



Inspiring Excellence

Internship Report on

“Expenditures of Regent Airways”

Course Code: BUS400

Submitted to:

Mr. Ahmed Abir Choudhury

Lecturer

BRAC Business School

BRAC University

Submitted by:

Touhid Ahmed

ID#15104182

BRAC Business School\

BRAC University

Date of Submission: 30th April, 2019

Regent Airways

(Expenditures of Regent Airways)



Letter of Transmittal

30th April 2019

Ahmed Abir Choudhury

Lecturer

BRAC Business School

BRAC University

Subject: **A letter of transmittal for submission of the internship report**

Dear Sir,

Here is the report that I was obliged to prepare as my internship to complete my graduation from BRAC Business School, BRAC University. I feel lucky that I have completed my internship from Regent Airways, a unit of Habib Group of Aviation. Throughout the report, I have tried my best to give my full effort that I have gathered from my company. I have also tried to express my learning and experience throughout the report. As working on aviation company I have showed "Overall reactions of the passengers on delay/cancel flight" which is a very common phenomenon no a days.

I might want to thank you for allowing me the chance to compose this report and for your help. Alternatively, if there should be an occurrence of any further elucidation or elaboration as to my report, I would welcome the chance to counsel with you to investigate how my discoveries could best address your issues.

Sincerely Yours

Touhid Ahmed

ID: 15104182

BRAC Business School

BRAC University

Letter of Endorsement

30th April 2019

Dear Concerned,

I am writing to give my support and endorsement to Touhid Ahmed's application for internship program in Regent Airways.

Touhid Ahmed, a student of BRAC Business School, ID: 15104182, Major in Finance and Minor in Supply Chain Management, has successfully completed his "Internship program" entitled "Expenditure of Regent Airways" at Regent Airways under my observation. His interaction with the faculty members and other students is always with integrity and respect. He adheres to the ethical guidelines set out in his professional standards of practice.

It is without reservation that I endorse Touhid Ahmed's application for internship program in Regent Airways.

If you have any questions or need further information, please contact me at abir.choudhury@bracu.ac.bd.

Sincerely,

Ahmed Abir Choudhury

Lecturer,
BRAC Business School,
BRAC University

Date & signature

Acknowledgement

On the very beginning, I would like to thank almighty Allah to give me the opportunity to work in an aviation company like Regent Airways, which is a unit of Habib Group of Aviation. Beside I would like to give my cordial thanks to my honorable supervisor Mr. Ahmed Abir Choudhury who helped me to select my internship topic and work my report very efficiently. Their support and dedication will be remembered forever.

I would also like to thank Mr. Zonaid Hossen Talukder, AGM of Accounts, Costing & MIS who assists me in different work throughout my internship period and also I would like to thank Mr. Tifur Rahman Chowdhury, Assistant Manager of Internal Audit who was always beside me and guide me every time.

Last but not the least; I would like to give a special thanks to my department, BRAC Business School, BRAC University. Each and every faculty of my university was so much cooperative and helpful. Throughout my university life, I have learnt so many things from my honorable faculties, which I can apply in every sphere of my future life.

Executive Summary

Competition with the airlines industries are increasing day by day. Airlines are becoming more familiar also day by day. Apart from the international airlines industries we have few Bangladeshi airlines company. Novo Air, Regent Air, US Bangla, Biman Bangladesh Airlines and United Airlines which currently stop their operation due to bankruptcy. Among these five airlines company in Bangladesh Regent is doing better and trying to do better in the nearest future.

Managing passengers is difficult to any industry. Regent is managing its potential customers very efficiently. There are two types of customers. One is business customer and another is economy customer. Regent is managing both the customers in an effective way.

Managing suppliers is also a difficult part to any industry because high or low bargaining power of the supplier plays a vital role to run a company. Moreover, a company like Regent Airways who are totally dependent on their suppliers, face many difficulties to manage their suppliers and expenses.

To upgrade their sell Regent has different agencies who are selling their tickets every day in a huge amount. They have their own sales outlets, sales counters too but besides this, they have those agencies that are selling their tickets and getting commissions.

As the competition is increasing day by day among the airlines industries so it is also becoming very challenging to maintain the proper quality and service to the passengers. Still Regent Airways is trying its level best to ensure the top quality and service ahead.

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Organizational Overview

About Regent

Regent Airways is a subsidiary of Habib Group of aviation, which is a prominent industrial conglomerate in Bangladesh founded in Chittagong in 1947; it has employees more than 20,000 people and has several interests in textiles, aviation, cement, steel, real estate, insurance and banking. It is the parent company of Regent Airways, a private airline in Bangladesh and Regent Power Limited, a power generation company.

Regent airways have started their journey on 10th of November 2010 with only 2 Dash8-Q300 and a single Boeing. Initially they had fewer destinations and less aircraft. They only operated in Chattogram and Cox's Bazar in domestic way and Calcutta and Thailand as an international way. By the time being, they are operating too many domestic way and international way. Not only destination but also have increased the number of aircraft too. At present Regent have 6 Boeing flight and 2 Dash flight in total and recently they are thinking two increase another flight and destination in Dubai and China.

Working in Regent Airways I have realized that they have a very potential future and they could be one of the leading airlines company in Bangladesh. Chairman Yeasin Ali is very concern about his aviation company. Regarding their vision their DMD Mr Salman Habib, son of Yeasin Ali told that, "number of flight is increasing but adoptability is not increasing and if CAAB can give the better opportunity then they will think to create a HUB in Chattogram Shah Amanat International Airport", kaler kontho, 7th November 2018.

About LOGO

Red and Gray Logo: Red represents the regency of Regent Airways. It complements the priority and the exclusive essence of the brand. And the gray text represents the orthodox value of The Regent Airways.



Two doves: the golden pigeon represents the priority, the premium class and the flight power of Regent Airways. There are two pigeons in two different shades of gold. The deepest golden dove represents the contemporary class and experienced part of Regent Airways, while the lighter golden dove represents the younger and happier part of Regent Airways.

Golden bubbles: The golden bubbles represent different nations and countries of the world. In fact, the bubbles are the present and future destinations of Regent Airways. When you collect all the bubbles, bring a pigeon shape representing Regent Airways. There is a color gradient in the bubble pattern that is two different shades of gold. These represent the transformation of the past, present and future.

Mission: Regent Airways, having parent company Habib group of aviation has its mission to ensure best service within the Bangladeshi airlines industries and always give value on customer opinion and suggestion.

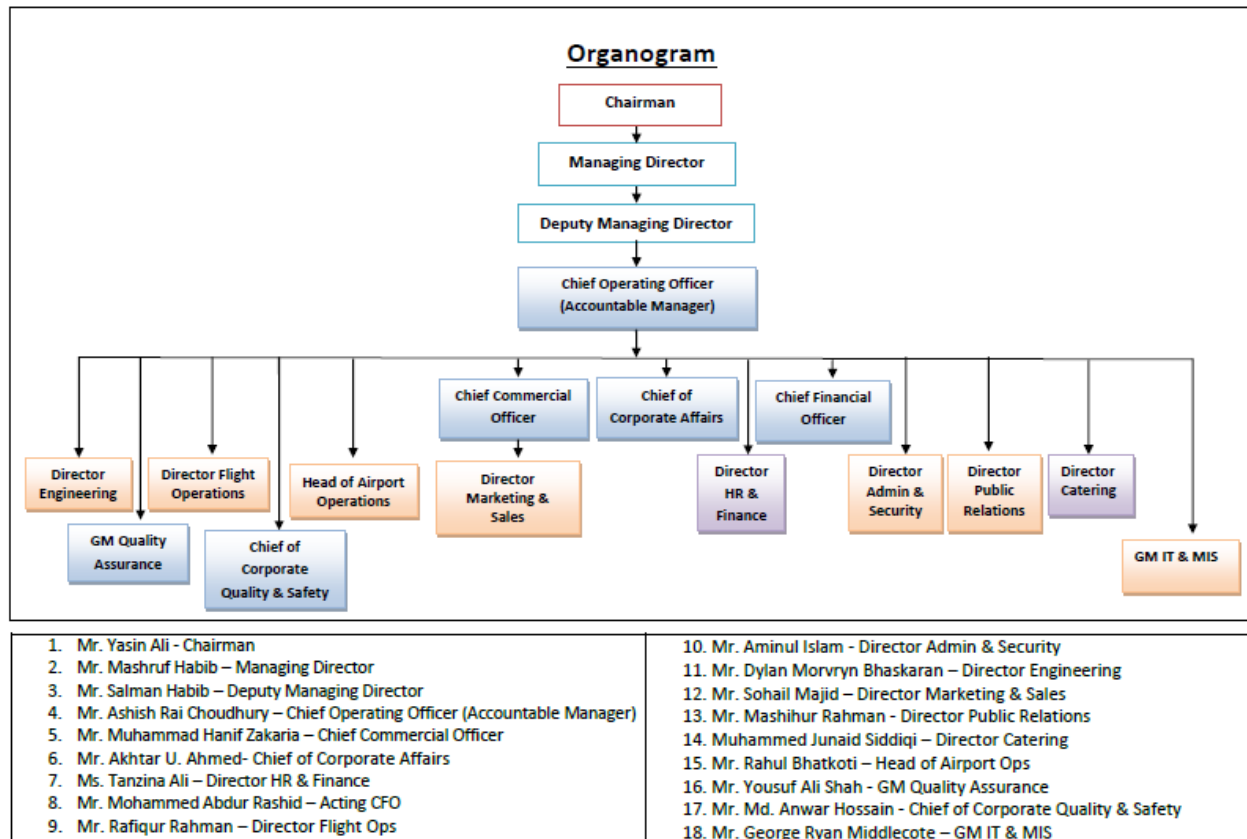
Vision: Vision of Regent Airways is to become one of the leading airlines industries not only in Bangladesh but also within the world and also make some innovation ideas and hubs domestically and internationally. May be one day they will be one of the leading Airlines Company in the world.

Objectives:

- Ensuring the best service to the customers
- Make a good relationship with the customers

- Make some offers and discounts for the passengers who travelled frequently
- Ensuring a safe and comfortable journey
- Measuring the effective lowest fare so that everyone can travel within their limit.

Organogram



Regent Airways Destination and Fare

Regent Airways is currently operating in Dhaka, Chattogram and Cox’s Bazar in domestic way and internationally they are operating in Calcutta, Bangkok, Singapore, Kuala Lumpur, Mascot, Doha and recently they are thinking to operate in China and Dubai very soon. Regent is always concern about their cheap fare and they are providing the cheapest fare comparing with the other airlines industries in Bangladesh.

SECTORS		FARE STARTS FROM	
INTERNATIONAL		ONEWAY*	RETURN*
DHAKA	KUALA LUMPUR	BDT 21859	BDT 28428
KUALA LUMPUR	DHAKA	MYR 401	MYR 803
DHAKA	SINGAPORE	BDT 20614	BDT 37723
SINGAPORE	DHAKA	SGD 218	SGD 447
DHAKA	BANGKOK	BDT 15553	BDT 23038
BANGKOK	DHAKA	THB 6044	THB 9889
CHITTAGONG	BANGKOK	BDT 18667	BDT 26952
BANGKOK	CHITTAGONG	THB 6200	THB 10968
DHAKA	KOLKATA	BDT 6946	BDT 11410
KOLKATA	DHAKA	INR 4293	INR 7405
CHITTAGONG	KOLKATA	BDT 7803	BDT 14680
KOLKATA	CHITTAGONG	INR 6555	INR 10658
DOMESTIC		ONEWAY*	RETURN*
DHAKA	CHITTAGONG & v.v.	BDT 3704	BDT 7408
DHAKA	COX'S BAZAAR & v.v.	BDT 4304	BDT 8608

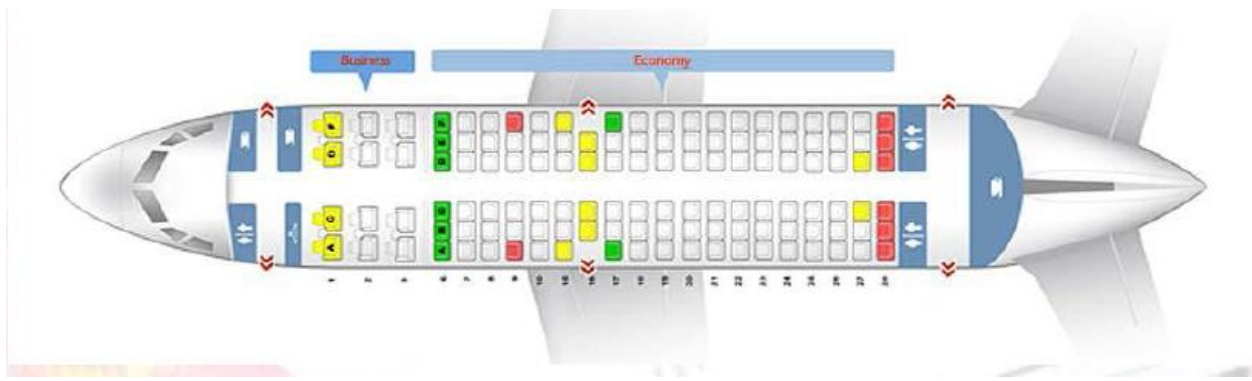
Package Information

Regent has their packages with hotel accommodation in each destination apart from Chattogram. In every international destination, Regent has its own packages. Basically Regent offer a very attractive packages with hotel accommodation towards the passengers so that customers can avail this packages withi8n their limit.

In flight seating

Boeing 737-700,800

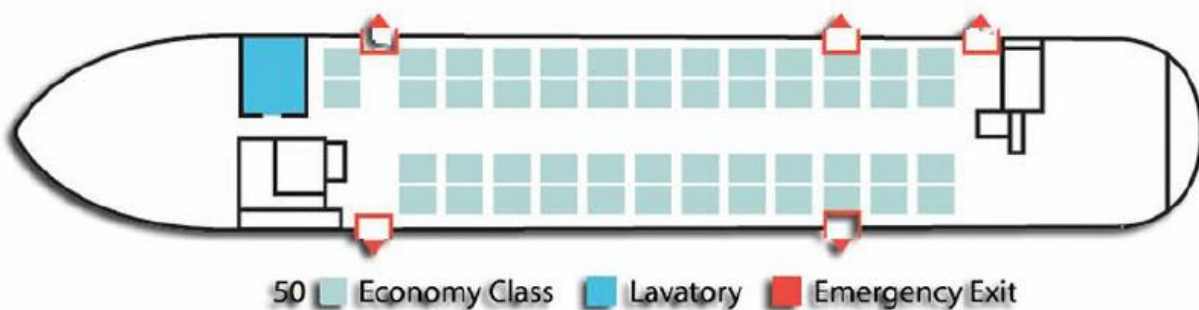
The Boeing 737-700 is the most advanced and reliable narrow body airplane liner ever produced, with the fins combined this airship is more fuel efficient than any other in the same class. The Boeing 737-700 has an impressive 5510-kilometer full-load range and can transport up to 756-1,835 cubic feet of cargo. The Boeing 737-700 of Regent Airways is configured with capacity for 126 seats, with 12 seats in business class and 112 in economy class. The comfortable, economy-class 33-inch seat ensures maximum passenger comfort and the 12 executive-class seats are configured with 45-inch reclining seats to give passengers the comfort they need to make their trip comfortable.



Model: Boeing 737-700,800

Dash-8-Q300

The current fleet of Regent Airways consists of 2x Canadian-made Bombardier Dash-8-Q300 aircraft, each with a capacity for 50 passengers in a single-class undivided design. All seats have a generous 32-inch step and individual tray tables in a 4-seat abreast arrangement (except row 1 of 2 seats, D and F form a club with seats in row 2 D and F) through the cabin. Contoured upper compartments provide more than adequate space for cabin luggage and accommodate individual reading lights and air conditioning control for each seat. The cabins of the aircraft are equipped with the System of noise and vibration (NVS), which minimizes noise to only 75 dBA, which makes the flights are calmer and more comfortable than other aircraft in its class. For optimum safety, the aircraft has up to 5 emergency exits for quick and safe evacuation of passengers in case of any emergency.



Model: Dash-8-Q300

Organizational Structure

Regent Airways has different sectors within the company. Basically it has many more departments where employees are working with a proper dedication to achieve the breakeven point. Each department is involved with other department. Without a single department it will be more difficult for a company to run its regular work properly. The major department of Regent Airways is

- Central Reservation System (CRS)
- Pricing
- HR
- Accounts & Finance
- Revenue
- Procurement
- Holidays
- Marketing & sales
- Audit
- Customer support
- Ground service
- IT

Central Reservation System (CRS)

The CRS team basically who are the heart of any airlines industry are working 24/7, 3 shift to achieve and meet the company's mission, vision and goals. Controlling the overall sales counters managing tickets, managing the agencies and prevents others to do any unauthorized ticketing or working is the main work of CRS team. In a word without CRS team a plane never could be able to fly in the sky.

Pricing

Another very important department is pricing. Who are also working dedicatedly to meet the goal. Basically they are responsible to move up and move down the RBD which means the fare. It happens in airlines industry that right now you are watching one fare and after few moments you will watch another fare. Basically pricing department is liable for this. Moving up without any

reason or moving down without any reason is not possible and if it happens they will be liable and it will create a great hamper into the company.

Human Resource (HR)

The team HR basically controlling all the employees who are working in the company. Recruiting and selecting the new employees is the main work of team HR. they also observing if the office environment is properly working or any inappropriate work is going on.

Accounts & Finance

Basically the team accounts and finance are related to one another. They are calculating all the financial terms, the profits and the losses.

Revenue

The team revenue is always concern about company's overall earning. They are liable for any debit or credit terms. Any refund or reissue charges will be concern with revenue team.

Holidays

The team Holidays are responsible to arrange any packages within the country or internationally. They basically make agreement with different hotels and make preferable packages for the passengers who want to travel with transportation and hotel package.

Customer Support Team (CSR)

Customer support team is one of the main invisible apart of airlines industry. They are dedicatedly maintaining good and proper relationship with the customers. They are providing the available lowest fare to the passenger and also after the flight who are travelling with us, they are making phone call survey about their satisfaction. This is very important to measure the service quality.

Marketing & Sales:

Basically the marketing and sales department is involved to do marketing and selling tickets. We have different operational zone inside the country as well as outside the country. The main operational zones are.

- Dhaka
- Chattogram
- Cox's Bazar
- Saidpur
- Jashore
- Calcutta
- Thailand
- Singapore
- Malaysia
- Kathmandu
- Qatar
- Oman
- Saudi Arabia &
- United Kingdom

Job Description and Activities

Internal Audit is a very crucial department of Regent Airways. It is really challenging to maintain proper corporate relationship with the corporate partners. Having appointed as a Internal Audit Intern, as a member of Internal Audit team we are assist with an email as well as we have 4 phones. We have to provide service throughout the mail and phone call. Managing all the suppliers, informing throughout mail, phone call and message if there is any problem with the revenue or expenses. Checking out all the documents of expenses and revenue, our work is to clear the paper work for doing further procedures. Because if we find any problem in the calculation, then the paper will not be signed and the bill or the work will be hanging for hours which is not good for the company.

During my 3 months period of time I have learned how to handle the suppliers. I have also learned dealing with suppliers (like catering service, jet fuel, car service etc.), Airport service department, **Bank Reconciliation** and so many other things.

Basically I got appointed into the company when our Dammam flight has stopped its regular operation due to some operation constraints. I feel really lucky that as an intern my company assign me to handle all the suppliers from January 2019 to March 2019. So I have to make a proper communication with them, though it was really difficult to maintain a proper communication as majority of the suppliers do not know me if I am an employee of Regent Airways or not. So it was really challenging to me to make proper communication with them, providing them correct news, and asking them for proper bills. As a result, I also get some ideas of other airlines industries strategies.

As I was assigned to handle auditing and revenue expenditures, so my respective internship supervisor ask to do work on revenue expenditure and my report is based on it.

Key Responsibilities

1. **Analyzing route wise performance and expenses of Regent Airways:** Finding out the revenue expenditure our main work as internal audit was to analyze the route wise performance and expenses. We did it through collecting the financial data and performing different kinds of analysis to get a specific conclusion.
2. **To analyze the productivity:** To analyze the productivity we had to go through the revenue expenditure that to generate the revenue in which sector the expense is the most (e.g. jet fuel, engineering, catering etc).
3. **Finding the specific pattern of revenue expenditure:** We found the pattern after analyzing the pattern of the expenses. After seeing the financial data source, we found the specific pattern.
4. **Suggestion for each route expense:** Basically for this part we had to go through the primary financial data to see where the expense is mandatory and which party is getting their payment urgently.

Challenges

It is really challenging to work in headquarter and making your boss happy by all side. The harsh reality is if you did a lot of good work, your single wrong work will break all your past record. It is the common phenomenon happening in the corporate life.

I also face some challenge while working with the seniors who are already very expert with the software where I am very new. Apart from this, it was also challenging to disturb others for my work where they are very busy with their work. However, few of my colleagues are pretty much helpful. They tried their best to help me a lot. Apart from this personal challenge, I face challenges while working on some technical issues like getting the data source, having access to their software etc. As well as I face challenge while handling them. Because one silly wrong work will directly affect revenue and finance.

Moreover, it was really challenging to do my assigned work during last 3 months. It was really very difficult and challenging to get the expenditure and giving feedback to them. As a fresher I faced really difficulties while doing my regular work but Alhamdulillah by the grace of almighty Allah I did my work very efficiently and my bosses mates and seniors are really happy on my work.

Research Background

Literature Review

Transport is one of the five main sectors with capital market, maritime, real estate and retail sector, to drive the next phase in Bangladesh economy (Abbas, 2015). Doganis Rigas (2001) stated in her book that about the good, the bad and the indifferent about the airline industry in the 90's. she stated, For the then Chairman of Air France, 1993 was a miserable time. Each evening, as he left his office to return home, his carrier had lost another US\$4 million! This went on, day in day out, for a year or somewhere in the vicinity. Obviously, it was not exactly like that. In any case, before the finish of that monetary year, his carrier had lost nearly US\$1.5 billion. Such figures graphically show the profundity of the emergency looked by the world's carriers in the mid 1990s. This was a terrible time for the aircraft business.

In recent journal of business and management Hazarika and Boukareva, 4(4), 2016, 71-80 stated about the costing and expenses of Dubai airlines. In that journal they stated due to costing issue proper facilities are not provided. Also if the expenses are not properly handled many serious issue like low cargo charge, insufficient fuel consumption and many other serious things can be occurred.

Though there are no literature review on revenue expenditure in our country, there are some problems are happening around us regarding the expenditure issue. The Daily Star (2019) recently stated about some serious incidents regarding the aviation industry in Bangladesh. Two or three major airline companies had serious issues regarding their expenses. As an employee of Regent Airways, we got to know some internal problem of those companies that they had cargo problems due to low cargo charge, maintenance problems, catering problems. The Daily Star (2016) stated about one of the major airline companies in Bangladesh that they have serious problems in their procurement department. Due to that, their expense is not properly handling as well as the revenue is not properly generating. As a result, many employees are switching their jobs from that company and they lost many of their customers.

Origin of the Report

The main motto of making this report is to complete my internship program. Having 3 months time of my internship period at Regent Airways beneath supervision of Mr. Ahmed Abir Choudhury, this report has been arranged.

Objective of the study

General Objective:

As per rules of BRAC University, I have to complete my graduation and for this I have to complete the internship period as well as making a report what I have done during 3 month of time period.

Specific Objective:

Apart from completing my internship program another purpose of making this report is to show you the revenue expenditure of an airline company. Basically airline companies generate their

revenue in a different way not like the other industries as well as have different types of expenses. Therefore, my specific objectives were,

- To analyze the route wise performance and expenses of Regent Airways.
- To analyze the productivity of Regent Airways.
- To find out the specific pattern of the revenue expenditure.
- Suggestion for each route expenses.

Methodology

Basically this report was made by the practical work experience what I have gathered during my internship report and then I have made an online survey to justify if my work life experience is really matched with my data in general.

Source of Data

Basically there are two types of data, one is

- Primary Data
- Secondary Data

Primary data source:

- Conversation with the employees
- Conversation with the passengers
- Practical desk work
- Personal experience while working with different people

Secondary data source:

- Online survey
- Different data source from Regent Air

There are some route wise costing are given below,

**Cost Analysis
DAC-BKK-DAC
MONTH: August'18**

Flight No	Revenue	Direct Cost	Contribution	Fixed Cost	Total Cost	Profit / Loss
DAC-CGP-DAC	8,395,854	9,808,310	(1,412,457)	3,268,735	13,077,046	(4,681,192)
CGP-BKK-CGP	43,625,445	37,386,624	6,238,821	9,020,372	46,406,996	(2,781,551)
Total	52,021,299	47,194,935	4,826,364	12,289,107	59,484,042	(7,462,743)

Table 1: Bangkok Cost Analysis

Source: Secondary Data Source

According to the given table the most expense is under direct cost which includes salary other than crew members, lease rent and maintenance cost, spare parts and insurance expense.

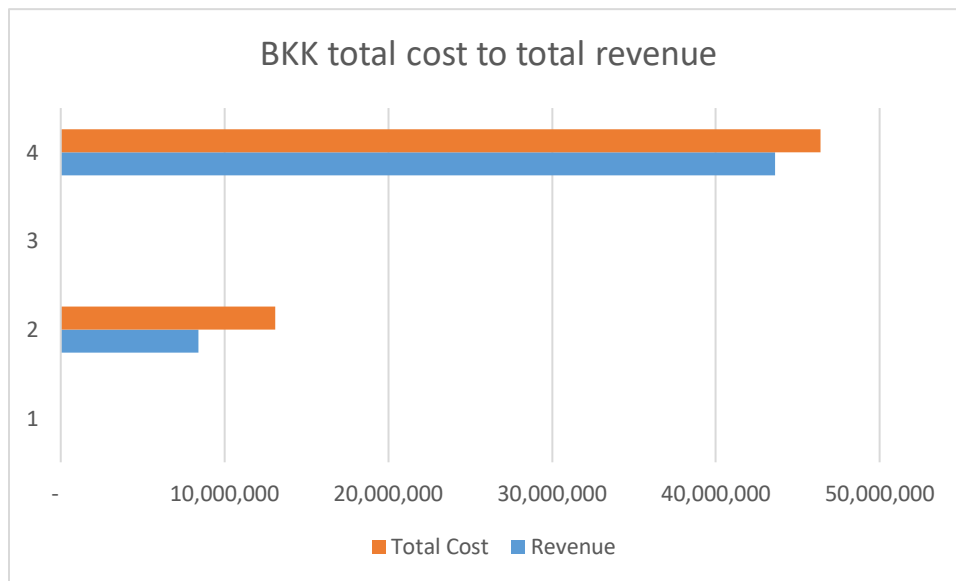


Figure 1: Bangkok Total Cost to Total Revenue

According to the figure, the total cost of Bangkok flight was higher than the total revenue on the month of August 2018. The company faced loss during that month on that route.

Cost Analysis
DAC-CCU-DAC & CGP-CCU-CGP
MONTH: August'18

Flight No	Revenue	Direct Cost	Contribution	Fixed Cost	Total Cost	Profit / Loss
791-792	54,572,626	47,890,763	6,681,863	6,406,847	54,297,610	275,016
793-794	1,631,036	3,435,876	(1,804,841)	584,151	4,020,027	(2,388,991)
797-798	51,128,386	48,803,521	2,324,865	7,069,372	55,872,892	(4,744,507)
Total	107,332,047	100,130,160	7,201,887	14,060,369	114,190,529	(6,858,482)

Table 2: Kolkata Cost Analysis
Source: Secondary Data Source

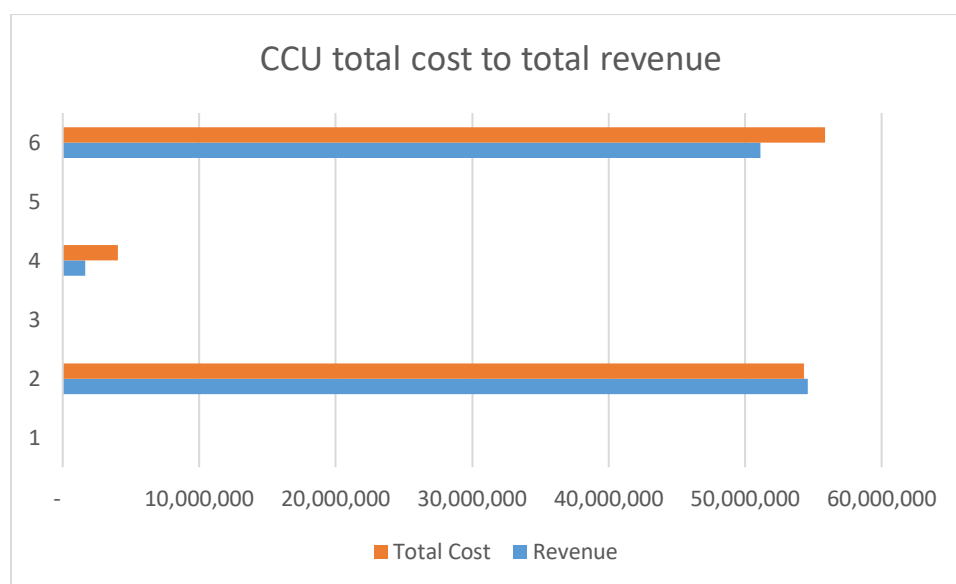


Figure 2: Kolkata Total Cost to Total Revenue

According to the above figure, the company made a loss of BDT 6.8 million during the month of August 2018 in Kolkata route.

Cost Analysis
DAC-MCT-DAC (Via CGP)
MONTH: August'18

Flight No	Revenue	Direct Cost	Contribution	Fixed Cost	Total Cost	Profit / Loss
DAC-CGP-DAC	11,102,776	17,317,106	(6,214,330)	5,559,358	22,876,464	(11,773,688)
CGP-MCT-CGP	173,862,312	132,596,360	41,265,952	30,965,207	163,561,567	10,300,745
Total	184,965,088	149,913,466	35,051,622	36,524,565	186,438,031	(1,472,943)

Table 3: Muscat Cost Analysis
Source: Secondary Data Source

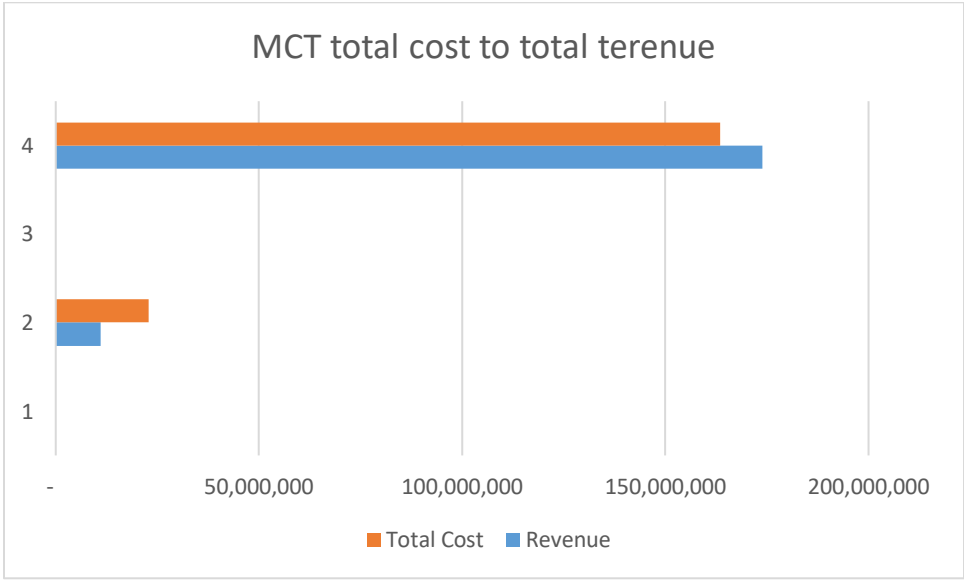


Figure 3: Muscat Total Cost to Total Revenue

On the month of August 2018, the company had a loss of BDT 1.4 million in Muscat route. The lion's share of the total cost goes into the direct cost. As long as these cost are high company can go bankruptcy one day.

Cost Analysis
DAC-SIN-DAC
MONTH: August'18

Flight No	Revenue	Direct Cost	Contribution	Fixed Cost	Total Cost	Profit / Loss
DAC-SIN-DAC	77,186,008	94,514,497	(17,328,489)	27,444,628	121,959,125	(44,773,117)
Total	77,186,008	94,514,497	(17,328,489)	27,444,628	121,959,125	(44,773,117)

*Table 4: Singapore Cost Analysis
Source: Secondary Data Source*

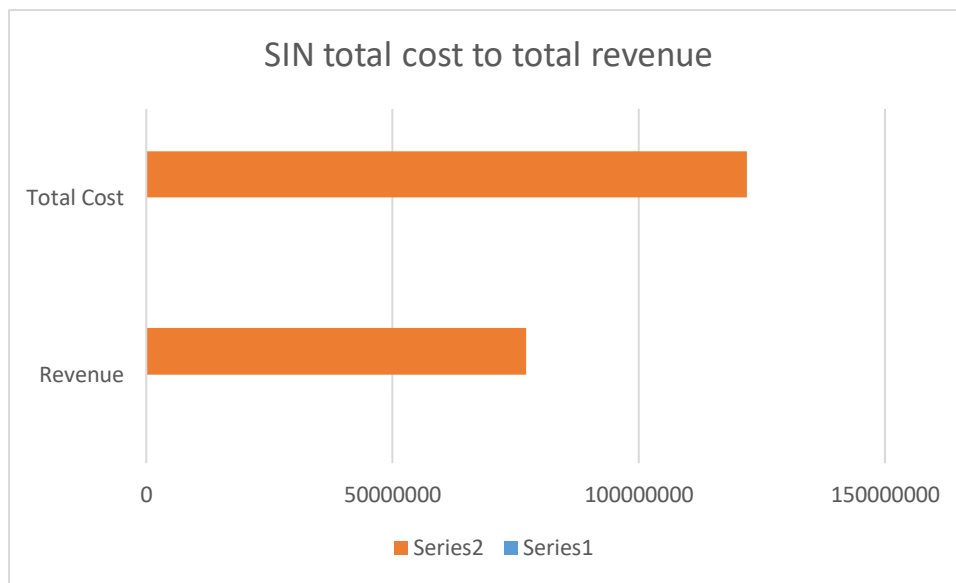


Figure 4: Singapore Total Cost to Total Revenue

On the month of August 2018, the company's total cost was much higher than the total revenue on Singapore route. As a result, the company had to face a loss of BDT 44 million.

Cost Analysis
DAC-CGP-DAC
MONTH: August'18

Flight No	Revenue	Direct Cost	Contribution	Fixed Cost	Total Cost	Profit / Loss
711-712	17,900,968	17,171,910	729,058	5,268,850	22,440,760	(4,539,792)
715-716	21,901,528	18,131,514	3,770,013	5,201,971	23,333,485	(1,431,957)
713-714	20,164,388	18,724,953	1,439,435	5,397,384	24,122,337	(3,957,949)
Total	59,966,884	54,028,377	5,938,507	15,868,205	69,896,582	(9,929,699)

Table 5: Chattogram Cost Analysis
Source: Secondary Data Source

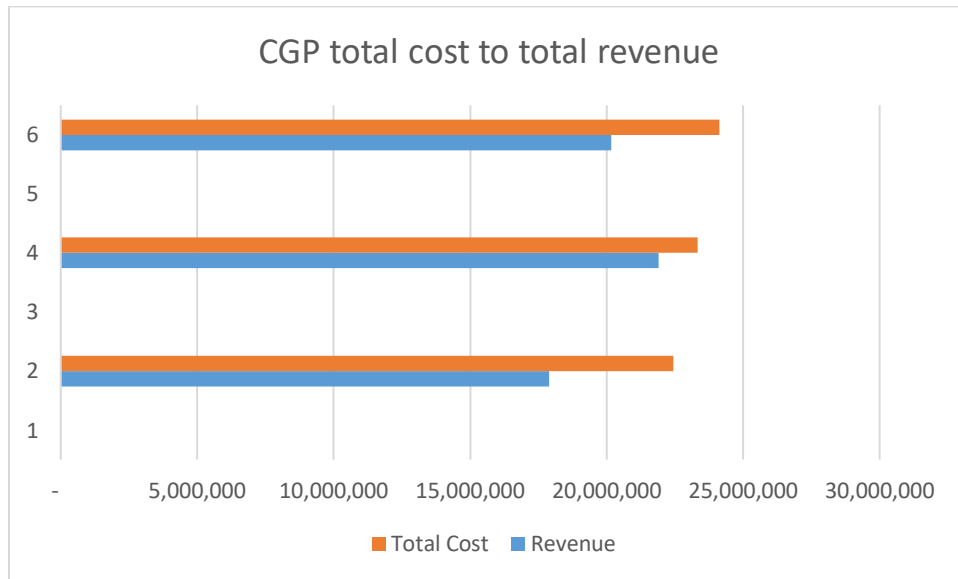


Figure 5: Chattogram Total Cost to Total Revenue

According to the above given figure, the company had a loss of BDT 9.9 million during the month of August 2018 in Chattogram route. Seems like the total cost was much higher than the total revenue.

Cost Analysis
DAC-CXB-DAC
MONTH: August'18

Flight No	Revenue	Direct Cost	Contribution	Fixed Cost	Total Cost	Profit / Loss
741-742	32,104,498	21,707,698	10,396,800	5,872,856	27,580,554	4,523,945
1741-1742	6,211,125	3,087,662	3,123,463	835,994	3,923,656	2,287,470
Total	38,315,624	24,795,360	13,520,264	6,708,849	31,504,209	6,811,414

Table 6: Cox's Bazar Cost Analysis
Source: Secondary Data Source

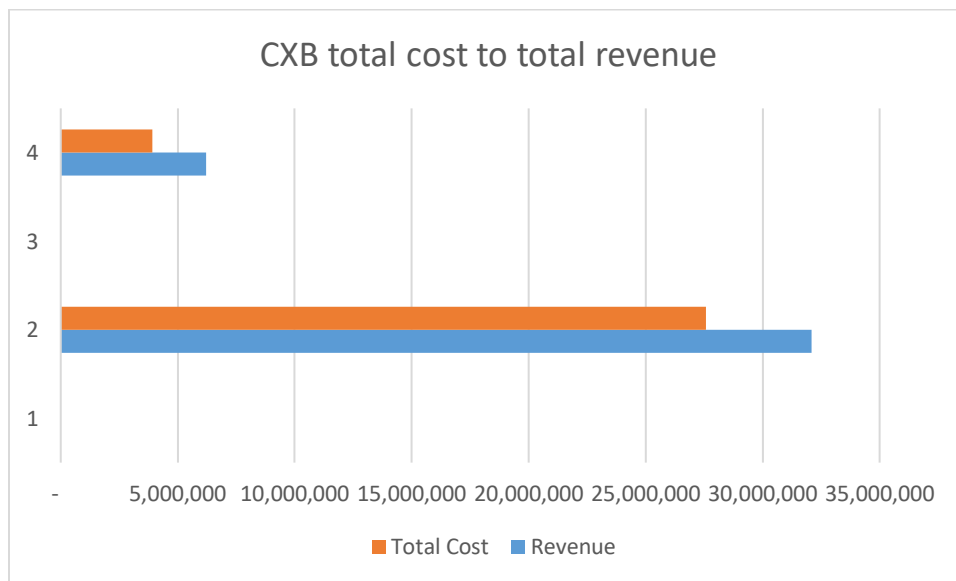


Figure 6: Cox's Bazar Total Cost to Total Revenue

According to the above given figure, the company made a profit of BDT 6.8 million in the Cox's Bazar route. This was the only route of Regent Airways during the month of August 2018 where the company made some profit.

Overall, the company had to face a loss during the month of August 2018 because at that time two of their aircraft (Dash 8-Q300) stopped working and the company had to run with the other five aircrafts. Though the two Dash8 was not working, their lease rent and maintenance charge was paid. That made to total cost higher than the total revenue during the month of August 2018.

Financial Statement of Regent Airways during 2016-2018:

	30-Jun-2018	30-Jun-2017	30-Jun-2016
	Taka	Taka	Taka
TURNOVER			
Gross Sales	8,091,275,769	6,096,331,526	3,775,726,349
Less:			
Travel Agent Commission	74,439,737	56,086,250	34,736,682
Credit Card Commission	2,330,967	1,756,258	1,525,451
	8,014,505,065	6,038,489,018	3,739,464,216
OPERATING EXPENSES			
Lease Rent & Maintenance	1,987,848,149	1,258,641,944	770,628,160
Aircraft Fuel	2,375,516,880	1,696,280,774	1,194,960,641
Aircraft Maintenance	582,565,852	317,476,419	244,781,452
Air Navigation, Overflying, Aeronautical bills & Others	300,713,113	235,485,015	107,357,664
Aircraft Insurance	95,399,028	108,202,142	69,132,250
Travel Taxes	1,127,674,172	1,109,536,343	172,340,675
Other Operating Expenses	451,559,478	400,951,868	325,236,969
Depreciation	-	65,474,117	56,987,453
	6,921,276,672	5,192,048,622	2,941,425,264
<u>Other Operating Expenses</u>			
Vehicle Rent Airport	5,850,250	3,682,658	2,692,862
Catering Expenses	35,054,138	25,242,650	20,450,870
Simulator Training	41,525,650	40,745,446	38,535,254
Flying Allowance	26,545,250	20,455,658	18,452,335
Meal Crew	6,585,320	4,205,350	3,888,854
Foreign Captain Accommodation	5,025,800	3,085,350	2,574,357
Fuel and oil Airport Car	11,565,350	10,536,250	9,530,848
Flight Delay Expenses	810,500	752,250	612,410

Engine Oil	2,035,250	1,536,580	1,052,658
Maintenance Engg. Office	910,250	854,250	756,852
Papers and Periodicals Airport	725,650	710,250	650,696
Maintenance Grounds Equipment	3,752,140	2,452,580	1,725,524
Stores and Consumable	8,526,580	5,265,864	4,857,253
WASA Airport	36,450	32,560	28,646
Salary & Allowance	285,485,250	264,568,520	203,256,206
Bonus	17,125,650	16,825,652	16,171,344
	451,559,478	400,951,868	325,236,969
ADMINISTRATIVE EXPENSES			
Bank charges and comm.	3,118,084	2,701,524	2,173,478
Bonus	18,085,350	12,225,682	10,786,424
Car Maintenance	8,325,650	7,904,453	7,953,522
Cleaning Bill	480,000	235,000	132,500
Computer Maintenance	2,865,850	2,225,680	1,835,524
Cookeries	310,250	280,250	141,716
Entertainment	3,052,650	2,563,635	1,832,655
Fees and Charge	7,056,250	6,956,835	5,997,526
Fuel and Oil (Vehicle)	4,525,000	4,152,580	3,315,542
Gift & Donation	472,500	469,980	398,338
Internet Bill	6,839,553	5,845,650	5,643,521
Legal Fee	315,500	305,250	250,000
License Fee	758,650	685,450	265,676
Office Maintenance	725,650	654,604	412,560
Medical and Medicine	725,650	465,580	213,984
Miscellaneous	812,650	758,685	534,194
Mobile Bill	3,325,650	3,250,258	2,721,334
Office Rent	26,585,500	25,545,000	20,087,142
Overtime	125,500	100,520	92,450
Postage and Courier	735,850	725,350	458,318
Paper & Periodicals	22,500	20,250	18,450
Printing and Stationary	12,025,650	9,865,250	9,281,322
Rent Microbus	9,582,500	9,556,582	8,565,850
Salary & Allowance	255,045,500	195,365,250	153,251,233
Security Hire Charge	2,152,500	2,535,650	1,830,622
T/Conveyance	2,452,250	2,352,652	1,342,648
TA/DA	1,256,025	1,225,652	850,252

Telephone	510,250	407,210	293,785
Training & Seminar	5,825,450	5,773,728	4,735,726
TA/DA Overseas	7,025,650	5,385,650	4,199,264
Uniform	725,650	665,780	527,232
Vehicles insurance	685,450	325,420	237,254
Water Bill	365,850	349,857	134,543
Utility	365,850	5,835,685	4,520,563
Depreciation	-	11,554,256	10,056,609
	387,282,812	329,270,838	265,091,757
SELLING AND DISTRIBUTION EXPENSES			
Advertisement	50,965,089	49,565,258	28,192,585
Business Development	12,865,258	12,035,682	1,922,321
Ticketing Charges	33,565,250	30,585,652	25,100,232
Sales Office Expenses	4,025,650	3,536,560	3,141,253
	101,421,247	95,723,152	58,356,391
FINANCIAL EXPENSES			
Interest on Loan	202,243,017	181,586,850	196,199,352
Foreign Currency Fluctuation Gain/(Loss)			(15,168,063)
Net Profit/Loss	202,243,017	181,586,850	196,199,352

Table 7: Financial Statement of Regent Airways
Source: Secondary Data Source

From the above given data we can see that, throughout the year Regent's net profit slightly decreased. However, they made some tremendous amount of profit throughout the year.

We can see from the data source that the major expense which effects Regent's revenue the most is the operating expense which includes lease payment, aircraft fuel, aircraft maintenance, travel taxes, air navigation fee and so on. Expenses like aircraft fuel, travel tax and air navigation fee the company has to pay on daily basis and the other expenses are paid on monthly basis. One late payment can cause serious problem to the company. And to maintain these properly at internal audit and the accounts department have to play vital role to pay these expenses. Because internal audit has to clear the bill and the accounts have to handle the bill to be paid.

Findings of the Study

As an internal audit intern I had to check the bill payments everyday. While handling the bill payments I found out some internal things of the company. They are,

1. **Lease Expenses:** At present Regent has 7 aircrafts to carry the passengers. It would be beneficial for the company if the manage to run all the aircrafts at the same time. However, there are only 4 aircrafts are running continuously to carry the passengers. Among the 7 aircrafts the company own only two Dash8 aircrafts. The other 5 Boeing737 are taken as lease for 10 years. In every month for each of the carrier the company has to pay a lease payment of 2.5 million USD whether the aircraft is being used or not. Therefore, 5 aircrafts cost 12.5 million in every month as lease payment which a huge cost for the company. The company has to charge the flight fare according to their costs.
2. **Maintenance Expense:** Similarly, like the lease payment the company has to pay the maintenance cost every month for the carriers whether they are being used or not. The company has to pay almost 90,000 USD every month for the aircrafts as the maintenance cost. As three of their aircrafts are not running, the company has to pay their pilots salary every month which is fixed. The pilots are not doing their duty but they are getting their salary every month because the aircrafts are not running.
3. **Variation in the Remuneration Structure:** From my experience of working the Regent Airways I found this point most critical for the company. The company is paying their employees according to their demand. For example, the director of Engineering department is getting a salary of 15,000 USD every month. He is the highest paid employee of Regent Airways. The company is paying him this huge amount of money every month because he has the power in the aviation industry to run the aircrafts. The company believes that without him they can not run their aircrafts and that's why the company is paying him this huge amount of money in every month. On the other hand the directors of other department is getting much less amount of salary in every month because they can change that employee whenever they want. The same this goes for the other employees in the company.
4. **Chicanery in Jet Fuel Consumption:** One of the biggest expense of Regent Airways in daily basis is fuel bill. In everyday the company has to pay around 6 million BDT to Padma Oil because of their fuel consumption. It is necessary for the company to pay them everyday because if they stop providing the jet fuel, the aircrafts can not consume the fuel as well as

the plane will stop flying. However, while checking the fuel bill I found some chicanery in them. When I see the variation of fuel consumption in different routes, some of them are uplifting too much fuel which is unbelievable. For example, in CTG route the average fuel uplifting is 3000 liters whereas the pilots are taking 7000-8000 liters and sometime more are taken. This looks really fishy that why such this much of fuel consumption are happening.

5. **Customer Dissatisfaction with the Catering Service:** As we all know that catering service are provided in the flight. But to manage the cost and reduce the expense the company made a budget of catering service much less than previous one. That's why they have to put less food allowance into the flights. For example, in domestic route, the company only provide a piece of cake, a packet of biscuit and a bottle water. Where there provided a sandwich, sometimes a burger, a single piece of cake, a packet of biscuit and a bottle of water in the last year. This poor catering service makes the customers really dissatisfied. And many of the complains are coming from the customers regarding the catering services and the air condition service inside the aircrafts.

Limitations

As an internal audit intern, I only had to check the bill of those papers but when I saw something fishy in them, I went to look forward the company's agreements. It was very difficult for an intern to get those documents. However, thanks to my seniors who helped me out to find those things. They helped me a lot to understand that how an aviation company runs.

Recommendations

A revenue expenditure is a cost that will be an expense in the accounting period when the expenditure takes place. The following steps can reduce this expenditure of Regent Airways,

1. The company is paying too much lease payments to their lessors. Every year they have to pay 30 million USD for an aircraft and in 10 years the company will pay an amount of 300 million USD which is a huge amount. Rather taking the lease the company can buy some reconstructed plane so that they do not have to pay these huge amount of lease payment in every month.

2. Though the maintenance cost is a must for the aircraft, the company is paying these maintenance cost for no reason. Three of their aircrafts have been on the ground for a long time. But their maintenance expense is being paid in every month. Why doing that? Instead of giving the payment, the company can sell those aircrafts and buy one or two new aircrafts so that they can run continuously and the maintenance cost is being paid for a valid reason. By doing that, another good thing can be happened that the company can start a new route to fly so that it can boost the company's revenue generation.
3. If the company judges their employees in different ways then it can cause hamper to the company. A famous businessman Richard Branson stated, " If you take care of your employees, they will take care of your business." Therefore, all the employees should be taken care of equally so that they feel no discrimination and work together to achieve the goal.
4. The BOD must sit with the pilots regarding the fuel consumption issues and come up with a solution. If they get to solve this problem, at least a million can be saved on daily basis.
5. If the above problems are sorted out, then the company can clearly focus on their catering service and provide more catering service so that the customers are happy with their service and no other complains are come to the company.

Conclusion

Regent Airways, having motto of “Every little things counts” has begun it's journey in 2010 and of its eight years of adventure it is doing massively great. Regent Airways is giving administration towards its travelers since most recent 8 years. It has flights locally just as globally. Most likely Regent has a generally excellent plausibility to end up one of the main aviation companies in Bangladesh just as in abroad. As of late they have wanted to work in Dubai and China. On the off chance that these work out, at that point it will make a positive effect on our economy and will be joyful for our nation just as for the world. I truly feel pleased working at Regent Airways, a unit of Habib Group Of Aviation.

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