

Satisfaction of PRAN-RFL Group With the Leasing Companies



Submitted to
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Letter of Transmittal

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To

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Subject: **Submission of internship report.**

Dear Sir,

I wish to submit my internship report on “Satisfaction of PRAN-RFL Group with leasing companies”. This report is the final part of my three-month internship program. While preparing this report I have tried to the best of my ability to follow your instructions as well as my company supervisor’s directions.

This report is about a research on the preferred leasing company of PRAN-RFL GROUP.

I hope this report will give an idea of the overall functions of lease agreement in PRAN-RFL GROUP. I will be grateful if you find this report effective.

With warm regards

Nabila Chowdhury

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BBS

Acknowledgement

This internship report has been prepared after the continuous study of different resources and evaluating the performance of the company.

At the very onset of the report I would like to thank Almighty Allah for guiding me through this internship and helping me in preparing the report.

I am thankful to my family for their coordination and support and giving me the space for preparing the report.

I also wish to thank my supervisor of BRAC University, Mr. Showvonick Datta, for instructing me and helping me with the report serving as a guide and mentor all the way through.

Mr. Shamsul Alam, my supervisor in PRAN-RFL GROUP, was very supportive throughout the internship period and provided me the required informations which were essential for me to preparing my report.

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Executive Summary

PRAN-RFL Group is one of the leading companies in Bangladesh which has by now merged with several different products. They have so far spread their business in various countries all around the globe and are continually expanding their ventures. They have ten factories in Bangladesh and are taking initiatives to open factories outside the country also. Moreover, they have electronics business and are promoting their products including RFL electronics under different brand names through their efficient marketing team at home and abroad.

This report, titled “Satisfaction of PRAN-RFL GROUP with the leasing companies”, is primarily about the preferred leasing company of PRAN-RFL GROUP. Most activities concerned with leasing are carried out by their corporate finance department. This report describes the necessary information from my work experience, an analysis on the leasing companies and some recommendations. I have used different resources for the preparation of this report which I have included later on.

We first have an introduction about PRAN-RFL Group consisting of the company’s history, products and services offering, its vision for the future, etc. PRAN has an immense numbers of products and they believe in diversifying their products, therefore, a description of the products is also given in the beginning.

The next section includes a description of my job responsibilities throughout my internship. It describes in detail the nature of my job and the specific responsibilities assigned to me.

Next the report deals with a research conducted on the preferred leasing company by PRAN. It consists of a description of the project, analysis and result. Finally the report ends with a conclusion.

Introduction

PRAN-RFL Group, one of the largest producers and processors of vegetables and fruits, is rapidly spreading their business at home and abroad. They represent Bangladesh in different nations. They prominently export different products. This company also produces plastic products and tools used by the farmers under the RFL brand name. They have also entered the electronics industry.

It was a great opportunity to work with this emerging company and experiencing the corporate life. This internship gave me the chance to understand and explore the practical business world after completing the theoretical courses. The period of my internship was for three months, starting on 18th of May and ending on 18th of August, 2014. My internship work experience was very uplifting and consisted of a large variety of appealing assignments including analyzing reports, reporting and briefing superiors, visiting factories, opening bank accounts, etc. These activities have sharpened my skills and given me the zest of official work. My job experience taught me how to work under pressure, manage tasks on time, and interact professionally with my peers as well as external parties and working both in a team and individually.

I was assigned to the Corporate Finance department whose work is to evaluate and measure the financial activities of PRAN-RFL Group. Leasing is also a task of this department. From the very beginning of their company's establishment, PRAN is a regular customer of leasing companies.

The main purpose of this report is to measure the satisfaction level of PRAN-RFL Group with their current leasing companies. Lease financing was first introduced in Bangladesh in the 1980's. In short, leasing companies help different companies in expanding their businesses. For example, they help by leasing vehicles which are necessary for transportation and so on.

The report contains a small description about the work experience in PRAN and recommendations for the company. To analyze the leasing companies, different variables were used to find out the preferred leasing company.

Organization

PRAN-RFL Group one of the largest fast moving consumer goods company in Bangladesh. Company since 1981 expanded their product rapidly. They believe in diversifying their products. PRAN stands for ‘Program for Rural Advancement Nationally’, exporting their products in more than 106 countries in the world and efficiently work on marking their products.

PRAN for their management practice has taken ISO 9001, a quality management system if a company wants to meet the standards and gain certificate, as there guideline. Company also achieved HACCP (Hazard Analysis and Critical Control Point); a management system addresses food safety. Beside this, HALAL certificate, an assurance that a product has been investigated thoroughly and company obeys the rules of Islamic Shariah law. PRAN is considered as the largest grower and processor of fruits and vegetable in Bangladesh.

PRAN has achieved OHSAS certificate to ensuring occupational health safety and environment management system. PRAN is the first company who has achieved this certificate. PRAN considered this certificate as the most effective one for occupational health safety and environment management system.

PRAN arranges different competitions and programs in home and abroad to promote their products and uphold different traditions of Bangladesh. PRAN National Pickle Competition is one of the popular competitions among the women in Bangladesh. Every year they PRAN arranges this competition and winners are given prizes in different categories.

The founder and CEO of PRAN-RFL Group, Major (Retd) Amjad Khan Chowdhury, signed a certificate in the month of June this year with Duke Medicine Global Support Corporation. DMGCC or Duke Medicine Global Support Corporation signed agreement to provide advisory services on the development of an academic healthcare system in Bangladesh.

PRAN-RFL Center, headquarter of PRAN-RFL Group is situated on middle Badda in the hustle bustle of Dhaka city. Marketing, Corporate Finance, Cash departments, Cash Control and administration are situated in the building. This fourteen storied building running with full spirit and workforce. There are directors of different departments and all the subsidiaries have COO (Chief Operating Officers).

History

PRAN-RFL Group, one of the leading food processing groups, emerges with diversifying products in different sectors and represents Bangladesh in different countries of the world. Major General Amjad Khan Chowdhury, the sponsor of PRAN-RFL Group, had aimed to bring improved technology in Bangladesh Agriculture. In 1981, keeping that dream with him he founded first Rangpur Foundry Limited or RFL which is agriculture based light engineering unit in Rangpur. The main objective was to give pure drinking water to the rural area and instruments for cultivation to the farmers which could improve the rural life.

In 1996 he established Agriculture Marketing Company Limited and introduced modern techniques in the agriculture. Besides this 1992 he introduced contract farming scheme which helped to keep the pace of agriculture. Around 76,000 farmers mainly from Rangpur, Rajshahi and Khagrachori, are working with this company and providing valuable crops. He also introduced first food processing industrial plant which initiated the journey of PRAN. The group has established ten food processing and plastic unit across the country.

RFL now have wide range of products, for instance, pumps, tube wells, gas stove, kitchen sink etc. RFL moved to plastic sectors in 2003. It has attracted the customer attention through different shape, designs and colors in the plastic products.

PRAN produces about 200 products in juice, drinks, confectionary, culinary, snacks, frozen food, spice, noodles, dairy and so on. In 2005 PRAN merged with RFL and created PRAN – RFL Group. This company has 37 subsidiaries; among them 21 companies are now working. PRAN is planning for opening new subsidiaries in the future as they belief in diversifying their products. PRAN-RFL Group headquarter is situated in Middle Badda, Dhaka.

RFL Electronics started their journey in 2012 and from then they intensely marketed their products home and abroad. It has started its journey by the brand Bizil, Click, and VISION. VISION brand has television, fridge, electric kettle, fan etc, Click for light, switch etc and Bizil for cables. RFL electronics want reach the customer to make their life comfortable.

Corporate- Finance department

One of the important departments of PRAN-RFL Group situated in the corporate headquarter of PRAN-RFL Group. This department deals with all the financing activities of this company. Their work surrounded with loan, lease, accounts of different banks etc. According to requirement there would be exclusion or inclusion of activities but major activities are given below.

- Negotiation with the banks and leasing companies.
- Checking the bank accounts and following different procedures.
- Feasibility report on future project as required by bank.
- Preparing credit rating report which also the requirement of the leasing companies and bank.
- Preparing monthly report which is called “BD report” on the different loan and lease agreement facilities enjoyed by PRAN-RFL Group from the domestic and international financial institutions, existing balance and utilization of funds, outstanding funds etc.
- Preparing the Required document needed by banks or other financial institutions time to time.
- Making liaison with Bangladesh Bank or other governing authorities
- Major decisions taken by the department:
 - a) Capital Structuring decision
 - b) Capital Budgeting Decision
 - c) Working capital decision
- Seek for newer ways of cheaper fund and alternative ways to minimize cost.

Product and service offerings

PRAN-RFL Group, the largest grower and processor of fruits and vegetable in Bangladesh, have immense number of products. They don't want to stick with the ordinary products. They keep updates their products and considers the market demands. The product category and market segmentation are given below.

Category	Target Market Segment
1.Fruit Juice	General people of rural and urban, Hospital, corporate office, export buyers
2. Biscuit & Bakery	General people of rural and urban, school, college and university student, corporate office, export buyers
3. Snacks	General people of rural and urban, corporate office, export buyers
4. Confectionery	School, college and university student, corporate office, export buyers
5. Dairy Products	General people of urban area, sweet shop, Hospital, Hotel & restaurant
6. Carbonated Soft Drinks	General people of rural and urban, school, college and university student, corporate office, export buyers
7. Household foods and Supplement	General people of rural and urban, NGO's, government t & Private organization
8. Culinary	General people of urban, supper shop, hotel & restaurant, private organization and export buyers.
9. Spice	
10. Noodles	
11. Agricultural Extension – Rice & Puffed Rice	
12. Frozen Food	

Products of PRAN

Juice



Mango

PRAN has the largest and private mango juice plant and able to meet the 70% demand of mango juice of the nations.

Confectionary



Mr. Mango Candy



Mr. Tom



Fruit Magic



PRAN Choco Choco



PRAN Bubble Gum

PRAN produces immense number of confectionary products and meets the 60% demand of the country.



Chili Powder



Coriander Powder



Turmeric Powder

Spices are collected from farmers through contract farming scheme.

PRAN established the first dairy Hub in the country. Milk is collected from dairy hubs, situated northern part of the country. PRAN produces 150000 liters of milk every day.



PRAN UHT Milk



PRAN Lassi



PRAN Premium Ghee

Products of RFL

RFL achieved remarkable success in plastic sector in Bangladesh and produces 300 household products.



RFL Chair



RFL Shoe Rack



Oval Bucket



RFL Fresh and Natural
Container



RFL premium Bowl



FRESCO mini square container

RFL moved to PVC category in 1996 and keep on diversifying their products



Domestic water pump



UPVC pipe, rural people are the main user of this pipe for tube well and water trafficking activities.

UPVC Pipe

RFL Electronics



LED TV



VISION Fan



CFL Light

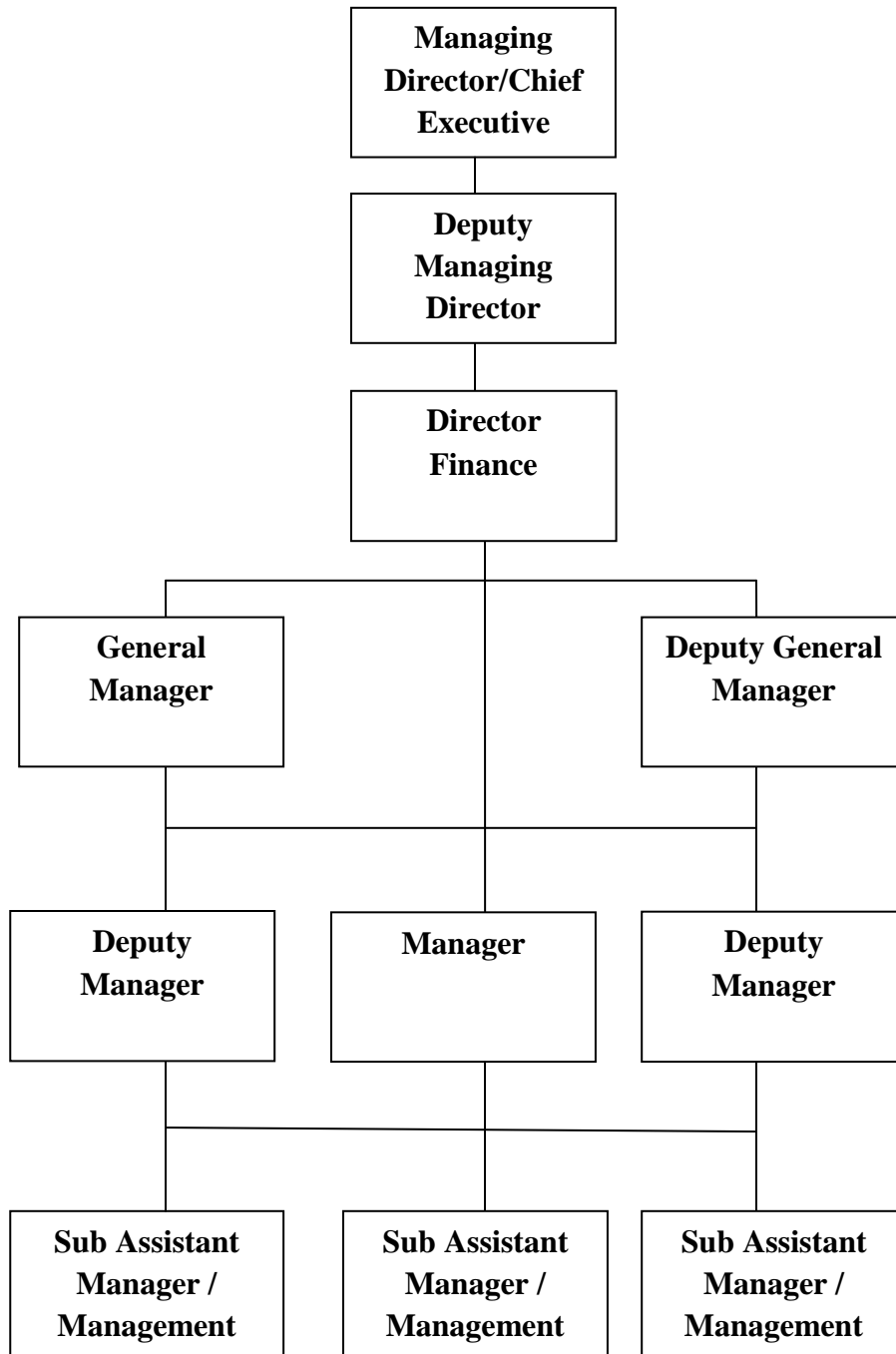


CLICK Switch



VISION Kettle

Organogram of PRAN-RFL Group



Mission of the company

PRAN-RFL's mission reflects that they want to create employment in the nation, through which they want to eradicate poverty. Their mission is, "Poverty and hunger are curses", and their aim is "to generate employment and earn dignity and self respect for our compatriots through profitable enterprises".

Vision of the company

Their vision has a similarity with the work they are doing, diversifying their products and making employments for the country. Their vision is "Improving Livelihood".

Job Description

I was assigned as an intern in corporate finance department of PRAN-RFL GROUP. I started my internship on 18th May and it ended on 28th of August, 2014. My supervisor was Mr. Shamsul Alam, who is the general manager of corporate finance department of PRAN-RFL group. I worked according to the instructions of my supervisor and it increases my practical as well as my professional knowledge.

Nature of the Job

As an intern my job was surrounded with training, knowing different departments, different activities of corporate finance department, visiting factories, exploring the work environment and so on. My nature of the job can be compared with entry level job in which I gathered many experiences and learn through the different activities.

Specific Responsibilities of the Job

My job responsibilities are surrounded with the orders of my supervisor. I got chance to visit two departments; cash department and corporate finance department. In these departments I was instructed before starting any job. Beside this PRAN-RFL belief an employee should visit their factories to understand their company, their activities and the entire goal.

- **Delinquent Charge-** Delinquent charge is overdue charge that is assign by the leasing companies. PRAN-RFL facing huge amount of delinquent charges which have increases a tension in the department. IDLC has sent statements on delinquents charge to PRAN-RFL Group. PRAN wanted to evaluate they have actually made this delays or not. I was instructed to go through the cheques and find out the received date. After this work I prepared a statement regarding the actual days delay of PRAN and the statement also presented the difference between the actual days delay and days delay in order to the statement of IDLC. I joined one of the meetings with IDLC where PRAN-RFL and IDLC officials attended. In these meeting, my prepared statements where showed and the calculation confusion where also discussed. I should also mention here that this was an experience for me to understand how issues are mentioned, how negotiations should be done in a formal meeting.

- **Understanding Different Document**

Signatory list: For every bank account a signatory list is sent to banks. Signatory is a person who takes the whole responsibilities of bank account and they always give sign to the document regarding bank accounts. Every cheque needs to be sign by at least two signatories. Each bank account has minimum signatories of ten.

Hypothecation: If one of the companies of PRAN disclose then the money which comes from selling the company's goods would be distributed among banks, this documents holds the ratio of distribution of goods.

Certificate of incorporation: The inception year and registration number of the company included in this document.

Memorandum: This documents which includes all the informations of the company in detail, company inception, name, type, organogram etc.

Trade license: This document includes the permission about carrying on a particular business or trade for which it is issued.

TIN Certificate: This certificate have the TIN number of the company.

Certificate of incorporation: This certificate is a license to form a company from state government and also includes the inception year and register number of the company.

- **AGM:** Annual general meeting or AGM held every year. In this event shareholders are invited and they ask or give advice to the company. Beside this, it is also held to elect the board of directors for the company.

In AGM any companies used to provide gifts or other kinds of benefit to Shareholders but last year in 24th of October, 2013, Bangladesh Security and Exchange Commission has circulate a notice which is “....no benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity securities.” Its means shareholders will not be provided with any gift or food in the AGM.

I got a chance to visit the AGM of RFL which is a public limited company. In the AGM very few numbers of shareholders attended. Directors of RFL and other employees were present at AGM on time. But last year's AGM or the previous year's AGM's were full of shareholders where they provided PRAN's gift box. People were coming from morning or before morning and attended the meeting.

- **Training**

Effective Communication: This training is all about how to communicate in different situation, for instance, how to do an official presentation, how to write in-house emails, talking with employers and presenting logic.

Computer Class: This training is organized to teach the employees Microsoft excel in a way that can save the time and help the employees to present the document perfectly.

- **Cash Department:** I got a chance to visit the cash department. I experienced the process of sorting cash and storing the hard money.
- **PRAN National Pickle Competition:** This competition is very popular among the women. Every year PRAN organize this competition and collect various kinds of people are made by the women of Bangladesh. I attended the prize giving ceremony and winners from different categories were presented prizes.
- **Bank account opening:** Account opening includes different steps. First is sending a mail to the director accounts about the new account.
Second step is get approval from the board. All the directors attend the meeting to give approval.
Third step is the filling up the personal informations of the signatories and company informations form of the directors.
Forth step is authorizing the different documents like memorandum, trade license, certificate of incorporations etc.
Fifth step is taking signatures in the signature cards.
- **List of farmers:** In contract farming scheme farmers are provided with loans. In granting loans they consider the farmers income per month. I was instructed to make a chart regarding farmer's details and who was getting the loan.

Project

Summary

PRAN-RFL Group takes lease for their distribution purpose and from their inception they are taking lease. Lease plays a significant role for this company as they need vehicles for their distribution purpose and distribution department is the essential part for PRAN. I have chosen three leasing companies IPDC (Industrial Promotion and Development Company), ULC (United Leasing Company Limited) and IDLC (Industrial Development Leasing Company). The reasons behind choosing these three companies are given below:

- PRAN dose most of its leasing agreements with these three companies.
- PRAN is associates with many leasing companies. The report would become critical to understand if all the leasing companies are included.

A questionnaire has been prepared and it was distributed among ten employees of Corporate Finance department. Through the results from the questionnaires the analysis has been done. In this report different variables are considered. These variables are analyzed to find out which leasing company PRAN-RFL Group prefers the most. After the analysis a leasing company has been chosen who got preference in most the variables.

Description of the leasing companies

IDLC: Industrial Development Leasing Companies or IDLC is the first and largest leasing companies of Bangladesh. IDLC started its journey in 1st October, 1990. IDLC's core work is leasing financing but they also give focus in corporate, retails and SME sectors. They continuously expand their activities to reach the customer satisfaction.

ULC: United Leasing Company or ULC started their journey in 1989. It opened its first Branch in Chittagong which paves the path of growth. To spread great to the customers they train them regularly.

IPDC: Industrial Promotion and Development Company or IPDC of Bangladesh established in 1981 with a distinguished group of shareholders. IPDC, at present, provides wide range of products and services in corporate finance, advisory service and many more.

Description of the Project

Objective of the project

- Main objective of the report is finding out the preferred leasing company of PRAN-RFL Group.
- Evaluating their activities regarding lease.
- Employee's requirements from the leasing companies.
- Knowing the company's motivational skills.
- Improvement in those which can bring success for the company.

Methodology

- Develop questionnaire for the respondents (Employees of Corporate Finance of PRAN-RFL GROUP)
- The results of the survey used to create graphical presentations.
- Conduct interview with officials working with lease.

Limitation

- Three months internship is not enough to make a report.
- Employees of PRAN have given very general opinions.
- Company is not allowed to provide any financial data.

Analysis

Process of lease in PRAN-RFL Group

- The Distribution department of PRAN-RFL Group uses different vehicles for their distribution purposes. When Distribution department needs any vehicle they inform about its requirement to Corporate Finance department. Distribution department also informs Corporate Finance department about the vendor's name, vendor's address, vehicle size, amount and other details about the vehicle.
- Corporate finance department evaluates that requirement and decides which leasing companies they should approach first or which leasing companies can fulfill their requirement. After this decision they communicate with the leasing companies of Bangladesh about their requirements.
- They held meetings with leasing companies where they negotiate different issues.
- After this meeting they decide which company to choose and they proceed with the lease agreement.

Reasons behind taking lease

Lease provides different facilities to this company which makes them to take lease frequently. The reasons which influence them to choose lease rather than depending on bank loan are in the following:

- Hundred percent financing. Its means in lease agreement leasing company pays the whole amount for any vehicle to the vendors while buying the vehicle. In bank loan they finance 20% to 30%.
- Payment in lease agreement stays same throughout the lease period.

The above two reasons play an effective role to choose lease for their distribution purpose.

Variables

The variables have been chosen by reading different articles and books regarding lease. After working with different leasing companies, PRAN have different experiences with different leasing companies. This paper is concentrating on finding that leasing company with which PRAN is satisfied the most. The variables are given below:

- 1) Delinquent Charge
- 2) Working Relationship
- 3) Problem solving
- 4) Flexible
- 5) Service
- 6) Continue lease agreement

Data Analysis and findings

1. Delinquent Charge / Overdue Charge

Delinquent charge or overdue charge occurs when a company cannot pay its payment on the due date. Overdue charges have created tension in PRAN. ULC, IPDC, and IDLC provide monthly statements of overdue charges or delinquent charges to PRAN. PRAN continuously works on delinquent charge to mitigate the costs.

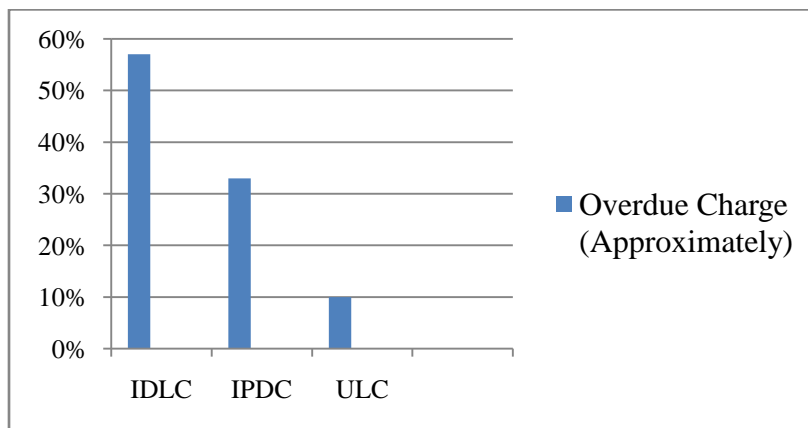
Which company charges the highest delinquent charge?

Findings of delinquent charges of eight lease agreements are given below:

Name of the Company	Delinquent Charge (BDT)
IDLC	7,54,186
IPDC	4,32,491
ULC	1,36,508

In eight of their lease agreements with PRAN, IDLC charged the highest among the three companies. Moreover, both IPDC and ULC charged PRAN in eight of their lease agreements amounting to BDT 4, 32,491 and 1, 36,508 respectively. IPDC is in second position and ULC in third position in charging delinquent charge.

The graphical representation below shows the comparative results in percentage of delinquent charges.



The following table is an example of the statements regarding overdue charge and they provide the following information:

SL No	Due Date	Installment	Interest	Principal	Installment Settled	Last Adj. date	Days Delay	OINT	PINT	LPI Settled	LPI
1	25/12/12	9,58,210	4,08,838	54,93,70	95,82,10	30/12/12	6	1,060	1,526	0	2586

*In this statement one month details have been included.

*SL- Serial Number

*Last Adj. Date: Last Adjustment Date

*OINT- Overdue interest

*PINT- Principal Interest

*LPI- Late Payment Interest

Due date is the date by IDLC within which PRAN needs to make their payment and if they fail to pay on the due date, they need to pay overdue charge.

Last adjustment date is supposed to show final payments and adjustments made by PRAN to IDLC. IDLC takes a few days to adjust the cheque payment made by PRAN. These extra days are counted by IDLC when counting last adjustment date and so the number of days delayed is recorded as 6 days.

Before the last adjustment date comes the “Received Date” which is the date when IDLC received the cheque from PRAN.

						Received Date					
SL No	Due Date	Installment	Interest	Principal	Installment Settled	Last Adj. date	Days Delay	OINT	PINT	LPI Settled	LPI
1	25/12/12	9,58,210	4,08,838	54,93,70	95,82,10	30/12/12	6	1,060	1,526	0	2,586

PRAN was considering delayed days by the difference between receiving date and due date as PRAN’s responsibility is only up to the point of sending cheques to IDLC. However, as stated above, IDLC also takes into account the number of days it takes to adjust the cheque on their end and so the number of delayed days increases.

For example, if the received date of payment by IDLC is 28th December then according to PRAN, the number of delayed days is 4 and not 6 as shown in the statement. Therefore, annually, if days delayed are calculated according to IDLC's way, then it will definitely show higher delayed days and delinquent charges.

In a meeting with IDLC, PRAN presented this confusion and IDLC gave 100% rebate on overdue charges. This rebate was given by IDLC last month. Comparatively, IPDC gave 56% rebate. Due to this difference in rebate, PRAN is more satisfied with IDLC. ULC sent their statements to PRAN. PRAN will work with ULC about this issue very soon.

Name of the Company	Rebate
IDLC	100%
IPDC	56%
ULC	Pending

The above scenario shows that though IDLC charged the highest, but they gave 100% rebate.

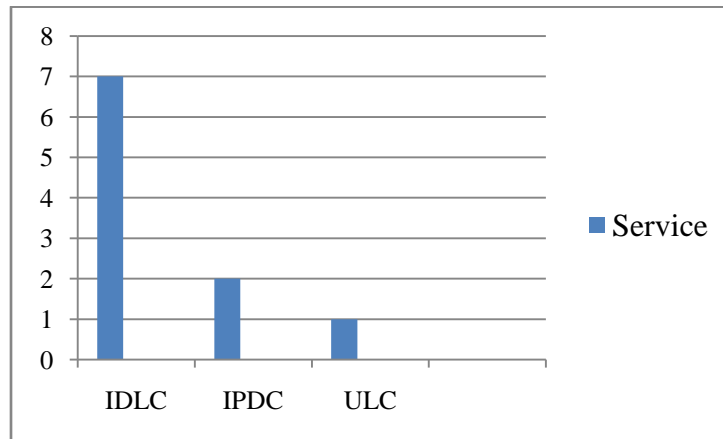
2) Service

Service plays an important role for the leasing companies. Leasing company services are:

- paying the payment on time
- granting the lease on time
- following the rules and regulation
- flexibility to the customer, solving their problem
- if leasing company having any problems informing then through email, telephone or via different media
- Computerized system for calculation

These services leasing companies generally provide to their customers. PRAN get these services from the leasing companies.

Regular service makes customers very satisfied and loyal. The following chart shows who is more regular and efficient in providing services to PRAN.

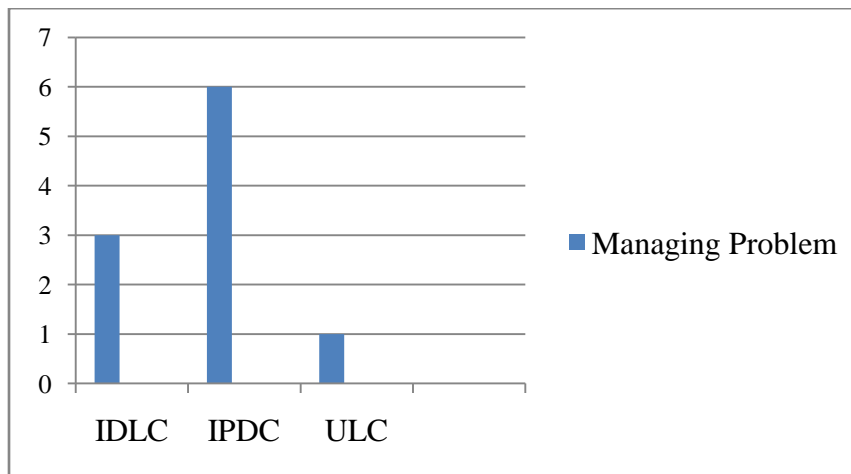


IDLC is regular and efficient in providing service to PRAN then IPDC and ULC. IDLC helps PRAN to choose the vendors for the vehicles and finds it very helpful PRAN. As IDLC provides lease to different companies they have good idea about vendor. According to PRAN IDLC is very advance in technology compared to the other two leasing companies. Amortization schedule, update of the lease etc are prepared by updated software. They follow ORACLE Flex cube software to make their work easy and hassle free.

3) Managing Problems

PRAN-RFL has huge amount of distribution works. They need vehicles at all times and for this reason, support from the leasing companies becomes very important. Some of the documents of PRAN, for example, certificate of incorporation, trade license etc, need to be renewed every year. For this reason sometimes PRAN is unable to provide some documents to leasing companies. Moreover, sometimes making payments on time would become difficult for PRAN; though this problem is very rare for PRAN as they have a reputation for regular payment. These problems can arise and they need to call or inform leasing companies several times. According to the survey most of the time they get the answer: it will be solved very soon.

The chart below shows who is the most efficient in managing problems.

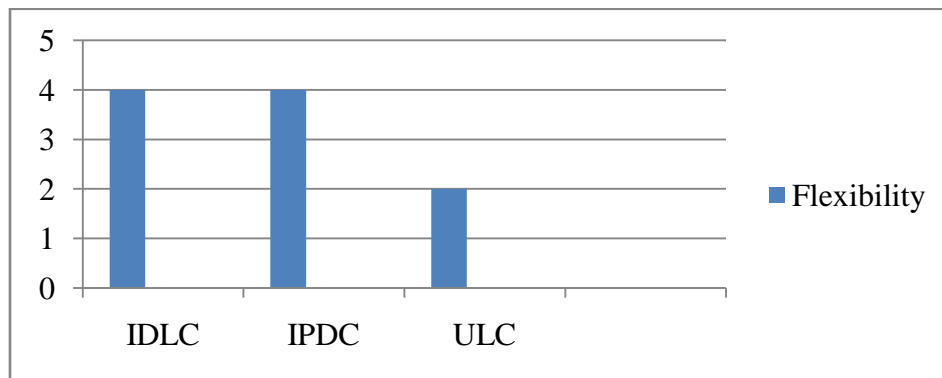


PRAN needs to call IDLC and ULC several times to solve problems and most of the time they get positive answers, but IPDC is very good in maintaining their performance. They try to understand the problems and provide suitable solutions.

4) Flexibility

PRAN needs to negotiate different issues with leasing companies and it is start from the beginning of the lease agreement to the end. Market scenario does not remain same as sometimes interest rate increases or decreases where interest rate plays a big role in lease agreement. It has been observed that previous good experience with PRAN increases flexibility among the leasing companies. If the leasing companies have a good relationship and work experience with PRAN then they try to understand the situation and consider many things.

Which leasing company is more flexible?

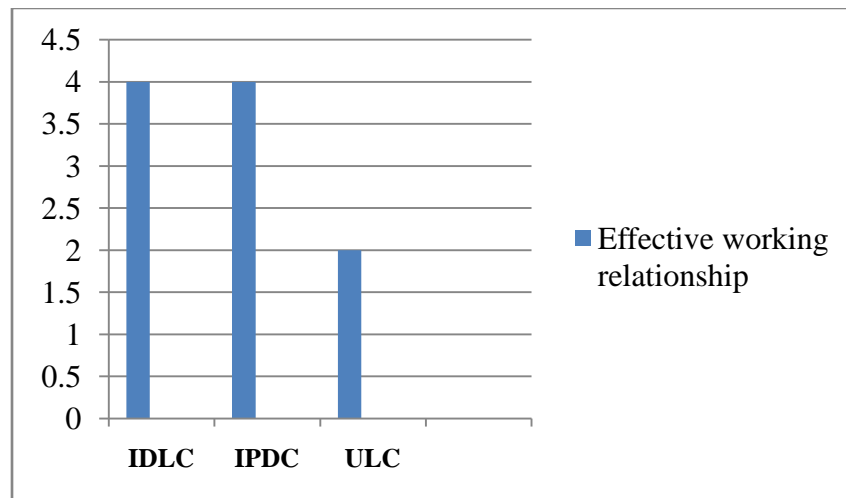


The chart above shows that IDLC and IPDC are very flexible in this case as they try to maintain a good working relationship with the company and to them satisfied work experience is very important which PRAN providing them very efficiently. Whereas ULC needs improvement in this case as work experience with IDLC and IPDC of PRAN are much stronger than ULC.

5) Effective Working Relationship

Sometime PRAN needs help from the internal employees of the leasing companies. For instance, checking the updates, sending messengers for financial purpose, holding meetings; for these things leasing companies should possess a good relationship within their employers and employees. Sometime for a bad working relationship among the employees lease agreement would not go for sanction as employee's contribution of the leasing companies is very important.

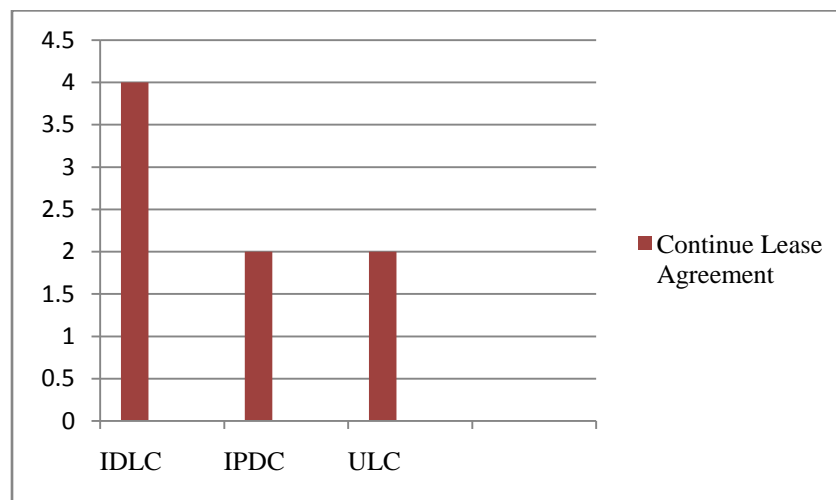
The chart below showing IPDC and ULC have good working relationship if the above issues are considered. IDLC needs to improve this relationship as PRAN believes they have the capacity to do well and they are very well equipped.



6) Continue Lease agreement

The chart below showing the answer of the question **which company you would like to choose again to do lease agreement**, the answer is: IDLC. PRAN likes to choose IDLC again for their lease agreement.

The chart below shows IDLC showing highest preference continuing lease agreement. Service plays a big role for PRAN as they consider service first from the leasing companies. They can do scarifies if leasing companies provide good services. IDLC is very efficient in providing service. IPDC is efficient enough in managing problems as well as in working relationship but in providing service IPDC needs improvement. Beside this ULC needs improvement in providing service. IDLC needs to be efficient in managing problems but they are well equipped for service. Due to these reasons PRAN considers IDLC to do lease agreement again.



Findings

PRAN, from their inception, taking lease and lease is very important to run their financial activities. PRAN has most of their lease agreement with IDLC, IPDC and ULC. These three companies are always try to provide good services to PRAN but due to some facts, in comparative analysis among these three companies few differences have been observed.

IPDC tries to solve any problem of PRAN. If they cannot provide any solution, they ask for other problem which they can solve. Therefore, they are efficient enough in managing problems, but they need to improve their service as they take time to proceed with new lease agreements.

To continue lease agreement ULC and IPDC is in the similar point. Though ULC need improvement in services, managing problems, flexibility if ULC can provide good service PRAN will go with ULC.

IDLC got preference in service, delinquent charge, continuing lease agreement but they need improvement in managing sudden problems. PRAN considers service first, for this reason, IDLC gets the preference among the three companies though they are not efficient enough in solving problems. 100% rebate from overdue charge is one of the reasons of PRAN's satisfaction with IDLC. PRAN believes IDLC has the ability to do well in leasing sector if they improve themselves in managing problems.

Recommendation

- Due to delinquent charges many companies faces a huge amount of financial lose. Payment process, though multinational companies every month pays huge amount of payments, need to be judge by officials. Messengers from different companies come to collect the payments from PRAN; these messengers need to be judge that they are actually delivering the amount to the receiver.
- While negotiating with the leasing companies at the beginning of a lease agreement, PRAN needs to find out how they do the amortization schedule or the process of charging overdue. These things go under the system but knowing the process would help them to reduce the cost.
- Internet use is there for the employees but it is only allowed for official purpose. The benefits of internet use are huge. The employees of PRAN can be allowed to access the internet on a particular time in a day with their personal computer. Through internet they can read the news paper which will increase their knowledge about the outside world; this would be very useful for the marketing people.
- The number of parking lot should be increased because employees face problems in the starting of a working day which can bring huge problem. In decision making one has to concentrate on the topic without thinking about anything else.
- Motivational activities should be increased. PRAN provides training to their stuffs from different topics. For the new employees they provide training on company overview, effective communication, computer training etc. Time by time instructions and motivational speeches are provided by directors. This is really helpful. But in day to day work employees can be provided with motivation; for instance, the employees who are meeting the current goal they can be provided with remuneration or a gift box of PRAN products or a day off.
- Working hours can be reduces or can be fixed. If some employees staying for long period in a department then the whole department is on. This creates wastage of electricity and expense also increases.
- The department I worked is suitable for the employees working there. In this department very often different delegates come from different banks, leasing companies. They come

for meeting on different issues; some issues could be very confidential as it is corporate finance department. There is no single room for meeting with the delegates. A single room for the meeting can be organized. As meetings are done within the department noise from the meeting sometimes distracts the attention of the employees working in the corporate finance department.

- English practice should be done immensely. They provide training on English communication which is very limited. Providing them articles on different interesting issues or arranging more training as the employees very often attend meeting with different company's delegates. This initiative will uphold the reputation of the company.
- The RFL (Rangpur Foundry Limited) building is situated near the PRAN-RFL Group's headquarter. Dealers and suppliers are continuously coming from different banks and leasing companies in RFL. Sometimes they like to see the corporate headquarter of PRAN. The road attaching PRAN-RFL headquarter and RFL is not very good. PRAN should take initiatives for mending the road as sometime the reputation of the company can be hampered.

Conclusion

PRAN-RFL group rapidly reaches the success by diversifying their products and promotes their products in home and abroad. They want to reach the peak of customer satisfaction. PRAN has ability and logistics to make it popular around the globe. They believe in service. Service could be from their side or from the people, institutions working with PRAN. For these reasons, in choosing the preferred leasing company they consider IDLC as they are providing PRAN timely and effective service. PRAN believes as IDLC has capacity and advanced technology they can do better.

Appendix

Survey on measuring the satisfaction level of PRAN-RFL GROUP with the leasing companies

1) Which of the reason following reason influence you to work with these particular companies (IPDC, IDLC and ULC)? (Write down the company name beside the options).

- a) Advertising (TV, Radio, Mail, Newspaper)
- b) Previous experience with the company
- c) Recommended by the others

2) Delinquent Charge is one of the drawbacks of lease. Among IPDC, ULC, IDLC; IDLC holding the highest overdue charges according to the pay statement provided by IDLC. In spite of this situation are you satisfied with IDLC?

- a) IDLC
- b) ULC
- c) IPDC

3) How many times did you contact the leasing company to solve any problem? (Unable to provide a document, payment delay etc)

- a) 1
- b) 2
- c) 2+

4) Has the problem been solved?

- a) Yes
- b) They assured, it will be solved very soon.
- c) We contact, but no response
- d) We contact, they response but no hope for solving the problem.

5) How satisfied are you with the action taken by the leasing company you are dealing with?

- a) Very satisfied
- b) Somewhat satisfied
- c) Neither satisfied or dissatisfied
- d) Somewhat dissatisfied
- e) Very dissatisfied

6) Which company would you like to choose again to do lease agreement, based on your overall experience?

a) IDLC

b) IPDC

c) ULC

7) You are comfortable enough with which company to negotiate different issues like reducing the interest rate, increase the due date etc?

a) IDLC

b) IPDC

c) ULC

8) Consider that one of the leasing company in the following are not able to provide service such as unable to reduce interest rate. In this case, will support and do business with which company?

a) IPDC

b) IDLC

c) ULC

9) Which company in the following you will recommend others?

a) IPDC

b) ULC

c) IDLC

10) “Lease financing : concept and practice”, written by E.Chandraiah, according to this book lease is considered for the following reasons, which one you support for choosing lease for PRA-RFL GROUP?

a) Liquidity

b) Convenience

c) Tax advantage

11) Which company should create an effective working relationship regarding lease sanctioning procedure?

a) IDLC

b) ULC

b) IPDC

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