

Report On

“Cash Disbursement Procedure in terms of liability and payment of ACI Godrej Agrovet Private Limited”.

By

Syeda Tasnima Hoque

18104050

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

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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:

_____ **Syeda Tasnima Hoque** _____
18104050

Supervisor's Full Name & Signature:

_____ **Ahmed Abir Chowdhury** _____
Lecturer
BRAC Business School
BRAC University

Letter of Transmittal

Ahmed Abir chowdhury

Lecturer

Brac Business School

BRAC University

66 Mohakhali, Dhaka-1216

Dear Sir,

This is my pleasure to display my entry level position provide details Cash Disbursement Procedure in terms of liability and payment of ACI Godrej Agrovet Private Limited which I was appointed by your direction

I have attempted my best to finish the report with the essential data and recommended proposition in as significant a compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

Syeda Tasnima Hoque

ID:18104050

Brac Business School

Brac University

Executive Summary:

ACI Godrej Agrovvet Private Limited is one of the leading manufacturing feed companies in Bangladesh.

It was established in 2004. Since then, the company has been operating in Bangladesh successfully.

Currently the company has different manufacturing units across the country. Also, it built a hatchery with high technology. Along with this, the company provides high quality products to its clients. Thus, they are in a leading position within the industry.

In this report, I have tried to reflect about my internship learning. Also, I have briefly discussed about company's overview; their HR practices, marketing practices, accounting practices etc. In chapter 3, I have discussed my topic. I reflected on their procedure, the paperworks of the company. Lastly, I gave some recommendations that I feel they should work upon.

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CHAPTER – 1 (Overview of Internship)

1.1 Information of the student

Name: Syeda Tasnima Hoque

ID: 18104050

Program: Bachelor of Business Admission

1st Major: Accounting

2nd Major: Marketing

1.2 Internship Information

1.2.1 Period, Company, Department, Address

Period: 3 Months (4 sep – 4 December)

Company Name: ACI Godrej Agrovat Private Limited

Department: Finance and Accounting department

Address: Kaderia Tower, Mohakhali

1.2.2 Internship Company Supervisor's Information Name:

Al Emran Khan

Position: Executive– Finance and Accounts, ACI Godrej Agrovat Private Limited

1.2.3 My recruitment

At first, I was called for an interview in the company. After giving the interview, I have been selected as the intern of ACI Godrej Agrovet Private Limited. After evaluating, the company assigned me to finance and accounts department, specifically in the liability wing. Being an intern, I was able to learn accounting related responsibility ;mainly from the liability department.

1.3 Internship Outcomes

1.3.1 Contribution of the student

I completed a range of responsibilities throughout the three months of internship, that I'm going to briefly summarize here.

- **Import Documents re-checking:** As a manufacturing company, they import different sorts of raw products. As a result, they get different import papers(CNF Bill). So I used to check the bills with other additional documents(Bill of entry, Delivery charge, port charge etc.);whether the claiming amount was accurate or not.
- **GRN re-approval:** They get different GRN documents. I had to recheck those documents also. Along with that, I rechecked the laboratory test reports in order to know whether there was any rebate charge or not.
- **Data filtering and screening:** I used to filter and sort data in excel files. Based on the LC number, I had to filter the data. After that, I used to match the closing amount and sort the data accordingly to go for print. At last, I attached those printed documents with the bills.
- **Cross checking the payment advice file:** Banks used to send the payment advice stating customer reference and the amount that they are getting paid. I had to cross check whether the payment advice was available or not. In order to complete this assigned task, I need to use outlook.
- **Data entry in SAP:** Along with the import of materials, there are some documents that the company has to maintain. For example; LC create, Cover note,IP bills,INSurance Premium policy

documents etc. In order to preserve, the company uses accounting software where they save the information. The account department uses the SAP platform to do the accounting activities. I had to give these data entries to SAP. For example, I had to enter the LC numbers, IP bills, insurance premium, the transactor bank name etc.

- **Creating Attachment in SAP:** I attached the files in SAP. In order to do that, I had to collect the PO number from the excel file and then attach the files under the po account.
- **Creating Miro:** I created invoice receipt(MIRO) against the liabilities. I used this process to attach an invoice to SAP against the purchase order.
- **Creating Journal entry in SAP:** I created journal entries in SAP against different transactions. Along with that, I entered the check amount in SAP and created journal entries against those payments.

1.3.2 Benefit to the student

My three-month internship at ACI Godrej Agrovat Private Limited taught me the most vital things for my professional future. I've learned a lot from my time working for one of Bangladesh's leading agribusiness companies. My greatest important lesson was learned through interacting with large business operations and surroundings. This training can improve my capacity to adapt to different workplace cultures. Because I was treated like a regular employee while I was working my internship at AGAPL, it was a major welcome boost for me. Such practice has, in my opinion, improved overall professionalism.

I did, however, make a few mistakes when doing the activities, but with the help of my seniors, I was able to recognise them and work on improving. My internship at AGAPL in particular really aided me in developing my operational, time management, and communication skills, each of which will be useful to me in the future. Individuals are subjected to a great deal of pressure to do their work on time because of the ongoing demand. I also made an effort to focus

on enhancing my capacity to function under stress.

Although the liabilities wing was where I was engaged, I had the chance to explore the other roles that the various wings played.

My boss and coworkers always encouraged me to acquire new skills, and I always received the praise for finishing each assignment.

1.3.3. Challenges faced by the student during the internship

It is expected that fresh experiences will bring challenges as well as worthwhile learning. But ultimately, it's how we get beyond those obstacles that matters. Despite the highly healthy work atmosphere, I initially had some challenges throughout my internship.

Since the accounting department has different treatments to different transactions, it was difficult for me to remember all of the procedures at once. But with time, I was able to get past this difficulty. Regardless of the fact that every individual at work was really pleasant, I had trouble communicating. I was a bit scared to confront them with queries since everyone was more experienced and knowledgeable than me and this was my initial encounter with such a working atmosphere.

Nevertheless, with the help of my supervisors and peers, I was able to swiftly develop \communication skills.

Otherwise, I had a spectacular and delightful time at ACI Godrej. By overcoming the challenges, I have tried to be a better person with the help of my mentor.

1.3.4. Recommendation

- They should give an opportunity to their interns to visit their factory at least once so that they can learn more: As they have many manufacturing facilities that we have learnt, so it should give an opportunity to see their practical field work. In that case, interns will learn more.

CHAPTER – 02 (Company Overview)

2.1 Introduction

In order to complete my graduation from Brac University, I had to complete an internship program in a company for 3 months. I got an opportunity to work for ACI Godrej Agrovvet Private Limited. I have tried to reflect my learnings in this report. I have used various data by using my experience and knowledge that I gathered from my internship program.

2.1.1 Primary Objective

The primary objective is to complete my internship course during the period of time. Also, one of the primary objectives is to highlight the accounting operating system of AGAPL which basically focuses on the cash disburse procedures in terms of liabilities and payments.

2.1.2 Secondary Objectives

- To experience the whole process of their accounting system
- To have knowledge about their software.

2.1.3 Limitations

The shorter internship period is my main disadvantage since I won't have enough time to experience each of the department's operations. Every sector is increasing day by day, along with its responsibilities, to meet the expectations of the market.

It is impossible to learn every aspect of accounting. The subject itself is so huge that I need more time to explore the whole accounting process only. Because of the limitation, I had to stop myself in the liability sections to acquire effective knowledge from it.

2.2 Company Overview

2.2.1 Background of the Company

ACI exists in many different areas, including pharmaceuticals, agrochemicals, FMCGs, and everyday pesticides. ACI is listed on the Dhaka Stock Exchange and Chittagong Stock Exchange and has joint ventures with a lot of Indian as well as global companies.

ACI and Godrej Agrovet Ltd (GAVL) entered into a 50-year partnership. The 50-year-old Bangladeshi established an animal feed and poultry company in the country in a joint venture with Advanced Chemical Industries Ltd (ACI).

An agreement to this consequence was signed on June 20,2004. among Nadir B. Godrej, chairman of the GAVL, and his chairman of the ACI, Anis Ud Dowla. The joint venture was renamed ACI Godrej Agrovet Pvt Ltd. purified. Togetherly they planned to set up feed mills, poultry farms, hatcheries and poultry farms in Bangladesh.

2.2.2 Company Overview

ACI As a joint venture between Godrej Agrovet Limited, a reputable company of the Godrej Group, and ACI Limited, Dhaka, a highly regarded conglomerate in Bangladesh, Godrej Agrovet Private Limited was created in 2004 under the Companies Act of 1994. The business has established a reputation for producing high-quality feed that meets the expanding demands of the feed industry. making premium poultry, beef, aquafeed, and day-old chicks (DOC).

Because of their product market, they maintained a good relationship with farmers. With their high tech research and development, the company provides quality food to the farmers in order to provide nutrition to their animals.

The business puts a strong emphasis upon collaborating with farmers and teaching them cutting-edge farming techniques. They constantly expand our borders and deliver premium feed and our extensive knowledge for improved farming, from farm management for chicken to pond management for fish. They have provincial production facilities with top-notch technology in Sirajganj and an automatic floated fish feed plant in Rajshahi, as well as comprehensive breeding and hatching operations, all of which are supported by a quality management laboratory.

The business uses technologies from the Jiangsu Muyang group of China. Using Godrej expertise, this company built a hatchery near Joynabazar on the Dhaka-Mymensingh route. The development of parental stock breeding farms as well as farms for senior stock is also planned for this program. ACI Ltd. owns 50% of the company's shares, with the project's contribution being BDT 8 crores.

2.2.4 Mission

- Improve people's livelihood by providing knowledge, technology and skills
- Provide top notch products, innovative procedures and employee empowerment.
- Deliver maximal satisfaction level to their consumers.

2.2.5 Vision

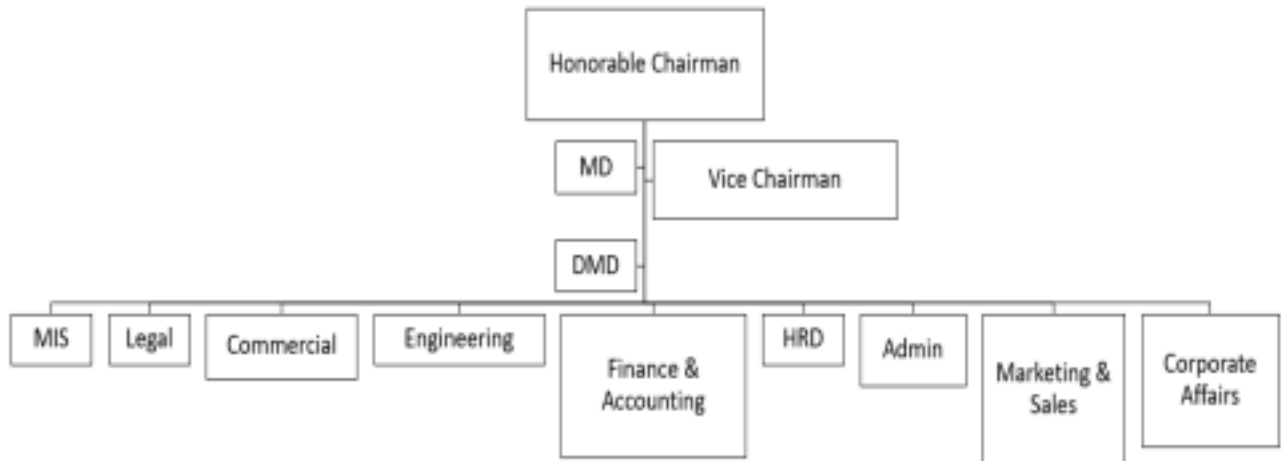
The vision of ACI Godrej Agrovet Private Limited is to provide high quality products with which they can ensure satisfaction of their consumers. Along with that, the company wants to achieve leadership in all aspects of Bangladesh through empowerment, innovation, growth and high productivity.

2.2.6 Values & Principles

The company has some values and principles. Those are:

- Quality
- Consumer Satisfaction
- Revolution
- Honesty
- Clarity
- Continuous Upgrade

2.2.8 Company's Organogram



2.3 Management Practices

2.3.1 Leadership Style

Successful leaders identify personalities and adapt to fit the demands of individual staff who may or may not have the similar personal traits in order to get the greatest performance out of them. Various elements can encourage workers; such as including praise, independence, strict monitoring, or social interactions etc. So, a leadership style is required to identify.

The company used a value based and a democratic style of leadership. All concerned employees work with the board.

The decision-making approach engaged every relevant individual. Individuals are driven as a response because they feel their contributions are important to the company. The likelihood of internal dispute is reduced since there is significant transparency for each relevant party's participation.

2.3.2 HR Practices

ACI Godrej Hrm operates with the goal of establishing a workplace that promotes creativity, efficiency, and ingenuity in order to achieve company success via energetic and

committed individuals. They consider the organization's foremost significant asset to be its team members. To advance the expertise and competencies of their human assets, they determine the training requirements and offer the appropriate trainings. Meetings for thought leadership and team building are held often. They provide a supportive work environment that enables people to reach their full capacity as well as quality career advancement. In their value-based society, the importance of upholding each person's dignity is paramount. They support delegating and emancipation. Also, the company arranges different activities, tours and celebrates different occasions with its employees for refreshment purposes.

They use different media to announce their job vacancies. They use linkedin, bdjobs to post about their vacancies.

Also, they adopt a screening approach while recruiting. They prefer both an assessment test and an interview to complete the recruitment procedure.

2.3.6 Recruitment and Selection Process

By selecting the right candidate for the right job, a firm may increase its productivity. As a result, recruiting and hiring are among the AGAPL's most vital duties. The Human resource department is responsible for hiring the ideal candidate.

Employees in ACI Godrej can be divided into two categories: management employees and non management employees. Offers given to the employees are for:

- Permanent Employment: Those who have been selected permanently are granted this type of position.
- Apprentice: Companies include this kind of position with a monthly allowance in exchange for such completion of the apprenticeship. Also, it includes a fully subsidized lunch and snakes to the apprentice. .

The analysis of the position description is the first stage in the lengthy selection procedure, which concludes with the employment agreement. The hiring procedure entails:

- reviewing the job requirements

- Publicizing the position opening

- Appealing applicants to participate

- organizing participation
- Examining applicants
- Shortlisting contenders.

The company picks a certain number of individuals from the huge pool of applications after acquiring individuals. The selection process then begins and includes

- Screening
- Initial and last interview
- Final interview
- Selection prior to evaluation
- Checking whether the candidates have references or not.

2.3.2 Training and Development

Almost every organization offers opportunities for training and development to its staff in order to boost their efficiency and motivate them. Through their employment, a person does a variety of activities. Along with that, they learn new skills.

As a result, ACI Godrej offers its employees a choice of training and development opportunities based on their particular needs and responsibilities. A few of the prominent programs for training and growth are listed here:

Field training: It is generally offered to persons participating in sales activities because they are the field team and deal closely in the markets. Whenever this sort of worker is hired, the firm will provide field training. Their progress is evaluated by their supervisor following the training.

On-the-job training: employees are subjected to a six-month probationary period after entering the company. During this period, an employee learns about the nature of their work and duties. Top management also delegated job-related responsibilities. An employee is termed a "trainee" while under the necessary guidance of a supervisor. An employee's job is confirmed based on how effectively they operate throughout the probationary period.

Management Training: ACI Godrej also provides management training to its employees

in order for them to improve individually, which benefits the company as a whole.

2.3.3 Compensation & Benefits

It is the role of the HR department of every firm to develop a pay scale and incentives which will attract top talent as well as motivate existing employees to perform harder. AGAPL has a specified base pay structure with added benefits.

Compensation:

Basic Compensation: The company has a pay scale for each role, and it offers a compensation that is suitable for the role based on a person's qualifications and previous experience. The base wage at the firm comes sight of aspirations.

Bonus: The employees of the company, like the rest of the company, are eligible to two festival bonuses.

Benefits:

Wear leave: Each employee is entitled to a set amount of leave, which they can use as they see fit. If they do not need such leaves, they can get the same amount of money that was set up for them at their break or retirement. However, if awarded leave days are not used, a certain number will be deducted each year, and the remainder will be retained for cash compensation.

Sick Leave and Casual Leave: It also includes a set number of sick and informal leave days.

Performance appraisal:

The company celebrates the success of its employees. Whether it will be celebration for working 5 years or achieving any milestone, all employees altogether celebrate the achievements.

2.3.4 Marketing Practices

ACI Godrej targets farmers and dealers for conducting their business. As they have a cattle field business, they need farmers to take care of the cattle. Also, the company does not go to farmers directly. Rather, they deal with dealers and the dealers work as the middlemen between the company and farmers.

The company is the largest fish feed company in Bangladesh and one of the largest poultry and cattle field businesses in the country. That's why the brand value of this company is one of the highest. The company uses this brand value as its targeting strategy. As a result, they get multiple repeat customers or

dealers with whom they are continuing their business.

Basically, the company focused on relationship marketing. They focus more on achieving customer satisfaction and retention. Furthermore, they emphasized more on building consumer loyalty than a sustainable environment. Thus, this strategy sets them apart from their competitors,

The company uses their Facebook page and their website to promote their activities. The website serves as a vital medium for promoting all of their activities. Also, they arranged different types of programs to inform people about their activity.

However, they have a major drawback regarding promotions. They have very minimal promotional activity. They have not started any promotional activity on digital media. Rather, they focus on informing people locally by themselves .

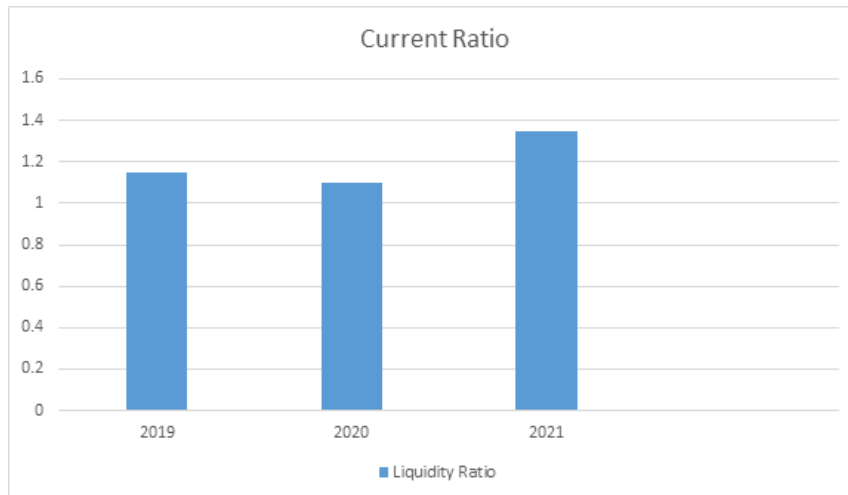
Financial Performance and accounting practices:

Liquidity Analysis:

Current Ratio

2019	2020	2021
1.15	1.1	1.35

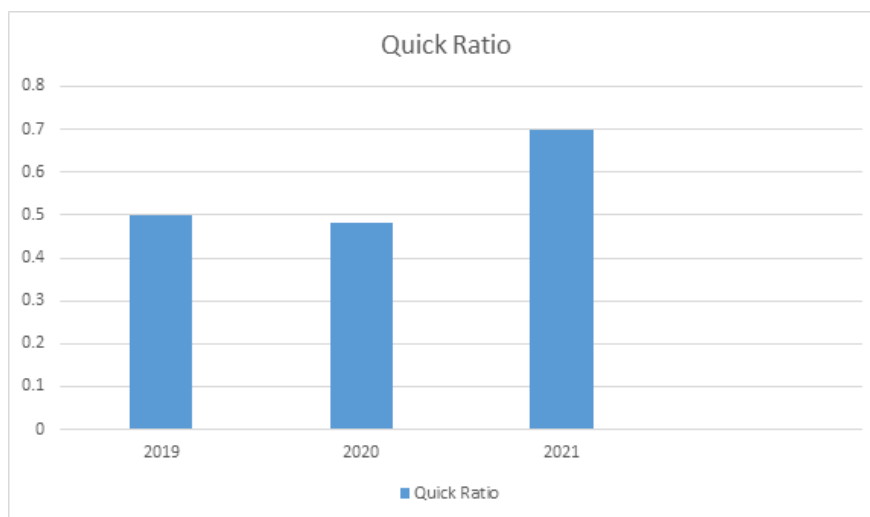
Current Ratio



During the pandemic situation, liquidity drops a little bit. However, soon they started to recover their liquidity during the 2021-22 financial period. In the recent fiscal year, the company has the current ratio more than 1; which means that the company has way more current assets to meet with the short term liability.

Quick Ratio

2019	2020	2021
0.5	0.48	0.7

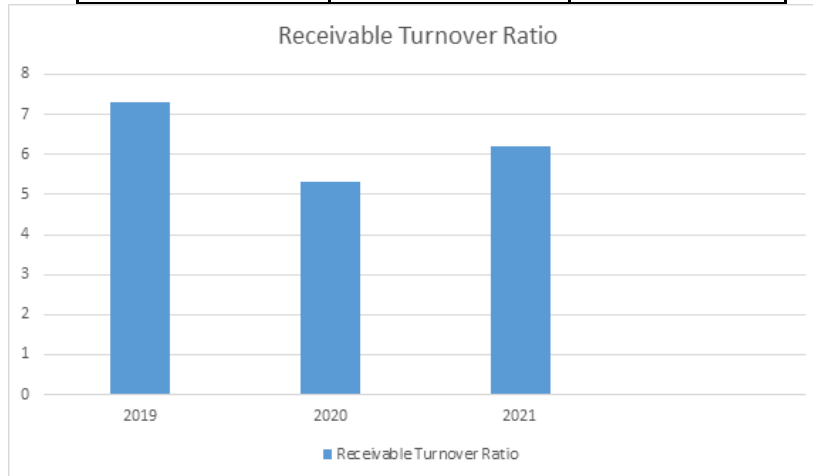


From this graph, we can see that the quick ratio has increased in fiscal year 21-22. An increased quick ratio indicates that the company has enough cash to pay more than half of their liabilities.

Asset Management Analysis:

RECEIVABLE TURNOVER RATIO

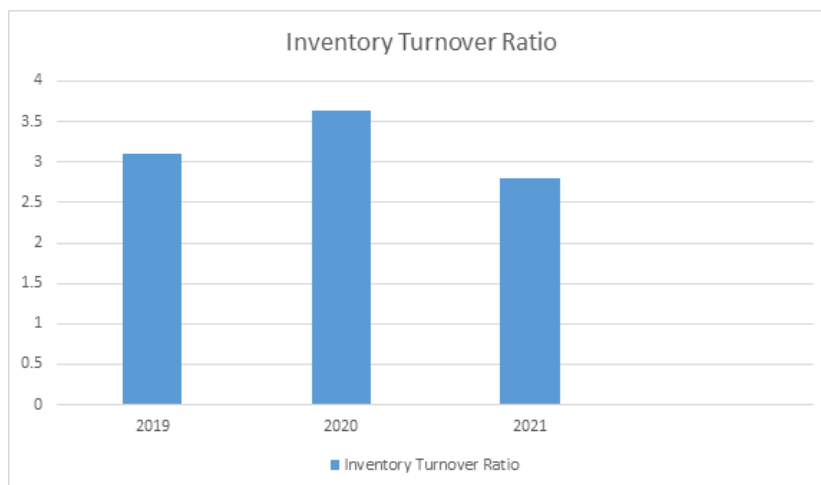
2019	2020	2021
7.3	5.3	6.2



The receivable turnover ratio has increased in 2021 than the previous years. An increased receivable turnover ratio indicates that The business is cautious when providing consumers loans, and its gathering procedure are effective or aggressive.

INVENTORY TURNOVER RATIO

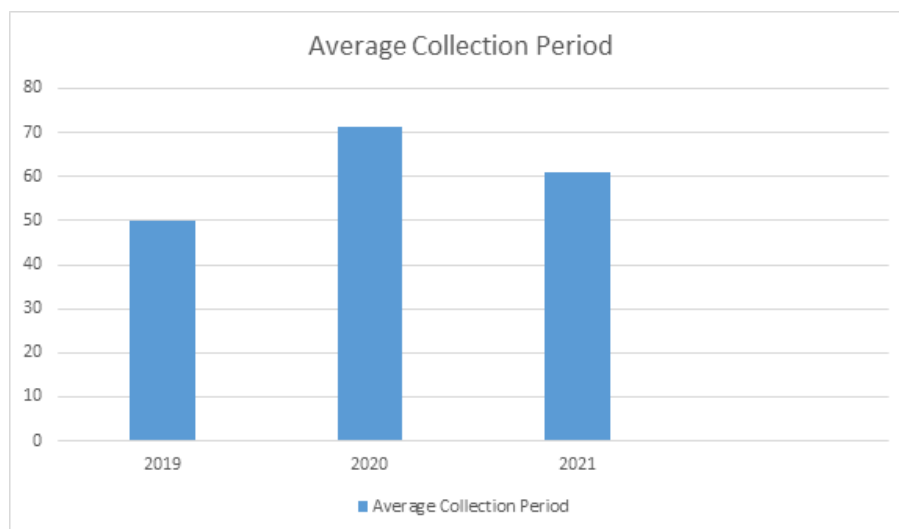
2019	2020	2021
3.10	3.64	2.80



Inventory turnover ratio has decreased in 2021 than 2020. This ratio represents an excess inventory. That means the company overstock their inventories more than needed.

AVERAGE COLLECTION PERIOD

2019	2020	2021
50.01	71.2	60.80

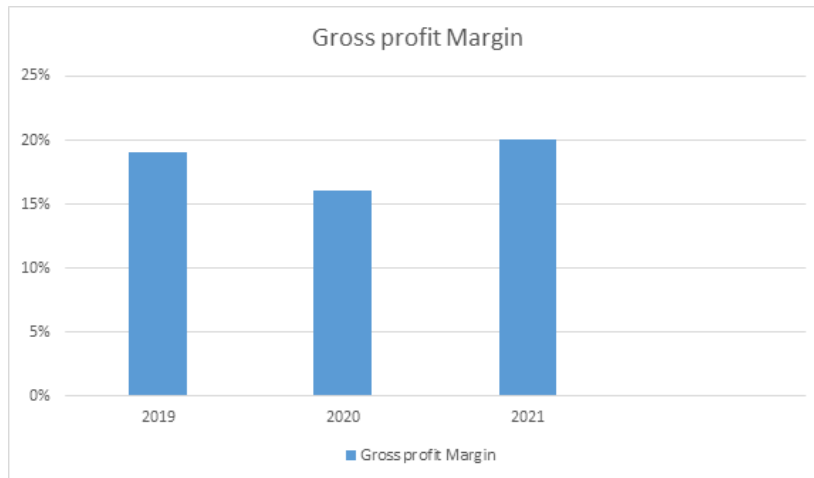


This ratio measures how many days does the company need to collect their receivable. On average, ACI Godrej took 50-60 days in order to collect their payment from its clients.

PROFITABILITY RATIO

Gross Profit Margin

2019	2020	2021
19%	16%	20%



In 2021, the company earned 20% gross margin in 2021. That means it earns .20 for each taka earning revenue.

Net Profit Margin:

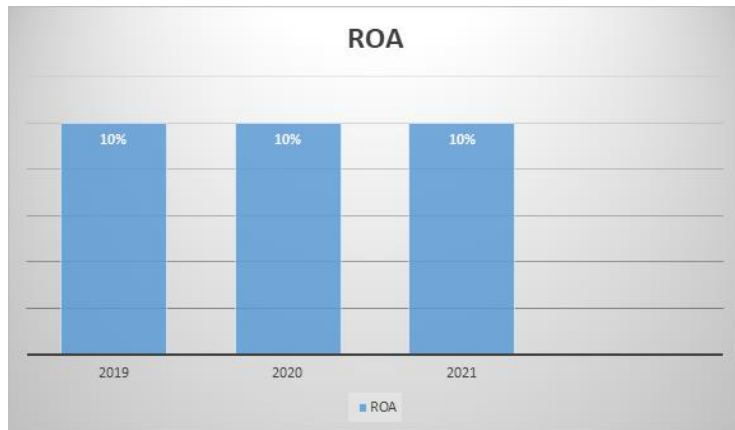
2019	2020	2021
6%	12%	19%



Net profit margin was 19% in the 2021-2022 period. It indicates that the company earned 0.19 in each dollar of it's sale.

Return on Asset (ROA)

2019	2020	2021
10%	10%	10%



Return on asset remains the same in three consecutive years. In general, a ROA of above 5% is viewed as good, and one of above 20% as exceptional. That means, the company is in good position.

Return on Equity (ROE)

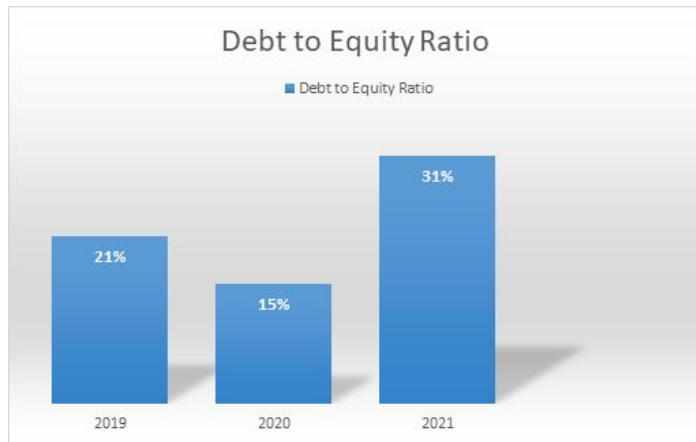
2019	2020	2021
15%	16%	18%

The company achieved 18% ROE. Based on a ROE around 18%, the company makes \$18 per each \$100 in outstanding shares.

LEVERAGE RATIO:

DEBT TO EQUITY RATIO

2019	2020	2021
21%	15%	31%



A low debt to equity ratio indicates that the company has the potential longevity and a good financial health. Although the company's debt to equity ratio has increased, it doesn't make the business a high risk investment for investors.

Accounting Practices:

ACI Godrej completes their accounting procedure followed by IFRS(International Financial Reporting Standards). They seek to gain reasonable certainty by ensuring that the representations are truthful and clear from mistakes or fraud.

Method of accounting: Since charges are ACI Godrej's primary form of income, the company adopts the accrual accounting method. In most cases, profits are reported as soon as they are received, but the corporation expects to receive the charges in cash at the conclusion of each quarter.

Depreciation Method: The business depreciates capital assets according to the Straight-Line Depreciation technique throughout their anticipated effective lifetimes..

2.3.5 Information Management System

In the era of communication and innovation, efficient research and data control may provide an organization with a strategic boost. To make more informed judgments, each function has to store data or information as well as have access to it.

IT experts of ACI Godrej Agrovvet private Limited specifically deal with employee details, and they critically require data to carry out more operations. AGAPL Group utilizes its own HRIS, or information about the human resources system, to effectively handle the data. The HRIS is used by staff members for a number of purposes.

The usage of information system are as follows:

- 1) To facilitate intercommunication, a LAN connector was already built.

- 2) The punctuality of the workers is tracked by automated systems. After personnel swipe their identity cards, the program immediately uploads the time with individual personal details. The program may provide the data to HR personnel..
- 3) All vitally identifiable data, such as role, joining date, basic details, firm, and salary grade is kept on file by the company using its HRIS.
- 4) Staff transmit information through outlook mails
- 6) The accounting department uses SAP software to deal with accounting information.

2.4 Industry and competitive analysis

2.4.1 Porter's Five Forces

We need to know Porter's Five Forces analysis in order to know the competitive challenges within the industry and how the company is handling the challenges.

The analysis of Porter's 5 forces is mentioned below:

Threat of new entrance: Threat of new entrance within this industry is relatively low. Because it requires heavy capital to build a poultry feed manufacturing company. Because of the heavy capital requirement and complex procedures, one cannot easily enter the market easily. As a result, ACI Godrej enjoys a low threat of new entrants

Rivalry between competitors: As I have already mentioned that the threat of new entrance is relatively low, so there are few competitors in this industry compared to other industries.

There are only 60 leading feed companies in this industry. Although there are few competitors in this industry, the rivalry is competitively high. As all of them hold a strong position and are committed to give topnotch products, it is easier to switch for buyers.

Threat of substitute products: Almost all feed companies offer the same products. For example, both ACI Godrej and Kazi Firms offer maize ,fish food etc. As a result, there are plenty of substitute products in the market. Thus, the threat of substitute products is high.

Power of buyers: Power of buyers refers to whether buyers have high bargaining power. In this industry, people have other leading substitute companies for the need. Because of the high threat of having substitute products/company, people can easily switch to other substitutes. That’s why buyers have the power to bargain.

Power of Suppliers: the power of suppliers is relatively low. Because there are plenty of other options when it comes to suppliers. For example, ACI Godrej needs farmers for their activities. There are plenty of other farmers. If one denies to work, the company can search for another.

Because of the availability of it, suppliers do not have significant power to bargain.

2.4.2 SWOT Analysis of ACI Godrej Agrovet Private Limited

Strengths, Weaknesses, Opportunities, and Threats is referred to as SWOT. A company's strengths and weaknesses, as well as the primary opportunities and threats the company can exploit, are all identified using a SWOT analysis. Below is a SWOT analysis of ACI Godrej Agrovet Private Limited.:

Strength: The company’s brand value is one of the greatest strengths. AGAPL is one of the leading feed manufacturing companies in Bangladesh. Nevertheless, its brand value can be enough to earn the reliability of its targeted consumers.

The workforce is one of the strengths of AGAPL. They have a great workplace environment for their employees. Also a productive dedicated group of people are working together for the betterment of the company.

Weakness: One weakness of the company is the company’s insufficient attempt at promotion.

Opportunity: The demand for products has increased rapidly in a decade. That’s why the demand for this industry is still going on. According to Dhaka Tribune,2018; the poultry industry is growing almost 20% in each year.

Recently, the price of almost all nutritious products has increased. It will be a great opportunity for them if they can utilize the market and offer products with a better price range than the

market.

Threat: Recently, the economic sustainability has fallen apart because of the rising range or taka in order to buy dollars. To produce goods geared toward export, Bangladeshi exporters must purchase raw ingredients. The US dollar earned from its commodity exports is used to satisfy the import charges.

There will be a rising threat if the increasing trend remains the same. Because if it remains, the company will have to pay more to import. As this is an external environment in which they can not put an impact, they have to suffer for these uncontrollable circumstances.

2.4.3 Summary and Conclusion

To sum it up, based on the financial aspects and accounting practices, it can be said that overall, AGAPL is doing well in this sector. However, overstocking the inventory is something that they should not be doing. Also, they are not spending enough money on marketing. So, they should invest more on promotional activity.

Chapter – 3

“Accounting operating system of ACI Godrej Agrovet Private Limited”

3.1 Introduction

3.1.1 Background

Being one of the leading manufacturing companies, ACI Godrej Agrovet Private Limited operates with some different systems. They have different ways of handling different types of transactions. For example, they record transactions separately for local and international transactions. The record procedure is different, journals are different etc. It is also interesting to know how diversely a company can handle situations.

The ACI Godrej mainly focused on the Finance-Accounts department rather than other departments. Because technically, they have different transactions, different accounting events before manufacturing their products. As a result, the accounts department has a higher load than others.

That’s why, this intern report mainly focuses on those handling systems of ACI Godrej. Also, this report explains the way of operating their accounting department. BecauseBut if we look at some of the leading companies, they are doing well both online and offline. Although the first wave of pandemic shook them, they quickly recovered and shifted to a convenient option to conduct their business successfully.

3.1.2 Origin of the Report

This three-month internship program is a requirement for BRAC University students in order to get their certified graduation. The grade on the following report is equal to a four-credit course. So, in order to satisfy the BRAC Business School's requirement, this report must be finished. The internship program's major goal is to expose students to business culture and have real life working experience. Some of the major purpose of this internship report are:

- Fulfilling the requirement of BRAC Business School
- Have the experience of working in a corporate culture
- Applying the theoretical knowledge of the academic courses in real workplace

3.1.3 Statement of the problem

In this competitive world, it is very important to be productive with an edge of the running competition. It is also equally important to respond within a short period of time and take immediate decisions in a global crisis. There are many companies who started but ended up closing the business shortly. After the lockdown ,some small companies faced three difficulties while starting the business physically. As a result, the companies were forced to close down.(The Daily Star, 2022).

But there are some other companies that did not face noticeable problems during and after covid period. But there should be some solid answers to it. While I was searching for the answer by judging activities of ACI Godrej. Then I realized it is the system of their activities that actually helped them to be on track.

Why is it important to focus on knowing some of the dealing activities rather than focusing on their annual reports and analyzing their positions or their market value? Because the financial report is something that can easily be reachable. It is the core objective of financial reports that it will be available to the stakeholders. But the system is something that is unknown. Is it important for stakeholders to know the system?Absolutely not. But knowing the operating system can help one individual to learn (if there is any scope of it.). Also, it can bring some sort of reliability to the stakeholders. Because then they can know how the company is utilizing investments in their company. So it can bring reliability and assurance to their stakeholders.

3.1.4 Significance of the issue

The report will help readers to understand the operating system of the Accounting department in ACI Godrej Agrovet Private Limited. Also the findings of this report points out some major recording systems and transactions that have significance value in the company.

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3.2 Methodology

For this study, I adopted a qualitative research approach. The term "qualitative research" relates to the collection and examination of non-numerical data, such as spoken or written material. Data from interviews was utilized in my research. The participants were interviewed in person. The interview followed a semi-structured format. There were a few prepared questions and the option to adopt a loose structure.

Sample size: This study's sample size is two to three individuals that were chosen from the Accounting department using judgment sampling.

3.3 Findings and analysis

3.3.1 Findings

AGAPL conducts their accounting operations in 3 different wings. Those are:

- Liabile wings
- Payable wings
- Reporting wings

Each of the departments is interconnected with each other. They have much more paperworks to do before recording. The findings will shed light on those paperworks and some explanations of it. After that, the wings have their separatable works. Most likely, the liability wing has to start the work first. Then this work passes from liability wings to others.

There are some other departments who are liable to create paperworks. For example, the treasurer department is liable for creating LC numbers. The data from those paperworks will be needed to do final reporting.

The explanations can be found from the next segment below.

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3.3.2 Analyzing the findings

1. **Material Purchase:** First of all, they purchase from vendors. The purchase procedure has been done by the Commercial department. There are some requirements that the department do with purchase procedures. Those are:

- Quantity fixed
- Rate negotiation
- Delivery date
- Credit period

2. **Vendor Code Create:** Then the liability company creates the vendor account.

3. **Purchase Order Create:**

The purchase order has been created against the purchase. The reason for creating a purchase order is to track the purchases when it is needed to. With that purchase order , there are other paperworks that the company has to do before delivery. Those are:

- **Applying for LC Number:** The company applies for having LC number against a purchase to some specific commercial banks. Along with that, the company needs to submit some additional papers. Those are:
 1. L/C application form which will be signed by the importer
 2. Pro Forma invoice from the foreign supplier
 3. Import Permit
 4. Valid certificate which will be obtained from any trade associations for all trade/business
 5. A new import registration certificate for the current financial year
 6. Income tax payment clearance paper in that financial year
 7. Proof of having TIN for all imports
 8. Insurance cover note issued by Sadharan Bima Corporation or any other bima corporation which will be submitted during custom clearance.

4. **Material Delivery:**

After that, the material is delivered. AGAPL response in two ways to record the transactions after material delivery. If AGAPL imports/buys materials with PO, then they record transactions in the system (SAP software) and create journals.

- If they import materials in bulk , then they import it through ships. The journal entries against these type of transactions are:

Inventory Dr.
Material Vendor Cr.
Bank Vendor Cr.
Insurance Vendor Cr.
CNF Vendor Cr.**
Lighter Vendor Cr.**
Survey Vendor Cr.**
Ghat-labor Vendor Cr .

- When the company buys their materials locally, then then they record their transactions like this:
Inventory Dr.
Material vendor Cr.

5. **Freight Charge:**

After material delivery , the freight charge will be determined and they record these transactions into SAP. the recording journal entries are:

Inventory Dr.
Freight Vendor Cr.
Loading and Unloading Vendor Cr.

6. **GRN Create:**

Upon receiving the delivery ,the company creates GRN papers(Good Received Note); which acknowledge that the supplier delivers the materials and AGAPL receives their material. While creating GRN notes, there are some other duty that they used to do.Those are:

- **Quality lab report create:** The company creates a lab report where they find out whether the materials have the same quality or not. By that, the company becomes notified whether the materials are having any defects .
- **Rebate Charge:** If they found some defects in some materials, then they charge the rebate to their suppliers according to the parameter. The journal entry is:
Vendor Dr.
Inventory Cr.

7. **GRN collection:**

After that, the GRN reports are being sent to head office accounts. The GRN reports were cross checked before entering the journals.

After all of the process, the company creates a journal according to the guidelines of IFRS. The journal entry is:

Material Inventory Dr.
GRIR clearing account cr.

8. **Liability transferred:**

The supplier invoice is submitted then. At the same time, the liability is transferred to the vendor account. The process takes place in SAP.

Journals are:
GR IR clearing account Dr.
Vendor cr.

9. Payment Schedule:

The payment schedule is created based on credit period. This payment schedule has to be approved by the commercial department.

10. Pymment: The payment figure is declared after adjusting rebate and truck faire. Lastly, they create a journal entry for payment. The journal entry is:

Vendor Dr.

Bank Cr.

3.3.3 Recommendations

Though ACI is maintaining a good stable business, there are some recommendations that they can follow:

- They maintain many paperworks while operating their cash disburse procurement. For example, GRN Papers, Quality reports, Payment advice etc. But this paperwork approach is problematic. Because this approach contains high compliance risk ,reduction of productivity and more time. So, if they can switch to digital methods, then they can enjoy longer term strategic benefits.
- Sometimes the company preserves data on both paper and system. Although it can ensure a safe position in future, it requires a lot of time and a good print infrastructure availability . As a result, things can be delayed. That's why the company should preserve data on one particular platform(paper/system)

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Appendix

- 1) Is there any criteria that you search for when purchasing the materials?
- 2) Why do you even need to create a purchase order? Because it seems when you are purchasing material, you are already creating a vendor account.
- 3) You are saying that most of the time you purchase products in a bulk, is there any difference in

recording transactions?

4) When do you record the freight charge? Also, where do you record? Is it recorded on SAP or manually?

5) What is GRN?

6) Why do you create GRN?

7) How do you find out whether you have received the same quality products?

8. Do you send all the materials back when you find any sort of defects? What do you do when you find a little defect?

9) Which guideline do you follow while recording the transactions?

10) Who gives the payment schedule?

11) Which department adjusts the payment amount?

12) How do you determine the payment amount?