

INTERNSHIP REPORT
ON
A PRACTICAL LEARNING FROM CENTRO TEX LIMITED

Submitted To

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Submitted By

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Date of Submission: 11th January, 2021

Letter of Acknowledgement

The successful accomplishment of this project work is the outcome of the contribution of a number of people, especially those who have given the time and effort to share their thoughts and suggestions to improve this report. At the very beginning I would like to express my deepest gratitude to Almighty Allah for giving me the strength and the composure to finish the task within the scheduled time.

I would like to thank my academic supervisor **Mohammad Tariq Hasan**, Assistant Professor of United International University, for providing me all the necessary helps for the completion of this report. Thank you very much sir for guiding me to start and complete successfully of this report. I am also thankful for your patience that you have shown during the project. I would also like to thanks my Supervisor **Mohiuddin Rana**, Assistant Manager, Account Centro Tex Limited. He gives me valuable about Readymade Garments Industry in Bangladesh.

I am also thankful to my fellow colleagues of Centro Tex Limited who gave me their valuable time and enough information to successfully make this report. I also want to thank my University friends for their encouragement and support while making this report. I also apologize heartily for any omitted name whose contribution was also complementary for any possible aspect.

Letter of Transmittal

11th January, 2021

Mohammad Tariq Hasan

Assistant professor

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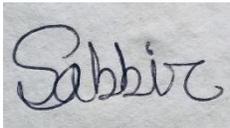
Subject: Submission of Report on “A Practical Learning from Centro Tex Limited”

Dear Sir,

This is my great pleasure to submit the Internship report on three months long Internship program in Centro Tex Limited in Finance & Accounts department. The title of the report is “A Practical Learning From Centro Tex Limited.” This report has been prepared to fulfill the requirement of my internship program at the assigned organization in Centro Tex Limited. I have put my best effort to make this report a successful one. It has been joyful & enlightening experience for me to work in the organization & prepare this report.

I would like to express my sincere gratitude to you for your kind guidance & suggestions in preparing the report. It would be my immense pleasure if you find this report useful & informative to have an apparent perspective on the issue. I shall be happy to provide any further explanation regarding this report if required & please do not hesitate to notify me if you have any query on this report or any other relevant matters.

Sincerely yours



Sabbir Ahmad Bhuiyan

ID: 111 142 226

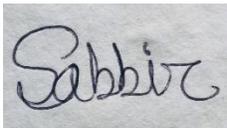
School of Business & Economics

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Student's Declaration

I, the undersigned, a student of School of Business & Economics, Department BBA Program, Major in Accounting of **United International University** do here by declare that the internship report Influence of “**A practical learning from Centro Tex Limited**” is the original one and has been prepared by myself and has not been submitted anywhere for any degree, diploma, title or recognition. The report was prepared under the supervision of **Mohammad Tariq Hasan**, Assistant professor, School of Business & Economics, United International University.

Your Sincerely

A rectangular box containing a handwritten signature in black ink. The signature is written in a cursive style and reads "Sabbir".

Sabbir Ahmed Bhuiyan

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School of Business & Economics

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Executive Summary

Centro Tex Limited is a sister concern of Centro Group. This is one of leading 100% export oriented apparel manufacturer company of Bangladesh. They started their operation 2006. At present they have total six sister concern company and their operation expanded in outside of Bangladesh. The internship report is made on title “A practical learning from Centro Tex Limited” the report consists of some important things. The topic is chosen by consulting with my honorable supervisor. Here, I try to describe about the practical experience while working as an interim employee in the organization. During the working period I have learned many including, company’s norms & culture, process of work, data management, professional behavior, etc. The company established a guideline for its employee which need to be followed strictly. The terms and condition of the Centro Tex are more specific & clear than other company. They use electronic machine for employee attendance. Provide salary to their employee on time. Already they are started operation in UK & Hong Kong. Most of work done by modern technique & technological way, now they are trying to more automation work that can be saved their time. Employee can take different types of loan from the company. Management as well as different department are very creative, day by day upgrade their working style. sometimes we see that worker of garment factory go to movement for their salary or etc. but in Centro Tex does not have any worker violence. They have experienced merchandisers for collecting order from different country of the world. Finance & account department properly follows accounting rules and regulation. Finally, I have given some very important recommendation along with a conclusion of this unforgettable journey.

Key words: Practical learning, Centro Tex, textile industry, Bangladesh

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In a company or any kind of business have various types of work and this work divided by different department. Such as Account, Finance, Human Resource, compliance, shipping, Administration & Transportation, Information Technology, Quality Assurance & Control. All over the department finance & account is a heart of a company. Finance department maintain flow of money supply of a business. When a company needed money for anything finance department decide how to collect money & what source company use for suitable financing. This department always try to collect money at low cost. Every company needed different types of equipment, finance department also provide permission of purchase. This department handles almost all financial matters within the company. They are responsible for money in, money out, financial reporting, financial control. On the other hand, account department have same importance issue such as maintain all type income and cost. They provide time to time cash for vendors. Account department have one of the most importance work that is they provide useful information to finance department, based on that information finance department take suitable decision.

1.2 Company overview

Centro Tex is one of the leading apparel company in the country with its sight set on to become one of the best. The company started its journey on the year 2006 with only 13 people. Since than it has managed to achieve tremendous success over the year. Through sheer sincerity and dedication towards its client it has earned their trust. This has resulted in the company gaining many reputed clients such as K-mart Australia, Primark, Debenhams, design works, P&C, EWM, inditex and many more. This has helped Centro tex grow into a workforce of around 300 employees with around 2500 employees who are in Centro group as part of different production units. The company also expanded his operation internationally with offices present in the United Kingdom and Hong Kong. Centro group is committed to upholding established policies and procedures in order to support business growth, as well as to offer employees a dynamic working

environment that provides the opportunity to illustrate your high standards of performance and explore your full potential.

1.3 Objective of the Report

The main objective of the report is to analyze to get practical knowledge about the Centro Tax Limited. It will help to know about different business sector of Bangladesh.

- To know about the process of fund collection
- To know about how to input data in quick book software
- To know about how process financial data and other data
- To know about how to maintain low cost strategy

1.4 Rational of the study

This report is on “A practical Learning from Centro Tex Limited” it is a part of the internship program as well as Bachelor degree program. There is a relationship between academic study and practical study. Without doing internship program there is no practical experience rather than academic experience. However, an internship program helps to gain real life experience. I have done three-months internship program in Centro Tex to meet the requirement of my bachelor degree. I made this report under guidance of Mohammad Tariq Hasan, Assistant Professor, School of Business & Economics, United International University.

1.5 Scope of the Report

This report has been prepared through extensive discussion with my supervisor and with the employees of Centro Tax Limited. preparing this report, I had a great opportunity to know culture of company and mostly in finance and account department culture & work.

1.6 Limitation of the Report

During this reporting procedure, few problems need to manage which may have effect on the outcome of the report, such as

- Unavailability of data: Some portion of data I cannot find in web site
- Some information are their secrets they don't share outside
- It was difficult to communicate with their customers, as many of them were outside of Bangladesh and also unable to give time for interview.

However, this report is well managed and complete all prerequisite set by the standard.

CHAPTER TWO: METHODOLOGY OF STUDY

2.1 Methodology

This report presents data and analyze in descriptive, which is based on primary and secondary data. To study and shape the report following this method:

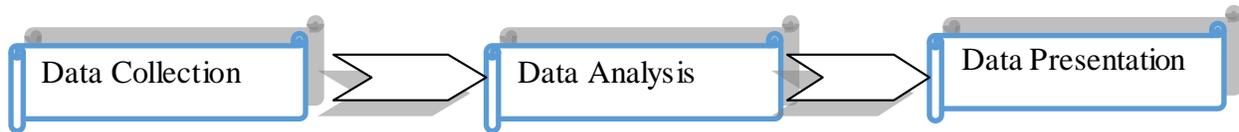


Figure 2.1

Methodology Method

2.2 Data Collection Method

For the task I have been assigned to work on Centro Tex Limited. In preparing report, a reliable source of collecting data is a vital measurement. In this report, both primary and secondary sources of information have been used.

2.2.1 Primary data

Primary data are observed and recorded as part of an original study. When the data required for a particular study can be found neither in the internal records of the company, not in published sources, may it become necessary to collect original data, to conduct first hand investigation. In the report, following sources have used to collect primary data:

- Face to face conversation with the higher authority.
- Communicating with CFO and staff.
- Related files, books study provided by the officers concerned.
- Sharing practical knowledge of officials.

2.2.2 Secondary data

Secondary data are collected through the following sources:

- Office Record.
- Web site of Centro
- Internet.

2.3 Data Analyze Method:

The main objective is to study of Centro Tex Limited how they work and offer their product all over the world. To do so I have done **MS-Word** analyze method to complete this report.

2.4 Data Presentation

To presenting the report on Centro Tex Limited I have used some analysis. However, the flowchart for preparing the report is:

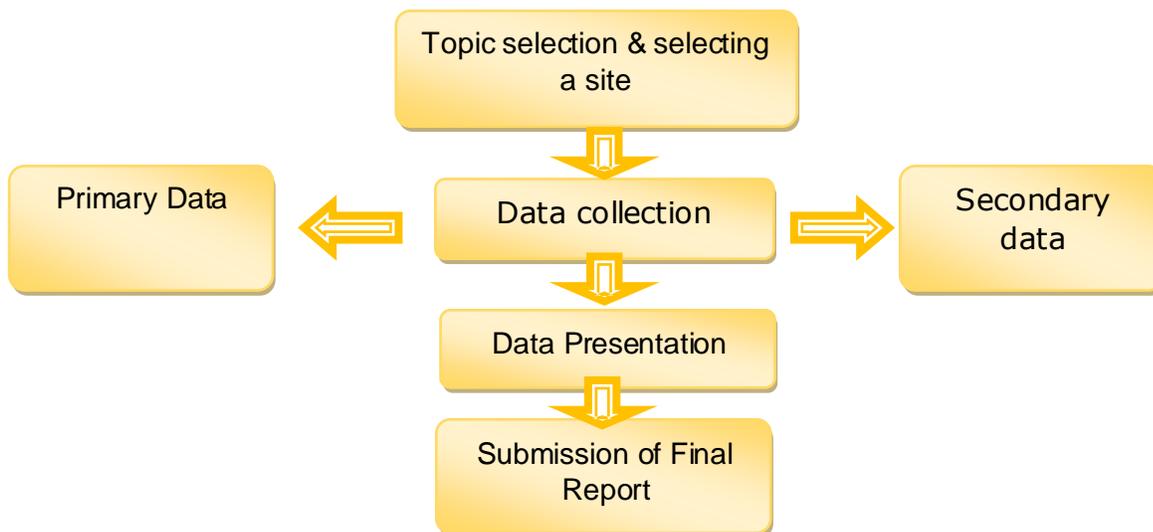


Figure 2.1

Data Presentation Flowchart

CHAPTER THREE: ORGANIZATIONAL BACKGROUND AND INDUSTRIAL PERSPECTIVE

3.1 Industry scenario

3.1.1 Background of Readymade Garments Industry: From earlier stage we are produce only shirt that are going to European market in 1965-1966. That time our country has few garments such as Riaz garments, paris garments, jowel garments among this garments riaz garment is more popular because of their product. Than day by day this business was increased. Our RMG sector was upward day by day not looking back ward. We learned about same criticism in 1994 to 1995 because of child labor. This sector successfully passed bad situation. Now our RMG sector was 100% child labor free. Now our country has more than 5000 garments factories and this factory run by our country people, more than 12 lakes employee work this sector and 85% of this area employee are woman. At present time our garments factories produce every items. below show a picture that is clear view of our RMG sector

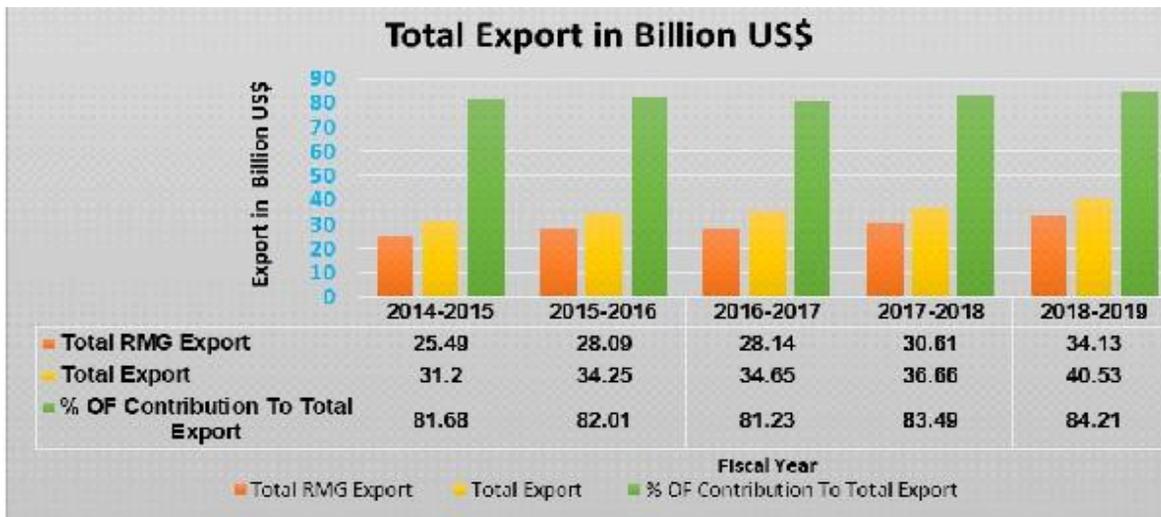


Figure 3.1

Feature of total export

3.1.2 Contribution to the economy: The contribution from RMG sector to national economy is unbelievable. More than 75% of total export income are came from this sector. This sector

creates more job opportunity in other sector. Our RMG sector influencing other sector such as hotel, real estate, transportation, shipping, engineers & utility etc.



Figure 3.2

Economic contribution

3.1.3 Scopes of RMG sector: There was lot of scope to growing our RMG sector. We produce export product at low cost but quality full rather than another country. In our country have some key factor to grow up this sector. That are

- Available of human resource
- Vast labor force
- Technological upgrade
- Internal government support
- International support

- Income tax reduction
- Special economic zone

3.2 Business overview

Centro Tex Limited is very successful company in Bangladesh. They start form 2006 and with very short time they able to expanded their business internationally. Under Centro Group have six listed limited company. they start their business with only 13 employees. Mr. tashin Uddin khan and his three relative founded this business. At first they started as an apparel company than company start more business along with buying house work. we know that buying house is one kind of media. They collect order from different country, thn show a sample to buyer, if sample is well quality full than finalized the order. Sometime this company produce product by third party as well as their own factory.

List of company under Centro Group

- Centro Tex Limited
- Centro International Sourcing Limited-UK
- Centro Sourcing Limited-Hong Kong
- Centro Agro Limited
- Manami fashion
- M.I.M Fashion

3.2.1Mission

To become most leading and best in class garments buying house through:

- Delivering on quality product and on time delivery
- Demonstrating highest level of professionalism and commitment
- Building trustworthy solid partnership with world class brand owners

3.2.2 Vision

“To become most preferred and best in class garments supplier in Asia and by our valued clients around the globe”.

3.2.3 Centro management team

Centro management team consist of only 6 members. Managing director, director, chief operating officer, chief financial officer, head of compliance, head of HR. I cannot find any other information about their management.

3.3 Operational activities of organization

Every organization have some operational activity with operation business cannot be run. Efficiency in operational activity carry out business profit. business have lot of work this work is divided by different department because of easy to work. Different area covered by different department. management of a business all time worried about their operation. When a company efficiently complete their day by day activities that generating profit. They are fully export oriented company.

3.3.1Product of Centro Tex

- Menswear
- Womenswear
- Kids wear

3.3.2 Departments at Centro Tex

3.3.2.1 Management

Management is the guardian of the organization. It is responsible for overall well-being of the company. As parents guides their children, management firmly guides other department towards the desired company vision over horizon.

3.3.2.2 Merchandising

Merchandising is a crucial part of any apparel business they are responsible for mediating between the client and the company and then successfully transforming client ideas and requirements into finished products. This involves a wide range of activities to meet clients, taking order, selecting factories, monitoring production, coordinating with other departments until shipping etc.

3.3.2.3 Product design and laboratory:

Product design department is tasked with presenting our original designs to clients and promoting our own brand things such as artwork design, pattern making etc. laboratory is responsible for ensuring product durability and quality shipped by performing several tests such as color fastening, ph. testing, tear strength test etc.

3.3.2.4 Quality assurance & control

the quality checker and quality assurance department work tirelessly to ensure all the finished product are of the quality promised to the clients. They perform complete quality assessment of all finished product from cutting to final packing in factory and at office.

3.3.2.5 Finance and Accountants:

The finance and account department handle almost all financial matters within the company. Their responsibilities can be summarized into money in, money out, payroll and tax processing, financial reporting, financial control.

3.3.2.6 Human resources:

A great team cannot be built without a good human resources department. human resources are responsible for all things related to an employee wellbeing. This includes a wide range of activities such as recruiting, training, development, performance assessment, employee relation, daily employee grievances etc.

3.3.2.7 Compliance:

The compliance department is certifies factories whether their suitable for running our clients production by performing audits rating them in terms of factory/worker safety and social compliance. It also consults factories closely on preparation for third party audits and issue remediation.

3.3.2.8 Shipping:

The shipping department is responsible for all the documentation, procedures and payments required from after final inspection all the way to cargo loading and beyond making sure the product successfully ships to its destination.

3.3.2.9 Information technology:

The it department has the important role of taking care of all technological related necessities for the entire company. This includes creating/maintaining all it infrastructure, providing digital security, troubleshooting it issues, ensuring uninterrupted connectivity at all times etc.

3.3.2.10 Administration and transportation:

Administration is at the heart of the company responsible providing vital support to all staff. This includes wide range of activities required to maintain impressive office such as front desk services, event management, package delivery etc. transportation is responsible for maintaining the office motor pool, arranging timely pick and drop services from the offices as well as in any other circumstances when the need arises.

3.3.2.11 Security:

Simply put security has the vital task of keeping all Centro property and staff secure at all times. Their tasks include screening all people entering leaving the premise, guarding the premise at night, dealing with any security issues that may arise.

3.3.3 Centro human resources information system

Centro Tex has introduced the H.R.I.S software in order to provide employees easy access to their H.R related information and H.R services. Though the H.R.I.S software employees can get the following services:

- Apply for leave
- Check leave balance

- View leave calendar
- Request to cancel approved leave
- View/update their own personal information

3.3.4 Centro Business Process Automation (B.P.A):

Centro Tex provides the B.P.A web interface to all staff in order to give them convenient access to several services. Through the B.P.A interface you can:

- Request all stationary items as required
- Go to Centro H.R.I.S software by clicking HR button
- Request for transportation service as required
- Submit conveyance bill

3.3.5 Centro Human Resources policies :

3.3.5.1 Leave policy: There have different types of leave policy

- i. Casual leave: total 10 days of casual leave is given to each employee per year. If any employee need to take casual leave, there was other critical issues for taking casual leave that was company internal information.
- ii. Medical leave: Total 14 days of medical leave is given to each employees per year. after leave employee have to submit medical certificate.
- iii. Earned leave: 1.25 days of earned leave is given to each employee per month
- iv. Maternity leave: Maximum of three months' maternity leave can be taken. Leave will be given as fully paid leave for the first two babies only.

3.3.5.2 Festival bonus policy: Each employee gets two festival bonus per year. Each bonus half of gross salary.

3.3.5.3 Mobile phone policy: Every permanent employee is eligible for mobile phone allowance but how money company bear that depends on his or her position. If one employee applies for mobile phone that employee cannot farther apply within next three years.

3.3.5.4 Loan policy: employee can take personal loan, car loan and many other types of loan without interest but employee have to eligible for this loan. Eligibility based on their position and how long he or she with the company. All through Centro tex provide local and foreign travel expense there was have some policy. company also provide progati life insurance and Centro hospitalization benefit.

3.3.6 Centro Employee Benefits:

Centro Tex provide their employee some extra benefit to make their life more convenient

- Lunch and snacks
- Transportation
- Mobile handset allowance
- Mobile usage allowance
- Centro hospitalization
- Centro Gymnasium
- Provident fund

3.3.7 Centro Employee Events:

Centro Tex believe that their all employee is part of their family. Centro arranges every year some events that are provide entertain to their employee. events are

- Centro new year celebration
- Centro birthday party
- Centro employee day out
- Centro woman's day celebration
- Centro pohe la boishakh celebration
- Centro anniversary celebration
- Centro indoor game
- Centro interdepartmental football tournament

3.3.8 Digital currency:

Digital currency is a form of currency that only available in digital or electronic form, not in physical form. Centro tex always try to use digital currency by e-banking and Bangladesh electronic fund transfer network. This company provide their employee salary via digital currency. We already know about Centro tex. It's an internationally expanded company, there have another two branch or sister concern company in UK and Hong Kong. Sometimes they doing transaction one country to another country, one branch to another branch. Total payment of a month, almost 80% payment are doing by digital way and using digital currency. From my working experience in Centro Tex, I learned that employee of the finance and account department use e-banking portal and pay their international payment and local payment. on other hand merchandiser are frequently travel different country for business purpose, they also use digital currency in digital way. digital currency makes a business easier.

3.3.9 Earnings Management:

Using accounting techniques and procedure than produce financial report that present overall financial position and business activities which called earning management. We know that earning have another name that also called profit of a business. A company earning is low or high, that influencing their share price. Earning management is one kind of strategy that used by company management to show their earning is smoothly growing. Sometime company manipulate their earning because of tax deduction. Centro Tex has some professional accountant, I think they are properly managing their earning. I see that every month company use a portion of profit for external investment. Such as fixed deposit, Bangladesh bank shanchoy pattra etc. There are two types of earning management, one is when company know about all accounting procedure, this time company try earn more money within short time. Than management of organization try to hide original information from their balance sheet and financial report by using proper accounting technique, final purpose is hide their company's liabilities and inflate earning. Another one way of earning management is how a company capitalized their cost. Sometimes company try to record their cost as an expense because of earning management. Capital cost is one of the assets and cover longer period of time. By delaying record of expense company have benefits, they can hide their profit for period of time.

3.3.10 Profitability:

Profitability is probabilities of future profit by using resources. On the other hand, ability of a company generating profit from its operation. profit and profitability there was small significant difference, profit is amount of income or revenue. it is calculated as income minus expense but profitability is a probabilities of future profit, profitability is one kind of measurement of efficiency. Before investing any organization, people have to understand that organization profitability. understanding profitability is very important to investor. Operational efficiency is important for profitability. Revenues and expense are key aspects of profitability. Profitability influencing on organization reputation. Investor are always try to find a profitable organization. So management of every organization very concern about that, how to operate their business more efficiently.

3.3.11 My practical Learning from Internship

3.3.11.1 General filing: at first I know about how to store different types of vouchers. In a business have different type of transaction that can be daily basis, weekly basis, monthly basis. We know that there are three type of voucher debit vouchers, credit voucher, cash voucher. different voucher goes to suitable file.

3.3.11.2 Bank reconciliation: Bank reconciliation is process of matching company record or cash account and bank statement. Bank reconciliation should be completed daily basis but our country most of the business completed at regular interval. every month finance & account department have to submit financial report to company decision maker. Bank reconciliation is very important for preparing a healthy financial report. Bank reconciliation is one of most important side of a business. Bank statement & business cash book this two thinks are must be match. When bank statement and business cash book are do not match there was a big problem than it is important to find out where is problem. Fix the problem that was very important. every month employee of finance & account department has to done this job.

3.3.11.2.1 Bank reconciliation terminology:

Deposit in transit: sometimes cash or checks have been received and recorded by an entity but that month bank statement no existence of following transaction because of customer deposit money last day of month. This transaction shows on next month bank statement. This are called deposit in transit. Outstanding check: A check payment that has been recorded by issuing authority but that check not present in bank and bank not deducted that money from business account. Not sufficient money check: Check payment recorded by issuer but receiver do not get money from issuing bank because not sufficient money. This situation bank can be charged a fee for NFS check.

3.3.11.3 Factoring: factoring is a financial transaction and one kind of debtor finance. Here, business sale their account receivable at a discount rate to third party. there are three parties are involved one who sale the account receivable, two who purchased the receivable and third one is who or which company primarily liable for the payment of account receivable. There are two ways to factoring one is with recourse another one is without recourse. When account receivable transfer to factoring company with recourse, in this situation in the time of collecting money if payer do not pay invoice full money, rest of the money must be pay by seller. when account receivable transfer without recourse, in this situation if money payer does not pay full invoice money, factoring company have to bear this loss. factoring company paid money to seller 80% - 85% of the invoice value. rest of the money is rebated, and at the time of collecting money factoring company get full invoice value.

There are four principal parts of factoring, as an accountants have to record this because of accountants responsible for this work

- The "fee" paid to the factoring company,
- the Interest Expense paid to the factor for the advance of money,
- the "bad debt expense" which portion of receivable are unpaid or uncollectable,
- sometimes factoring company holdback receivable to cover merchandise return and any other loss and gain seller clear that at the time of sale of receivable, on the other hand sometimes factoring charge paid by seller to cover discount fee and any other credit risk.

3.3.11.3.1 Common factoring terms:

- Discount rate or factoring rate
- Advance rate
- Reserve account
- Long term contracts and minimums
- Spot factoring

Discount rate or factoring rate: All over the world every business doing business for profit, here, factoring company charge fee for providing factoring service. this fee count by percentage value. Most of company that fee set on 5% of invoice value, sometime it can be different.

Advance rate: Which percentage of money the factoring company paid to seller in advance that called advance rate. Factoring company hold some percentage of money because their safety.

Reserve account: Factoring company paid to seller a specific percentage money in advance and rest of the money hold for factoring fee an any other risk, the difference between this two are called reserve account. All most every factoring company advance rate up to 80-85% and 5% is factoring fee.so 10-15% is reserve rate.

Long term contracts and minimums: some time a business and factoring company are made a good relation. Than one company all receivable goes to one factoring company and they set up a monthly charge for all work. although short time contract is more popular than long contract.

Spot factoring: when a company sale or discounted one single invoice and factoring company allow to sale it that called spot factoring. Normally sport factoring need high premium cost.

3.3.11.3.2 Specialized factoring: day by day changed our world. Same way factoring company adapted to specific industries to provide factoring service in a specialized way. there factoring company added some extra service to provide invoice seller which service are really needed for business.

- Real estate
- medical factoring
- Construction

3.3.11.4 Loan repayment: Loan repayment means pay back money to lender which money are previously borrowed by business. There is no existence of any business without loan in our world. Every month business has to pay loan installment. A specific date in a month loan installment have to paid if business do not pay by deadline that's charge penalty.

3.3.11.5 Centro business process automation (B.P.A): Centro tax provides the B.P.A web interface to all staff in order to give them convenient access to several services. That are

- Request all stationary items as required
- Request for transportation services as required
- submit conveyance bill

In my internship period some time I work in that software.

3.3.11.6 Receive cash: Some income occurs of a business in cash basis. In Centro tax that type of income are too law that's why I handle this site. Take money and provide receipt

3.4 SWOT analysis of the organization

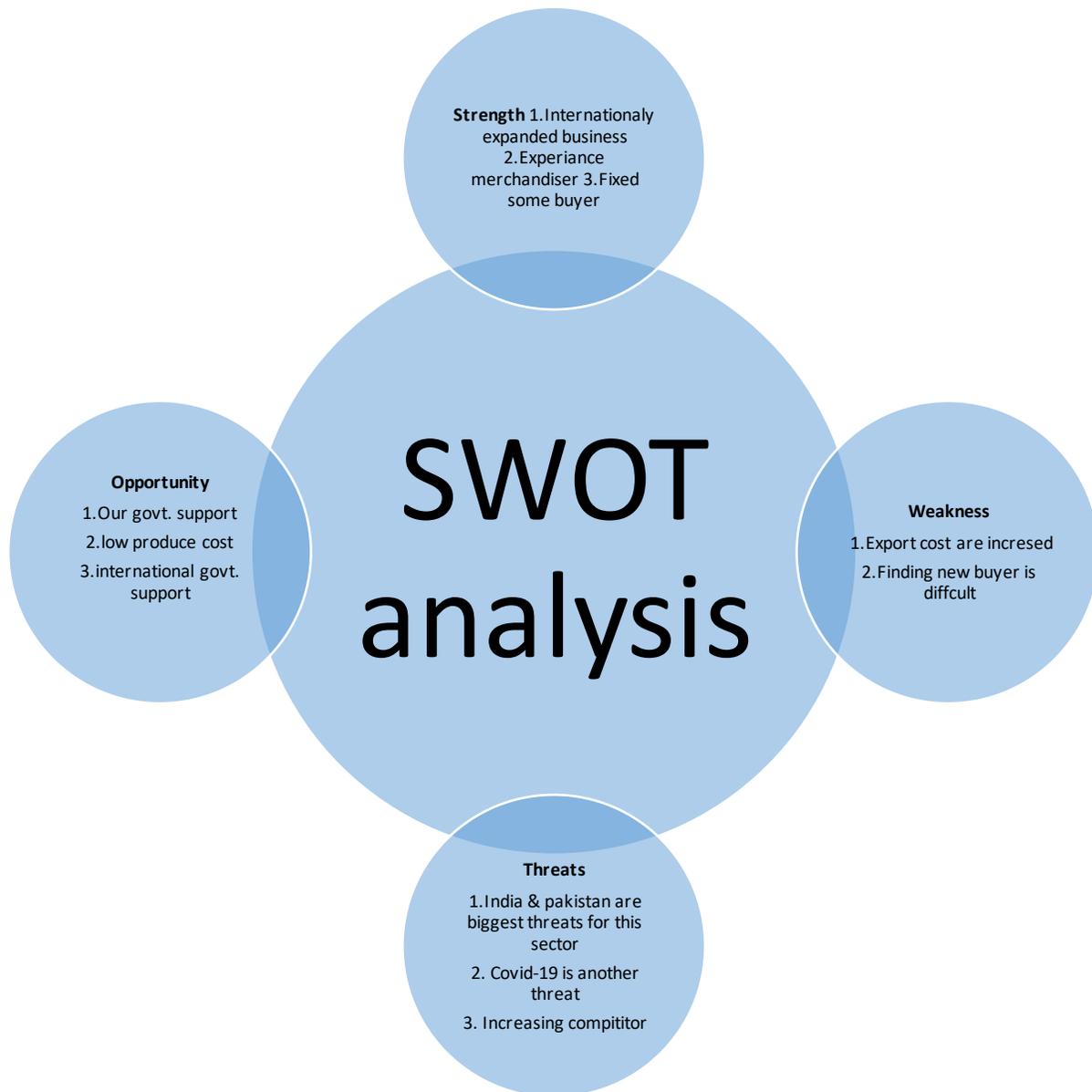


Figure 3.3

SWOT analysis

CHAPTER FOUR: FINDINGS AND ANALYSIS OF THE STUDY

4.1 Finding of the study

While working at Centro Tex, I have attained a newer kind of experience. However, throughout the study and analysis I found some findings. These findings are completely my personal view of point, which is given below:

- Company need to focus cost minimization rather cost reduction.
- Lot of scopes are present in this industry same way have lot of competitor
- Business are going to multinational operation that is very good
- They have expert merchandiser to expand their business
- Work with fixed buyer so risk is low
- They properly follow accounting system
- They all are goal oriented
- To complete this study, I take experience about culture of a company

4.2 Analysis of the study

During my internship period and preparing this report I have learned some important issues that are:

- Time to time update is very important
- This industry already has lot of competitor so careful about everything
- Improvement of quality first
- Difficult to find new buyer
- They are already technologically updated but some area has to more update

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

It is a great opportunity from my point of view, I have learned about different types of knowledge that will help my future professional life in three-month practical work experience. Centro Tex is one of the leading apparel companies of Bangladesh and their work environment is silent and productive. Every employee is friendly & informative. We know about practical knowledge and academic knowledge. There are so many differences between these two. Before my internship I had only academic knowledge, now I have practical knowledge also. One of the interesting pieces of information is that Centro HR always encourages their employees to speak English. Because they have some foreign employees and it will help us in the future. Also, this company has a lot of rules. Another interesting rule is that all employees of Centro eat their lunch with spoons.

5.2 Recommendations

Centro Tex has a strong internal controlling system but also has some threats and weaknesses. I think some areas should be changed that can be helpful for the company. Such as

- They need to focus their marketing because of new buyers
- Find out how their website or internal information is protected
- They can go backward production
- Some work they are doing manually, find out how to do that work via a smart way
- They can go advertisement for what their company specialty
- They can publish their annual report publicly to know about the company

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