirror our fundamental characteristics.

Invigorated the of the RMG business in the general economy of Bangladesh, we have to verify this zone. Rather than relaxing in the greatness we ought to

1.1: Scope of the Study:

The title of the internship report is “Financial Performance Analysis of SQ Hues Ltd” where I have tried to portray all the information gathered throughout working in the organization for last three months. Primarily, most of the information given in this report collected from my own observation of working in the organization and interviewing my colleagues, supervisor and others directly. Apart from that, company’s legal documents, news, reports, and company’s database are used as the secondary sources.

1.2: Objective of the study:

Objective of the report are given below:

- To analyze different products and production process of SQ Hues Ltd.
- To discuss the operation process of different departments of SQ Hues Ltd.
- To evaluate the financial performance of SQ Hues Ltd from year 2016 to year 2018.
- To identify the problems of the company and to provide some suggestions regarding the problems of SQ Hues Ltd.



1.3: Methodology of The study:

I have follow systematic procedure to complete the final report.

- **Selection of the topic:** Internship topic assigned by SQHL official and before finalize the job I had discussed with my faculty supervisor so that a better internship report can prepare.
 - **Identifying data sources:** The report is prepared mainly using Primary data. But some secondary data were required as well, which have been collected with help of a formatted questionnaire.
1. **Primary Sources:** A little of the required information came from primary sources. These sources are -
 - a. Group discussion
 - b. Interviewed in the study.
 - c. Assigned practically work
 - d. Related documents provided by job supervisor.
 - e. Annual Reports (2016- 2018) of SQ Hues Ltd
 2. **Secondary sources:** To prepare full report have been used different secondary sources are given below:
 - a. Different Circulars issued by the SQ Hues Ltd
 - b. Different 'Prospectus & Brochure, published by SQ Hues Ltd.
 - c. Web Site of the SQ Hues Ltd.



1.4: Limitations of the Report:

- I have little experience on RMG Sector to complete the report
- As it is not conventional so it bears some complexity to understand.
- SQ Hues Ltd. Is a private limited company, the company does not provide adequate information for the sake of confidentiality.
- The authoritative were not able to give me much time, as they were busy with their work. But, they are also cooperative to help me.
- Sufficient records, publications, facts and figures are not available. These constraints narrowed the scope of the real analysis.



Chapter-02

An Overview of SQ Hues Ltd.



2.0 An overview of SQ Hues Ltd.

2.1: Journey of SQ Group:

It is frequently shaking things up that forces you forward. That thought, supplemented with self-conviction and a positive soul, saw the introduction of SQ in 1993. Nearly on motivation and demonstrating the aphorism genuine - life can and begins at forty - Muhammad Ghulam Faruq left the solace of his position at The World Bank to track the dubious way of business enterprise.

Outfitted with certainty, assurance, and the capacity to plan for an impressive future, Mr. Faruq leased a space in Dhaka and spearheaded a cutting edge knitwear fabricating business with just 160 machines. SQ, which essentially is Superior Quality, was determined to movement. The business experienced this depiction profoundly, and soon the yields that left it, earned standing and were supported by the high road retailers. The drive proceeded and brought about further extension of knitwear and going with yarn and piece coloring offices. In time, SQ wandered into a lot of anticipated item enhancement - Lingerie and Shirt.

Two decades on, Bangladesh has developed as an attire sourcing goal and SQ has advanced as a brand for the article. The adventure continues, acquiring the new age to support progression.

2.2: Way of Life: SQ's slogan of four straight forward words characterizes its frame of mind. In the event that something merits doing, at that point it merits progressing admirably. SQ is sufficiently modest to recognize that it isn't strong, however egotistical enough to express that on the off chance that it can't stand tall in the stuff up, at that point it won't seek after it. SQ was brought into the world with the name Superior Quality and we will settle with no less.

Diving further into the essentials of our slogan stand tall or nothing, one can genuinely comprehend a big motivator for SQ. The position of a man who stands tall basically speaks to that he is pleased with what he is doing or has achieved. Here at SQ, we trust in being the best at what we do however just on the off chance that it implies doing it in the correct manner.



While business objectives are fundamental to progress, accomplishment for us isn't just what we achieve yet how we achieve it. This is the place our nothing comes in. For us to accomplish triumph, the outcome ought to never bring about exploited people. SQ's lifestyle is engraved in each part of the business. Truly, we need to stand tall yet never to the detriment of what we have faith in. To have the option to overshadow the rest, we need to take the tall position and that inside itself is sufficiently satisfying.

2.3: Brand: SQ is a known name and a brand itself in the garments division both at the neighborhood and worldwide stage. While items have life cycles, brands can rise above time when overseen well. The brand "SQ" is characterized as a lot of immortal client benefits as opposed to specific item and administrations. SQ corporate direct is to persistently develop and redesign items and administrations to keep the brand crisp and pertinent to make our business feasible.

Following direct, SQ is re-marking itself this year. SQ has invigorated logo and the look. SQ now hold fast to another slogan - stand tall or nothing - which is basically lifestyle here at SQ.

A great deal of exertion was placed into updating corporate look. Beginning from the hues to the text styles, everything was returned to. SQ needed to concoct something that features slogan and lifestyle. The corporate look, which is everything from backdrop, site, signage, bulletins, interchanges and stationaries, will have a recognizing surface. This surface is a graphical portrayal of the pinnacle of a mountain overshadowing rest of the world, standing tall and pleased.

2.4: Board of SQ Group: The board, controlled by the originator Muhammad Ghulam Faruq, involves the regular group - his family. Being a privately-run company the board is daring in taking choices and genuinely fair in communicating suppositions. For them, solidarity and speed is the key. The board surveys and sets the headings of the business. It engages the authority groups to construct their vital skill, set benchmarks and characterizes the guiding principle and culture of SQ.



2.5: Overview of SQ Hues Ltd.

SQ Hues Ltd. a unit of SQ Group. It was set up in 2005 as a free specialty unit to provide food for the nearby knitwear advertise including SQ Celsius Ltd. The plant is set up inside SQ Station with exceptionally effective German and Swiss apparatuses. It has an advanced research facility certify to meet quality levels for some, driving purchasers including M&S and H&M.

The knitwear division of the Group utilizes around 40% of Hues limit. Because of impressive upgrade of the knitwear limit in coming years, we have chosen to suspend closeout of yarn to the neighborhood market and concentrate to help Celsius as it were. This will enable Hues to concentrate on the improvement of a chosen few mark yarns encouraging Celsius to showcase select premium quality for its knitwear customers.

2.6: SQHL: Mission & Vision

The tag line of SQHL is "*stand tall or naught*"

2.6.1: Mission:

To be the market chief in quality Textiles area finding and fulfilling the longing and need of the network working in concordance with our clients, representatives and colleagues.

2.6.2: Vision:

To be the main Textiles brands exceeding expectations in item quality, social, specialized and advertising imagination; and administration to our clients through the aptitudes and genial responsibility of our workers.

2.7: Power Generation: The brought together power age office is equipped for delivering the necessary power for all specialty units of the Station. The office as of now delivers control utilizing both gaseous petrol and diesel fuel. All generators are synchronized to empower coordinating of intensity yield to genuine utilization, therefore sparing exorbitant fuel use. Keeping arrangements to advance limit upgrade, this hostage control house is very much situated to fulfill the future vitality need of the Station. A group of qualified experts are right now investigating the choices of using sun oriented power and co-age procedures as a component of our Green cost sparing goals.



2.8: Water Distribution: SQ Station concentrated water assortment and dissemination is intended to upgrade the water utilization for various kind of employments. A water cleaning unit utilizes both ground water just as collected downpour water and supplies it for general washing and human use. It additionally takes the ETP treated water and directs them for use in latrine flushing, scene watering and in the built wetlands. The honesty of this whole procedure is guaranteed by a group of committed experts through nonstop observing and ordinary testing measures.

2.9: Effluent Treatment Plant: The whole substance and water squander produced at the Station is directed through the ETP before discharging them to nature. The treatment is done through a procedure called bacterial breath, which fits in with the neighborhood natural administrative prerequisites. We take a stab at greatness in all parts of our tasks. Accordingly, an activity has been made to additionally improve the current ETP into a zero-discharge office. This will take the establishment well beyond the base administrative necessities and will set another standard in the emanating treatment process.

2.10: Cafeteria: A unified eating office for the workers is under development with the most reasonable present day conveniences. The extraordinarily structured cafeteria building utilizes the most recent Green innovation to keep up a lovely and cool condition utilizing just normal ventilation. The structure is open on all sides and is encompassed by misleadingly made water bodies to exploit the dissipation cooling impact. A waste transfer framework will reuse all natural waste into manure for the arranging. Highlights, for example, louvers will limit the infiltration of direct daylight while light rack and kaleidoscopic bay windows will enable backhanded sunlight to arrive at 90% of the inside space. On finishing, the cafeteria will fulfill the need of all representatives working in the Station at its full quality. Having such world class wellbeing and cleanliness kept up office will be an extraordinary worth expansion to the Station.

2.11: Warehouse: The Group has embraced an undertaking to fabricate a focal cutting edge distribution center office at the Station. This office, with an all out space of 30,000 sft and having staggered racking framework, will have the option to store 60,000 tons of yarn and texture. The whole activity of the distribution center will be controlled through front line stockroom the



executives programming with extraordinary detectability for materials. With this incorporated office, all Station based units will appreciate tremendous adaptability in their crude material administration and influence efficiency in the everyday business. This establishment will unquestionably be a wellspring of upper hand for the Group.

2.12: Residential Quarters: A six-celebrated completely overhauled loft office is set up to give settlement to our ostracize workers and some other assigned authorities at the Station. With all the essential functionalities and a verified domain, this structure is meeting the settlement prerequisites of the current station-based workers. With the development of the business further facilities are gotten ready for development inside the Station.

2.13: Work Place Safety: Mishap torments, security doesn't. Undoubtedly, the work environment wellbeing is of foremost significance to SQ. We recognize that in outcome of late episodes of fire and building disappointments in Bangladesh, SQ sharpness to working environment fire and building wellbeing issues has honed. SQ has right away taken scarcely any defensive just as 'imaginative pulverization' steps to accomplish a better quality in this regard. SQ chose to shut down our tasks in all leased shared premises regardless of the wellbeing gauges. SQ has returned to the structure, fire and electrical wellbeing benchmarks of all our current offices by neighborhood, and where vital, global qualified offices. SQ has additionally ensured that all our new offices are utilizing most recent innovation adjusting to nearby and worldwide fire and building wellbeing codes.

- Design Consideration
- Materials Selection
- Panel Board
- Mechanical Equipment
- Fire Alarm
- Fire Extinction
- Fire Escape
- Materials & Quality Control
- Environments
- Medical Support



2.14: CSR (Corporate Social Relationship) Activities :

- Tree plantation.
- Health check and health awareness program.
- Eye camp.
- Month long compliance program.
- Observing international disabilities day.
- Educational assistance program.



Chapter-03

Product and Operational Process

Of

SQ Hues Ltd.



3.1: Products of SQ Hues Ltd. SQ Hues Ltd. Mainly backward company for SQ Birichina & Celcious Ltd. They are producing below products for sister Concern Company of SQ group.

Product Name	Categories
Knitting Single Jersey, Lycra single jersey, Stripe rib, Lycra rib	Single Jersey, Lycra single jersey, Stripe rib, Lycra rib
Fabrics Dyeing & Finishing	Single Jersey, Lycra single jersey, Stripe rib, Lycra rib
Yarn Dyeing	Cotton, acrylic, polyester, viscose rayon
Piece Dyeing & Washing	cashmere, wool, acrylic, cotton and various blends

3.2: Knitting: Knitting is a strategy by which string or yarn is utilized to make a material. Weaved texture comprises of continuous lines of circles, called fastens. As each column advances, another circle is pulled through a current circle. The dynamic fastens are hung on a needle until another circle can be gone through them. This procedure in the long run outcomes in a texture, frequently utilized for pieces of clothing.

SQ Hues Ltd Knitting is fully equipped with 21 Circular knit Japanese brand machines Capacity of 7 tons per day.

❖ **Raw Materials for Knitting:** The raw material for knitting is the yarn. Various sorts of yarn of wide scope of various tally are utilized. The wellsprings of yarn are additionally found. Both checked and looked over yarn is utilized for knitting.

❖ **Important parts of circular knitting machine:**

- Creel: All side of machine it holds the yarn package.
- Tube: Yarn is drawn through this for security and avoiding mixing waste.
- Positive feeder: Winds the yarn from package and send to needle for reducing tension
- Toothed belt: The entire feeders are driven by it.



- VDQ pulley: Its uses for changing the stitch length, so the G. S. M. is maintained by it.
- Thread guide: Supply yarn for very short distance.
- Needle: Main part of the machine. It helps to form loop.
- Needle bed: It can be cylinder or dial which holds the needle
- Cam: Direct the needle, sinker to form different kinds of loops.
- Needle detector: It can detect the needle breakage and jumping etc.
- Take up roller: Draw the formed fabric at down wards.
- Pressure roller: Press the fabric with take up roller.
- Batch roller: Wind the fabric into its surface to form roll
- Blower: Removes the dirt's, flocks from the machine.
- Air Nozzle: Clean the needle, sinker, thick plats.
- Lubricating parts: Lubricating the cam, sinker, needle and other gearing parts.

3.3.1: Fabrics Dyeing & Finishing: Dyeing is the application of dyes or pigments on textile materials such as fabrics with the goal of achieving color with desired color fastness. Dyeing is normally done in a special solution containing dyes and particular chemical material. Dye molecules are fixed to the fibre by absorption, diffusion, or bonding with temperature and time being key controlling factors. Textile finishing comprises all fabric process, which are not included in fibre production, yarn production and fabric formation. Finishing means to improve or to beautify the material.

❖ **Raw Materials of Fabrics Dyeing & Finishing:** The raw material for Fabrics Dyeing & Finishing is the Knitted grey fabrics. Different types of grey fabrics of wide range of different count are used.

3.3.2: Major Buyers are: The major Bayer's names are given below:

Serial No.	Buyer's
1	H&M
2	Debenhams
3	Sainsbury
4	J&J
5	Lidl
6	ZXY
7	K-Mart
8	Twill fit



3.3.3: Different Section of Fabrics Dyeing: Fabrics dyeing & finishing consists of different section to complete the full process.

❖ **Lab Section:** Lab section in dyeing is the first major segment of a dye-house despite of its size compared to the production floor. Lab is where “lab dips” are prepared and the final recipes for bulk dyeing are constructed. A lab dip is a colored sample, the manufactures of which is closely monitored by the lab in-charge, produced by a dyeing lab in order to closely match a buyer’s standard shade or dyed fabric swatch. If approval or acceptance is gotten from the buyer, this is used to run production on a bulk scale.

Objectives of a dyeing lab are :

- Develop a lab dip according to a buyer’s required shade or given swatch using available dyes, auxiliaries and fabrics available in the inventory.
 - Get color approval from the buyer by sending the samples of the closely matched lab-dip dyeing.
 - 3Generating recipes according to buyer-approved shade with appropriate cost optimization and minimum deviation between lab and bulk dyeing.
 - Provide the buyer-approved recipe to the dyeing section for proceeding to bulk dyeing.
 - Purity testing; checking strength of dyes and auxiliaries regularly
 - Physical and chemical testing.
- ❖ **Batch Section:** Batching, a process monitored and supervised by the dyeing manager, is carried out in the batching section. It involves preparing a batch for dyeing according to machine capacity (so that equal amounts of fabric is passed through each nozzle of a dyeing machine), order and priority basis .Grey fabric from grey fabric storage or knitting section is collected in order to dye a particular shade of color. Objective of Batching are:
- To make a batch from the same fabric material.
 - Prepare the fabric batch for dyeing according to the following criteria-
 - Order sheet (received from buyer)
 - Dyeing Shade (light, medium, deep shade or white)
 - Machine capacity
 - Machine availability
 - Types of fabric to process (100% cotton, CVC, PC, fleece, rib etc.)
 - Weight the fabric correctly and accurately for creating a correct recipe and avoid dye and chemical wastage along with shade mismatched shades.
 - Received grey fabrics from grey storage or knitting section.



- Make a batch plan manually, keeping in mind the process losses which would take place along production route (e.g. dyeing process loss, cutting loss etc.)
- Arrange the fabric for dyeing according to quantity, fibre type fabric structure and shade.
- Gradually reduce grey fabric inventory (which is replenished as production proceeds)
- Reduce idle time of a dyeing machine
- Turn the fabric when required using a turning machine
- Keep the floor free from extra material

❖ **Dyeing Section:** The SQ Hues Ltd. dyeing section is a modern dyeing section equipped with highly productive world class dyeing machines such as FONG’S and THIES. In dyeing section are consists of sample dyeing and bulk dyeing machine.

Sample Dyeing Machines are ideally suitable for sample dyeing of fabric at high temperature and high pressure. The process of dyeing gives color to the fabric. Color makes a more appealing to eyes. And sample dyeing enables the manufacturer get a perfect color that too in less resources time and energy. After the sample gets a perfect color it helps the fabric dyeing the whole lot into desired color without any fear of wastage. The bulk dyeing machine can process knitted fabrics at a time big volume. Like 150kg, 200 kg and 300 kg, 750kg depending on the machine brand.

❖ **Finishing Section:** Finishing is the term used for e series of processing to which all bleached, dyed, printed and certain grey fabrics are subjected before they put on the market. Finishing is done to render textile goods fit for their purpose or end-use or serviceability of the fabric. It should be considered that every finishing process should improve the serviceability of the fabric like dimensional stability, fastness to washing, fastness to storage, wearing quality, resistance to fibre slippage, strength of the fabric, fabric handle etc.

Manufacturer	Brand Name	Country of origin
Slitting machine	Corino	Italy
Stenter	Bruckner	Germany
Compactor	Laffer	Italy
Tumble dryer	-	Bangladesh



3.4.1: Yarn Dyeing: There are numerous types of yarn dyeing. Regular structures are the bundle structure and the hanks structure. Cotton yarns are generally colored at bundle structure, and acrylic or fleece yarn are colored at hank structure. In the ceaseless fiber industry, polyester or polyamide yarns are constantly colored at bundle structure, while gooey rayon yarns are incompletely colored at hank structure in light of innovation.

The common dyeing process of cotton yarn with reactive dyes at package form is as follows:

- The raw yarn is wound on a spring tube to achieve a package suitable for dye penetration.
- These softened packages are loaded on a dyeing carrier's spindle one on another.
- The packages are pressed up to a desired height to achieve suitable density of packing.
- The carrier is loaded on the dyeing machine and the yarn is dyed.
- After dyeing, the packages are unloaded from the carrier into a trolley.
- Now the trolley is taken to hydro extractor where water is removed.
- The packages are hydro extracted to remove the maximum amount of water leaving the desired color into raw yarn.
- The packages are then dried to achieve the final dyed package.
- After this process, the dyed yarn packages are packed and delivered.

3.5.1: Piece Dyeing & Washing: Piece coloring is a worth included procedure, exceptionally specialized and generally significance for articles of clothing. In spite of the fact that the plant is set basically for coloring knitwear made of cashmere, fleece, acrylic, cotton and different mixes, it can likewise color and wash other kind of articles of clothing. This plant is furnished with a cutting edge research center which is licensed for M&S and other driving purchasers.



Chapter-04

***Operation Process of Different
Departments of SQ Hues Ltd.***



4.1: The organization structure:

The company has many separate Departments for the smooth operations within Company.

4.1: Production Department: The production office is liable for changing over raw materials and different contributions to completed merchandise. In the middle of the procedures of creation, the division attempts to improve the proficiency of the generation or mechanical production system with the goal that it can meet the yield targets set by organization the executives and guarantee completed items offer purchasers the best worth and quality.

4.2: Quality Control Department: Quality is of prime significance in any part of business. Clients request and anticipate an incentive for cash. As makers of clothing there must be a steady try to deliver work of office. Quality confirmation office is doled out to keep up reliably uniform nature of the material in process and different phases of its assembling.

➤ Types of Quality Control:

1. Online Quality Control: This kind of value control is completed ceaselessly the generation procedure. During the running of creation process an arrangement is naturally performs and identifies the issue and furthermore makes remedial move.
2. Offline Quality Control:
 - GSM of the fabric
 - Exact width
 - Shade check
 - Shrinkage
 - Stretch and growth

4.3: Maintenance Department: In Textile industry maintenance department contributing very importance rules to run the production of all machine smoothly without highly maintenance cost. Duties and Organization of Maintenance Department:

- Inspection
- Engineering



- Maintenance (including Preventive Maintenance)
- Repair
- Overhaul
- Construction

4.4: Accounts & Finance Department: The finance and accounts division is responsible for all the financial activities in the organization. It monitors the collection of payments from various clients. It controls payments and schedules various payment activities in order to run the business more smoothly. It also works as an internal auditor involved with bookkeeping of the payments as well as collections and prepares the financial statement. All the administrative works and logistics support are provided by this department. The major functions are:

- Treasury management.
- Cost control.
- Billing & credit control.
- Investment appraisal.
- Handling tax issues.
- Prepare financial statement.
- Inventory management & control.
- Budgeting & budgetary control.
- Assets management function.
- Managing cash flows & liquidity issues.
- Working capital management.
- Costing of products.



4.4: Supply Chain Department: Supply chain management (SCM) is the broad range of activities required to plan, control and execute a product's flow from materials to production to distribution in the most economical way possible.

- The plan or strategy
- The source of raw materials or service
- Manufacturing efficiency
- Delivery & Logistics

4.5: Human Resource Management: SQ Hues Ltd. accepts that their cooperation is their most prominent resource. Valuable commitments made by every individual carry them a lot nearer to their objectives. SQHL made up of a gathering of enthusiastic people, particularly qualified from assorted teaches yet progressing in the direction of their vision.

- A amicable and steady condition that urges their kin to build up their possibilities to an ideal level.
- A genuine nature of polished methodology that can be found in all world-class worldwide organizations
- Team arranged experts, who add to the more prominent entire of the association through their cooperation in basic leadership circumstances.
- Following the material newspaper.
- Service advantage/Gratuity.
- Maintaining the after some time according to the notice of Labor Code'06.
- Salaries and tallying participation of the specialist are auto produced utilizing Kormee programming.
- Performing diverse preparing program.

4.6: IT Services: The IT department provides technical support to the employees to gather and disburse information, trouble shooting and many other IT related assistance.



Chapter 05
Financial Performance Analysis
Of
SQ Hues Ltd.



5.1: Ratio Analysis: An apparatus utilized by people to direct a quantitative examination of data in an organization's budget reports. Proportions are determined from current year numbers and are then contrasted with earlier years, different organizations, The Industry, or even the economy to pass judgment on the exhibition of the organization. The fundamental contributions to proportion examination are the company's pay proclamation and monetary record for the periods to be analyzed. Proportion investigation is predominately utilized by defenders of key examination.

In money, a budgetary proportion or bookkeeping proportion is a proportion of two chose numerical qualities taken from a venture's fiscal summaries. There are numerous standard proportions used to attempt to assess the general monetary state of an enterprise or other association. Monetary proportions might be utilized by directors inside a firm, by present and potential investors (proprietors) of a firm, and by a company's loan bosses. Security examiners utilize money related proportions to look at the qualities and shortcomings in different organizations. In the event that offers in an organization are exchanged a monetary market, the market cost of the offers is utilized in certain budgetary proportions.

To put it plainly, proportion investigation is basically worried about the estimation of connections which, after legitimate recognizable proof and understanding may give data about the activities and situation of a business undertaking. The examination is utilized to give pointers of past execution as far as basic achievement elements of a business. This help with basic leadership diminishes dependence on mystery and instinct and builds up a reason for sound decisions.

5.2: Financial Performance Analysis of SQ Hues Limited:

5.2.1: Current Ratio: It is a proportion of liquidity determined by separating the company's present resources by its present liabilities. The higher the present proportion, the better the liquidity position of the firm. It demonstrates the momentary money related dissolvability of the firm. This proportion likewise demonstrates the degree to which current liabilities are secured by those advantages expected to be changed over to trade out the not so distant future.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Particulars	2016	2017	2018
SQ Hues Ltd.	1.853	1.4	1.273
Aman Cotton Fibrous Limited	2.205	2.407	2.595

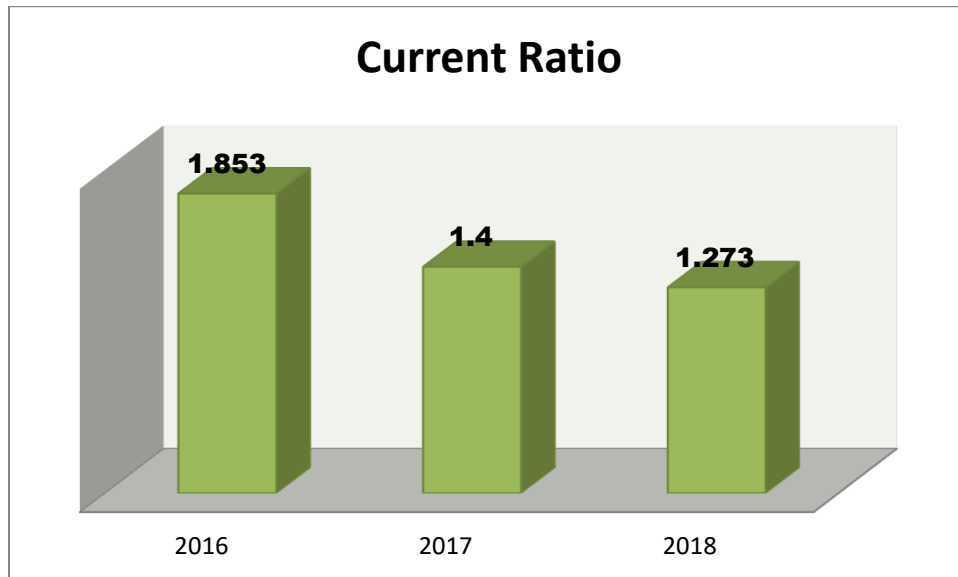


Figure: Current Ratio of SQ Hues Ltd. (Year 2016-18)

Interpretation: The short-term financial solvency of SQ Hues Ltd is better position last three years, because the current ratio was more than one and compare with others company. In the last three year current ratio was downward. The company can more increase its current assets and reduce its current liabilities.

5.2.2: Quick Ratio: The speedy proportion or analysis proportion is a liquidity proportion that estimates the capacity of an organization to pay its present liabilities when they come due with just snappy resources. Fast resources are present resources that can be changed over to money inside 90 days or for the time being. Money, money reciprocals, transient speculations or attractive protections, and current records receivable are viewed as fast resources.

$$\text{Quick Ratio} = (\text{Current Assets}-\text{Inventory})/\text{Current Liabilities}$$

Year	2016	2017	2018
SQ Hues Ltd.	1.237	0.913	0.708
Aman Cotton Fibrous Limited	1.321	1.478	1.701

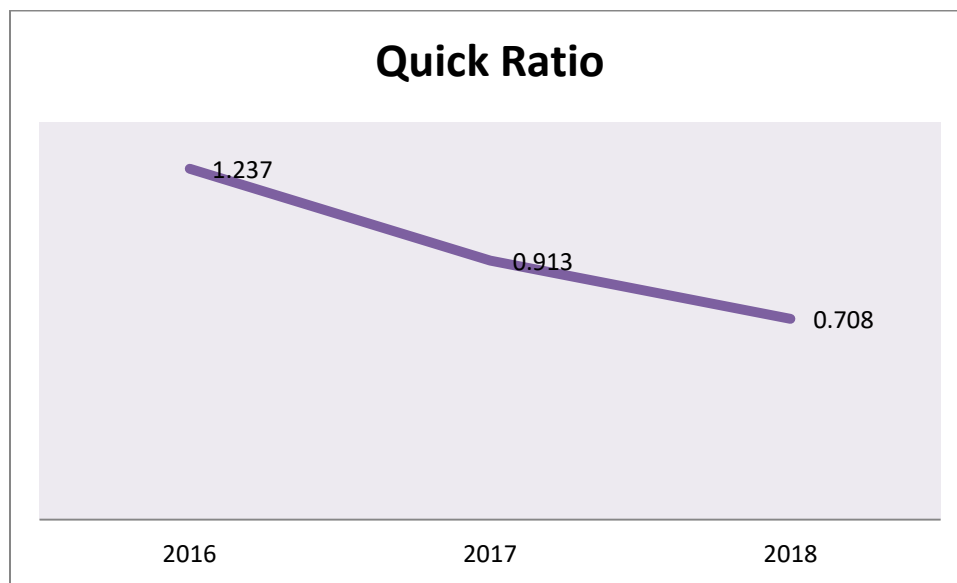


Figure: Quick Ratio of SQ Hues Ltd. (Year 2016-18)

Interpretation: The Quick Ratio of SQ Hues Ltd is better position in last three years. It is decreasing gradually which negative for the Company. Compare with other Company, need to hold more Quick assets for meet up current liabilities.

5.2.3: Inventory Turnover Ratio: The stock turnover proportion is a productivity proportion that shows how viably stock is overseen by contrasting expense of merchandise sold and normal stock for a period. This estimates how often normal stock is "turned" or sold during a period. This proportion is significant in light of the fact that complete turnover relies upon two principle parts of execution. The main part is stock buying. The subsequent part is deals. Deals need to coordinate stock buys generally the stock won't turn adequately.

Inventory Turnover Ratio= Cost of Goods Sold / Inventory

Year	2016	2017	2018
SQ Hues Ltd.	2.763	2.947	2.382
Aman Cotton Fibrous Limited	1.315	1.326	1.231

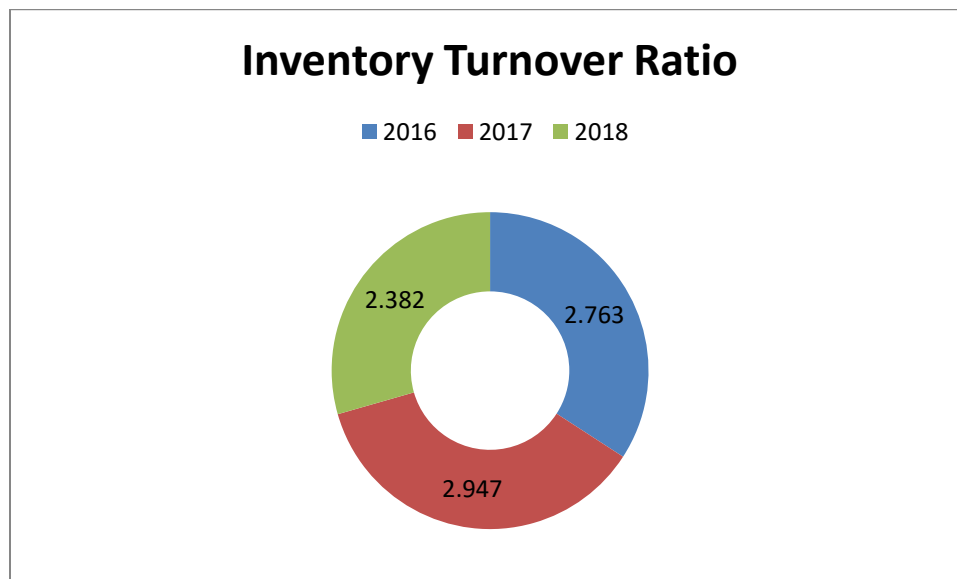


Figure: Inventory Turnover Ratio of SQ Hues Ltd. (Year 2016-18)

Interpretation: Inventory Turnover Ratio of SQ Hues Ltd is fluctuating over the period. Also compare with others company it is better position but company should more concern to increase the turnover ratio. It is increasing gradually which reduce the Company cost.

5.2.4: Total Asset Turnover Ratio: The total turnover is similar to fixed asset turnover since both measures a company’s effectiveness in generating sales revenue from investments back into the company. Total asset turnover evaluates the efficiency of managing all of the company’s assets.

$$\text{Total Asset Turnover} = \text{Sales} / \text{Total Asset}$$

Year	2016	2017	2018
SQ Hues Ltd.	0.547	0.557	0.553
Aman Cotton Fibrous Limited	0.415	0.4	0.348

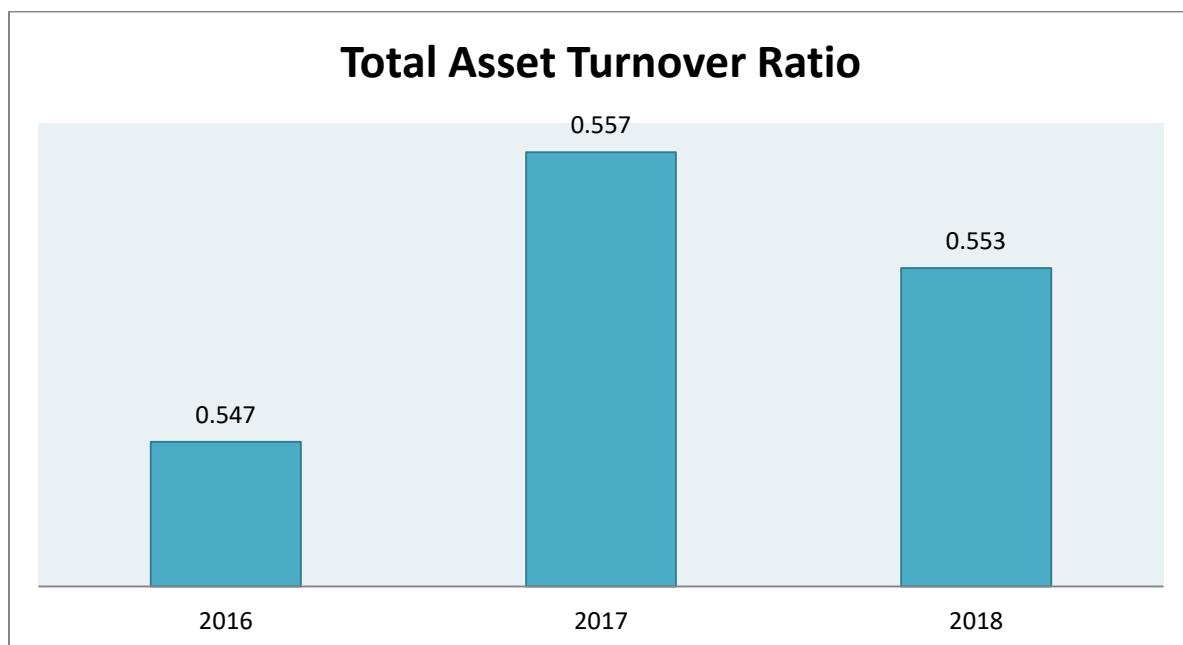


Figure: Total Asset Turnover Ratio of SQ Hues Ltd. (Year 2016-18)

Interpretation: The acceptable of total asset turnover for large organization. The total asset turnover ratio of SQ Hues Ltd. indicates that total assets are not efficiently used to generate sales throughout the period from 2016 to 2018, but in 2017 efficiently used. So the ratio showed an fluctuating trend. Company’s management should be more efficient in utilizing the company’s total assets to generate sales.

5.2.5 Gross Profit Margin Ratio: The gross overall revenue quantifies the level of every deal sum staying after the firm has paid for its merchandise. The higher the gross net revenue is the better. A high proportion of gross benefits to deals is an indication of good administration of cost of products sold.

$$\text{Gross Profit Margin} = \text{Gross Profit} / \text{Sales}$$

Year	2016	2017	2018
SQ Hues Ltd.	21.60%	22.10%	20.60%
Aman Cotton Fibrous Limited	25.60%	25.00%	24.80%

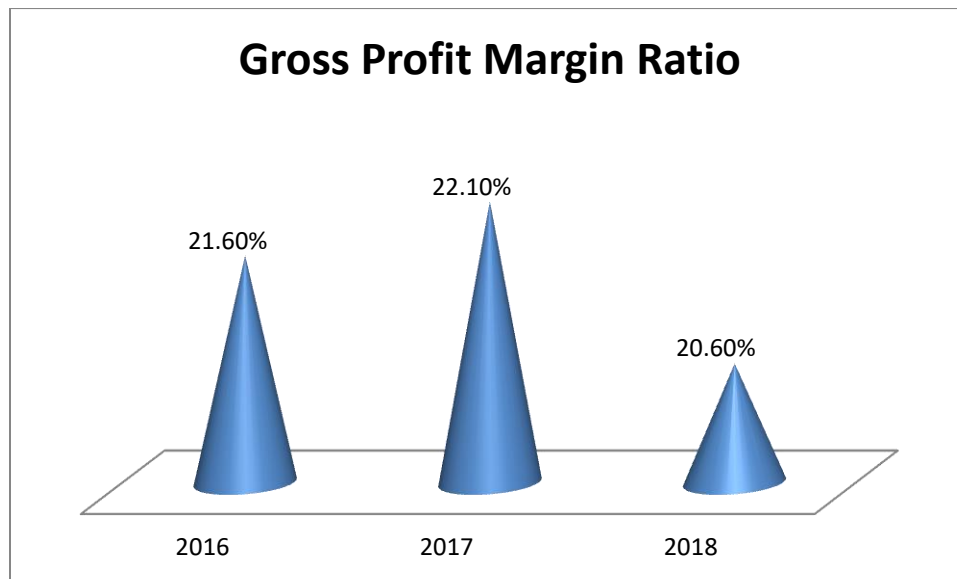


Figure: Gross Profit Margin Ratio of SQ Hues Ltd. (Year 2016-18).

Interpretation: We realize that the satisfactory furthest reaches of gross net revenue is 20% to 30% and SQ Hues Ltd. accomplished as far as possible. The expense of merchandise sold is productively overseen by SQHL as it delivered an agreeable gross net revenue proportion. That implies, it accomplish satisfactory inclusion for working costs and better come back to the proprietors of the business. The organization can expand its more deals and deal with its expense of products sold all the more effectively.

5.2.6: Net Profit Margin Ratio: The net benefit proportion gauges the level of every deal dollar staying after all expenses and costs, including premium and duties have been deducted. The higher the organizations net revenue, the better.

$$\text{Net Profit Margin Ratio} = \text{Net Profit} / \text{Sales}$$

Year	2016	2017	2018
SQ Hues Ltd.	8.30%	8.00%	7.00%
Aman Cotton Fibrous Limited	16.00%	16.00%	16.00%

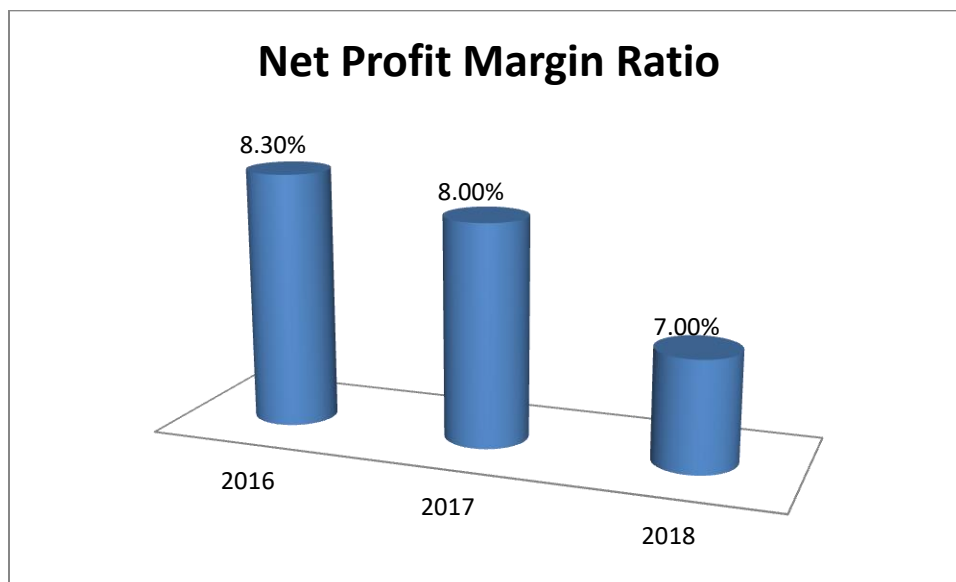


Figure: Net Profit Margin Ratio of SQ Hues Ltd. (Year 2016-18).

Understanding: We realize that the worthy furthest reaches of net overall revenue is 10% to 15%. SQ Hues Ltd was wasteful in deals execution during that period and not accomplish the cost-adequacy of tasks as it has low net overall revenue. Likewise Net overall revenue is diminishing pattern which negative for the Company. SQHL can build its administration's capacity to work the business by improving deals with the cost adequacy of the activity.

5.2.7: Return on Equity: The Return on common equity (ROE) measures the return earned on the common stockholders’ investment in the firm. Generally, the higher this return, the better off is the owners.

$$\text{Return on Equity} = \text{Net Profit after Tax} / \text{stockholders equity}$$

Year	2016	2017	2018
SQ Hues Ltd.	8.70%	8.70%	7.30%
Aman Cotton Fibrous Limited	9.50%	8.90%	7.60%

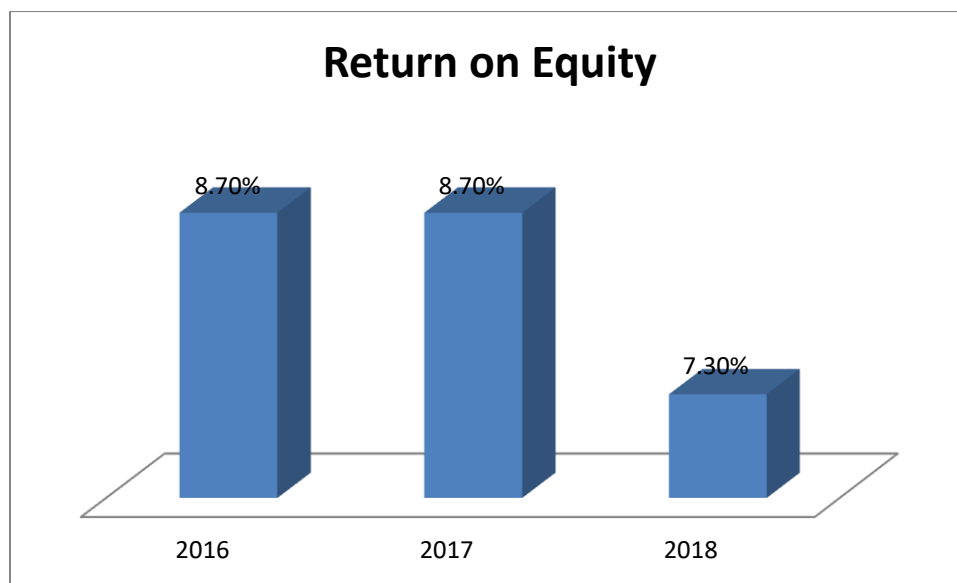


Figure: Return on Equity of SQ Hues Ltd. (Year 2016-18).

Interpretation: The earnings ability of SQ Hues Ltd. or the common stockholders’ is going down. Compare with other Company are in same trend. The company should achieve the best use of equity capital to enhance the earning per share (EPS) and stockholders’ return.

5.2.8: Return on Assets: The arrival on resources proportion, frequently called the arrival on absolute resources, is a gainfulness proportion that estimates the net gain delivered by all out resources during a period by contrasting overall gain with the normal all out resources. At the end of the day, the arrival on resources proportion or ROA gauges how effectively an organization can deal with its advantages for produce benefits during a period.

$$\text{Return on Assets} = \text{Net Income} / \text{Total Assets}$$

Year	2016	2017	2018
SQ Hues Ltd.	4.50%	4.40%	3.90%
Aman Cotton Fibrous Limited	6.60%	6.40%	5.60%

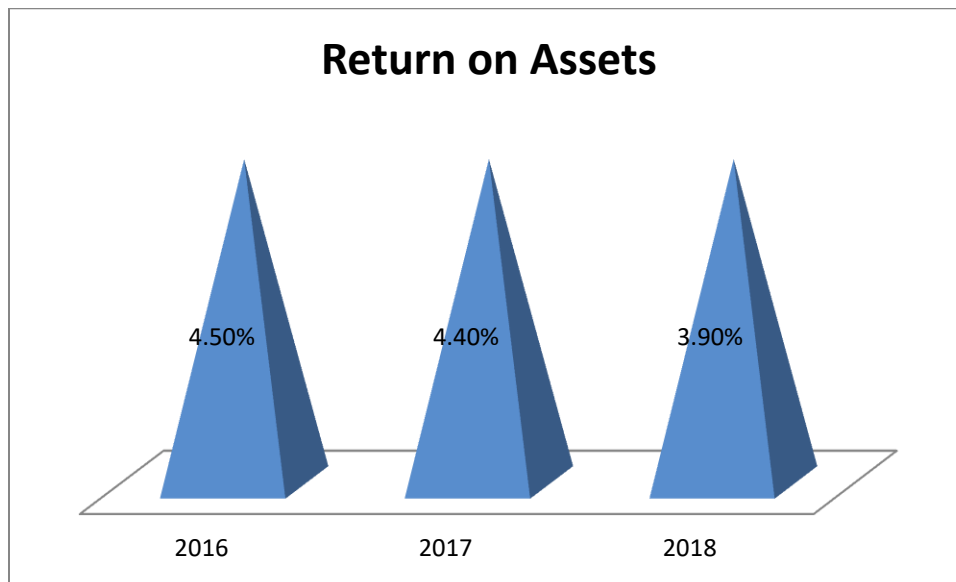


Figure: Return on Assets of SQ Hues Ltd. (Year 2016-18).

Understnading: This proportion enables both administration and speculators to perceive how well the organization can change over its interests in resources into benefits. Profit for Assets proportion of SQ Hues Ltd. Isn't better position contrast with Aman. That implies, the advantages of SQ Hues Ltd. is wastefully used to create deals. Likewise it is diminishing pattern which putting weight of the organization. So it ought to use its fixed resources all the more effectively to quicken deals.



5.3: Trend Analysis: Trend Analysis is a measurable procedure that attempts to decide future developments of a given variable by examining recorded patterns. As it were, it is a strategy that means to foresee future practices by inspecting past ones.

SQ Hues Limited Trend Analysis of Income Statement from 2016 To 2018			
Particulars	2016	2017	2018
Sales	100%	107%	111%
Less: Cost of Goods Sold	100%	106%	112%
Gross Profit	100%	109%	105%
Less: Administrative, Selling & Other Expenses	100%	106%	93%
Operating Profit	100%	110%	110%
Add. Other Income	100%	73%	6%
Profit Before Other Income	100%	109%	107%
Less: Financial Expenses	100%	105%	111%
Net profit before WPPF	100%	112%	105%
Provision for worker	0%	0%	0%
Net Profit before Tax	100%	112%	100%
Less: Provision for Tax	100%	178%	146%
Net Profit after Tax	100%	103%	93%

Interpretation: Trend analysis of SQHL showing that sales was increasing trend from the 2016 to 2018 but COGS was increased more compare with sales and this impact to decrease gross profit 2017 to 2018. Also financial expense and tax provision was higher in the year of 2018 compare 2017. Net profit was fluctuating trend in 2016-18.



5.4: Common Size Analysis: It assesses budget reports by communicating each detail as a level of the base sum for that period. The investigation comprehends the effect of every thing in the budget summary and its commitment to the subsequent figure.

SQ Hues Limited Common Size Analysis of Income Statement from 2016 To 2018			
Particulars	2016	2017	2018
Sales	100%	100%	100%
Less: Cost of Goods Sold	78%	78%	79%
Gross Profit	22%	22%	21%
Less: Administrative, Selling & Other Expenses	5%	5%	5%
Operating Profit	16%	17%	16%
Add. Other Income	0%	0%	0%
Profit Before Other Income	17%	17%	16%
Less: Financial Expenses	7%	7%	7%
Net profit before WPPF	10%	10%	9%
Provision for worker	0.00%	0.00%	0.37%
Net Profit before Tax	10%	10%	9%
Less: Provision for Tax	1%	2%	2%
Net Profit after Tax	8%	8%	7%

Interpretation: Common size analysis indicating the company COGS was higher in the year of 2018 that impact to decreased net profit. In Textiles industry always try to maintain 10% net profit of total sales. SQHL net profit was less than 10% over the period. So the company should concern to increase net profit by efficiently use raw materials & reducing operational cost.



Chapter-06

Findings, Recommendations and

Conclusion

6.1: Major Findings:

- The current ratio and quick ratio was smaller than other Company. Also both ratios is declining trend but over the period ratio showing the company is capable to meet current liabilities.
- The Inventory turnover ratio indicates that inventory not efficiently managed and utilized throughout the period from 2015 to 2016.
- The total asset turnover ratio indicates that, total assets ratio was fluctuating trend. Company management should more efficiently utilize the company total assets to generate sales.
- Gross profit margin ratio was decreasing trend but still ratio in good percentage.
- SQHL was highly inefficient in sales performance during that period and fail to achieve the cost-effectiveness of operations as it has very lower net profit margin compare with other company.
- SQHL achieved a satisfying return on Equity which indicates that effectively management in generating profits but in the year of 2018 it goes down.
- SQHL returns on assets, which indicate the decreasing trend of ratio and management not efficiently, manage their sales & cost.
- Trend analysis showing COGS was increased compare with sales and this impact on decreased gross profit 2017 to 2018.
- Common size analysis indicating the company COGS was higher in the year of 2018 that impact on decreased net profit.
- SQHL plant capacity is less compare with others business unit.



6.2: Recommendation:

SQ Hues Limited can take the following recommendations into consideration:

- SQHL can increase its current assets more by enhancing the accounts receivables and can decrease its current liabilities by reducing its bank overdraft and short term loan.
- The company should concern to increase the turnover of inventory.
- The company should try to utilize its fixed assets more efficiently to accelerate sales.
- The company ought to enhance its earnings by accelerating its sales as well as by minimizing its operating costs in order to get adequate earnings.
- The company should make an effort to increase its sales and manage its cost of goods sold efficiently.
- The company can enhance its sales by managing the operating cost efficiently.
The company can increase their plant capacity to support other business units and increase sales as well net profit margin.
- As per common size and trend analysis findings company should concern to increase net profits by efficiently use of raw materials & reducing operational cost.



6.3: Conclusion:

SQ Hues Ltd is the biggest and most productive substance inside the SQ Group of organizations which has been ordered by the advertisers to be the element that would lead future developments inside the Group. From the very initiation it assumes a crucial job in the national economy. SQHL is resolved to bring back the since a long time ago overlooked taste of value item. One of the most significant parts of SQHL is overseeing individuals that lies in helping workers by recognizing which become progressively powerful at their occupations and in what manner can them ready to adjust to that activity or another activity. This requires a significant level of co-appointment between representatives preparing and advancement, that SQHL consistently pursue.

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List of Abbreviation

Short Name	Full Name
SQHL	SQ Hues Ltd.
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
GDP	Gross Domestic Product
RMG	Readymade Garment