

**Report On**  
**Analyzing the revenue condition of “IFAD AUTOS LTD” based on  
the performance of financial activities and Studying the Impact of  
COVID-19 on the company’s performance**

By  
**Binayak Chakrabarty**  
Student ID: 17104034

An internship report submitted to the Brac Business School in partial fulfillment of the requirements for  
the degree of Bachelor of Business Administration

**BRAC BUSINESS SCHOOL**  
**BRAC University**  
**September 7, 2021**

All rights reserved

© 2021. BRAC University

## **Declaration**

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

**Student's Full Name & Signature:**



**Binayak Chakrabarty**

Student ID: 17104034

**Supervisor's Full Name & Signature:**

---

**Mr. Shajedul Islam**

Position: General Manager, Department: Sales Recovery

Institution: IFAD AUTOS LTD

## **Letter of Transmittal**

Dr. Sang H. Lee  
Dean of BRAC Business School  
BRAC Business School  
BRAC University  
66 Mohakhali, Dhaka-1212

### **Subject: Submission of internship report upon completion of course BUS400 in summer 2021**

Dear Sir.

With due respect, I am submitting my internship report on Analyzing the revenue condition of “IFAD AUTOS LTD” based on the performance of financial activities and Studying the Impact of COVID-19 on the company’s performance. As part of my “Bachelor of Business Administration degree I ought to have complete my internship. I was assigned as an “International Finance Standard” intern under “IT” department of “IFAD AUTOS LTD” in “Banglamotor Branch”, and have observed, studied and collected data for further analyzing from that operation. I have prepared this report with my level best.

The following report consists of the detailed financial stability condition of the company in regards with the comparison with the annual financial situation during this current pandemic situation and the past. Moreover, this report is mainly a descriptive analyzed financial report which represents the stability of the financial condition of the company on the basis of historical analyzed data sets of the company based on various types of ratio analysis over the past five years. Also, this report has the components of unique strategies of the company which replicates the overall business policy and structure of the company and will help to understand the business policy of the company in a broader aspect.

Sincerely yours,



Binayak Chakrabarty  
Student ID: 17104034  
BRAC Business School  
BRAC University  
Date: September 7, 2021

## **Non-Disclosure Agreement**

This agreement is made and entered into by and between “IFAD AUTOS LTD” Operations and the undersigned student of Brac Business School at Brac University

Binayak Chakrabarty

ID: 17104034



---

## **Acknowledgement**

First of all, I would like to thank the Almighty for his blessing on me. I would like to express my gratitude to my honorable Supervisor **Dr. Sang H. Lee.** and Co- Supervisor **Dr. Mohammad Mujibul Haque** for their proper guidance in preparing a fruitful internship report. Preparing this report won't be easy if I didn't receive guidance from them. I would like to thank Mr. Abul Rahaman Teacher Assistant (TA) who always communicates with us and helps us by indicating our mistakes while preparing our internship report. I would also love to thank my other faculty members for helping me in my preparation for the job market. I have learned so many things from my faculty members which I can apply in my job life to obtain a good outcome.

I would like to especially thank to my supervisor Mr Shajedul Islam, General Manager of IFAD Autos Limited who supervised me during my internship in IFAD Autos Limited. Without his help, I may not be able to accomplish a single work in the organization. I have learned so many practical skills from him which will help me in the future. I am grateful towards all the employees whom I interacted with because, they were very kind towards me. They helped me a lot by providing necessary information.

Finally, I would like to thank my parents. Without their support, I won't be able to finish my university graduation.

## **Executive Summary**

As part of accomplishing my BBA, I selected the topic named “**Analyzing the revenue condition of “IFAD AUTOS LTD” based on the performance of financial activities and Studying the Impact of COVID-19 on the company’s performance**”. As a student of Finance” my assigned task helped me a lot to enhance my theoretical understanding that I obtained from my respective major courses.

As an Intern of IT Industrial Financing System (IFS) my first obligation was to assist the general manager in preparing corporate reports related to customer information. Working under his supervision, I could explore many aspects of a business. After accomplishing the tasks assigned by my supervisor, I obtain knowledge about how they perform analysis on customers in preparing sales projection, customer information management, and cash collection process from customers. Also, I have made the fiscal year’s budget of the company which helped me to enhance my financial knowledge proactively and gained the information of revenue conditions for the company. I have also discussed some constraints I observed during my internship. Which are related to instability or challenges faced by the company during this pandemic time. Moreover, the problematic unorganized customer addresses, lack of digital marketing practices, absence of AIS application at I-Tracker department, shortage of IT Executive in the organization. I have also suggested strategies against these problems. While preparing this report I faced some problems but my supervisor helped me by providing necessary information required for preparing this report.

**Key Notes:** Industrial Finance System (IFS), Accounting Information System (AIS), Vehicle Tracking System Unit (I-TRACKER)

## Table of Contents

SL NO.	Description	Page No.
01	Declaration	02
02	Letter of Transmittal	03
03	Non-Disclosure Agreement	04
04	Acknowledgement	05
05	Executive Summary	06
06	List of Figures	08
07	List of Acronyms	09
08	<b>Chapter 1</b>	
	<b>Overview of Internship</b>	
	<b>1.1 Internship Details</b>	
	1.1.1 Table 1: Student Information	10
	1.1.2 Table 2: University Supervisor Information	10
	<b>1.2 Internship Information</b>	
	1.2.1 Table 3: Placement Information	11
	1.2.2 Table 4: Organization Supervisor Information	11
	<b>1.2.3 Job Responsibilities</b>	12
	<b>1.3 Internship Outcomes</b>	12-13
	<b>1.4 Few constrains faced during the internship time</b>	13
09	<b>Chapter 2</b>	
	<b>Organization Strategic Analysis</b>	
	2.1 Introduction	14-15
	2.2 Methodology	15
	2.3 Objectives of the study	15-16
	2.4 Overview of the Company	
	2.4.1 History of "IFAD AUTOS LTD"	16
	2.4.2 Current Position in Bangladesh	17
	2.4.3 Mission	17
	2.4.4 Vision	17
	2.4.5 Achievements	18
	2.5 Management Practices	18-19
	2.5.1 Different types of Commercial Vehicles of IFAD Autos Limited:	19-21
	2.6 Financial Performance & Accounting Practices	
	2.6.1 Financial Position	21-22
	2.6.2 Net Profit Movement	23
	2.6.3 Du-Pont Analysis	24
	2.6.4 Basic EPS Calculation	25
	2.6.3: Human Capital	25-26
	2.7 Operations Management & Information System Practices	
	2.7.1 Corporate Social Responsibility	26-27
	2.7.2 I-TRACKER UNIT	27
	2.8 Industry & Competitive Analysis	27-28
	2.8.1 Strategy's for Tomorrows growth	28-29
	2.8.2 SWOT Analysis of IFAD AUTOS LTD	29-30
	2.9 Summary & Conclusion	30
	2.10 Recommendation	31
10	<b>Chapter 3</b>	
	Project Part	
	3.1 Introduction	32
	3.2 Methodology	32-33
	3.3 Financial Highlights	33-34

3.4 Findings & Analysis	
3.4.1 Risk based ratios	
3.4.2 Efficiency	35-36
3.4.3 Debt Leverage ratio	36-37
3.4.4 Liquidity Condition	37-38
3.4.5 Return Based Ratios	38-39
3.4.6 Earning Capacity	39-40
3.4.7 Summary & Conclusion	40-42
3.4.8 Recommendation	42-43

## **List of Tables**

<b>Table 1: Cost to Income Ratio.....</b>	<b>24</b>
<b>Table 2: Debt to asset &amp; Debt to Equity Ratio.....</b>	<b>25</b>
<b>Table 3: Liquidity Ratio.....</b>	<b>26</b>
<b>Table 4: Profitability Ratio.....</b>	<b>26</b>
<b>Table 5: ROA, ROE &amp; ROS Ratio.....</b>	<b>27</b>
<b>Reference.....</b>	<b>44</b>
<b>Appendix.....</b>	<b>44</b>

## **List of Figures**

<b>Figure 1: Corporate management structure.....</b>	<b>9</b>
<b>Figure 2: Product List .....</b>	<b>10</b>
<b>Figure 3: Financial Position.....</b>	<b>11</b>
<b>Figure 4: Overall profit condition .....</b>	<b>12</b>
<b>Figure 5: Revenue Highlights .....</b>	<b>22</b>
<b>Figure 6: Revenue Highlights (2) .....</b>	<b>23</b>
<b>Figure 7: Cost to Income ratio.....</b>	<b>24</b>
<b>Figure 8: Debt leverage ratio.....</b>	<b>25</b>
<b>Figure 9: Liquidity ratio.....</b>	<b>26</b>
<b>Figure 10: Profitability ratio.....</b>	<b>27</b>
<b>Figure 11: Du-point ratio.....</b>	<b>28</b>



## List of Acronyms

IT	Information Technology
IFS	Industrial Finance System
VTS	Vehicle Tracking System
ROA	Return on assets
ROS	Return On Sales
ROE	Return On Equity
I-Tracker	Information Tracker
LCV	Low Commercial Vehicle
MCV	Medium Commercial Vehicle
ICV	Individually Controlled Vehicle
MDV	Medium Duty Vehicle
RMC	Ready Mixed Concrete

**Chapter 1**  
**Overview of Internship**  
**1.1 Internship Details**

**1.1.1 Table 1: Student Information**

Name	Binayak Chakrabarty
Student ID	17104034
Program	Bachelor of Business Administration (BBA)
School/ Department	BRAC Business School
Specialization / Major-1	Finance
Major – 2	Human Resource Management
Email	binayak.chakrabarty@g.bracu.ac.bd

**1.1.2 Table 2: University Supervisor Information**

Supervisors Name (In University)	Dr. Sang H. Lee
Position	Dean Of BRAC Business School
Contact Email	lee.sang@bracu.ac.bd
Co - Supervisors Name	Dr. Mohammad Mujibul Haque
Position	Assistant Dean of BRAC Business School
Contact Email	mmujibul.haque@bracu.ac.bd

## **1.2 Internship Information**

### **1.2.1 Table 3: Placement Information**

Organization Name	IFAD AUTOS LTD
Industry	Automobile
Department/ Branch	Banglamotor
Job Type	Contractual , Full time
Duration	3 months
Address	Sonartori Tower (8th-18th floor) 12, Biponon Commercial Area Sonargaon Road, Dhaka, Bangladesh

### **1.2.2 Table 4: Organization Supervisor Information**

Supervisors Name	Mr. Shajedul Islam
Position	General Manager
Contact Email	shajedulislam@ifadgroup.com

### **1.2.3 Job Responsibilities**

- Organize customer information according to predetermined format to import data into new IFS software from their old information system.
- Maintained sales recovery report creation according to pre-established criteria.
- Data extracting from customer information.
- Determine the amount of per quarter EMI rate using formula annually for credit and semi-cash sales of the company.
- Estimate the annual sales of the following fiscal year through dividing the quarter of each month.
- Explore the impact of “COVID-19” on a company's performance and find out their responses about the ways of accepting the challenges.
- Nurture and redesign their business policy.

### **1.3 Internship Outcomes**

An internship program during undergraduate life has a significant importance into the job career prospect for a fresh graduate. During this phase of life, the transition of the structure from student to job aspect, one individual can easily cope up with the change through these times.

- First of all, this phase has an importance due to the flexibility of using the classroom knowledge into the workplace.
- Secondly, we all know that practical learning is the best way to learn in life. During the under graduation we have learned many things which are not relevant in some cases as well. On the other hand, many significant things are also being taught by our faculties

during this undergrad life. Here, in this internship phase of life I can replicate my learning and can use the learning in the workplace under assistance of my supervisor also. In some cases I have faced some problems as well but I think, whatever I have learned or obtained from this phase is very helpful for my future.

- Importance of professional working attitude, discipline, polite behavior and many more are also being learned here by myself.

- I have learned about the ways of interacting and dealing successfully with a critical situation in a calm manner
- Moreover, through this phase of life I believe, I obtain such knowledge and experience which might help me for the future work place.

#### **1.4 Few constrains faced during the internship time**

- **Difficulties in allocating month wise sales target:** Before allocating month wise sales, at first, we conducted numerical data analysis and analysis upon macro factors that affect sales. Here macro factors are religious holidays, pandemic situations, and the political situation of different regions. For most of the models we could come up with solutions following the data analysis processes. But there was an exception for some models under MDV Haulage category as the outcomes of numerical analysis don't match with the outcomes of macro factor analysis.
- **Absence of AIS software in I-Tracker Department:** I-Tracker department handles vehicle tracking system of IAL. In exchange for a vehicle tracking service, customers have to pay a fixed amount each month. While working with the I-Tracker team for a project, I have found that they have no accounting software to maintain payments records and purchase records. Moreover, they use Microsoft Excel instead of an advanced accounting software to manage all accounts related information which is not a proper approach.

## **Chapter 2**

### **Organization Strategic Analysis**

#### **2.1 Introduction**

In a developing economy like Bangladesh, business activities are increasing which demand more commercial vehicles such as trucks and pickups on the road to transport raw material and finished goods. Besides, the growing population requires continuous supply of buses as most of the people can't afford private vehicles. To respond to the transportation needs of general people, to support the business with commercial vehicles in transporting raw materials and finished goods, IFAD Group, one of the leading conglomerates of Bangladesh, established an automotive industry named IFAD AUTOS LIMITED. In 1985 it started its journey and in 1988, the group established IFAD Autos Limited with the aim of serving Bangladesh's transportation demand by taking the sole dealership and offering an extensive variety of commercial vehicles from ASHOK LEYLAND of India in 1994. In 1989 IFAD Autos introduced the Double Decker Bus. Ever since, it has played a crucial role in building the transport industry of Bangladesh. In 2017, IAL established one of the world class assembly plants so that it can provide vehicles to customers within the shortest period of time and at less cost. Each year it sells more than 5000 commercial vehicles. It has more than 70 selling points all over Bangladesh. IFAD AUTOS Limited acknowledges that customers are the driving force behind our success and we are dedicated towards understanding their thoughts and demand very attentively. The objective of this study are to find out the condition of the revenue system for "IFAD AUTOS LTD" in this current pandemic time of "COVID-19" era which shows a significant role to the "automobile industry" of "Bangladesh" to survive in future. For example: assessing the inventories condition of "IFAD AUTOS LTD",

also their performance will also be examined through trend analysis, their activities during this pandemic time will be assessed and many more. The aim is to study many aspects of the automobile industry such as management, marketing, financial and operational practices as well. Through these vast examined aspects, a good understanding of the automobile industry's activities might be examined, I believe. Moreover, SWOT analysis will also be analyzed of the company with the aspect of "Automobile Industry" of our country which reflects the overall financial condition and stability of the company in an elaborate manner. For the purpose of this study, "IFAD AUTOS LTD's annual reports for the past several years have been gathered. Information regarding products and services, major milestones and other operational activities have also been collected and examined. In addition, previous studies on the automotive industry varying in subjects have been collected and overviewed. In this collection process, the company's website helps me a lot to gather the necessary information accordingly, also the cooperation of my "Supervisor" is also a beneficial thing for me to appreciate in a broader way.

## **2.2 Methodology**

This research has been conducted through collecting data sets from primary and secondary resources of the company according to the easiness of availability. Specifically, secondary resources have been used for conducting this report in a positive manner. Secondary resources such as: data set from the company's website, various types of papers and many more.

## **2.3 Objectives of the study**

In a developing economy like Bangladesh, business activities are increasing which demand more commercial vehicles such as trucks and pickups on the road to transport raw material and finished goods. Besides, the growing number of populations requires continuous supply of buses as most of the people can't afford private vehicles. To respond to the transportation needs of general people, to support the business with commercial vehicles in transporting raw materials and finished goods, IFAD Group, one of the leading conglomerates of Bangladesh,

established an automotive industry named IFAD AUTOS LIMITED. Since 1988 IFAD Autos Limited has been serving the needs of the country by providing a wide range of advanced commercial vehicles.

As an IT IFS intern of IFAD AUTOS LIMITED, I have got the opportunity to work in the data management and data recovery field of the company. I have got to learn how an automotive industry records its day-to-day business activities data, how the data is used in decision making and how they analyze data to make a meaningful report. Moreover, I had the opportunity to see the financial revenue condition of the company and also to analyze the impact of current pandemic time into their business environment. So, you can easily assume that research is going to portray “The Overall Revenue Condition of the company and the significance of Data Analysis and Data Management in a Business”. I would like to share all of my working experience at IFAD Autos limited through this research report.

## **2.4 Overview of the Company**

### **2.4.1 History of “IFAD AUTOS LTD”**

IFAD Group is one of the most renowned multi- dimensional conglomerates in Bangladesh. In 1985 it started its journey and in 1988, the group established IFAD Autos Limited with the aim of serving by taking over the single dealership and offering a vast selection of commercial vehicles from Ashok Leyland, the government of Bangladesh has been able to meet its transportation needs. In 1989 IFAD Autos introduced the Double Decker Bus. Ever since, it has played a crucial role in building the transport industry of Bangladesh. In 2017, IAL established one of the world class assembly plants so that it can provide vehicles to customers within the shortest period of time and in less cost. Each year it sells more than 5000 commercial vehicles. It has more than 70 selling points all over Bangladesh. IFAD Autos Limited recognizes that our customers are the driving force behind our business success, and that we are committed to listening to and positively responding to their requirements.



### **2.4.2 Current Position in Bangladesh**

The Bangladesh operation of IFAD AUTOS LTD was established in 1988. In 1989 IFAD Autos introduced the Double Decker Bus. Ever since, it has played a crucial role in building the transport industry of Bangladesh. In 2017, IAL established one of the world class assembly plants so that it can provide vehicles to customers within the shortest period of time and at less cost. At present they are performing very well and are the sole partner of importing the “**Ashoke Leyland**” vehicle from “India” into our country. Each year they sale more than 5000 commercial vehicles. They have more than 70 selling points all over Bangladesh. IFAD Autos Limited recognizes that our customers are the driving force behind our business success, and that we are committed to listening to and positively responding to their requirements.

But during this current pandemic time like the other private commercial companies they are also facing some problems. Eventually, they will succeed in a broader aspect for the future.

### **2.4.3 Mission**

Exceed Customer's expectations through our passion, continuous innovation and development.

### **2.4.4 Vision**

To be the No. 1 company in our industry through our commitments to employees, customer and stakeholders.

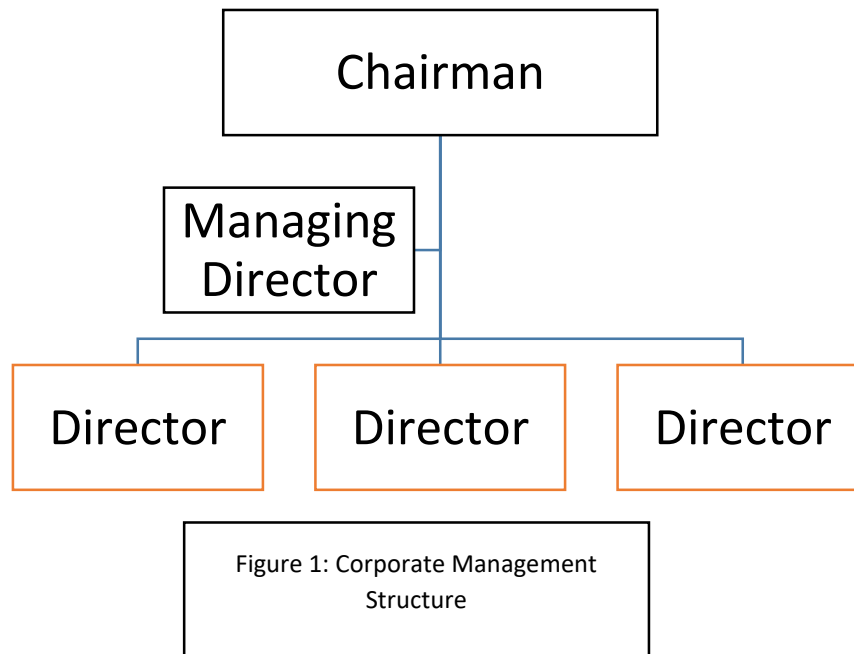
### **2.4.5 Achievements**

- Awarded “World’s Greatest Brand” under “Automotive Category” of Bangladesh 9th May at a ceremony in Dubai, by “Asia One Magazine from URS media”
- Our Chairman “Mr. Iftexhar Ahmed Tipu” was presented with the “World’s Greatest Leader” Award.
- Out of 40,000 companies across Asia and the GCC, 95 companies were selected for this prestigious award reviewed by PricewaterhouseCoopers (PWC).
- Best corporate performance award in “2016”
- Top 500 automotive company in world awarded in “2017”

### **2.5 Management Practices**

The management structure of “IFAD AUTOS LTD” is specifically consisted by a group of Directors. The Board of Directors is formed with one Chairman, one Managing Director, three Directors and two Independent Directors. The board has been active since the beginning of the company. A renowned entrepreneur, Mr. Iftexhar Ahmed Tipu is the chairman of IFAD Autos Ltd. He was presented with the “World’s Greatest Leader” Award and has led the company to flourish since 1988. His second son, Mr. Taskeen Ahmed serves as the Managing Director, showing remarkable success and an inherent leadership quality from a very young age. Ms. Nilufar Ahmed, wife of Mr. Iftexhar Ahmed Tipu, has been active throughout almost the whole journey. She is currently the Director of IFAD Group and engaged in various significant affairs of IFAD Group. Mr. Tanveer Ahmed is the Director of IFAD Autos and eldest son of the Chairman of IFAD Autos and also the Chairman of Gulf Oil Bangladesh. Under his leadership, IFAD became the Conglomerate in Bangladesh that it is today. **Mr. Tashfeen Ahmed** is the Director of IFAD Autos and the youngest son of the Chairman of IFAD Autos. He manages the operations of IFAD Enterprises Ltd. Mr. Kazi Maqbul Ahmed, FCA is an Independent Director of IFAD Autos Ltd. He is Independent

Director of Hwa well Textiles (BD) Limited and Queen South Textiles Mills Limited. Mr. Tapan Kumar Paul, Independent Director of IFAD Autos is a renowned business leader in Bangladesh. The corporate management structure for Bangladesh operation is given below.



Moreover, they offer extraordinary and totally customer-oriented products and services. Their marketing practices focus primarily on establishing and maintaining customer relationships instead of making their profit. More specifically, they maintain good qualities of products such as: vehicles to their customers and also their sales and marketing team is experienced and specialized. They also used to provide various types of training program to their employees regularly, so that their performance remain consistent over time.

### **2.5.1 Different types of Commercial Vehicles of IFAD Autos Limited:**

IFAD Autos Limited has a sole dealership of Ashok Leyland and it only imports different categories vehicles of Ashok Leyland. Each vehicle is classified according to its specification. IFAD Autos Limited sells more than 30 different models of 8 categories.

Different categories name and different models within these categories sold by IAL is given below:

LCV	PARTNER- 3T CH
	PARTNER- 3T pick up Local body
	PARTNER- 1.5T CH
	PARTNER- 1.5T pick up
	DOST + chassis
	DOST + pick up
	DOST pick up
	DOST Human Hauler
ICV-Haulage	1012 3970
	1212 4200
	1212 3970
	1214 4200
	1214 4750 XL
	1214 4750 S/C
Multi Axel	U3118 8x2
	U3123 8x4
	TU3718 10x4
MDV-Haulage	1613H
	1616il/1
	1616il/2
	2518 6x4 Cargo
	3518 (prime mover)
	4019 (prime mover)
ICV Bus	Lynx 4900
MDV BUS	B1216 160HP
	B1212
	1616 super 160HP
	Eagle 180HP Sh
	11M Prime 180HP AW
	12M Prime 180HP AW
	12M 225HP AA
ICV Tipper	1012 Tip
MDV Tipper & RMC	1618 Tip 10 CBM
	1616

	<b>U2518 Tip 16CBM</b>
	<b>2518 RMC</b>

**Figure 2: Product List**

In the chart above the product lists of “IFAD AUTOS LTD” has been elaborately mentioned with the model number as well. Where in the left column the classified vehicles list have been mentioned and in the right side the model numbers are specified.

## **2.6 Financial Performance & Accounting Practices**

The financial performance of “IFAD AUTOS LTD” has been maintained in an organized manner from the past few years. After analyzing their financial reports of various years it is clearly visible that they are working in an organized manner which is a great thing for the industry to convey. Their hostile behavior towards their customers and expert marketing team it’s being maintained in an organized way. In addition, the quality of their export vehicles are also good which might be a factor of their stable financial condition of the market also.

## **2.6.1 Financial Position**

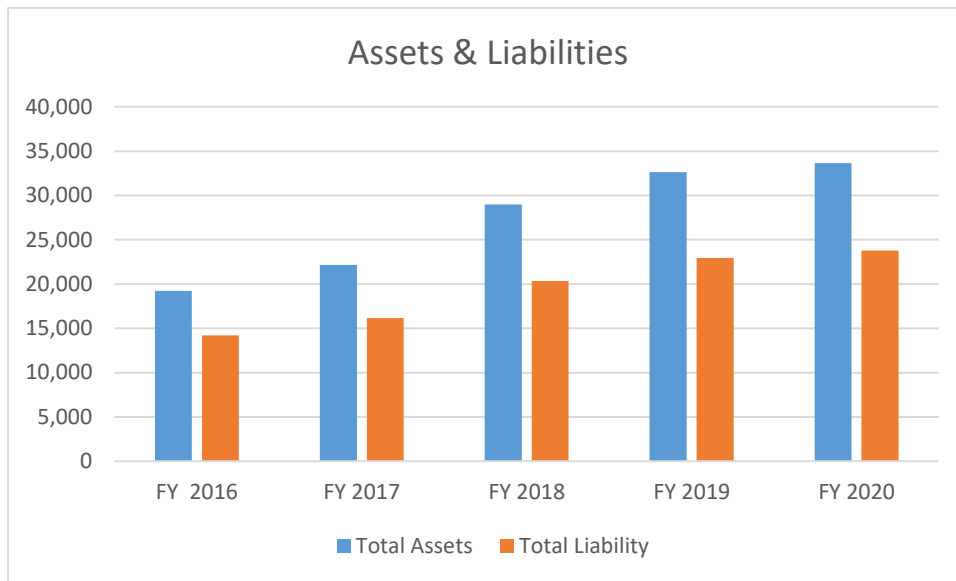


Figure 3: Financial Position

**Interpretation:** From financial data of past five years, it can be observed that both assets and liabilities of the bank has been steadily growing over time which indicates towards a healthy rate of growth for a company. Nevertheless, asset level is always higher than its liability. Hence, the organization maintains a secure level of liquidity to cushion any crisis.

## 2.6.2 Net Profit Movement

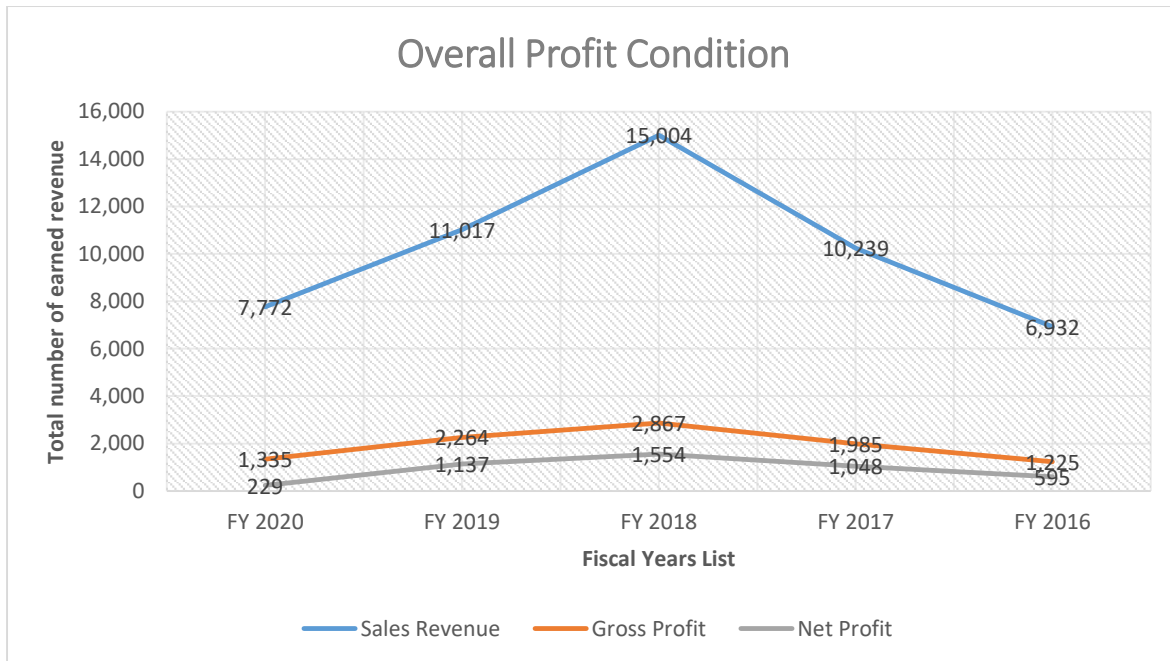
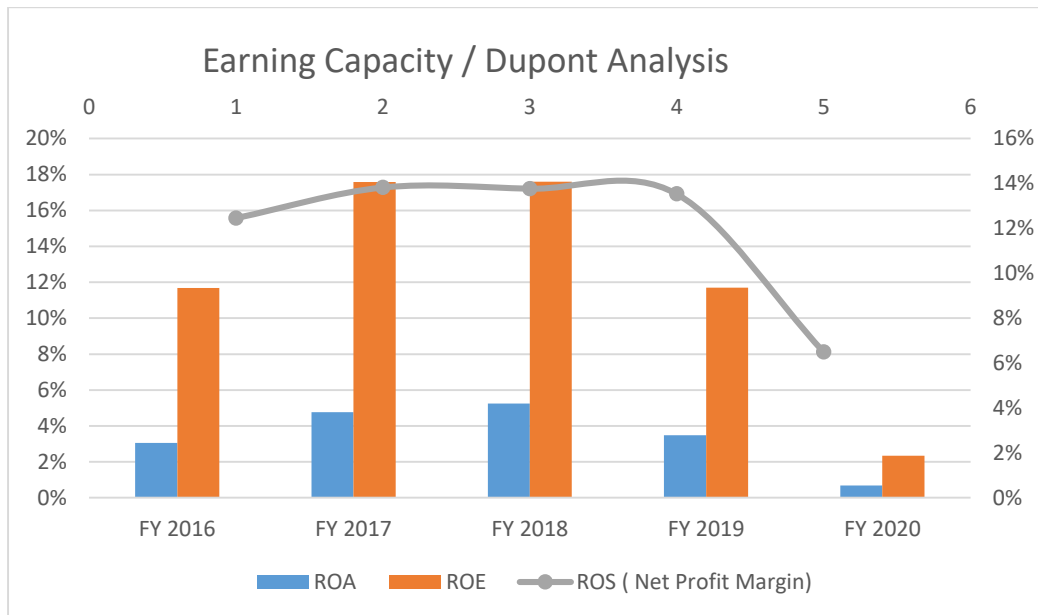


Figure 4: Overall Profit Condition

**Interpretation:** According to the above overall profit stability diagram condition, it is clearly visible that for the year of 2018 “IFAD AUTOS LTD” continued its maximum sales revenue and for the year of 2016 it was faced lowest sales revenue ever. Instead of sales revenue condition, the company faced a stable rate in the aspect of gross profit margin. On the other hand, according to the net profit margin condition, this company is facing some challenges in recent time which need to be resolved for the upcoming future days.

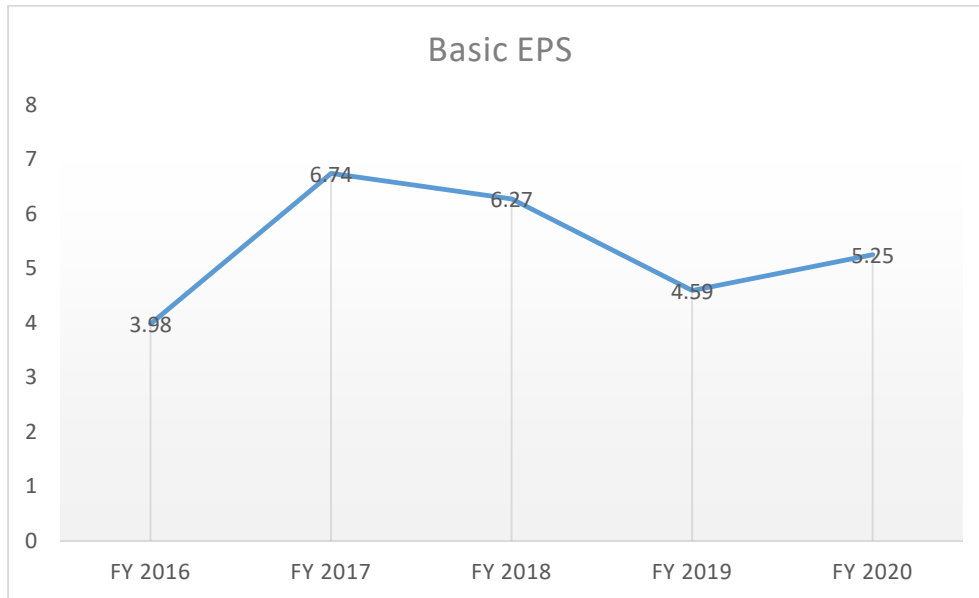
### 2.6.3 Du-Pont Analysis



**Interpretation:** In 2020, ROA 2% indicates for every unit of their assets they have earned TK 0.02 of their income also, 2% of ROE means the same. Moreover, from the time series analysis it is showing the ROA has the constant rate or stable condition over the years with a bit fluctuation inside. According to the ROE formula it is showing their condition is a bit stable over the years but dropped drastically for the previous year 2020. On the other hand, according to the ROS value it is showing their stability is almost the same over the past years but is also decreased in the year 2020 from the past four years.



## **2.6.4 Basic EPS Calculation**



**Interpretation:** According to the above founded EPS value for the year 2020, 5.25 indicates that for every investment into the shares of the company from the investors it earns Tk.5.25 for every 100 Tk of share price and it is consistent over the past years having the peak in 2017. According to the company’s perspective, they are having a good time with the higher price of their share’s price indicating shareholders, who are interested to invest into the share, will earn more and gain the higher revenue which is better for themselves.

## **2.6.3: Human Capital**

“IFAD AUTOS LTD” has maintained its business operation through maintaining a skillful workforce and experienced manpower. They believe in quality rather than quantity. In addition, through keeping these policies in a continued procedure the company keeps running their business operation in a proactive manner. For this purpose the company has a variety of human forces to work in an addictive manner. Such as: they have a specialized team of 10 expert members to keep the business running in a talent management segment. Moreover,

like this talent management team they have a career development team as well. Also, they have a specialized compensation management team whose responsibilities are to run the salary stability system in an active manner.

In addition, regularly they continue a skill development program to their employees to increase the productivity level by the planned activity of the employee productivity development team.

Thus, the supposedly shock of COVID-19 was dealt with much responsibly. If we look at the data from the previous years we can find the effectiveness of the development program. The severe issues caused by COVID-19 did not affect the numbers that much. For instance, the gross profit of the FY19 was BDT2.16 per million which grew from the FY18 (BDT1.56 per million). And in FY20 it was BDT1.39 per million, showing that the employees did not let the gross profit fall much compared to the years prior to 2018. They managed to get the Profit Before TAX amount to BDT 0.53 per million in FY20 which was less than FY19 (BDT1.42 per million). And the Profit after TAX was BDT0.24 per million in FY20 whereas in FY19 it was BDT1.08 per million. Both the numbers show that the company profited even after the situations occurred due to the COVID-19.

The TAX rate in FY19 was BDT0.34 per million and BDT0.29 per million in FY20. It can be inferred from the numbers that the TAX rate fluctuation is quite stable even after the deficit due to COVID-19. Although it has been tough, with the help of the 'Pronodona Package' and strong business skills, the company had the TAX rate leveled.

## **2.7 Operations Management & Information System Practices**

### **2.7.1 Corporate Social Responsibility**

IFAD Autos is focused on slow development, inside which business is combined with societal well-being and protection techniques. All of IFAD Autos' social welfare programs are structured and focused to enhance our commitment to our employees, stakeholders, and the environment, with CSR as an essential part of our activities.

Three Dimensions of CSR Business excellence Governance & compliance Risk management & mitigation Customer satisfaction Supply chain management Training & development Human & labor rights Integrations Diversity & equal opportunities Health & safety

Commercial vehicle to lowering CO2 emission support clients and also introduce the BS-IV trucks with intelligent exhaust Gas Recirculation (iEGR) engines with their environmental target. Eco-Efficiency Better Product Better Service Better Work Better Life Environmental Societal Economical Charitable Giving BDT 125K in philanthropic donations to college, disable children, volleyball federation & more. Employee Health & Wellness sanitation education, factory medical facilities, health awareness program, dental care education. Employee Knowledge 18,400 hours of orientation, skill development and leadership training home & abroad. Economic Opportunity BDT 65.3 billion retail financing assistance to small entrepreneurs since inception.

### **2.7.2 I-TRACKER UNIT**

IFAD AUTOS LTD maintained a designed and structured monitoring technology to overlook their customers vehicles by their customers through an technology based system acknowledged as, “I-Tracker Unit”. The key features of this unit are as follows:

- 1) Vehicle management system
- 2) Live tracking
- 3) Alerts Notification
- 4) Over Speed Alert
- 5) Nationwide Installation
- 6) Remote Shutdown

Each feature has a usability process which helps the customers to track their vehicles according to the necessity and benefits.

## **2.8 Industry & Competitive Analysis**

**1. Threat of new entrants:** The automobile industry requires high initial investments. Additionally, high loan sales are also a major hurdle for newbies. It also takes a long time to build a strong sales channel across the country. These barriers reduce the threat of new entrants to existing companies.

2. **Threat of Substitute:** In Bangladesh, on around less than 30% to 100% in the road transported by road vehicles through cargos and passengers. Though other modes of transportation are available, they are not that much familiar due to cost and inconvenience. Thus, commercial vehicles have no comfortable substitute in the local market community.
3. **Low bargaining power of customer:** Commercial automotive industry in Bangladesh is dominated by a less number of companies and IFAD Autos is the leading one of them. The amount of sales volume of the company is very high for a single customer to force the company to bargain its profitability. As a result, customers in this industry consists very low bargaining power.
4. **Touch Points:** To maintain a dominant portion of market share, IFAD developed a strong distribution channel all over Bangladesh. IFAD uses both direct and indirect distribution channels to sell its vehicles. In the direct distribution channel, the company uses its own sales force to reach the target customer and sell vehicles. Its direct distribution channel comprises 21 purchasing points, 9 huge service centers. 30 construction points and 11 offices in different districts of the country. Its indirect channel consists of ~120 dealers in different parts of Bangladesh

### **2.8.1 Strategy's for Tomorrows growth**

**1. Sharpen Positioning of Brand:** Optimum coverage of markets, customer segments and customer budgets is the focus in the first Company steps. This goal will be obtained by constructing up demand-based, specific- automobile customer segments.

**2. More Focus on LCV's:** The future establishment will be dependent on LCVs. By 2020, the portfolio in the growing LCV segment will initially be expanded by adding more than 8 models, with simultaneous development as per customers' need and also develop and offer economy products that are in conformity with market requirements.

**3. Move towards complete build up unit to semi knock down business model:** Incorporate renovations to the overall business model or structure to improve the gross profit margin of the overall performance of the business.

**4. Localization:** Using so many local parts in semi-detachable assembly plants that ultimately increases bottom line by saving on import duties.

**5. Enhancing the operation productivity:** Improving operational excellence across all the divisions is the seventh initiative. The efficiency of Capex and Opex costs in particular is to be enhanced. Overall, the measures are expected to lead to significant growth and higher profits as early as 2020.

## **2.8.2 SWOT Analysis of IFAD AUTOS LTD**

### **Strength:**

- Strong bonding with BRTC.
- Experienced sales force.
- Friendly working environment that encourages employees to demonstrate their creativity.
- Vehicles tracking support.
- 24 hours customer service that helps to satisfy its customers.
- Strong position in Bus segment.

### **Weakness:**

- Ashok Leyland's vehicles are costlier than its competitor Eicher and Tata.
- Lack of IT executives.
- Shortage of sales executives in LCV segment.
- Absence of digital marketing activities.
- Flaws in customer address management.
- Absence of AIS application in I-Tracker department.

### **Opportunity:**

- Strong brand name.
- Strong position in DSEX.
- Growing demand of commercial vehicles.
- Have enough resources to enter into private vehicle segment.
- Opportunity to be a market leader in Intermediate Commercial vehicles segment.

**Threats:**

- Tax barrier.
- Incapability on accepting the changes attitude according to the transformation of changes.
- Digitalization procedures and systems.
- Acceptance on the proactive attitude towards the improvement.

**2.9 Summary & Conclusion**

The goal of this analysis was to give an overall idea about the operational activities and practices of the “IFAD AUTOS LTD” and assess its position as an organization and in its industry. In brief, IFAD AUTOS LTD management is quite attractive with high authorities as well as an expert group at every level, ensuring a good corporate environment in the office. They used to offer a variety of attractive offerings to their customers to make the buy policy more convenient and beneficial with a customer-oriented attitude. It is a crucial factor in retaining long lasting client relationships. IFAD AUTOS LTD has been performing quite well in terms of financial aspect and their inter-connected software services provide a seamless service for clients anywhere in the country. Despite such activities, IFAD AUTOS LTD faces some weaknesses and threats in the industry and sole level. By identifying them accurately and taking appropriate measures, issues would be solved and IFAD AUTOS LTD will be improving more in near future.

## **2.10 Recommendation**

According to the earlier discussion with SWOT analysis, a few points come up for consideration. Being one of the most successful company of it's sector, Ashok Leyland has costlier products that close competitors like Tata and Runner. If the price can be cut down a little, Ashok Leyland can attract more customers. Thus, the share price will come down and along with it, will come the opportunity of a steadier and stronger position in DSEX. Moving on, the digital marketing portion shows absence in putting up much effort. In this era of internet and moreover, since COVID-19, people are depending on gadgets now more than ever and so, a dependable digital marketing is inevitable. And developing a digital marketing platform will bring popularity to the brand name. Finally, there have been a few drawbacks in the IT sector. Added with the shortage in executives, some other issues are weakening the customer address management process which need to be dealt with soon. The absence of AIS application in I-Tracker department should be resolved. Along with the present goodwill among the customers, if budget-friendly vehicles can be introduced to the market, the demand of Ashok Leyland products will skyrocket. It will bring up an opportunity to have enough resources to enter into the private vehicle segment.

## **Chapter 3**

### **Project Part**

#### **3.1 Introduction**

In this part of writing, I will try to analyze the overall financial condition of the company in a proactive manner. While making preparations, the main goal of mine would be to demonstrate or, disclose a comment related with the stability of the company such as: whether the company is acknowledged as sound or stable or not. Moreover, whether the current pandemic situation plays a significant impact or role into the organization profitability situation or not will be discussed in the analysis part. Also, the type of overall current revenue structure will get more attention besides the ways of management structure of the company which plays a good aspect into the company. Furthermore, I will try to discuss the parts which need to be developed to sustain the financial stability in a more possessive approach. Also, the challenges which are facing the company need to be resolved as well.

In a developing economy like Bangladesh, business activities are increasing which demand more commercial vehicles such as trucks and pickups on the road to transport raw material and finished goods. Besides, the growing population requires continuous supply of buses as most of the people can't afford private vehicles. To respond to the transportation needs of general people, to support the business with commercial vehicles in transporting raw materials and finished goods, IFAD Group, one of the leading conglomerates of Bangladesh, established an automotive industry named IFAD AUTOS LIMITED. In 1985 it started its journey and in 1988, the group established IFAD Autos Limited with the aim of serving transportation needs of Bangladesh by taking up the sole dealership and providing a massive range of commercial vehicles from Ashok Leyland of India in 1994. In 1989 IFAD Autos introduced the Double Decker Bus. Ever since, it has played a crucial role in building the transport industry of Bangladesh. In 2017, IAL established one of the world class assembly plants so that it can provide vehicles to customers within the shortest period of time and at less cost. Each year it sells more than 5000 commercial vehicles. It has more than 70 selling points all over Bangladesh. IFAD Autos Limited recognizes that our customers are the reason for our success in business, and we are committed to listen and respond positively to their needs.



### **3.2 Methodology**

This research has been conducted through collecting data set from primary and secondary resources of the company according to the easiness of availability. Specifically, secondary resources has been used for conducting this report in a positive manner. Secondary resources such as: data set from the company's website, various types of papers and many more.

#### **Primary Resources**

1. Regular practical working observation of the company's performance.
2. Informative data set collected from the assigned supervisor of the company.
3. Collogues, seniors, managers and customers.

#### **Secondary Resources**

1. Annual and quarter financial reports of "IFAD AUTOS LTD".
2. Information and notices collected from the company's website.
3. News and updates regarding the company.
4. Audited financial statement of the company.
5. Previous studies conducted upon the bank and similar topic

### **3.3 Financial Highlights**

According to the fiscal 2018, "Ifad AUTOS LTD" has observed its maximum revenue growth because of greater incurred sales revenue. In that particular year the company's gross profits constant percentage is 73.49% consisting of a net profit of 1,554 BDT (Million) over the year, which is significantly greater than the past years. This determines that the company's performance of the sales department was in a higher position rather than other components remaining the same. During the year, company sales amount was outstanding which denotes better financial condition. Although, this percentage of overall gross profit percentage remains the same as like the past years with a stable fluctuation inside.

On the other hand, this company consists of a peak of greater EBIT percentage as well for the particular year of 2018 as well and dramatic reduction faced in the previous year of 2020 consisting 45.54% of EBIT margin. Overall, the percentage of EBIT is not stable.

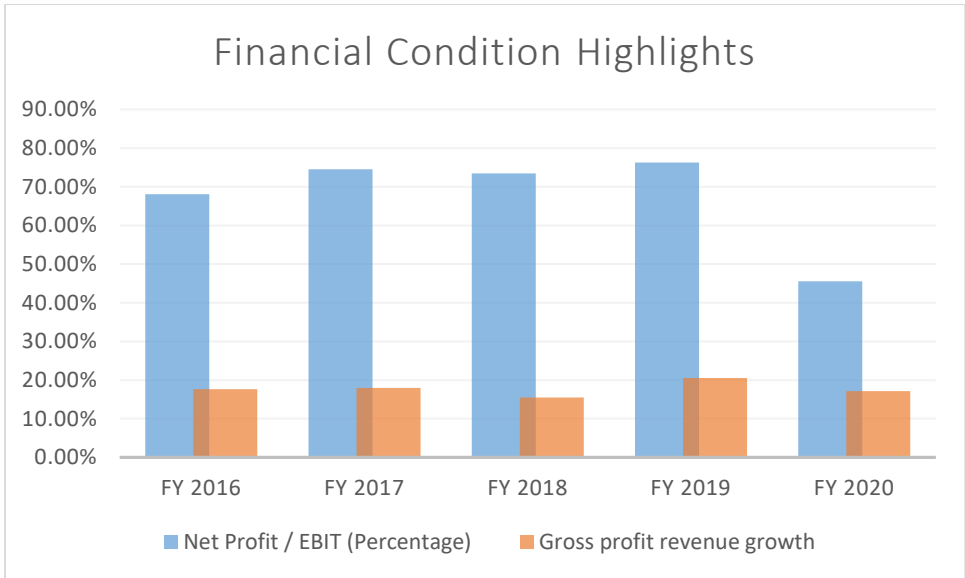


Figure 5: Revenue highlights

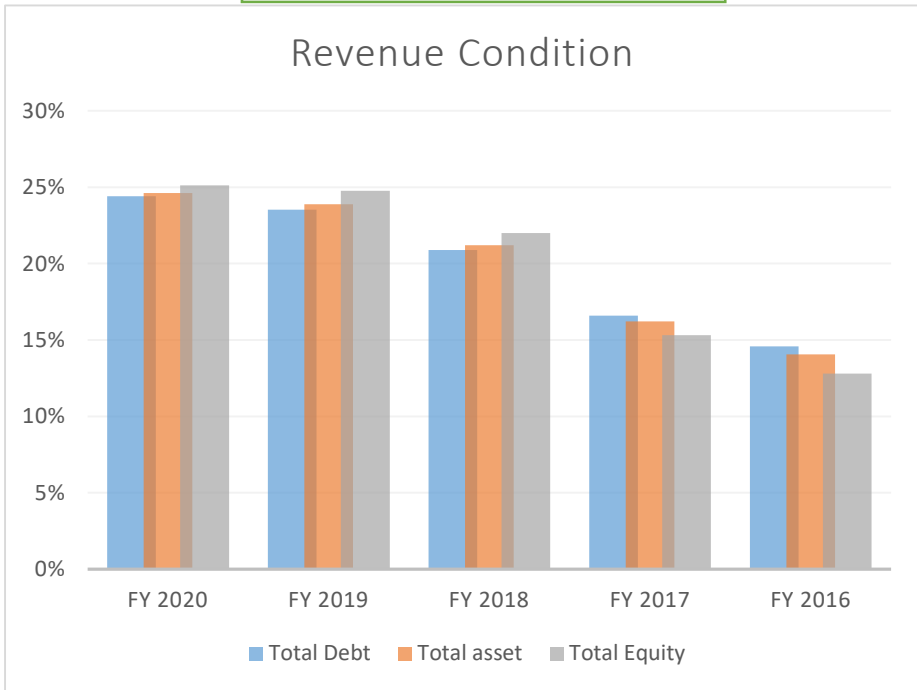


Figure 6: Revenue highlights (2)

According to the percentage of total debt, assets and equity condition of the company, it is clearly visible that the company maintains a stable rate with a bit of fluctuation inside. As the percentage of the total equity of the company remain stable as like the previous few years, the

company's sales revenue is little bit lower or minimum for the previous year but the price of the share is almost remain the same as like the previous years this shows the company's financial condition is good having a good amount of money in their reserve.

### **3.4 Findings & Analysis**

#### **3.4.1 Risk based ratios3.4.2 Efficiency**

**Table 1: Cost to income ratio**

Details	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Operating Cost	385942208.00	382147113.00	547703841.00	549280089.00	511462021.00
Operating Income/ Profit	839295073.00	1603844725.00	2319035038.00	1715036045.00	824253225.00
Cost to Income Ratio	46%	24%	24%	32%	62%

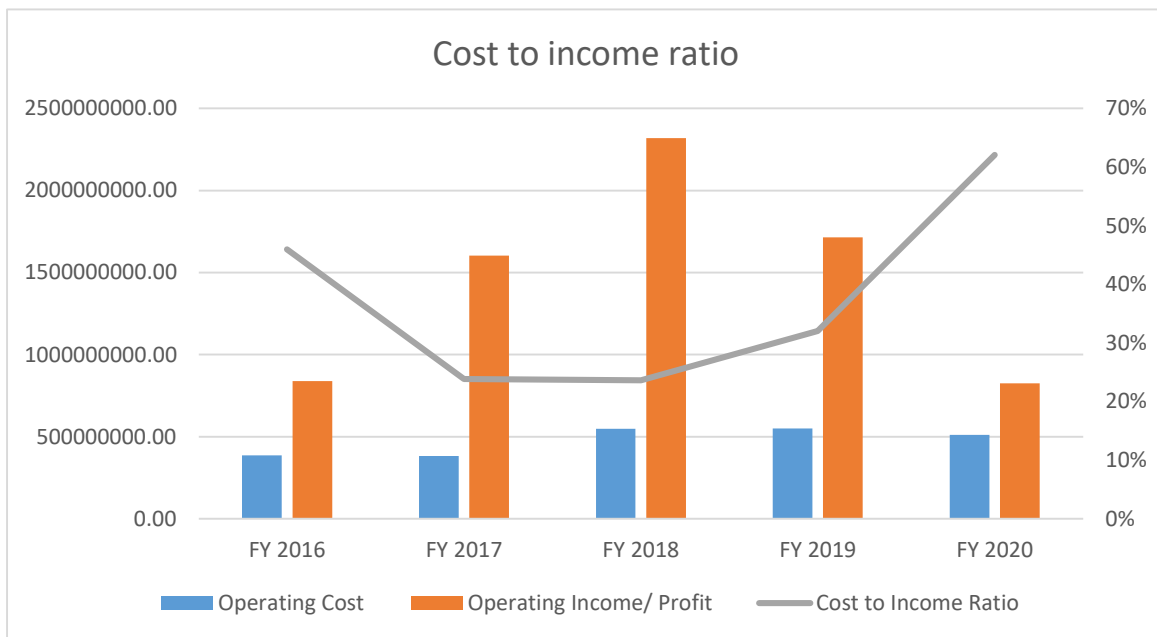


Figure 7: Cost to income ratio

**Interpretation:** In 2020, IFAD Autos Ltd. will have incurred Tk 62.05 for every operating cost to earn every Tk 100 of operating income. Since 2016, this Cost Income ratio has substantially fluctuated with its peak in the last year. For the last year it has faced its highest peak over the past years.

### 3.4.3 Debt Leverage ratio

**Table 2: Debt to Assets & Debt to Equity Ratios**

Details	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Debt to Asset	74%	73%	70%	70%	71%
Debt to Equity	283%	269%	236%	236%	241%

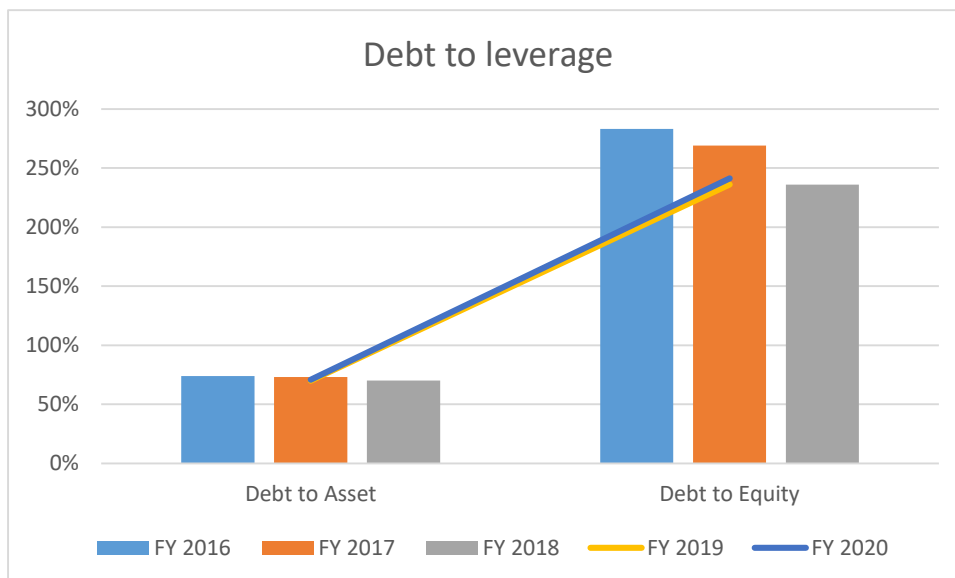


Figure 8: Debt to Leverage ratio

**Interpretation:** In 2020, this company owed Tk 71 against every Tk 100 owned and used Tk 241 of every Tk 100 of its equity capital. Over the past five years debt to assets ratio does remain somewhat stable. As well as, the debt to equity ratio remains the same but gradually, it's been decreased from the years to the latest on time.

### **3.4.4 Liquidity Condition**

**Table 3: Current Ratio**

<b><u>Details</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>
Current Ratio	209%	206%	214%	216%	232%

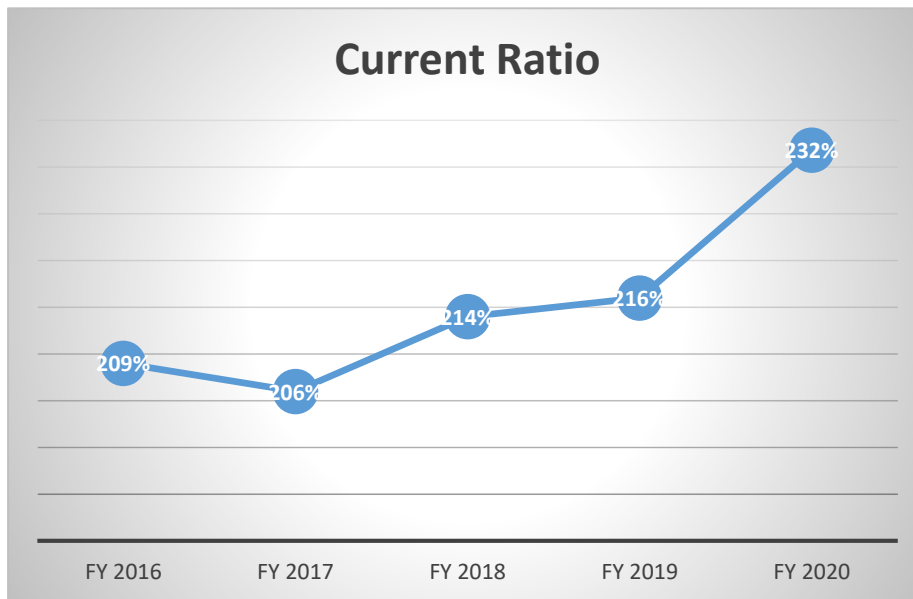


Figure 9: Liquidity Condition

**Interpretation:** In 2020, 232% of liquidity ratio signifies that the company incurred Tk. 2.32 of current liability against every current assets. Its highest peak was in the previous year and the consistency of this ratio is stable for the past five years.

### **3.4.5 Return Based Ratios**

**Table 4: Profitability Ratios**

Details	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Net Profit margin	8%	10%	10%	10%	3%
Operating Profit Margin	12%	14%	14%	14%	6%

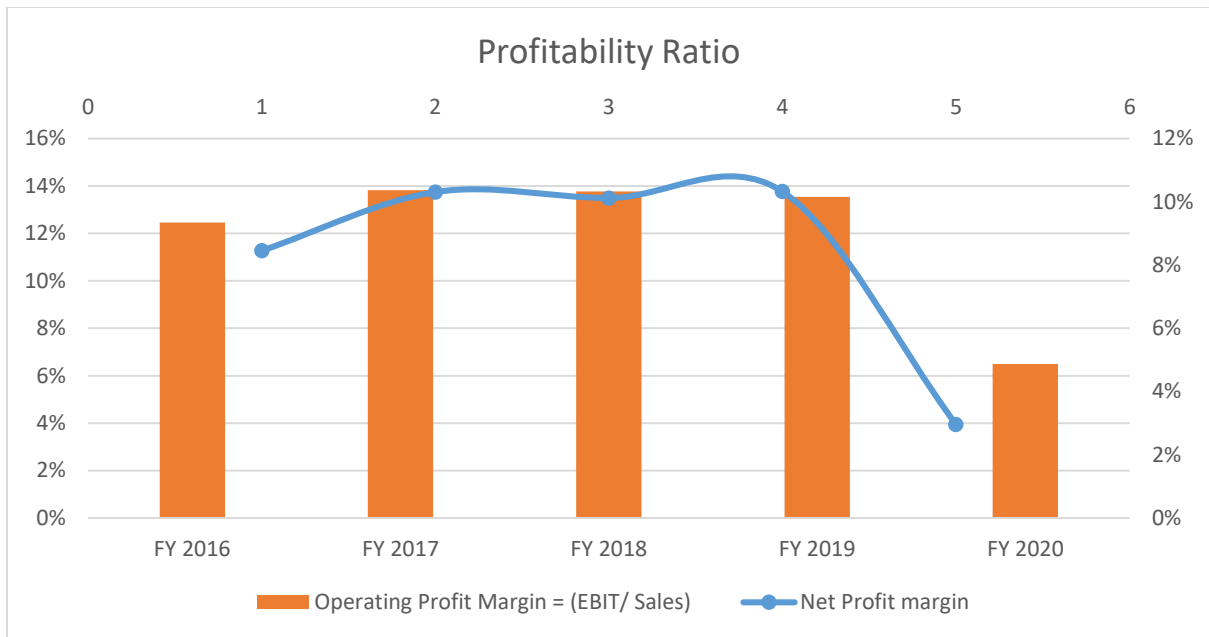


Figure 10: Profitability Ratio

### 3.4.6 Earning Capacity

**Table 5: ROA, ROE, ROS ratios**

Details	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
ROA	3%	5%	5%	3%	1%
ROE	12%	18%	18%	12%	2%
ROS ( Net Profit Margin)	12%	14%	14%	14%	6%



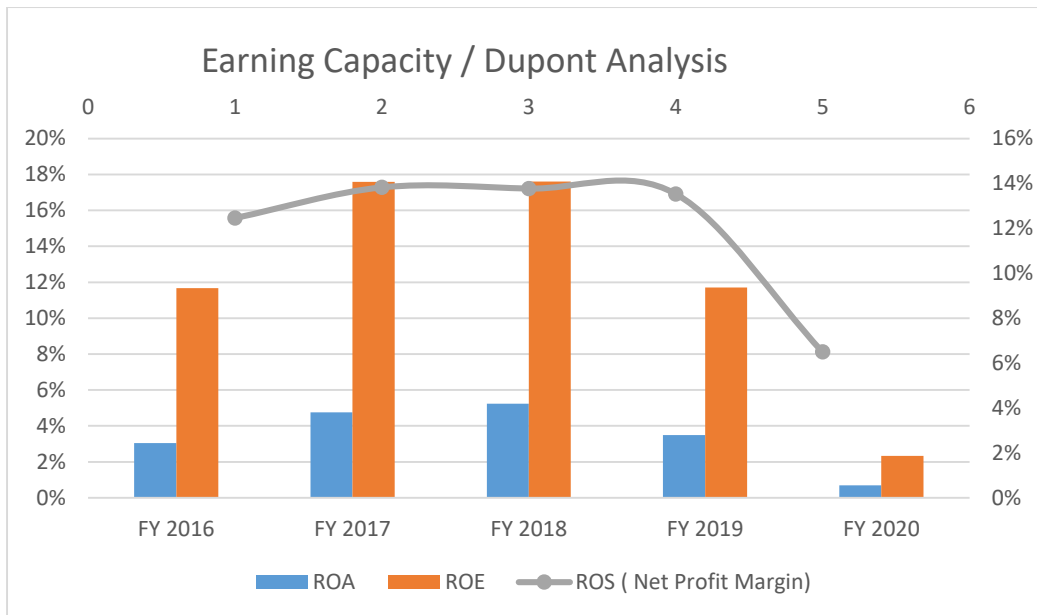


Figure 11: Earning Capacity

**Interpretation:** In 2020, ROA 1% indicates for every unit of their assets they have earned TK 0.0068 of their income also, 1% of ROE means the same. Moreover, from the time series analysis it is showing the ROA has the constant rate or stable condition over the years with a bit fluctuation inside. According to the ROE formula it is showing their condition is a bit stable over the years but dropped drastically for the previous year 2020. On the other hand, according to the ROS value it is showing their stability is almost the same over the past years but is also decreased in the year 2020 from the past four years.

### 3.4.7 Summary & Conclusion

Developing economy like Bangladesh, business activities are increasing which demand more commercial vehicles such as trucks and pickups on the road to transport raw material and finished goods. Besides, for the growing number of populations demand for private vehicles is consciously raising likewise, the continuous supply of private vehicles. To respond to the transportation needs of general people, to support the business with commercial vehicles in transporting raw materials and finished goods, IFAD Group, one of the leading conglomerates of Bangladesh, established an automotive industry named IFAD AUTOS LIMITED.

Being an “IT IFS Intern” of this organization, I have got few opportunities to overlook the financial activities very closely. Also, I have got to learn how an automotive industry records its day-to-day business activities data, how the data is used in decision making and how they analyze data to make a meaningful report. I would like to share all of my working experience at IFAD Autos limited through this research report sequentially.

Chien and Danw (2004) found that almost all previous studies of company performance evaluation focus mainly on operational efficiency and effectiveness which is crucial to the survival of an organization. But through their innovative two-stage data envelopment analysis model, they showed that a corporation with better efficiency doesn't always mean it's better effectiveness. The study of Elizabeth and Elliot in (2004) shows that every one financial performance measure as interest margin, return on assets, and capital adequacy are positively correlated with customer service quality.

Firstly, this paper will consist of all of the components of analyzing the financial condition of the company and the drawbacks of the company’s stability through using various types of financial tools such as: financial ratios, share price etc. Moreover, this paper also portrays the economic & financial condition focusing on the efficiency and accuracy of the working performance of the company in this pandemic situation.

During the time of preparing this report I came to observe various types of strategies and financial decisions which have been taken by the organization with a proactive approach.

Such as: according to the revenue condition highlights of the company it seems like almost every year the company tries to maintain a stable condition to keep the margin of net profit and gross profit amount in a stable condition. But it is not staying the same, I think it has happened due to fluctuating sales of the vehicles. According to the figure we can see, the company faces higher growth into the year of **2018** and lower into the previous year **2020**.

Though, this organization is not able to sell their products to the customers during the pandemic time like the past few years. As a result, the proper margin of gross profit and Net profit according to **figure 5** is downward in the previous year which is **2020**.

Even though their share price does not fall in the share market. It shows the stability of their financial condition and existence of the reputation into the people's mind about the company.

I think the current pandemic time plays an important or significant role in their business operation to run smoothly. According to the liquidity condition of the company it is clearly seen that the amount of current assets is being enhanced gradually rather than the amount of

current liabilities of the company. It seems like the company is passing with a good time keeping liquid assets in their reserve to face the challenges during this current pandemic time. Furthermore, according to the Debt leverage condition of the company it seems like the company is not in a good situation, instead they are facing new challenges which are not in a stable condition either.

Also, their CSR activities are very lucrative and they used to maintain this policy regularly in a sequential manner which is good for the company's aspect as it enhances the positivity in the thought process of the employees and stakeholders mindset about the company. I think this attitude towards maintaining the proper initial mindset of continuing the CSR activities on a regular basis plays a significant role in their management practices.

Additionally, I believe to overcome their current financial instability situation hampered due to this pandemic time, as they can take various steps which plays a significant role on to their betterment business operation. Such as; they could have reduced the price margin of the vehicles also, enhanced the opportunities of increased facilities while purchasing the vehicles by the customers.

To conclude, I can say overall their business performance or operation does play a significant impact during the pandemic time but due to a stable reputation they are still passing with a moderate situation through overcoming this condition. But their sales amount has been significantly reduced during the past years of 2020 from the previous years which need to be revolved and serious steps need to be taken immediately to overcome this current situation.

### **3.4.8 Recommendation**

“IFAD AUTOS LTD” is quite impressive and successfully operates their business in Bangladesh. By the time of their entering into the automobile industry of Bangladesh in 1985, they were continuing their business with a good level or margin of efficiency. As a result, they are playing an important role in the Bangladesh economy by responding to the needs of the country. As most of the people of our country can't purchase expensive vehicles, it has taken all the steps to bring the vehicle cost under a reasonable price range. Inauguration of its own assembly plant in 2017 to decrease vehicle's overall manufacturing overhead cost is a perfect example of one of its steps to bring the vehicle price under customer's affordability.

The company has introduced a credit purchase method so that the price of the vehicle should not be a burden for someone to purchase his desired vehicle.

It is my pleasure to have the opportunity to work in this organization which helps me to analyze my financial knowledge and also to nurture my technical ability in a positive manner. As a result, while preparing my report for internship purposes I have seen some obstacles which are facing the company in recent times. Now, I will mention a few points below. Firstly, during this current pandemic time, this company is facing problems to run their business operation in a proactive approach. I think, even though the price of the vehicles is in a minimum range to do profit according to the continuous approach of quality. But, at this current pandemic time people are losing their jobs and earning sources, so it's hard for themselves to buy the vehicles in cash instead of other offerings. So, the margin of the installment while purchasing the vehicles might be reduced or should be in an acceptable amount overall.

Secondly, the quality of the used vehicles might be increased and also price ought to be reduced as like the previous offers.

Moreover, the number of varieties of the vehicles offered by the company might also be enhanced. Also, the tax rate can also be reduced by the company, so it would not become a burden for the customers who are interested to buy the vehicles according to the necessity. The distributor channel might also be enhanced so that people can easily find the vehicles accordingly. Furthermore, the technical team of the company needs to be more developed and their efficiency level also needs to be improved so that "VTS" does not face any difficulties during the business operation.

Specially, the numbers of IT Executive also need to be enhanced to run the business operation in a positive manner. Payment related information is a very complex type of information. And this type of information cannot be easily manageable through MS excel. Problems like data redundancy cannot be easily tracked in excel. That is why I recommend installing an AIS application in the I-Tracker department. Nowadays, the impact of social media plays a significant role in business operations. So, this company I think needs to emphasize more on these things and improve their website platform in a more organized manner.

## References

Chien, T., & Danw, S. Z. (2004). Performance Measurement of Taiwan Commercial Banks. *International Journal of Productivity and Performance Management*, 53(5), pp. 425-434.

<https://www.ifadautos.com/wp-content/uploads/2020/10/3.-First-Quarterly-Financial-Report-2020-2021.pdf>

<https://www.ifadautos.com/investors-information/>

<https://www.ifadautos.com/>

<https://www.ifadautos.com/about-us/>

<https://www.ifadgroup.com/>

<https://www.ifadautos.com/service-sales/>.

## Appendix

Details	Formula	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Cost to Income Ratio	Operating cost / Operating Profit	46%	24%	24%	32%	62%
Debt to asset	Total Debt / Total Asset	74%	73%	70%	70%	71%
Debt to equity	Total Debt / Total Equity	283%	269%	236%	236%	241%
Current ratio	Total Current Asset / Total current liabilities	209%	206%	214%	216%	232%
Return on Asset	Net profit/ Total Asset	3%	5%	5%	3%	1%
Return on Equity	Net profit( EBIT) / Total Equity	12%	18%	18%	12%	2%
Return on sales (Net Profit Margin)	Net profit( EBIT) / Total Sales	12%	14%	14%	14%	6%
Net profit margin	Net profit (comprehensive)/ Sales	8%	10%	10%	10%	3%
Operating profit margin	Operating Profit Margin/ Sales	12%	14%	14%	14%	6%