Internship Report

on

"Accounting System and Operational Practice in AKH Packaging & Accessories Ltd."

Submitted by:

Md Nasim Kabir

ID: BBA2302029076

Program: Bachelor of Business Administration (BBA)

Major: Accounting

Department of Business Administration

Sonargaon University (SU)

Submitted to:

Department of Business Administration

Faculty of Business

Sonargaon University (SU)

Submitted for the partial fulfillment of the degree

of

Bachelor of Business Administration



Sonargaon University (SU)
147/1 Green Road, Panthopath, Dhaka

Date of Submission: August 30, 2025

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Supervised by:

Shafiqul Islam

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Date of Submission: August 30, 2025

Letter of Transmittal

August 30, 2025

Shafiqul Islam

Lecturer

Department of Business Administration

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Sonargaon University (SU)

Subject: Submission of Intern Report Titled **"Accounting System and Operational Practice in AKH Packaging & Accessories Ltd."**

Dear Sir,

I am hereby submitting my Internship paper entitled **"Accounting System and Operational Practice in AKH Packaging & Accessories Ltd."** which was assigned to me as a requirement for the completion of the BBA Program. I have discovered this paper very interesting, beneficial, and insightful. The entire report is based on my practical experience in **AKH Packaging & Accessories Ltd.** I expect this paper to be informative as well as comprehensive. This internship paper will help me a lot in my future career life.

Thank you very much for your guidance and cooperation during the course without which this internship paper cannot be completed. Moreover, if you have any further inquiries concerning any Additional information, I would be very pleased to clarify that.

Yours Sincerely

Md Nasim Kabir

ID: BBA2302029076

Program: Bachelor of Business Administration (BBA)

Major: Accounting

Department of Business Administration

Sonargaon University (SU)

Declaration of Student

This is to notify you that, the Internship paper on **"Accounting System and Operational Practice in AKH Packaging & Accessories Ltd."** has been prepared as a part of my dissertation formalities. It is an obligatory part of my **BBA** program to submit an internship paper.

Moreover, I was inspired and instructed by **Shafiqul Islam,** Lecturer, Department of Business Administration, Sonargaon University (SU). I am further declaring that I did not submit this report anywhere for awarding any degree or certificate.

Yours Sincerely

Md Nasim Kabir
ID: BBA2302029076
Program: Bachelor of Business Administration (BBA)
Major: Accounting
Department of Business Administration
Sonargaon University (SU)

Letter of Authorization

This is to certify that the internship report **"Accounting System and Operational Practice in AKH Packaging & Accessories Ltd."** has been prepared as a part of completion of the BBA program from Department of Business Administration, Sonargaon University (SU), carried out by **Md Nasim Kabir,** bearing **ID: BBA2302029076** under my supervision. The report or the information will not be used for any other purposes.

Shafiqul Islam
Lecturer
Department of Business Administration
Faculty of Business
Sonargaon University (SU)

Acknowledgment

In the beginning, I would like to convey my sincere appreciation to the Almighty Allah for giving Me the strength and ability to finish the task. I want to thank my academic supervisor **Shafiqul Islam,** Lecturer, Department of Business Administration, Sonargaon University (SU), for providing me with all the necessary help for the completion of this report. I want to give the greatest thanks to him for guiding me as an advisor to start and complete this report successfully.

The opportunity I had with **AKH Packaging & Accessories Ltd.** is a great chance for deep learning and professional development. I consider myself a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this period.

I would like to express my deep sense of thankfulness to Mr. Md. Humayun Kabir, Manager, HR **AKH Packaging & Accessories Ltd.** & Mr. Najubullah Rana, AGM Accounts, **AKH Packaging & Accessories Ltd.** for his enormous help and endless support throughout the dissertation period. And last but not the least; thanks to all my office colleagues working **AKH Packaging & Accessories Ltd.** The opportunity I had with **AKH Packaging & Accessories Ltd.** is a great chance for deep learning and professional development. I consider myself a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this period.

Executive Summary

AKH Packaging & Accessories Ltd. being the export-oriented garments packaging and accessories company in Bangladesh plays a crucial role in supporting the country's Ready-Made Garments (RMG) sector, which accounts for over 80% of Bangladesh's total export earnings. As a backward linkage industry, **AKH Packaging & Accessories Ltd.** provides essential packaging materials and accessories such as cartons, poly bags, labels, hangtags, buttons, zippers, and trims that are indispensable for garment production and international shipment.

This study highlights the industry's contribution to the national economy, its operational framework, and its challenges and opportunities. Operating under the customs bonded warehouse facility, **AKH Packaging & Accessories Ltd.** is able to import raw materials duty-free, ensuring cost-effective production and timely supply to garment exporters. This bonded warehouse facility positioned the industry as a vital partner in Bangladesh's global apparel value chain.

The analysis indicates that the sector has grown significantly over the past two decades, with more than 1,800 companies now operating under the **Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association (BGAPMEA)**. **AKH Packaging & Accessories Ltd.** not only meets the increasing demand from domestic RMG factories but also contribute indirectly to foreign currency earnings through exports.

The study further identifies a strong shift towards **sustainable and eco-friendly packaging solutions** as global buyers emphasize compliance with environmental standards. **AKH Packaging & Accessories Ltd.** is investing in recyclable materials, modern machinery, and innovative designs to meet these evolving demands. However, challenges such as dependency on imported raw materials, price competition, compliance requirements, and rising production costs remain significant obstacles.

Despite these challenges, the future outlook for Bangladesh's export-oriented garments packaging and accessories industry remains highly promising. Continued investment in sustainability, innovation, and compliance—along with government policy support—will enable the sector to strengthen its role in the global supply chain and further contribute to Bangladesh's export-led economic growth.

List of Acronyms

RMG – Ready-Made Garments

BGMEA – Bangladesh Garment Manufacturers and Exporters Association

BGAPMEA – Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association

BAS – Bangladesh Accounting Standards

BFRS – Bangladesh Financial Reporting Standards

CBC – Custom Bond Commissionerate

UP – Utilization Permission

UD – Utilization Declaration

PI – Proforma Invoice

L/C – Letter of Credit

C&F – Clearing and Forwarding

EDF – Export Development Fund

PRC – Proceed Realization Certificate

IRC – Import Registration Certificate

ERC – Export Registration Certificate

BERC – Bangladesh Energy Regulatory Commission

BSCI – Business Social Compliance Initiative

GRS – Global Recycled Standard

FC – Foreign Currency

NBR – National Board of Revenue

VAT – Value Added Tax

Table of Content

Letter of Transmittal ..... **i**
Declaration of Student ..... **ii**
Letter of Authorization ..... **iii**
Acknowledgment ..... **iv**
Executive Summary ..... **v**
List of Acronyms ..... **vi**
Chapter One: Introduction **1**
1.1 Introduction 2
1.2 Scope of the Study 3
1.3 Objectives of the study: 4
1.4 Methodology of the Study 5
1.5 Limitations of the study 7
Chapter Two: Literature Review **8**
2.1 Literature Review 9
Chapter Three: Overview of the Company **10**
3.1 About Company: 11
3.2 Vision: 12
3.3 Mission 12
3.4 Board of Directors 12
3.5 Organizational Structure 13
3.6 Products 14
3.7 Buyers 15
3.8 Certifications 16
Chapter Four: Data Collection and Analysis **18**
4.1 Overview of Accounting System 19
4.2 Accounting Software: Tally ERP 9/ Tally Prime 20
4.3 Basis of Presentation of Financial Statements 20
4.4 Assets 21
4.5 Liability 23
4.6 Revenue 24
4.7 Expense 25
4.8 Insurance and Banking Functions 26
4.9 VAT & TAX Compliance 29
4.10 Analysis of Financial Performance 30
4.11 SWOT Analysis 33
Chapter Five: Findings **35**
5.1 Findings 36
Chapter Six: Recommendations & Conclusion **38**
6.1 Recommendations 39
6.2 Conclusion 39
References: **41**

Chapter One: Introduction

1.1 Introduction

The packaging and accessories industry in Bangladesh has developed as an integral component of the country's export-oriented economy, particularly in response to the phenomenal growth of the Ready-Made Garments (RMG) sector. With Bangladesh being the second-largest exporter of apparel globally, the need for high-quality packaging and trims has expanded substantially, creating a strong backward linkage industry that directly supports export competitiveness.

Packaging and accessories businesses supply a wide range of essential products—cartons, hangtags, labels, stickers, poly bags, zippers, buttons, tapes, heat transfers, and sustainable trims—that add functional, aesthetic, and branding value to exported goods. These items are not merely supplementary; they are critical in ensuring compliance with buyer specifications, international trade standards, and eco-friendly regulations increasingly emphasized by global brands.

The industry's export orientation stems from two key factors:

1. **Global Buyer Dependence** – International retailers and brands sourcing from Bangladesh require trims and packaging that meet strict quality, environmental, and safety requirements.
2. **Cost and Lead-Time Efficiency** – Localized production of accessories reduces lead times and logistics costs, which is vital in maintaining Bangladesh's competitive edge in the global supply chain.

In recent years, the sector has also seen a shift toward sustainability and innovation. Many companies are investing in recyclable and biodegradable packaging solutions, advanced printing technology, and compliance with international certifications such as OEKO-TEX, FSC, and ISO standards. This transition is aligned with the growing demand from eco-conscious buyers and the global movement toward circular economy practices.

Economically, export-oriented packaging and accessories businesses contribute significantly to foreign exchange earnings and employment generation. They enhance the resilience of Bangladesh's apparel exports by strengthening backward linkage industries and reducing

dependency on imports. Strategically, the sector is poised to play a pivotal role in diversifying the country's export basket and positioning Bangladesh as not only a garment hub but also a sustainable sourcing destination for packaging and accessories.

Today, export-oriented packaging and accessories companies not only contribute significantly to Bangladesh's foreign exchange earnings but also create large-scale employment opportunities while fostering innovation and sustainability. This growing industry continues to strengthen Bangladesh's reputation as a reliable sourcing hub for global buyers.

1.2 Scope of the Study

In the context of accounting, the scope of this study focuses on evaluating the financial and operational aspects of the export-oriented packaging and accessories sector in Bangladesh. The accounting perspective is crucial, as it provides a framework for assessing profitability, cost efficiency, compliance, and long-term financial sustainability of the industry. The scope includes:

Financial Performance Analysis

- Examining revenue streams, profitability ratios, and cost structures of packaging and accessories firms.
- Analyzing financial statements (balance sheet, income statement, cash flow) to assess overall financial health.

Cost Accounting and Pricing Strategies

- Identifying direct and indirect costs associated with raw materials, labor, and production processes.
- Understanding how cost accounting techniques help determine competitive pricing while ensuring profitability in export markets.

Budgeting and Forecasting

- Exploring how firms in this sector prepare financial budgets to manage production cycles aligned with RMG and export industry demands.
- Assessing forecasting practices to anticipate raw material price fluctuations and currency exchange risks.

Working Capital and Liquidity Management

- Evaluating how packaging and accessories companies manage cash flow, accounts receivable, and accounts payable in export transactions.
- Examining the role of trade credit, short-term financing, and banking facilities in maintaining liquidity.

Taxation and Compliance

- Reviewing industry practices in relation to corporate tax, VAT, customs duties on imported raw materials, and export incentives.
- Analyzing compliance with Bangladesh's accounting standards (BAS, BFRS) and international requirements.

Risk Management

- Identifying financial risks such as foreign exchange fluctuations, delayed payments from buyers, and dependence on imported raw materials.
- Examining accounting-based tools for mitigating these risks.

1.3 Objectives of the study:

The study aims to evaluate the overall accounting system and operational soundness of an export-oriented packaging and accessories business in Bangladesh. The objective of this study is divided into two categories.

Principal objective

- To gain a comprehensive understanding on Accounting System & Operational Practices of an export-oriented garments packaging and accessories company.

Secondary objectives

- To understand in details the steps followed by accounts department in processing & recording transactions and preparation of financial statements.
- To understand in details the steps followed by Commercial department in carrying out Customs & Bond operations.
- To understand in details the steps followed by Commercial department in carrying out Bank & Insurance operations.
- To analyze the financial performance of packaging and accessories firms through profitability ratios, liquidity ratios, and overall financial statement analysis.
- To assess budgeting and forecasting practices used by firms to control expenses, and adapt to fluctuations in raw material costs and foreign exchange rates.
- To be able to recognize the Strengths, Weakness, Opportunities & Threats associated with export-oriented packaging and accessories business.

1.4 Methodology of the Study

The methodology outlines the approaches, tools, and techniques applied in conducting the study on the export-oriented garments packaging and accessories business in Bangladesh. The study has been carried out using both qualitative and quantitative methods to ensure a comprehensive analysis.

Research Design

- The study follows a **descriptive and analytical research design**, aiming to describe the structure, operations, and challenges of the packaging and accessories industry while analyzing its contribution to the export-oriented garment sector.

Data Collection Methods

a. **Primary Data**

Information was gathered through interviews and discussions with industry experts, factory managers, and stakeholders in the garments packaging and accessories sector.

Direct observation of selected packaging and accessories units provided practical insights into production processes, compliance practices, and operational efficiency.

b. **Secondary Data**

- Relevant data was collected from published sources such as:
- Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association (BGAPMEA) publications.
- Government statistics, policy documents, and customs guidelines.
- Trade journals, research papers, and international reports on RMG and packaging industries.

Data Analysis

- Both **qualitative and quantitative techniques** were used to analyze the collected data.
- Comparative analysis was conducted to identify trends, challenges, and opportunities in the sector.
- Graphs, charts, and tables were used where necessary to illustrate key findings.

Study Area and Coverage

- The research primarily focuses on export-oriented packaging and accessories companies operating in major industrial hub in Dhaka
- The scope includes different product categories such as cartons, labels, hangtags, poly bags, zippers, buttons, and trims.

Limitations in Methodology

- Due to confidentiality issues, companies were unwilling to disclose detailed operational and financial data.
- The study relies partly on secondary data, which may not always represent real-time industry scenarios.
- Time and resource constraints limited the scope of field visits.

1.5 Limitations of the study

While this study provides insights into the financial and accounting aspects of the export-oriented packaging and accessories sector in Bangladesh, certain limitations should be acknowledged:

Limited Access to Financial Data

- Many packaging and accessories firms are privately held and do not publish detailed audited financial statements. As a result, the analysis may rely on partial, estimated, or secondary data.

Reliance on Secondary Sources

- Some financial and accounting information is drawn from industry reports, trade associations, and government publications, which may not always reflect the latest or most accurate data.

Confidentiality Concerns

- Companies often restrict access to sensitive cost, pricing, and investment information, which limits the depth of cost accounting and profitability analysis.

Time and Resource Constraints

- The study may not capture long-term financial trends due to the limited timeframe of analysis. Seasonal fluctuations and global market shifts may also distort short-term findings.

Macroeconomic and External Factors

- Exchange rate volatility, inflation, and global raw material price fluctuations significantly affect financial performance but are beyond the control of individual firms. The study cannot fully isolate these external effects in the accounting analysis.

Generalization of Findings

- Since the study may be based on selected firms or sample data, results cannot be generalized for the entire industry with complete accuracy.

Chapter Two: Literature Review

2.1 Literature Review

The garments packaging and accessories industry in Bangladesh has been recognized as one of the most important backward linkage sectors supporting the Ready-Made Garments (RMG) industry. Several studies and industry reports highlight its indispensable role in ensuring smooth production and timely delivery of apparel to international markets.

According to **BGAPMEA (Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association, 2022)**, more than 1,800 packaging and accessories companies are currently operating in Bangladesh, contributing indirectly to over USD 40 billion in apparel exports. The association emphasizes that accessories and trims are no longer just supplementary items but essential components for both the functionality and branding of apparel.

Rahman (2019) observed that packaging and accessories not only provide protection to garments during transportation but also serve as a tool for product differentiation in global markets. Proper labeling, barcoding, and eco-friendly packaging have become buyer requirements, making compliance a critical factor for export competitiveness.

Haque & Islam (2020) highlighted the sector's dependency on imported raw materials, such as paper, plastic resins, and metals, due to limited local supply. This dependency increases vulnerability to global price fluctuations and supply chain disruptions. However, the authors also noted the growing adoption of **green packaging practices**, as international buyers are increasingly insisting on recyclable, biodegradable, and sustainable materials.

World Bank (2021) reports also stressed that the development of backward linkage industries, including packaging and accessories, is vital for Bangladesh to remain competitive in the global apparel value chain. Efficient packaging solutions reduce lead time, ensure compliance with international standards, and enhance buyer satisfaction.

Overall, the literature suggests that while the garments packaging and accessories industry in Bangladesh has achieved remarkable growth and plays a pivotal role in export competitiveness, challenges such as raw material dependency, technological gaps, and sustainability pressures must be addressed. Strengthening this sector through innovation, investment, and policy support is crucial for the continued success of the country's RMG industry.

Chapter Three: Overview of the Company

3.1 About Company:

Established in 2002, **AKH Packaging & Accessories Ltd.** is a leading manufacturer of garment packaging and accessories in Bangladesh. The company specializes in producing a wide range of products essential for the apparel industry, including corrugated cartons, poly bags, sewing threads, hangtags, labels, and more.

Certifications

AKH Packaging & Accessories Ltd. holds several industry-recognized certifications, ensuring adherence to global standards:

- **FSC Chain-of-Custody Certification (SGS-COC-011912):** Demonstrates commitment to responsible sourcing of paper products.
- **Global Recycled Standard (GRS 4.0):** Certifies the use of recycled materials in manufacturing processes.
- **BGAPMEA Membership:** Active member of the Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association, reflecting industry credibility.

Production Capacity

- **Monthly Output:** Over USD 800,000 worth of products.
- **Manufacturing Facilities:** Equipped with modern machinery, including twill tape machines and air compressors, ensuring efficient production.

Workplace Facilities & Employee Welfare

AKH Packaging & Accessories Ltd. prioritizes employee well-being and operational efficiency:

- **Facilities:** Dedicated dining hall, medical center, child care center, pure drinking water, industrial exhaust system.
- **Employee Benefits:** Two festival bonuses, attendance bonus, target bonus, maternity leave, first aid provisions, health and hygiene measures.
- **Working Conditions:** Six-day workweek, eight-hour shifts with two hours of overtime, two operational shifts, peak season throughout the year

Sustainability Initiatives

The company is committed to environmental responsibility:

- **Eco-Friendly Practices:** Adherence to global standards for eco-friendly packaging, ensuring minimal environmental impact.
- **Certifications:** Possession of FSC and GRS certifications underscores dedication to sustainable practices.

3.2 Vision:

AKH Packaging & Accessories Ltd. aspires to be the leading local & global partner in garments packaging and accessories from Bangladesh, recognized for innovation, sustainability, and excellence

3.3 Mission

- Our mission is to deliver world-class garments packaging and accessories through innovation, sustainable practices, and advanced technology.
- We are committed to ensuring superior quality and timely delivery.
- We provide cost-efficient solutions that strengthen our clients' competitiveness in the global apparel market.
- We aim to create long-term value for our stakeholders while supporting Bangladesh's growth as a leading export hub." by fostering a culture of integrity, continuous improvement, and employee empowerment.

3.4 Board of Directors

Chairman	**Managing Directors**	**Deputy Managing Directors**
Md. Delwar Hossain Phone: +88 09666775588 E-mail: hossain@akhfashions.com	Md. Samsul Alam Phone: +88 09666775588 E-mail: alam@akhfashions.com	Md. Abul Kashem Phone: +88 09666775588 E-mail: kashem@akhfashions.com
Directors	**Directors**	**Directors**
Md. Firoz Uddin Phone: +88 09666775588 E-mail: firoz@akhfashions.com	S.M. Sadullah Phone: +88 09666775588 E-mail: saju@akhfashions.com	Md. Anisur Rahman Phone: +88 09666775588 E-mail: anis_r@akhfashions.com

3.5 Organizational Structure

Being an export-oriented organization AKH Packaging & Accessories Ltd. has to maintain two sets of organizational structure, one at head office and other at factory. Head office is responsible for providing services to various departments and paper work whereas factory is required to produce & delivery the finish goods.

Organizational structure at head office is follow

Chairman					
⇩					
Managing Director					
⇩					
Deputy Managing Director					
⇩					
Directors					
⇩					
Executive Director					
⇩					
AGM, Finance & Accounts	AGM, Operations	AGM, Commercial	Sr, Manager Marketing	Manager HR & Admin	Manager Internal Audit
⇩	⇩	⇩	⇩	⇩	⇩
Sr. Mnager, Finance & Accounts	Sr. Mnager, Operations	Sr, Manager Customs & Bond and Bank	Assistant Manager Marketing	Executives, HR & Admin	Assistant Manager Internal Audit
⇩	⇩	⇩			⇩
Sr. Executives, Finance & Accounts	Sr. Executives, Operations	Sr. Executives, Commercial			Sr. Executives, Internal Audit

The **factory structure** is the overall physical and organizational framework of a manufacturing unit of **AKH Packaging & Accessories Ltd**. In **AKH Packaging & Accessories Ltd**, the structure is typically designed to ensure efficient workflow, compliance, and productivity.

Organizational structure at factory level is follow

General Manager, Factory	→	Manger, Accounts	→	Executives, Accounts
	→	Manager Administration	→	Executives, Administration
	→	Manager, HR & Compliance	→	Executives, HR & Compliance
	→	Manager, Maintenance	→	Executives, Maintenance
	→	Manager, Store	→	Executives, Store
	→	Production Manager, Carton	→	Production Workers
	→	Production Manager, Thread	→	Production Workers
	→	Production Manager, Poly	→	Production Workers
	→	Production Manager, Hangtags & Price Tags	→	Production Workers
	→	Production Manager, Tapes & Elastics	→	Production Workers
	→	Production Manager, Dye Cutting	→	Production Workers
	→	In-charge, Security	→	Security Staff

3.6 Products

AKH Packaging & Accessories Ltd. produces a wide range of packaging & accessories for Ready-made garments industry in Bangladesh. The list of few items is listed below

- **Cartons & Boxes** – Master cartons, inner boxes, corrugated packaging.
- **Poly Bags & Pouches** – LDPE/HDPE bags, biodegradable packaging.
- **Labels** – Woven labels, printed labels, care labels.
- **Hangtags & Price Tags** – Branding and product information tags.
- **Tapes & Elastics** – Draw cords, ribbons, waistbands.
- **Packaging Accessories** – Stickers, barcodes, sealing tapes.

3.7 Buyers

AKH Packaging & Accessories Ltd. produces a wide range of packaging & accessories for various buyers worldwide. Some of the buyers are listed below by segregating their origin and location

North America (USA/Canada)

- PVH (owns Calvin Klein, Tommy Hilfiger)
- Perry Ellis
- Bass Pro
- Eddie Bauer
- US Polo
- K-Mart
- Walmart
- Target
- GAP
- Amazon

Europe

- M&S (UK)
- H&M (Sweden)
- BHS (UK)
- Next (UK)
- Celio (France)
- C&A (Germany/Netherlands)
- Tchibo (Germany)
- Sainsbury (UK)
- Primark (Ireland/UK)
- Tesco (UK)
- Regatta (UK)
- Kik (Germany)
- Zara (Spain)
- Kariban (France)

Asia

- Uniqlo (Japan – GU is part of Uniqlo)
- Indian Terrain (India)

Other/Global Sourcing & Agents

- Ben-Shermin (Global sourcing / Private label)
- Prominent-GU (Japan – GU group)
- GP (Global sourcing / Trading)
- Fortunex (Global sourcing / Trading)
- Li & Fung (Hong Kong – Global sourcing & supply chain management)

3.8 Certifications

Certifications are vital for export-oriented garments packaging and accessories companies in Bangladesh and **AKH Packaging & Accessories Ltd.** is not different in this regard.

- **Ensure Buyer Compliance** – International buyers demand recognized certifications (e.g., ISO, OEKO-TEX, FSC) to verify quality, safety, and sustainability.
- **Enhance Market Access** – Certifications allow companies to meet global standards and enter competitive markets in Europe, USA, and beyond.
- **Build Credibility & Trust** – They strengthen reputation with buyers by proving adherence to ethical, environmental, and quality benchmarks.
- **Support Sustainability Goals** – Eco-certifications (e.g., FSC for paper, GRS for recycled materials) align with global trends in green supply chains.
- **Reduce Trade Barriers** – Certified compliance minimizes rejection risks and smooths customs/retail approvals.

The certificates obtained by **AKH Packaging & Accessories Ltd.** are listed below

- Oeko-Tex Certificate

  OEKO-TEX
  CONFIDENCE IN TEXTILES
  STANDARD 100
  09.HBD.71717 HOHENSTEIN HTTI
  Tested for harmful substance

- **FSC** Certificate

  Chain-of-Custody Certification

  Certificate SGS-COC-011912

  FSC-STD-40-004 Version 3.0

  FSC-STD-50-001

  SGS Ref# BD20/711041240

- **GRS 4.0** Certificate

  Global Recycled Standard 4.0

  Scope Certificate Number:

  C-0001054

  License Number: CMPY-144486-GRS

  Annex to Certificate no: C-0001054

Chapter Four: Data Collection and Analysis

4.1 Overview of Accounting System

The Accounting System **AKH Packaging & Accessories Ltd.** has the framework of methods, procedures, and controls used to record, classify, summarize, and report financial transactions of a business. It ensures accurate financial information is available for decision-making, reporting, and compliance. The objectives of accounting system in **AKH Packaging & Accessories Ltd.** are as follow

- Record all financial transactions systematically.
- Provide accurate financial statements (Profit & Loss, Balance Sheet, Cash Flow).
- Ensure compliance with laws, tax regulations, and accounting standards.
- Support management in budgeting, cost control, and performance evaluation.
- Safeguard assets through proper internal controls.

AKH Packaging & Accessories Ltd. uses a double entry system for recording transactions in accounts. For recording transactions **AKH Packaging & Accessories Ltd.** uses an ERP based Platform, Tally. Tally Enables Segregation of duties & Access control.

Key Components of Accounting System of **AKH Packaging & Accessories Ltd.** are as follow

Source Documents

- Invoices, receipts, purchase orders, vouchers, payroll sheets.
- Provide evidence for each transaction.

Journals (Books of Original Entry)

- Chronological record of transactions (e.g., sales journal, purchase journal, cash book).

Ledgers

- Classified accounts showing the impact of transactions (e.g., Accounts Receivable, Accounts Payable, Inventory, Expenses).

Trial Balance

- Summary of ledger balances to check debit = credit.

Financial Statements

- Profit & Loss Statement
- Balance Sheet
- Cash Flow Statement

- Statement of Changes in Equity

Supporting Schedules & Reports

- Debtors' aging, creditors' listing, inventory reports, cost analysis.

The Accounting System in **AKH Packaging & Accessories Ltd.** is the backbone of financial management, ensuring reliable information for compliance and strategic decisions.

4.2 Accounting Software: Tally ERP 9/ Tally Prime

Tally ERP (Enterprise Resource Planning) is one of the most widely used accounting and business management software in Bangladesh, India, and many other countries. It is used for:

- Recording financial transactions (sales, purchase, receipts, and payments).
- Maintaining ledgers, journals, and trial balance.
- Preparing financial statements (Profit & Loss, Balance Sheet, and Cash Flow).
- Inventory management (stock tracking, valuation).
- Payroll management (salaries, deductions, compliance).
- VAT, TDS, and tax reporting.

The benefits of Tally ERP are listed below

- User-friendly & widely adopted – easy for accountants to learn and use.
- Integrated solution – handles accounting, inventory, payroll, and compliance in one system.
- Fast financial reporting – real-time profit & loss, balance sheet, and stock reports.
- Cost-effective – affordable compared to large ERP systems like SAP or Oracle.
- Supports statutory compliance – VAT, income tax modules available.
- Data security & reliability – provides user access controls and backup features.

4.3 Basis of Presentation of Financial Statements

The basis of presentation refers to the fundamental framework, principles, and assumptions under which financial statements are prepared and presented. It ensures consistency, comparability, and reliability of financial information. **AKH Packaging & Accessories Ltd.** prepares its accounts using Bangladesh Accounting Standards (BAS) and Bangladesh

Financial Reporting Standards (BFRS). **AKH Packaging & Accessories Ltd.** uses going concern assumption and accrual basis of accounting. According to going concern assumption that the business will continue operations in the foreseeable future. In accrual basis transactions are recorded when they occur, not when cash is received or paid.

Components of financials statements are prepared by **AKH Packaging & Accessories Ltd.** are listed below

1. Statement of Financial Position (Balance Sheet)
2. Statement of Profit or Loss and Other Comprehensive Income (P&L)
3. Statement of Changes in Equity
4. Statement of Cash Flows

The basis of presentation of financial statements in **AKH Packaging & Accessories Ltd.** provides the foundation for preparing accounts ensuring reliability, consistency, comparability, and transparency for users like management, investors, regulators, and other stakeholders.

4.4 Assets

AKH Packaging and Accessories Ltd. An export-oriented company requires both current and non-current assets to operate efficiently. These assets are classified in the Statement of Financial Position (Balance Sheet) as per Bangladesh Financial Reporting Standards.

Non-current assets are assets that provide economic benefit beyond one year and are not intended for immediate sale. They represent the long-term investment in production capacity and operations. AKH Packaging and Accessories Ltd. has various kinds of non-current assets. These assets are as follow

- **Land & Building**: Factory premises, bonded warehouse facilities, administrative office building.
- **Machinery & Equipment**: Printing machines, cutting machines, die-casting equipment, lamination machines, injection molding units, carton-making machines, trimming machines.
- **Furniture & Fixtures**: Office furniture, Computers & Printers & storage racks.

- **Vehicles**: Delivery vans, trucks, forklifts for raw material and finished goods handling, privet cars & micros for staff and official staff pick and drop.

Being an export-oriented company, a significant matter of consideration is the import of machinery & equipment for production of finished goods. An item of machinery & equipment needs to be listed by Customs Bond Commissionerate (CBC) prior installation. It is so significant because the tax-free import of raw materials is based on this. Based on the yearly production capacity of a particular machinery the authorization for tax free import permission is granted. Around 80% of yearly production capacity is accepted by Customs Bond Commissionerate (CBC). In case of a destruction or damage of an item of listed machinery the tax-free raw material import may reduce upon verification of customs officer. One interesting fact is that Customs Bond Commissionerate (CBC) assumes the machinery will continue to operate with same efficiency for rest of whole life.

Current assets that are expected to be converted into cash, sold, or consumed within one year or the normal operating cycle of the business. AKH Packaging and Accessories Ltd. has various kinds of non-current assets. These assets are as follow

- Inventories
- Cash & Cash Equivalents
- Accounts Receivable / Trade Debtors
- Advance, Deposits & Prepayments
- Other Current Assets

Same as machinery & equipment (Non-Current Asset) the inventory of raw materials have an important catch. As mentioned earlier in this section tax free import depends on machine capacity. In addition to that this tax-free import of inventories is subject to verification, accumulation, reconciliation and authorization of Customs Bond Commissionerate (CBC). The tax-free raw materials require Utilization Permission (UP) from Customs Bond Commissionerate (CBC). This Utilization Permission (UP) is obtained by submitting Utilization Declared (UD) along with letter of credit (L/C) copy made under back-to-back L/C of buyer of an exported oriented entity licensed under Customs Bond Commissionerate (CBC). Upon satisfaction Customs Bond Commissionerate (CBC) provide Utilization Permission (UP) and production starts. The raw material imported by a bonded Wearhouse must be utilized

within two years. Inability to utilization will results penalty in the form of rebated customs duties. An extension period of additional six months is granted upon application and approval by Customs Bond Commissionerate (CBC). A flowchart of the whole process is given below

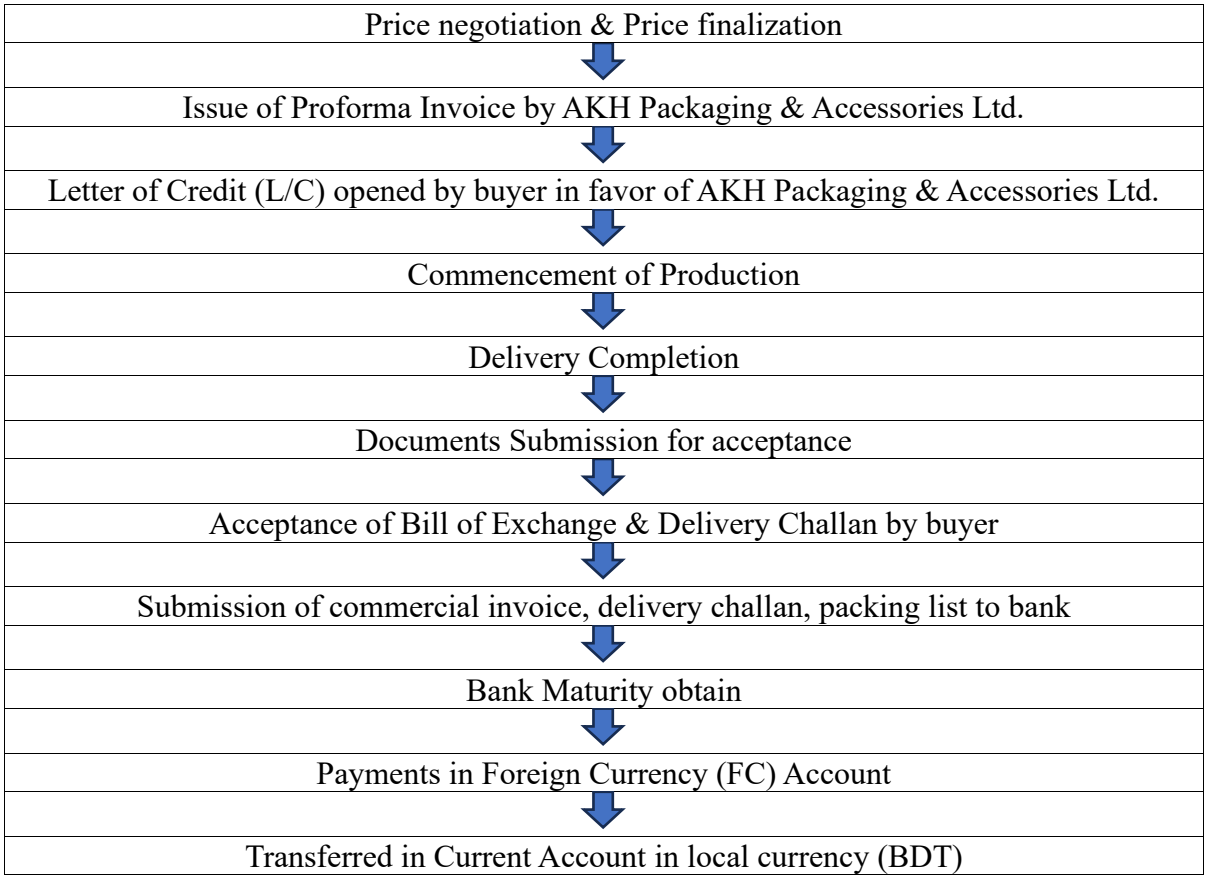


4.5 Liability

Current Liability is the liability that needs to be satisfied with in one accounting period. **AKH Packaging & Accessories Ltd.** has an interesting current liability profile in addition to conventional current liability. Conventional current liabilities include Accounts Payables, VAT & Tax Payable, Bill Payables, Loans Payable etc. Being an export-oriented organization **AKH Packaging & Accessories Ltd.** has an interesting short term loan payable issue. **AKH Packaging & Accessories Ltd.** is given a loan from the Export Development Fund (EDF) to finance the import of raw materials. On arrival of goods in port **AKH Packaging & Accessories Ltd.** pays for the imports using the loan of EDF. EDF loan has very minimal amount of interest rate to promote export and increase the amount of foreign currency reserve. The EDF has a reduced interest rate of approximately 7.00%. EDF loan repayment has to be repaid within six months of loan obtained. There is no option of holding the funds from EDF by **AKH Packaging & Accessories Ltd.** before payment for import. On Payment of EDF loan accounts department recognize the loans in accounts. As fer as long-term liability concern there is no such interesting item. Not only to finance the import of raw materials but also to finance the procurement of non-current assets companies are used EDF loan.

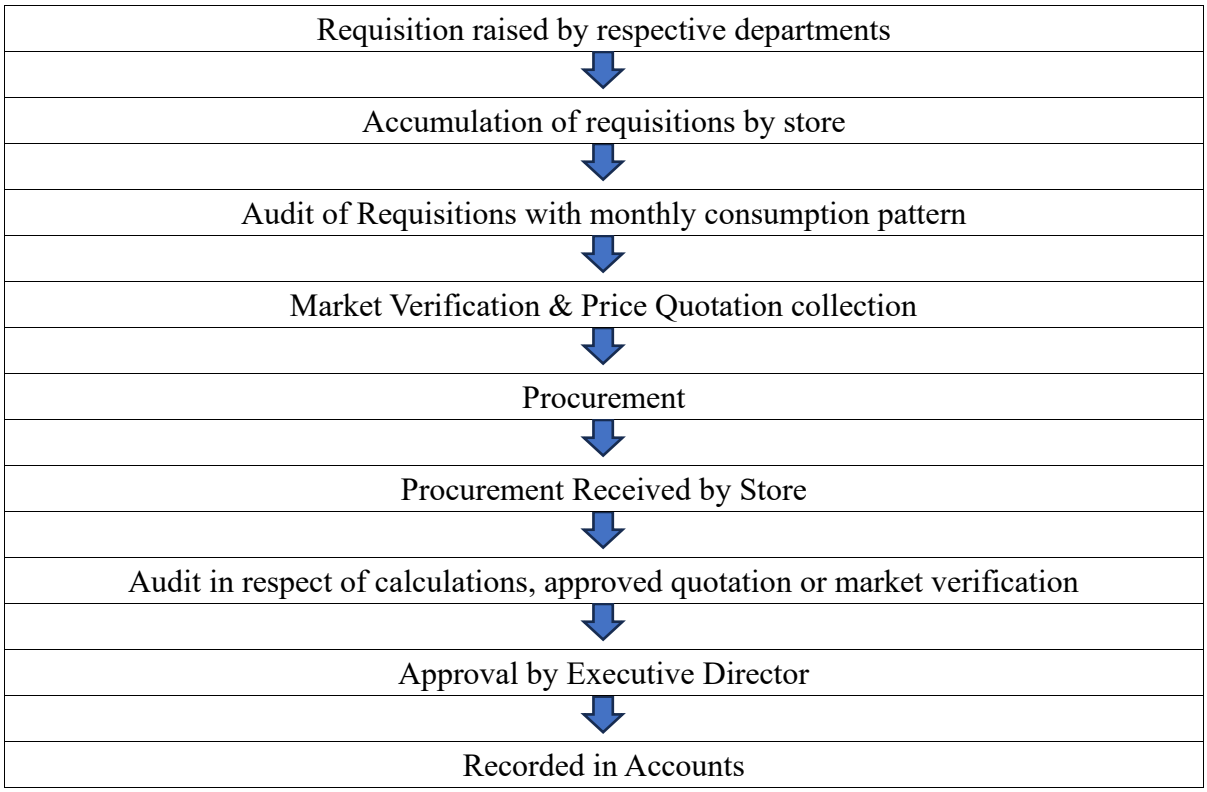
4.6 Revenue

Being an export-oriented organization and bond licensed under CBC **AKH Packaging & Accessories Ltd.** is strictly regulated on its sales. It cannot make sales in open market for local currency. Rather it is required to make sales by export or deemed export in exchange for foreign currency, mainly in Dollar ($). These sales are made under back-to-back l/c. After agreement of price offered by **AKH Packaging & Accessories Ltd.** with its buyers **AKH Packaging & Accessories Ltd.** issues Proforma invoice. This proforma Invoice is used to open L/c in favor of **AKH Packaging & Accessories Ltd.** by buyers. After that **AKH Packaging & Accessories Ltd.** produces and delivers the goods. Once the delivery is complete the buyer provides acceptance on Bill of Exchange & Delivery Challan. This bill of exchange along with commercial invoice, delivery challan, packing list, is presented to the beneficiary's bank. Upon verification Bank transfers the sales amount mentioned in Bill of Exchange in foreign currency account of Packaging & Accessories Ltd. Later this amount is transferred to current account using agreed exchange rate of Bangladeshi taka and revenue is recorded in accounts. A flowchart of the whole process is given below



4.7 Expense

In case of any expenditure to be incurred **AKH Packaging & Accessories Ltd.** has a very effective practice. Before making any expenditure, requisition for the item of expenditure is raised by the respective departments. All requisitions from respective departments are received by Store. Store accumulates all requisitions and prepares combined requisitions for procurement. Before procurement requisitions raised by store rigorously audited by Internal audit of **AKH Packaging & Accessories Ltd.** to ensure actual requirement and comply with monthly consumption pattern. Once audit clearance is obtained procurement steps forward. Goods are received by the Store, delivery challans & bills for the goods received are approved by the store department. Subsequently audited by the internal audit in respect of calculations, approved quotation or market verification and attachment of relevant documents. Later approved by Executive director and finally accounts records the expenditure. A flowchart of the whole process is given below



4.8 Insurance and Banking Functions

Insurance Function

AKH Packaging & Accessories Ltd. being an export-oriented businesses in Bangladesh, especially under Customs Bonded Warehouse facilities, insurance is crucial to minimize risks related to export, import, and logistics. The commercial department manages:

Import & Export Insurance

- **Marine Cargo Insurance**: Covers goods in transit (import of raw materials and export of finished goods) against risks like theft, damage, accident, natural disasters, and piracy.
- **Export Credit Insurance (ECI)**: Protects against buyer's default risk (if the foreign buyer fails to pay).
- **Inland Transit Insurance**: Covers transportation within Bangladesh (factory to port, or port to factory).

Fire and Property Insurance

- Insures factory buildings, warehouses, machinery, and packaging materials against fire, flood, and other damages.
- Required by bond commissionerate and buyers' compliance audits.

Insurance during Export Financing

- When banks open **back-to-back L/Cs**, they often require insurance coverage to secure the shipment until final realization of export proceeds.

Commercial Department's Role:

- Liaison with insurers to arrange required policies.
- Collect & submit premium quotations.
- Ensure timely renewal of policies.
- Process insurance claims in case of loss/damage.
- Maintain proper documentation (insurance certificate, cover notes) to present to banks and customs.

Banking Functions

The **commercial department** of **AKH Packaging & Accessories Ltd.** works closely with banks to handle international trade and ensure proper financial settlement.

Handling Letters of Credit (L/Cs)

- **Export L/C**: Received from foreign buyers; scrutinized for terms, conditions, payment tenor, and compliance with UCP 600.
- **Back-to-Back L/C**: Issued to local or foreign raw material suppliers against export L/C.
- **Sight L/C vs Usance L/C**: Sight L/C gives immediate payment; Usance L/C gives deferred payment.

Export Documentation & Negotiation

- Prepare shipping documents: Commercial Invoice, Packing List, Bill of Lading/Airway Bill, Certificate of Origin, Insurance Certificate.
- Submit to bank for document negotiation/collection.
- Ensure compliance with buyer's L/C terms to avoid discrepancy charges.

Remittance & Fund Management

- Ensure realization of export proceeds within 120 days (as per Bangladesh Bank rules).
- Handle foreign currency remittance through Export Proceeds Realization Certificate (PRC).
- Arrange back-to-back payments to suppliers upon export proceeds collection.
- Manage EDF (Export Development Fund) loans for raw material import.

Foreign Exchange Management

- Monitor exchange rates (USD, EUR) for competitive pricing.
- Ensure compliance with Bangladesh Foreign Exchange Regulations.

Cash Incentives & Duty Drawback

- Apply for Government Export Cash Incentives
- Process Duty Drawback Claims on imported raw materials used for export goods.

- Maintain records as per BGMEA/BGAPMEA & Bangladesh Bank requirements.

Insurance & Banking functions of Commercial Department

Price negotiation & Price finalization
⬇
PI Received form Exporter/Seller
⬇
Insurance Cover Note is prepared on the basis of Proforma Invoice value
⬇
Letter of Credit is Opened by AKH Packaging & Accessories Ltd. in favor of Exporter/Seller
⬇
Letter of Credit is Swifted to Exporters/Sellers bank for confirmation
⬇
Letter of Credit is confirmed by Exporters/Sellers bank
⬇
Exporter/Seller Produces & Ships Goods
⬇
Non-Negotiable Bill of Exchange, Commercial Invoice, Delivery Challan and Bill of Lading receive through e-mail
⬇
Negotiable Bill of Exchange, Commercial Invoice, Delivery Challan and Bill of Lading received through Courier and send to Bank for authorization
⬇
Payment is made on arrival of goods at port based Negotiable documents
⬇
Authorized documents are sent by the bank to Customs Authority at port
⬇
Clearing & Forwarding (C&F) Agent obtains Authorized documents and fulfills Clearing & Forwarding (C&F) agent's responsibilities
⬇
Clearing & Forwarding (C&F) agent resends the documents to customs for customs clearance
⬇
After verification & satisfaction customs discharges or allows unloading of goods

4.9 VAT & TAX Compliance

Tax Compliance

Corporate Income Tax

AKH Packaging & Accessories Ltd. being an export-oriented company is generally taxed at reduced rates compared to normal industries. Current rate is usually **12%** for RMG manufacturers/exporters for green factories and **15%** for non-green factories. **AKH Packaging & Accessories Ltd.** is certified by BGAPMEA/Customs as "deemed exporter". **AKH Packaging & Accessories Ltd.** enjoys reduced rate of corporation tax.

Withholding Tax (TDS)

AKH Packaging & Accessories Ltd. is required to comply with deduction at source rules under the Income Tax Ordinance. **AKH Packaging & Accessories Ltd** withhold taxes from payments made for contractors, rent, procurement, and salaries etc. The entity is also required to deduct tax from payments made for services such as audit, consultancy, C&F, workshop, utilities etc.

Tax Exemptions for Export Proceeds

As **AKH Packaging & Accessories Ltd.** is certified by BGAPMEA and Customs as deemed exporter, its export earnings are treated as **exempt income**, but tax returns must still be filed showing **zero liability.**

VAT Compliance

AKH Packaging & Accessories Ltd. has obtained VAT Registration (BIN) from NBR. As **AKH Packaging & Accessories Ltd.** is an export-oriented organization, usually it enjoys 0% VAT on exports. Imports of raw materials, chemicals, paper, boards, accessories, and machinery under Bonded Warehouse License are VAT & Duty exempt. Purchases from local suppliers require VAT payment at source unless under Deemed Export facility. The entity is also required to deduct VAT from payments made for various services is consumes.

4.10 Analysis of Financial Performance

Financial performance refers to the measure of how well a company uses its resources to generate revenue, profit, and overall value for stakeholders. It is a key indicator of business health and sustainability, reflecting the company's ability to manage operations efficiently, control costs, and achieve growth objectives.

The evaluation of financial performance typically involves analyzing financial statements such as the Income Statement, Balance Sheet, and Cash Flow Statement, focusing on profitability, liquidity, solvency, and efficiency. Common tools include financial ratios (e.g., profitability ratios, liquidity ratios, leverage ratios, and efficiency ratios) that provide insights into strengths and weaknesses in financial management.

Assessing financial performance is essential for management decision-making, investor confidence, creditworthiness, and long-term strategic planning. It helps businesses track progress, compare results with competitors, and ensure alignment with organizational goals. Some of the key ratios of **AKH Packaging & Accessories Ltd.** based on the data of year ended on December 2024 is described below

Profit Margin

Profit margin is a key financial ratio that shows how much profit a company makes compared to its sales revenue. It indicates the efficiency of cost control and the overall profitability of the business. A higher profit margin means the company is earning more from each unit of sales, while a lower margin suggests higher expenses or pricing pressures.

Types of profit margin include:

- **Gross Profit Margin** – Profit after deducting direct production costs (materials, labor).
- **Net Profit Margin** – The final profit after all expenses, interest, and taxes.

Profit margin is especially important for export-oriented companies like AKH Packaging & Accessories Ltd., where international buyers demand competitive prices, making efficient cost management crucial to maintain healthy margins. These ratios for **AKH Packaging & Accessories Ltd.** using the year end information of 2024 as follow.

Gross Profit Margin = Gross Profit / Sales Revenue

= 34,00,33,789/1,01,06,50,184

=**0.3365 or 33.65 %**

The Gross Profit Margin of 33.65% is a significant percentage in comparison to industry average of 30% which suggests that how well **AKH Packaging & Accessories Ltd.** is operating.

Net Profit Margin = Net Profit / Sales Revenue

=21,52,78,732/1,01,06,50,184

= **0.2130 or 21.30%**

The Net Profit Margin of **21.30%** indicates the efficiencies in managing operating, administrative & financing costs in arriving Net Profit Margin of **AKH Packaging & Accessories Ltd.**

Liquidity Ratio

Liquidity ratios measure a company's ability to meet its short-term obligations using its current assets. They show how easily a business can convert its assets into cash to pay off debts due within one year.

The two most common liquidity ratios are:

- **Current Ratio** = Current Assets ÷ Current Liabilities
  → Indicates overall short-term financial strength.
- **Quick Ratio (Acid Test)** = (Current Assets – Inventory) ÷ Current Liabilities
  → Shows the ability to pay liabilities without depending on inventory sales.

For export-oriented businesses like **AKH Packaging & Accessories Ltd.**, liquidity ratios are crucial because they often face delays in export payments and depend on working capital to continue production smoothly. These ratios for **AKH Packaging & Accessories Ltd.** using the year end information of 2024 as follow.

Current Ratio = Current Assets ÷ Current Liabilities

= 19,24,15,725/79,84,055

=**24.10:1 Times**

The Current Ratio of 24.10 times is an indication of strong the current assets base in comparison to current liabilities.

Quick Ratio (Acid Test) = (Current Assets – Inventory) ÷ Current Liabilities
=19,24,15,725-7,20,96,016/79,84,055
=**15.07 Times**

The Quick Ratio of 15.07 Times suggests that **AKH Packaging & Accessories Ltd.** has a very strong Cash & Cash equivalent assets despite having a large stock of Invenrory.

Leverage Ratio

Leverage ratios measure the extent to which a company relies on debt to finance its operations and assets. They indicate the financial risk and long-term stability of the business. A higher leverage ratio means greater dependency on borrowed funds, which can increase financial risk if earnings are not sufficient to cover interest and debt repayment.

Key leverage ratios include:

- **Debt-to-Equity Ratio** = Total Debt ÷ Shareholders' Equity
  → Shows the balance between debt financing and owners' equity.

For an **export-oriented company** like AKH Packaging & Accessories Ltd., leverage ratios are important because such firms often depend on bank loans, back-to-back L/Cs, and export development funds (EDF) to finance raw materials and production before receiving export proceeds. This ratio for **AKH Packaging & Accessories Ltd.** using the year end information of 2024 as follow.

Debt-to-Equity Ratio= Total Debt ÷ Shareholders' Equity
= 6,21,49,714.23/21,88,53,732
=**0.28 or 28%**

The Debt-to-Equity Ratio of 28% suggests the average gearing in Packaging & Accessories industry of 30%.

4.11 SWOT Analysis

SWOT analysis is a strategic planning tool used to evaluate an organization's **Strengths, Weaknesses, Opportunities, and Threats**. It provides a structured framework for identifying internal capabilities and limitations, as well as external factors that could influence business performance. The analysis for **AKH Packaging & Accessories Ltd.** is described below

Strength (Internal Positive Factors)

- **Strong Backward Linkage**: Being part of the reputed AKH Group, the company has strong ties with RMG exporters and a steady demand base.
- **Compliance & Certifications**: Adherence to international compliance standards (BSCI, GRS, OEKO-TEX, etc.) helps attract global buyers.
- **Diversified Product Range**: Offers trims, labels, tags, poly, cartons, and accessories, ensuring one-stop solutions for RMG buyers.
- **Skilled Workforce & Management**: Experienced team with knowledge of global market demands.
- **Export-Oriented Setup**: Operates under bonded warehouse and export-oriented organization facilities, benefiting from duty drawbacks and tax incentives.
- **Modern Machinery & Technology**: Investments in modern printing, finishing, and packaging machinery ensure efficiency and quality.

Weakness (Internal Negative Factors)

- **High Dependency on RMG Sector**: Over-reliance within group sales makes it vulnerable to downfall in groups demand
- **Limited Global Branding**: While strong locally, international brand recognition of **AKH Packaging & Accessories Ltd.** is still developing compared to global packaging giants.
- **Import Dependence on Raw Materials**: Some raw materials (specialized paper, ink, adhesive, chemicals) are imported, making costs sensitive to exchange rate fluctuations.
- **Capacity Constraints**: May face challenges during peak seasons due to bulk orders from major RMG buyers.

- **Relatively High Operating Cost**: Compliance maintenance, labor cost increases, and energy inefficiencies add to expenses.

Opportunities (External Positive Factors)

- **Growing RMG Exports from Bangladesh**: With Bangladesh's apparel exports crossing USD 40+ billion, demand for packaging & trims is growing.
- **Sustainability Demand**: Increasing global shift towards eco-friendly & recyclable packaging materials provides room for product innovation.
- **Diversification into Non-RMG Packaging**: Scope to expand into FMCG, pharmaceuticals, and e-commerce packaging solutions.
- **Technological Advancements**: Adoption of digital printing, automation, and smart packaging solutions can create competitive advantages.
- **Regional Market Expansion**: Opportunities to export trims & packaging to nearby apparel-producing countries (India, Vietnam, Myanmar, etc.).

Threats ((External Positive Factors)

- **Global Market Volatility**: Economic downturns in the US/EU or tariff hike particularly in the US can directly affect demand.
- **Rising Competition**: Both local competitors and foreign suppliers pose a threat.
- **Regulatory & Compliance Pressure**: Increasing environmental regulations on plastics and packaging materials could raise compliance costs.
- **Price Sensitivity of RMG Buyers**: Garment exporters demand low-cost packaging, pressuring margins.
- **Energy & Infrastructure Challenges**: Power outages, gas shortages, and logistic delays in Bangladesh increase operational risks.

Chapter Five: Findings

5.1 Findings

Being an export-oriented organization **AKH Packaging & Accessories Ltd.** has to comply with various regulations & requirement of multiple government organizations.

- **AKH Packaging & Accessories Ltd.** an export-oriented organization operates under a bond license issued by Customs Bond Commissionerate (CBC). The accounts of import & consumption have to be submitted, reconciled and accepted by Customs Bond Commissionerate (CBC) regularly to enjoy tax free import.
- **AKH Packaging & Accessories Ltd.** is required to submit Proceed realization certificate (PRC) from local banks to Customs Bond Commissionerate (CBC) for sales made under local back-to-back L/c to ensure tax free imports have been only used for export and continue to avail tax free import.
- In addition to that **AKH Packaging & Accessories Ltd.** has to renew some license annually. Factory License, Trade License, Import Registration Certificate (IRC), Export Registration Certificate (ERC), Fire License, Environment Clearance & Boiler License are few of them.
- **AKH Packaging & Accessories Ltd.** is required to obtain Generator License from Bangladesh Energy Regulatory Commission (BERC). In this license the kind of fuel used is identified i.e. Gas, Diesel or Furnes oil.
- **AKH Packaging & Accessories Ltd.** is also required to obtain the membership of Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association (BGAPMEA), the local regulatory body of Packaging & Trims manufacturers in Bangladesh.
- In order to stay compliant **AKH Packaging & Accessories Ltd.** has to conduct various social and compliance audit such as Business Social Compliance Initiative (BSCI), compliance with Labor Law, Drinking Water Test Report, Noise Test Report, Environment Impact Assessment (EIA), Ambient and work place Air Test Report etc.
- To Remain Competitive **AKH Packaging & Accessories Ltd.** has to obtain various operational certifications such as OEKO-TEX Standard 100 – Tested for harmful substances, FSC Chain-of-Custody Certification – For sustainable paper sourcing, SGS, Intertek, Global Recycled Standard (GRS 4.0) etc.

- **AKH Packaging & Accessories Ltd.** is one of the sister concerns of AKH Group. **AKH Packaging & Accessories Ltd.** is heavily dependent on the inter group sales. Almost 80% of total sales of **AKH Packaging & Accessories Ltd.** is made with in group & rest of the 20% sales made outside the group.
- The structure of Accounts is based on Management accounts rather than financial accounts. As a result, few transactions appeared in accounts that should not have been appeared in financial accounting purpose.

Chapter Six: Recommendations & Conclusion

6.1 Recommendations

Working at **AKH Packaging & Accessories Ltd.** an export-oriented organization was a great experience for me. I have learnt many things throughout my internship period. From my little knowledge I have some recommendations as follows:

- The accounts team lacks up to date knowledge regarding BFRS, BAS, VAT & Tax regulation for which they often render assistant from audit department. This should not be the case if accounts department wants to increase efficiency.
- Secondly, while recording transaction in accounting software, Tally ERP 9, narrative of the transaction is not detailed enough to get clear idea about the transactions. Clear and detail narrative is essential to extend the efficiency of accounts department.
- Thirdly, Monthly cash requirement analysis is bit old fashioned. The analysis does not provide detailed explanation, identification of exceptional case for increase or decrease in demand. The monthly cash requisition should clearly state the assumptions used and detail explanation for effective and efficient cash management.
- Fourthly large amount of creditors' payment is made either on cash or using cash cheque which can be misused or manipulated. Cash payment or Cash cheque should be discouraged by accounts and insisted for cross cheque or account payee cheque to deal with misuse and manipulation.
- Fifthly, Company's sales are highly based on within group. Company should consider extending out side group sales to balance the sales in event of lesser inside demands.
- Finally, **AKH Packaging & Accessories Ltd.** has no designated person for ensuring renewal of various licensing and certificates it needs to operate. This task is done by a commercial executive as extra responsibility. The company should consider appointing a designated person so as to remain compliant all the time.

6.2 Conclusion

My internship at **AKH Packaging & Accessories Ltd.** has been a cornerstone of my academic and professional journey, providing me with a comprehensive understanding of accounting system and operational practices. AKH Packaging & Accessories Ltd. is one of the prominent & fast-growing companies in Bangladesh. Despite having some weaknesses Accounts department is being able to provide valuable data for decision making. Each and every

department of **AKH Packaging & Accessories Ltd.** deserves to be complemented. In this report, I have tried my level best to identify financial accounting, management accounting and operational procedures used by **AKH Packaging & Accessories Ltd.** What and how **AKH Packaging & Accessories Ltd.** uses accounting information for decision making along with describing the procedure and systems of carrying out significant operations. In this report, I imply my acquired knowledge from accounting course and try to comply with the techniques, procedure and systems followed by **AKH Packaging & Accessories Ltd.**

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