



An Internship Report

On

“Export performance analysis”

(A study on Skylark Knit Composite Ltd.)

Prepared for

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Submission Date: 11 December 2018

Letter of transmittal

Date:

To,

Dr. Md. Abdur Rouf

Department of Business Administration

Daffodil International University.

Subject: Submission of internship report on – “Export performance Analysis”- *A Study on Skylark Knit Composite Ltd.*”

Dear Sir,

With due respect, as a student of Daffodil International University, I have prepared my internship report on “Export performance of garments sector- *A Study on Skylark Knit Composite Ltd.*”

I have tried my level best to follow your guidelines in every characteristic of planning of this report. I have also collected what I believe to be the most significant information to make this report specific and accurate as possible. I am honestly thankful for your guidance during the preparation of this draft of the report. I hope you will appreciate my effort. I have done the study in a complete form and I have tried my level best to conduct this in a professional manner. It is true that, it could have been done in a better way if there were no limitations. I hope you will assess my report considering the limitations of the study.

Yours sincerely,

Jahid Hasan

ID- 151-11-211

BBA 40th Batch

Department of Business Administration

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Letter of Acceptance

This is to certify that Jahid Hasan, student of BBA, Daffodil international University bearing ID 151-11-211, has completed his internship Report titled “Export performance of garments sector- A Study on Skylark Knit Composite Ltd.”. The report has been prepared under my guidance and is a record of sincere work.

Dr. Md. Abdur Rouf
Assistant Professor
Department of Business Administration
Daffodil International University.

ACKNOWLEDGMENT:

At first, I wanted to be very thankful to the Almighty for my good health and prosperity to give this strength to complete this report. Then I also want to give my thanks to skylark knit composite Ltd this company every officer and staffs are really helpful to me. Every time they delivered their latest information and getting me updated for everything. So now, I just wanted to give my cordial respect and thanks to my supervisor Dr. Md. Abdur Rouf Assistant professor, Department of Business Administration, during this internship program, sir observed me very closely and he also supervised me so careful. am so great full to merchandizer officer Mr. Iqbal Hossain, managing director Faysal Ahamed Kamal, of Skylark Knit Composite Ltd he has been provided me all the information, support and gave me. So far direction which I need. I may not be able to complete this report without his supports and help. I would like to convey my thanks and cordial gratefulness to all others officer like Md. Rafiqul Islam, Luthful Bari Chowdhury of Skylark Knit Composite Ltd who also helped me and shows the right track by giving information this report.

Now I just want to give all love and respects towards my parents without them I couldn't reach till here, their encouragement support, trust, love and attentions bring me here. This factory and along with every single person, staffs, officers were really good to me and also helpful necessary document, Annual reports, statement, voucher etc. This was really important for me which helped me to prepare this whole report without facing any kind of problem. At last I would like to express my whole debt of appreciation and love from bottom of my heart to everyone.

Jahid Hasan

ID: 151-11-211

EXECUTIVE SUMMARY

Readymade Garments Industry is the important foreign currency earning divisions of Bangladesh. Now Bangladesh financial division is very much dependent upon this division. The annual export income of garments sector is driven from two sources one is woven garments and others is knits wear. Readymade garments are a 100% export concerned with garments. Readymade garments exports various garments product in foreign market. The company makes shirts, ladies dress, shorts, and others for Mexico, France, Australia and others countries.

They use high quality machineries to produce a quality garments product. They also rise new technologies to increase their production line. They have a mission and the vision is profit maximization. The selling philosophy of readymade garments is to keep good relation with their buyers.

The garments Industry maintains a good relationship with every buyer. They always try to satisfy their buyers. In this perspective the merchandiser always tries to do their merchandising activities in due time. The merchandiser of this company is not very much trained person. For this purpose, the company face problem. So, here readymade garments can employ high skilled people with giving high salary.

The readymade garments should improve their product value, packing system, internal environment, and other marketing activities to satisfy their foreign buyers. This report is prepared on “Merchandising activities and buyer satisfaction of readymade garments. The OCP report helps the reader to know about the merchandising activities, practiced in readymade garments and the buyer satisfaction level towards the merchandiser.

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Chapter One: Introduction

1.1 Introduction:

Exports are the goods and services created in one nation and purchased by citizens of another nation. It doesn't substance what the good or service is. Exports are important for the improvement and growth of domestic economies because not all countries have the resources and skills necessary to produce certain goods and services. However, countries impose trade barriers, such as tariffs and import quotas, in order to protect their domestic industries

The world of the population has hits on the globalization. In 1978 Bangladesh originated creating export processing zones in altars foreign capital and earn a foreign dollar. Export processing zone authority was set up on a blanket ban on trade. Union activity in 1993 the most gorgeous features for investors was top of tax disruption and other reason on the offer. Mostly in the garments manufacture industries, the EPZ have now 70000 workers and employee. In BEPZ there was full switch over work situations, wages, and benefits, National labors law do not smear in the EPZS.

There are huge garments industry but the condition of these garments are even poorer. The countries 1.5million employees and worker of top export garments are under the setting of super abuse. Young women from rural areas who have migrated to the urban centers in search of work, they are the most majority in the garments sectors. The workers have no freedom in their work, they work as like prisoners. They don't have any fixed hours of work or day-off. In the average of 24 hours, they work 13 hours per day, and up to 27 days per month and most probably they earn between 7-10 in a month. Work rate comes by hours of two-three cents. The industry currently owes 300000 in back pay, a staggering amount considering the stingy wages, and this was reported by a middle-class media.

Bangladesh has very sharp garments industry in the sense of exporting. The total request of our garments is satisfied with the domestic cloths and this sector is doing very well, Come from the garments industry export product. Only a few people are rational about the present state of the workers of the garments sectors. The major portion of the government revenue comes from this garments and from the workers. One of the major position of ours. The country depends on garments and it is a very important issue to look at this sectors. The problem container eliminates on this sectors should be reproduced on it.

1.2 Background of Study:

Bachelor of Business administration (BBA) is an undergraduate program. But we don't have any knowledge about practical work. Practical work places and university class rooms both are different. After ending the program of BBA, an assured time is reserved for internship. As a student of bachelor of business administration, Internship is an academic condition. For the internship, necessarily every students have to figure in an exceedingly selected establishment to improve one's sensible knowledge and experiences. After ending the internship builds a report on the data of internship. As a compulsory demand of BBA program, I used to be allotted and try to do my internship in Skylark Knit Composite Ltd for an epoch of 3 months. This report has been ready to realize the practical demand. Whereas creating this report, I had an excellent prospect to own within the depth data of all the clothes activities of Skylark Knit Composite Ltd.

1.3 Objectives of the study

The major objective of this study is to analysis the export performance analysis of "Skylark Knit Composite Ltd".

Specific Objective:

- To know the export performance of Bangladesh garments in international market.
- To understand the recent RMG export reputation of Bangladesh.
- To calculate the Ratio positions of this company.

1.4 Methodology

For my report, actually I have collected information from each primary and secondary knowledge.

Primary Data:

Primary data has been collected from the info or information through the following ways-

- Directly from the employees and the head of the department.
- By looking at the environmental behavior, facts, report and present circumstances of the industry.
- Through contacts with the Line Managers and every employees.

Secondary data:

Secondary data has been collected from Skylark Knit Composite Ltd profile, export volume report, audit reports, documents, related books and articles on garments industry, BGMEA, BKMEA etc. Besides, I attempted to gather knowledge through browsing net additionally.

1.5 Scope of the Study:

The report is mainly confined to the “Export performance analysis”.

Now direction to compartment study on this central issue, the following structures come within the distance of the study.

Overview of Skylark Knit Composite Ltd.

Export performance analysis in readymade garments.

1.6 Limitations of the study:

Objective of the useful direction program is to have practical exposure for the students. My permanent status was for only three months, which was not enough to gather adequate ability of such huge industry business. When I completed my study I got limitations. I had to face some problems.

The following limitations I have faced while I was assigned as an intern in Skylark Knit Composite Ltd:

All the division of company was not physically visited.

Preparing the internship report is really troublesome.

Three months of time is not enough for the study.

Collection of documents was not smooth.

*Chapter Two: Overview of Skylark
Knit Composite Ltd.*

2.1 Introduction to Skylark Knit Composite Ltd

Company Name : Skylark Knit composite Ltd.

Type of business : Manufacturer and Exporter

Legal Status : Private Limited Company

Year of Establishment : February 2009

Chairman of the company : Mohammad Iftakharul Kamal

Head Address : 3rd& 4th Floor, House-34 Sonargaonjanapad Road Sector-12,
Uttara Dhaka-1230, Bangladesh

Web : <http://www.skylark-bd.com>

Factory : 182, Bhorari, Rajfulbaria Saver, Dhaka, Bangladesh

Employees : 1000.

2.2 History of the company Introduction to Skylark Knit Composite Ltd:

Skylark knit composite Ltd is one of the largest readymade garments factories who playing a vital role of knit and readymade garments exporters in Bangladesh. This company started their journey as a readymade garments exporter from January 2009. Two Within the brief time it has positioned itself as one of the fantastic productive corporations in the subject of the national economy. Skylark Knit Composite Ltd have been in the RMG manufacturing commercial enterprise for 9 years now and can lay declare to be a market leader and trendsetter in this industry in Bangladesh. Skylark composite Ltd is now equipped with modern types of machinery in all divisions to make sure best support to suit the taste of customers. Skylark composite Ltd has expanded its capability, established a skilled employee force and introduced included technologies, to remain globally up-to-date. Skylark knit composite Ltd believes in the policy that improvement is never-ending process. Therefore it's takes exceptional care to improve every step and increase in value all innovative ideas for customers and employees welfare. Skylark composite Ltd adopts a belief in long term relationship ethics with the customers and considers them as business partners.

The present situation of job satisfaction of staff in varied fields of the country isn't up to the quality rating. This study has been conducted to live the worker satisfaction level in Skylark Knit Composite Ltd and to depict the area unites wherever the workers are disgruntled.

2.3 Buyers Name & Agent:

PRICE SHOES	MAXICO
DEELUXE	FRANCE
MACDAB	AUSTRLIA
CLEY	MAXICO
SPRIDER	GREECE
MARCDAB	NEW ZEALAND

Product Name: Polo Shirts, T-Shirts, Vest, Sportswear, jackets etc.

2.4 Mission of the Company:

Skylark Knit Composite Ltd is faithful to undertaking out into the changing and challenging global market as a leading enterprise in the world clothing industry by satisfying its treasured customers.

2.5 Vision of the Skylark Knit Composite Ltd:

To purpose as one of the greatest clothing sources in the worldwide market Providing the quality product in the international market

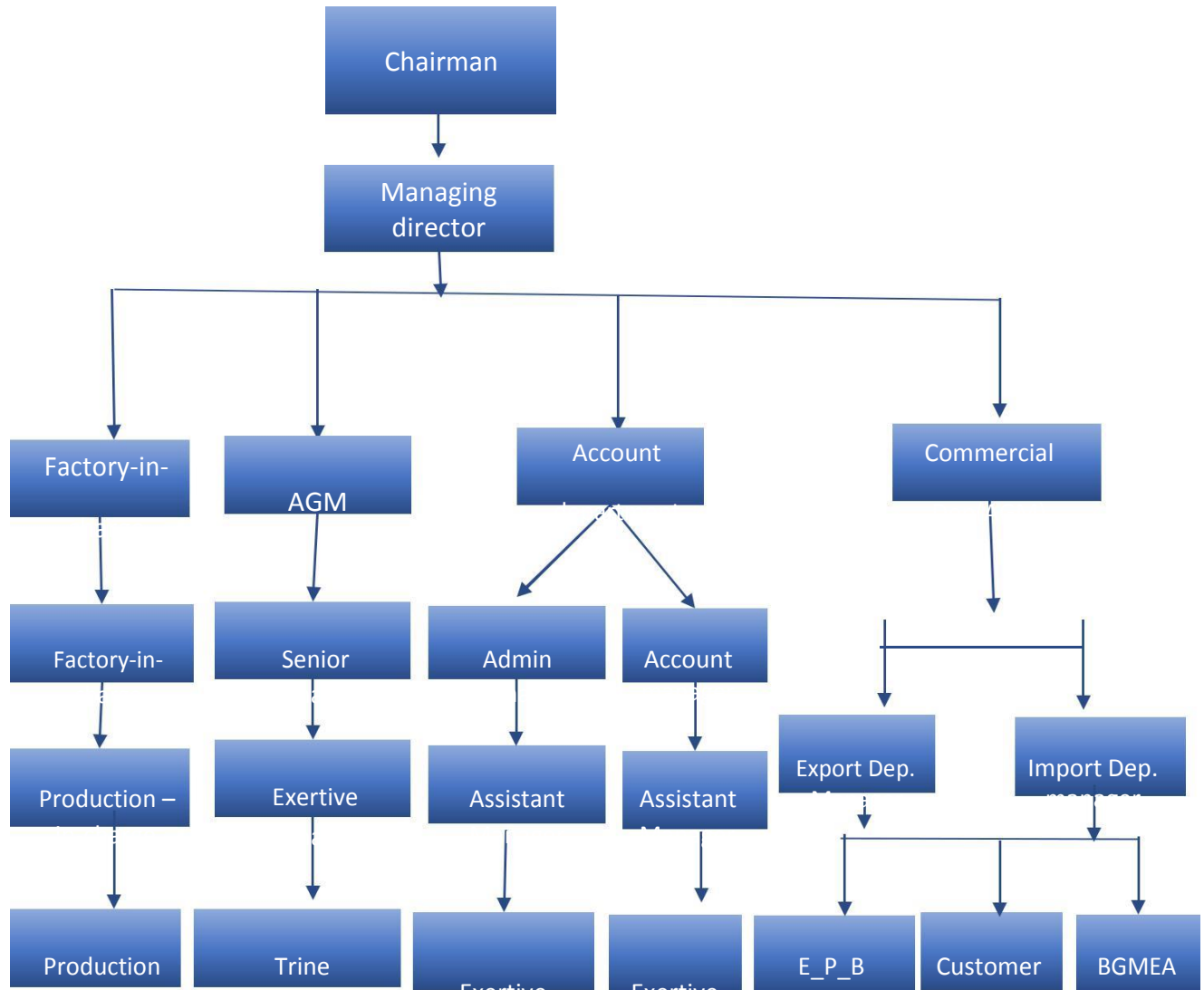
Fulfill buyer's conditions

Fulfill social and organizational commitments

To ensure customer and also job satisfaction at all ranks

Maintain the corporate and business ethic

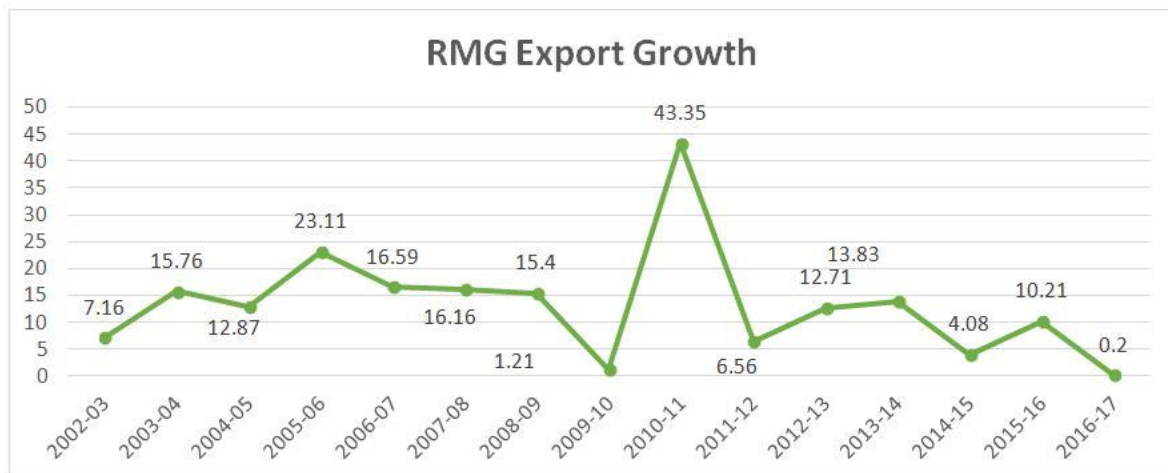
2.6 ORGANIZATION CHART:



*Chapter Three: Export Performance
Analysis RMG Industry*

3.1 Introduction:

The hundred percent export RMG industries have growth throughout the last 15 years. Within a really short amount of time, it's earned a nice position in terms of its impact to value, exchange revenues and employment and as well as a vehicle of social changes. The export earnings documents of Bangladesh shows that in 2002-2003, the RMG sector earned 7.16 % of the total export. This was raised to 12.76 % in 2003-2004. This share quickly went up to 16.59 % in 2006-2007. The share indicated no increase for the last 3 years. People's Republic of Bangladesh garments product faces various barriers and difficulties in the world market. Garments impact the total export producing remained constant at around 12.71% in 2012-2013 and 13.83 in 2013-2014. For the year 2016-2017, the overall quality of RMG export was 0.2%.



Source: EPB Statistics from website

3.2 Sources of data:

This study covered two types of data, which are:

Primary data

Secondary data

Primary data:

Primary data has been collected through a structured questionnaire, direct observation, constructed specially for this report.

Secondary data:

Secondary data has been collected through different documents like as- Skylark Knit Composite Ltd, company yearly reports, BGMEA reports and by the others are the sources of secondary data.

3.3 Problem Definition:

Export risk is a position which stands disapproving position on fact. Every company or individual can't recognize without any risk. Risk is the possibility that a real return on an investment will be lower than the expected return.

3.4 Literature Review:

Exports mean transfers of the ownership of good or services from residents of a country to other non-residents country but it is not simply to send goods or services across national borders for the purpose of selling foreign exchange. Bangladesh started their journey as an RMG factory export were opened within the late seventies by different Asian countries investor whose export had been self-possessed by quotas executed by importing states. By the mid of 1980, the RMG industry became a powerful export jobholder. By the mid-1980s, the ready-made industry had become a powerful export jobholder. Garment exports brought earnings of US\$3m in 1981, but by 1984 exports had increased to US\$32m, and the following year profits soared to US\$116m. For 1985 and 1986, RMG was the second major trading jobholder for Asian country when jute.

Developing countries, now different words, exports, in part, in order that they'll import. Exporting merchandise and services can even any advance developing nations' domestic economies. Bangladesh's export performance as a result future presents symbols of a strong point in its export bag. Export takes a huge impact on the economy of a Nation like a developing country, Bangladesh whose huge percent of yearly Budget depends on Export that is, the foreign

currencies. The economy Bangladesh has changed drastically in last 30 years. The economy of Bangladesh is largely driven by its exports of ready-made garments (RMG), remittances and the domestic agricultural sector. Ready-made garments (RMG) industry that now ranks second in export in the world. Within a brief amount of your time, it's become the biggest export wage earner of the country through a serious positive forward thrust within the early 90s. Bangladesh earned the US \$ 30.3 billion from exports in the fiscal year 2015-2016 which was almost 17.34% of GDP. The readymade garments (Clothing, textiles, Knitwear) comprise about 89% of export whereas the major items are footwear and fish (mainly shrimp). The main destinations of export are the USA, UK, Germany and European Union (EU). To make Bangladesh poverty free, it is very important to keep sustainable growth in the economy where export can play a vital role. This is for it necessary to analyze the trend of export over the years from different prospects. It is examined 64 Mohammad Rafiqul Islam and Mohaiminul Haque: The Trends of Export and Its Consequences to the GDP of Bangladesh the relationship between the export and growth and showed that when a country has reached some level of economic improvement than the exports have a progressive and significant influence on economic development. In the paper, we will analyze the export of Bangladesh from fiscal 1990 (1 July 1989 to 30 June 1990) to 2016 (1 July 2015 to 30 June 2016).

3.5 Overview of RMG industry in Bangladesh:

Bangladesh has been one of the most essential best export craft international locations of RMG and Clothing in the world market. This enterprise occurring in Bangladesh at 1970 extended deeply in the 1980 and developed in the 1990s. The fast enhancement of this enterprise was as soon as feasible then of the use of much less hard technology, low priced labor, effortless to function sewing sorts of machinery. The sector contributes pointedly to the GDP. It is a comparable way arranges for employment to spherical 4.5 million Bangladeshis. A brilliant range of laborers in this location is women. This has pretentious the general repute of many ladies coming from low-income families.

The Bangladesh Garment makers and Exporters Association (BGMEA) is that the solely recognized trade body that embodies the export leaning garment makers and exporters of the country. Attributable to the 70's political confusion in Ceylon and value hike in different Asian

countries, garment patrons within the international markets journeyed the attainable of fresh natural Bangladesh. Opportunely, with businessperson's ability and exertions, the timely policy maintenance from the govt, additionally to a budget labor of the men, RMG business may prosper imposingly and therefore the patrons got poise in it. Currently, the expansion rate of this business is, on a mean, two hundredths every year. Through a colossal offer of efficient labor, country's economic factors square measure in favor of increase during this fairly low capital and high labor thoroughgoing business. The gap in the late seventy as a little untraditional sector of export, RMG arose as a promising export earning sector of the country by the year 1983. At that point Bangladesh lacked a protecting trade body, non-government in nature, free from ancient administration, to assist the arena to spice up the country's interchange earnings.

Today BGMEA with conceit announces registered membership of quite 2700 garment manufacturers and exporters. Of the general 2700 units, around 1932 garment industrial unit square measure placed in national capital whereas regarding a 155 and 415 factories square measure placed in Naryanganj and Chittagong severally. These garment industrial unit having about 1.5 million staff is 7% of the nation's total external money. About fifteen million individual's square measure straight dependent on this sector for his or her living. The event of Freight Transport, Insurance, bank, etc. within the country is that the capability of the fashion business.

Table: 1 Important Distributed Related to RMG Industry:

Year	Distributed
1970-1980	Early dated of growth
1982-1985	Boom Days
1990	Developed Significantly
1993	Child Labor & Its Solution
2003	Withdraw Canadian Quota
2005	Out of quota Restriction
2006	Strikes by Garments labor
2007-2008	Growth rate stable
2008-2015	Continuous Growth

Source: BGMEA & Export Promotion Bauru Bangladesh

Table: 2 Employment & Membership in RMG Industry Bangladesh

Year	Number of Factory	Employment
2001	3480	1.8
2002	3618	1.8
2003	3760	2
2004	3957	2
2005	4107	2
2006	4220	2.2
2007	4490	2.4
2008	4743	2.8
2009	4925	3.5
2010	4063	3.6
2011	5150	3.6
2012	5700	4
2013	5876	4
2015	5896	4
2016	4296	4

Source: BGMEA Directory, 2015

Table 3: Economical glossary of RMG industry in Bangladesh

Factors	Contributions
Employment in garment industry	Around 4 million workers (2015)
Garment percent of GDP	12% (2014)
Garment present of export	80% (2013)
Rate garment export	20 billion (2013) { 15billion EUR }
Percentage of the global market for garment	Bangladesh is the second major garment supplied of the international market, after china.
Minimum income	7050take (2017)

Source: Export Promotion Bureau Compiled by BGMEA

Chapter Four: Theoretical Aspect

4.1 Special Feature (Limits):

The competitive energy of a company or a rustic inside the market relies upon on its particular comparative benefit that its opponents do not have. A unique individualism of an issuer shapes active its strategic benefit profile. In case of Asian country, this individualism is that limitless availableness of extraordinarily low value however usable labor. It is the luxuriant supply of the incredibly less costly worker that stands out due to the fact of the essential strong point. The readymade garments enterprise by way of its nature should be a low knowledge, however, worker-intensive business. The team of workers will be used at terribly low salaries, not totally in contrast with unique challenger states, on the other hand moreover in contrast with unique home industries in the Asian nation. In-home market likewise, the wages of the group of workers of the RMG business occur to be the all-time low.

4.2 The External Threats:

Bangladesh takes with success established an interesting attendance within the global markets, within the EU and USA markets. Doubt one explores its external threats and chance profile, one discoveries that its dominant contestants can attempt to effect the commercialism atmosphere in such some way as can improve its competitive edge: This hurdle will take various forms.

These are mentioned in 2 types:

- Phasing unavailable of MFA and
- Other non-tariff Barriers.

Phasing Unavailable of MFA:

It appears that the extraordinary boom of RMG exports from Bangladesh has ended up a chance to its effective competitors. Naturally, they vicinity unit making prepared to take hold of away the markets from Bangladesh with aggressive and “innovative” commercial enterprise ways. They will without a doubt take advantages of the new provisions enclosed inside the closing Acts of Uruguay spherical. One such provision is that the phasing out of the Master of Fine Arts.

Before we can reply the query of whether or not the phasing out of MFA will be a danger to Bangladesh, we want to recognize the starting place and that means of MFA. The UN organization did not firstly include fabric and apparel industries in its standards of MFN (Most Favored Nation). The Uruguay spherical decided to combine textile and RMG industries into UN organization system. As is renowned, GATT/WTO prohibits now not totally undue tariff barriers, however, all types of non-tariff limitations as well as the imposition of “quota”. In the sixties, whereas UN enterprise concepts prohibited discrimination between the commercialism partners, it allowed certain exceptions to UN corporation ideas on the backside of “fairness”. Such an exception is WA.

Other Non-Tariff Barriers:

The Final Acts of the Uruguay spherical negotiations expanded, built-in and bolstered the GATT ideas of reducing/eliminating all sorts of alternate barriers with a examine to amplify world trade. It is simpler to spot and take away trade restrictive tariff obstacles as an end result of they take several and such subtle varieties that. Multilateral negotiators face extra disagreement than the settlement on their definitions. For example, customs analysis strategies gorgeous in a distinctly unique we of an also understood as intentionally created non-tariff obstacles via its commerce partners. Similarly, there is a scope for “misinterpretations” of subsidies given to exporters by means of the number government. The baby labor, environmental and right problems are at threat of comparable “misinterpretation.

4.3 Quota System:

For times the world’s garment trade has been ruled by a quotas system. It restricted the number of economical states like China may export to the huge markets of Europe and the United States. But the impact was to confirm developing countries like Bangladesh a percentage of the trade. Quotas system were eliminated from 1 January 2005. Traders are currently unengaged to get starting no matter country will create garments product for the rock-bottom value. It may mean low-priced garments for clients however the pain is going to be felt in shanty town within the rising world.

4.4 Competitor:

Competition has become intense at intervals the style business these days. The fashion business is rising speedily in Taiwan, Hong Kong, Singapore in Asia. Thailand, Malaysia, Indonesia, Philippines, and Sri Lanka have found the style business further engaging to develop their economy from the 70's decade. The threat from varied National Organizations. The trend of the modern world is regionalism to strengthen the economy of the member countries through co-operation. North American Trade Association has been signed recently and thus the most instigator of NAFTA is that the USA, the globe Health Organization is that the main consumer of the garment from the People's Republic of Bangladesh. Consistent with the agreement of NAFTA, USA can invest its domestic resources to develop their economy by practice hour of their own raw materials by utilizing the low-value labor of United Mexican States. On the opposite hand, global organization countries have already declared one currency for the EU world organization known as EU to safeguard the interest of the member countries through cooperation. This type of policy may be a nice threat to the style business of the People's Republic of Bangladesh, as a result of Deutschland, Britain, Denmark, Norway, Belgium, Italy, etc. square measure patrons of the garment of Bangladesh.

4.6 Risks Associated With Export:

Happening the environment of responsibility foreign trade, Exporter who is exporting or who are arrangement to export are subject of different types and ranges of risk than they would involvement in the local market. Global trade is affected by, but not narrow to, a kind of risks that need to be addressed and which include,

Currency Exchange Risk

Transport Risk

Legal Risk

Political Risk

Country Risk

Social and Environmental Risk

Transfer Risk

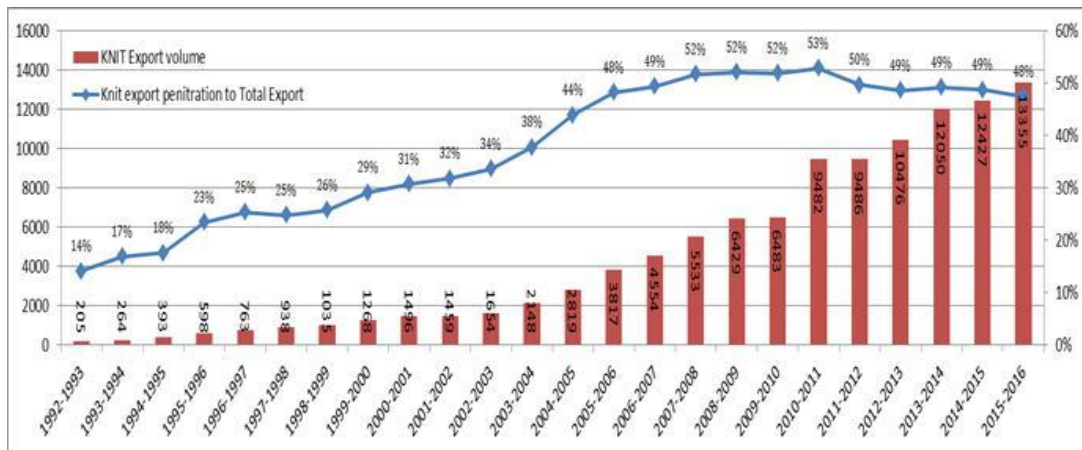
Financing and Credit Risk

4.7 Bangladesh made earlier economic growth:

The World Bank on Bangladesh created the quicker commercial process in last 2 monetary years as well as foretold that the planned 5.5 percent growth of this year's GDP was 'very likely' to be achieved thanks in the direction of smart rice yields, information BSS. The export performance additionally marked a gradual progress with 16.2 percent increase in initial 7 months of this financial. The export of prepared created clothes (RMG)- each plain-woven and knitwear-has picked up thanks to rise in international response and also the partnership method within the business, that makes over 70 % export incomes.

4.8 Bangladesh Ready-made Garment Export:

There are concerning 4000 export turning RMG business in Bangladesh those are collected over chiefly capital of Bangladesh. Such distribution proposals consumers benefit to settle on the proper exporters, throughout the year, with minimum effort.



Garments factory's in Bangladesh

Chapter Five: Findings & Analysis

5.1 Analyzing Liquidity Ratio on Skylark Knit Composite Ltd:

Current Ratio:

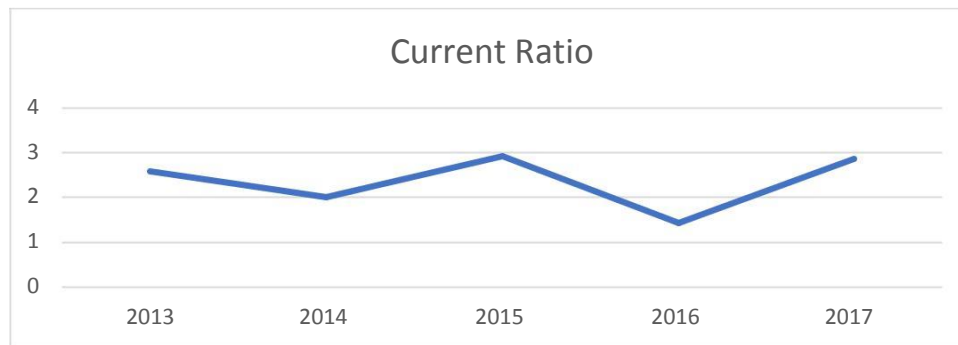
The Current magnitude relation Direct the connection between the organization Current assets and its Current liabilities. Organizations use Current magnitude relation to amount the organization ability to satisfy a short-term obligation.

Current Ratio = Current Assets/Current Liabilities

(Amount in Millions)

Year	2013	2014	2015	2016	2017
Current Assets	209.01	245.6	233.6	245.46	239.5
Current Liabilities	80.94	81.52	79.53	100.7	83.58
Current Ratio	2.58	3.01	2.92	1.44	2.86

Graphical Presentation



Interpretation:

The above diagram displays that the current ratio was increased from 2.58 times in 2013 to 2.92 times in 2015, but after that it was decreased to 2.86 in 2017.

Quick Ratio

Quick Ratio is quantity of how well an organization can meet its short term financial liabilities.

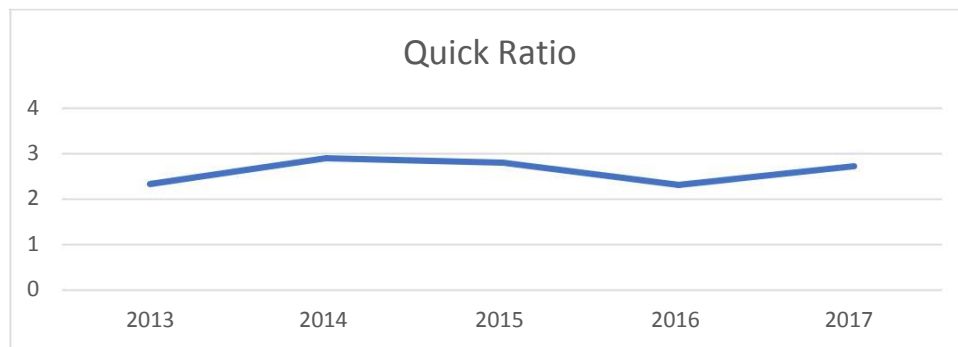
Acid test ratio is also identified as a quick ratio.

Quick Ratio or Acid Test Ratio = $\frac{\text{Current assets} - \text{Inventory}}{\text{Current liabilities}}$

(Amount in Millions)

Year	2013	2014	2015	2016	2017
Current Assets	209.01	245.6	233.6	245.46	239.5
Inventory	8.82	8.15	10.90	10.69	10.41
Current Liabilities	80.94	81.52	79.53	100.7	83.58
Quick Ratio	2.347	2.91	2.81	2.33	2.74

Graphical Presentation



Interpretation:

The above figure displays that the quick ratio was increase from 2.34 times in 2013 to 2.81 times in 2015, but after that it was decreases to 2.74 times in 2016.

Net Working Capital

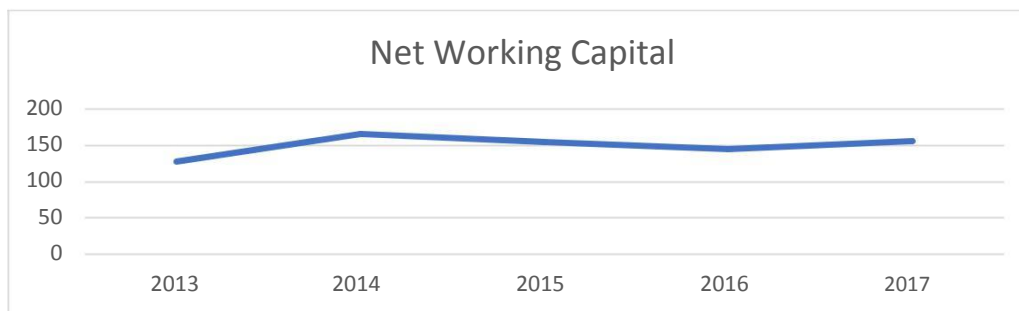
Working Capital is a financial measurement of the operating liquidity available to a business it is also known as net working capital ratio.

Net Working Ratio = Total Current assets - Total Current liabilities

(Amount in Millions)

Year	2013	2014	2015	2016	2017
Current Assets	209.01	246.6	233.6	245.46	239.5
Current liabilities	80.94	81.52	79.53	100.7	83.58
Net Working Ratio	128.07	165.08	154.07	144.76	155.92

Graphical Presentation



Interpretation:

The graph displays that the net working capital of the company has fluctuated over years. It was increased from 128.07 million in 2013 to 165.08 million in 2014, but after that it was decreased to 155.92 million in 2017. The company should be concerned about to manage the capital properly.

5.2 Analyzing Activities Ratio on Skylark Knit Composite Ltd:

Total Asset Turnover Ratio:

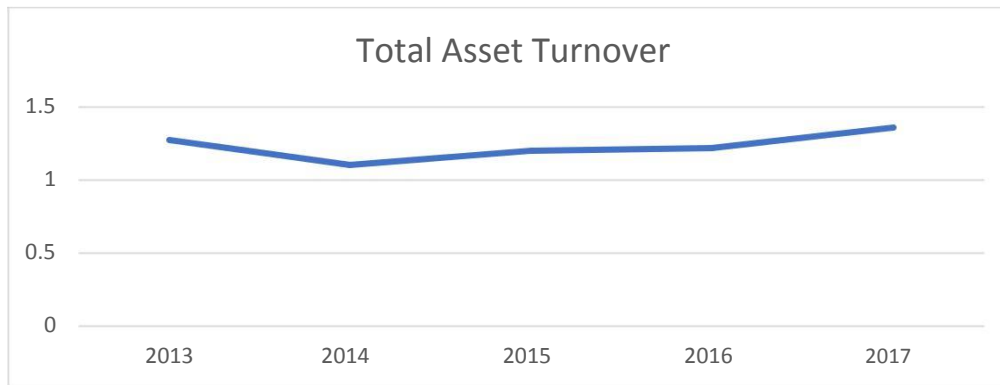
Total Assets Turnover Ratio evaluates the efficiency of managing all of the Organization Assets.

Total Asset Turnover = Sales / Total Asset

(Amount in Millions)

Year	2013	2014	2015	2016	2017
Sales	266.056	269.056	279.19	300.03	327.96
Total Assets	209.01	246.6	233.6	245.46	239.5
Total Assets Turnover	1.27	1.10	1.20	1.22	1.36

Graphical Presentation



Interpretation:

Graph displays that, total asset turnover of the company was fluctuated and decrease over year from 1.27 in 2013 to 1.36 in 2017, which was a bad sign of company performance.

Inventory Turnover Ratio:

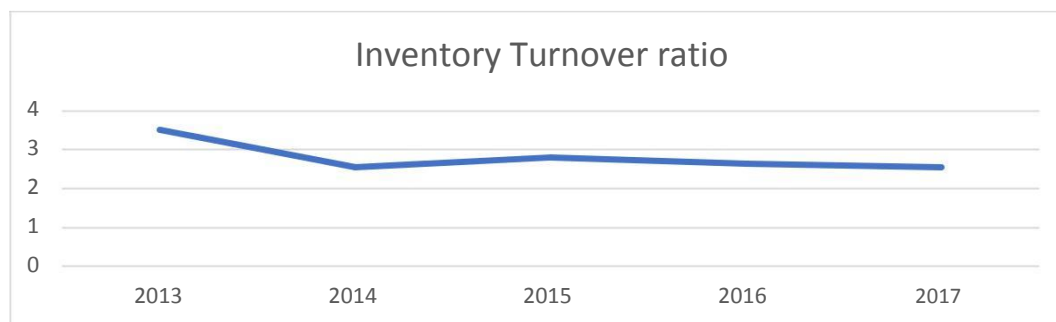
Inventory turnover is a quantity of the number of times inventory is sold or used in a time period such as year. Low inventory turnover ratios specify an organization is carrying too much inventory. This could propose poor inventory management or low sales, high inventory turnover ratios may specifies an organization enjoying solid sales or working just in time inventory methods.

Inventory Turnover ratio = Cost of Goods sold for the Year / Average Inventory

(Amount in Millions)

Year	2013	2014	2015	2016	2017
COGS	279.16	274.09	282.08	254.49	263.7
Average Inventory	79.17	77.17	101.02	106.10	103.10
Inventory Turnover Ratio	3.52	3.55	2.79	2.639	2.55

Graphical Presentation



Interpretation:

The inventory turnover ratio of the company was fluctuated over years. It was increased from 3.52 times in 2013 to 3.55 times in 2014, but after that it was decreased to 2.55 times in 2017. This specifies that the company is carrying too much inventory

Average Collection Period:

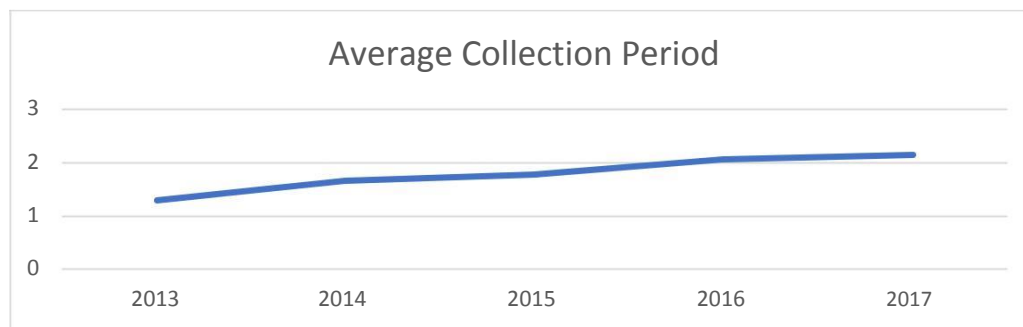
The average quantity of time needed collected accounts receivable. The average collection period is useful in calculating credit and collection policies.

Average Collection Period = AC receivable / (Annual sales/360)

(Amount in Millions)

Year	2013	2014	2015	2016	2017
AC receivable	69.89	81.56	81.87	87.3	88.3
Sales per day	53.47	49.14	46.76	42.09	41.04
Average Collection Period	1.30	1.66	1.78	2.07	2.15

Graphical Presentation



Interpretation:

Graph displays that collection period of the company was fluctuated and increased over the year from 1.30 days in 2013 to 2.15 day in which was a bad sing of company performance.

5.3 Analyzing Debt Ratio on Skylark Knit Composite Ltd:

Debt Asset Ratio:

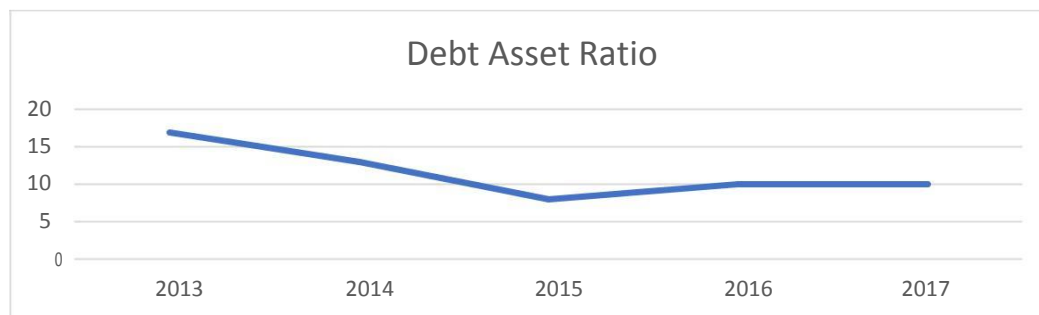
Debt ratio quantity the preparation of the total assets provided the company's

Creditors. Debt Asset Ratio = (Total debt / Total Asset) × 100

(Amount in Millions)

Year	2013	2014	2015	2016	2017
Total Debt	36.98	34.76	18.87	20.43	24.87
Total Asset	209.01	246.6	233.6	245.46	239.5
Debt Asset Ratio	17%	13%	8%	10%	10%

Graphical Presentation



Interpretation:

The graph shows that debt ratio of the company was fluctuated and decreased over the year from 17% in 2013 to 10% 2017 which indicated a lower degree of thankfulness of the company.

Debt Equity Ratio:

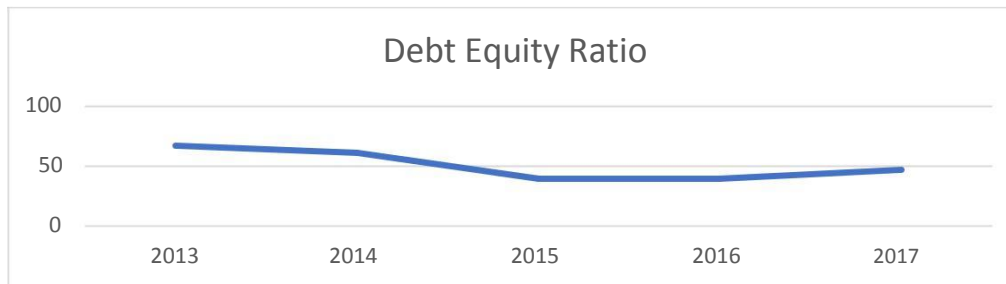
The debt equity ratio specifies the relationship between the long term funds provides by the creditors and these organization owner.

$$\text{Debt Equity Ratio} = (\text{Total Debt} / \text{Total Equity}) \times 100$$

(Amount in Millions)

Year	2013	2014	2015	2016	2017
Total Debt	36.98	34.76	18.87	20.43	24.87
Total Equity	55.01	56.2	45.54	49.59	52.76
Debt Ratio	67%	61%	40%	40%	47%

Graphical Presentation



Interpretation:

Debt Equity ratio of the company has fluctuated and decreased over year of the analysis from 67 % in 2013 to 47 % in 2017. A lower point of debt equity ratio requires that lower creditors financing was used for business than investor financing.

5.4 Profitability Ratio

Gross Profit Margin:

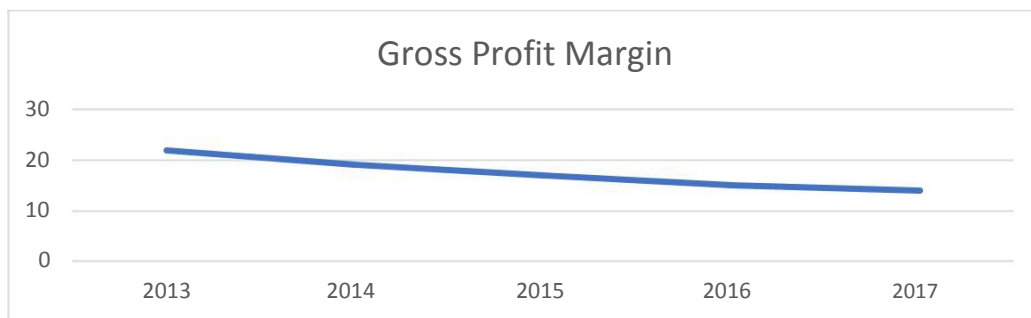
Gross profit is the difference between sale and manufacturing cost of goods sold and gross profit compared with the sale. Gross profit margin ratio reflects the effectiveness with which management harvest each unit of product.

$$\text{Gross Profit Margin} = (\text{Gross Profit} / \text{Sales}) \times 100$$

(Amount in Millions)

Year	2013	2014	2015	2016	2017
Gross Profit	59.8	52.92	49.61	45.01	46.8
Sales	266.05	269.056	279.19	300.03	327.96
Gross Profit Margin	22%	19%	17%	15%	14 %

Graphical Presentation



Interpretation:

Gross Profit Margin of the Company Was fluctuated over years. It was decreased from 22% in 2013 to 19% in 2014 but after that it was decreased to 14% in 2017.

Net Profit Margin:

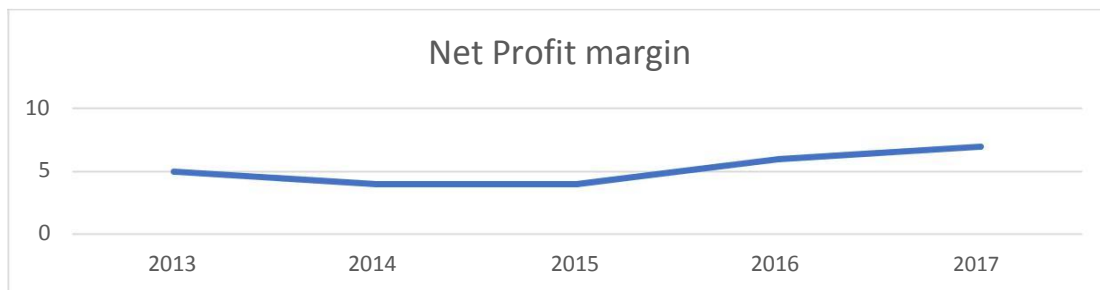
The Ratio is also identified as net margin. The methods the relationship between net profit and sales of the company.

$$\text{Net Profit margin} = (\text{Net income} / \text{Net Sales}) \times 100$$

(Amount in Millions)

Year	2013	2014	2015	2016	2017
Net income	11.71	12.98	11.3	16.08	24.21
Net Sales	266.05	269.056	279.19	300.03	327.96
Net Profit margin	5%	4%	4 %	6%	7 %

Graphical Presentation



Interpretation:

Net profit margin of the company was also fluctuated over years. It was increased to 5% in 2013 to 6% in 2016, which specifies in the company was that good enough in increasing operating profit remaining after taking all the cost and expenses. However, in 2016 it was increase to 7%.

Return on Asset (ROA):

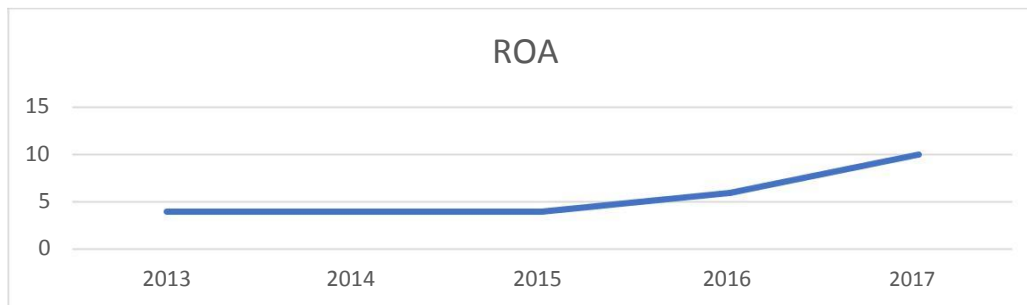
ROA is called the company return on assets, it methods the overall effectiveness of management in generating profits with its available asset.

$$(\text{ROA}) = (\text{Net profit after tax} / \text{Total Tax}) \times 100$$

(Amount in Millions)

Year	2013	2014	2015	2016	2017
Net Profit after tax	11.71	12.98	11.3	16.08	24.21
Total Assets	209.01	246.6	233.6	245.46	239.5
ROA	4 %	4%	4%	6%	10 %

Graphical Presentation



Interpretation:

ROA the company was fluctuated and increased from 4% in 2013 to 6% in 2016, which specified that the company management was efficient enough in generating profit by using its assets. However in 2017 it was increase to 10%, which specifies a good performance.

Return on Equity (ROE):

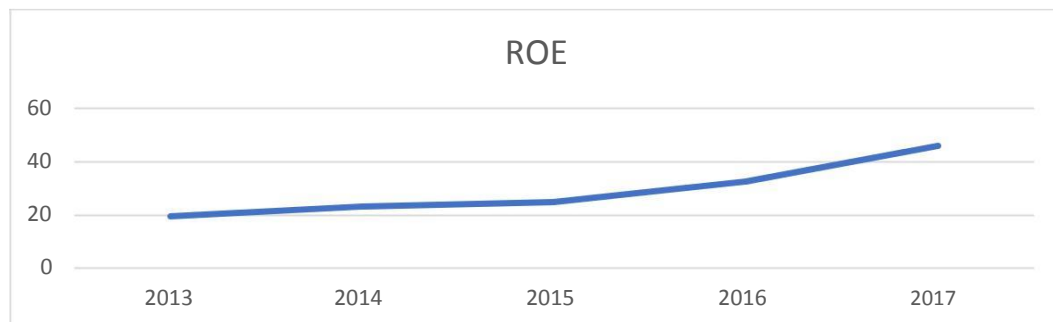
Return on equity is a ratio that Methods Corporation's profitability by revealing how much a fit a company generates with the money shareholder has invested. The ratio displays the profit earning ability of the company in equity share capital.

$$\text{ROE} = (\text{Net income} / \text{Shareholder equity}) \times 100$$

(Amount in Millions)

Year	2013	2014	2015	2016	2017
Net Income	10.71	12.98	11.3	16.08	24.21
Shareholder's Equity	55.01	56.2	45.54	49.59	52.79
Return on equity	19.45%	23.09%	24.81%	32.44%	45.86%

Graphical Presentation



Interpretation:

ROE of the company was fluctuated and increased over the year from 19.45% in 2013 to 32.44% in 2016, which specifies that the company management was efficient enough in generating profit by using its equity capital. However, in 2017 it was increase to 45.86%, which specifies a good performance of the company.

5.5 SWOT Analysis of Skylark Knit Composite Ltd:



Strength:

- ❖ Usages of latest digital instrumentation
- ❖ Enough Production capability
- ❖ Good image
- ❖ The excellence of textile cloth and production.
- ❖ Low labor value

Weakness:

- ❖ Lack of data of automatic new instrumentation.
- ❖ Project management.
- ❖ Late Delivery of the Sample
- ❖ Skylark Knit Composite Ltd doesn't manufacture raw materials and that they are imported worldwide market

Opportunities:

- ❖ Now some foreign nation is interested in Skylark Knit Composite Ltd.
- ❖ Mass production capability.
- ❖ Update and installations are new instrumentation can higher company product quality and production capability

Threats:

- ❖ Increase competitors in native markets
- ❖ Developing market of the Asian country and China
- ❖ Labor market rigidities
- ❖ Lack of skillful workers

5.6 Value of Chain Analysis:

Value of chain analysis could be an important framework to spot company weakness and strength on any company. Garments and provides the product and services of the foreign client, thus I even have to analyze the corporate price of chain analysis on Skylark Knit Composite Ltd.

Value Chain Analysis on Skylark Knit Composite Ltd:

Incoming logistics	Skylark Knit Composite Ltd quality succeeding order
Outbound logistics	Productivity of product and service and Skylark Knit Composite Ltd
Customer	Customer input & development of helpfulness to client service
Operation	Productivity to associate to the key competitors
Marketing and Sale	Market analysis to classify the client want & segments. Innovation, promotion, & ad in Skylark Knit Composite Ltd
Technology department	Successful activity of Skylark Knit Composite Ltd& quality of working joining between people
Human Research	Capability of demand, helping, training of level of worker of Skylark Knit Composite Ltd

Earning	Earning of material of Skylark Knit Composite Ltd, a lower price of another supply of Skylark Knit Composite Ltd for inputs to reduce to demand of individual provider
Fire organization	Correct information for management a classes & competitive environment of Skylark Knit Composite Ltd.

*Chapter Six: Problems &
Recommendations*

6.1 Major Findings on the Study:

From the report, I have realized that harms to garments export can be separated two-part Main problems and Minor problems.

Main Problem: Amongst the main harms connections such as fixed climates or political instability are touching the export of garments product independently.

Minor Problem: Amongst the minor harms inefficiency of manufacture process observation the garments factory is most remarkable.

Skylark Knit Composite Ltd should try to increase its Profitability by minimizing its operating cost, increased sale by giving a discount on some product.

The total revenue by the company was decreasing because of economic recession some export default.

6.1 Recommendations:

- To solve the political instability because of when the government will change the investor doesn't want to invest. Because of when the new government comes to the environment of our country not stable.
- They should be careful about well-timed delivery of the sample.
- They can involve some designers to create sample designs by themselves.
- Upgrading the communication system.

6.2 Conclusion:

Skylark Knit Composite already recognized brand name of Readymade Garments Industry. Now they have lots of foreign buyers and challenging their Garments in increase day by day. BA chronic drawback that has adversely affected the productivity of the RMG sector is that the poor. According to the up-to-date data of the Bangladesh Bureau of Statistics, the influence of merchandise exports to the country's GDP came down to 13.37% in the fiscal year 2017-18 from 13.95% in 2016 -17.

A chronic drawback that has adversely affected the productivity of the RMG sector is that the poor state of infrastructure services, particularly gas and electricity. Frequent outages and uncertainty of provider of gas and electricity have increased prices. These issues have become a lot of acute in recent months. Unless there's a fast resolution of those and different infrastructure connected issues the competitive strength of the attire exporters can suffer.

Bangladesh is still a supplier of low-cost fundamental garb gadgets that can be profitably produced by unskilled and semi-skilled workers. If it needs to move up the feed chain as new opportunities emerge in the post-recession international market, it will want to enhance the quality of its team of workers and management. Such improvements will now not be possible without a considerable extent in the skill, and hence, remuneration of the workers. If the sector fails to do so, and the wage charge rises on the other hand in response to positive developments in different sectors, it will find its comparative advantage pared away steadily.

Accounting magnitude relation calculates for a variety of year shows the trend of the amendment of position. The trend is upward or downward or static. The ascertainment of trend facilitates the USA is creating estimates for the long run. For tiny to business sector organization magnitude relation analysis helps a good deal in the higher cognitive process.

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