Report on
Financial Management and Performance Evaluation of AKH Group

By
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22264002

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

BRAC Business School
BRAC University
October, 2025

Declaration

It is hereby declared that,

1. The internship report submitted is my own original work while completing degree at BRAC University.

2. The report does not contain material previously published or written by a third party,

3. except where this is appropriately cited through full and accurate referencing.

4. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.

5. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

____

Tahmina Mohiudden Misty
ID: 22264002

Supervisor's Full Name & Signature:

____

Dr. Suman Paul Chowdhury
Associate Professor, BRAC Business School
BRAC University

Co- supervisor's Full Name & Signature:

____

Dr. Abu Saad Md. Masnun Al Mahi
Associate Professor, BRAC Business School
BRAC University

Letter of Transmittal

Suman Paul Chowdhury, PhD
Professor, BRAC Business School (BBS)
BRAC University
Kha 224, Bir Uttam Rafiqul Islam Avenue,
Merul Badda, Dhaka.

Dear Sir,

Subject: Financial Management and Performance Evaluation of AKH Group.

As part of my internship at AKH Group, I am happy to submit my report titled "Financial Management and Performance Evaluation of AKH Group." This report is part of the work I did to get my MBA degree at BRAC University. During my internship, which started on July 1, I worked in the Finance, HR, and Compliance Department from 2025 to September 30, 2025, where I learned a lot. This report lists the things I saw, did, and learned during my internship.

I hope this report is what you were looking for. I would appreciate any comments or ideas you might have. Thanks for your help and advice.

Sincerely yours,

Tahmina Mohiudden Misty
ID: 22264002
BRAC Business School
BRAC University
Date: October 29, 2025

Non-Disclosure Agreement

This agreement is made and entered into by and between AKH Group and the undersigned student at BRAC University.

Tahmina Mohiudden Misty
ID: 22264016
BRAC Business School (MBA)
BRAC University
Date: October 29, 2025

Acknowledgement

I would like to take the opportunity to thank my on-site supervisor Mr. Md. Moniruzzaman along with other peers and colleagues who gave me the continuous guidance and support to understand any topic and deliver on the same. Whenever I made mistakes, my supervisor always try to make my understanding clear so that similar error is not repetitive. This opportunity enhanced my learning thirst and boost up my confidence whenever I could do the things right. I had also been trained by my direct supervisor to do the right thing whenever no one is around.

This is the acknowledgement of my gratitude toward all the colleagues and Peer specially the line manager and the direct supervisor who helped me to complete my tenure of internship bundled with knowledge and confidence.

Executive Summary

AKH is a one-stop source for overseas buyers to buy their high quality knit and woven garments from Bangladesh. They started in 1997 when this business was very tough but their exports continued to increase. AKH exported for the first time in 1997; it was worth 1.3 million US dollars. In 2018, it increased to about 300 million dollars. They have figured out Their export would continue to grow in the same way over the years to come yet. With the export, AKH group is growing vertically and horizontally. To strengthen their undertakings with a desired impact of synergy, by now, besides garment making in both woven and composite knit including fleece, AKH group have successfully flourished in the areas like knitting, accessories producing, clearing & forwarding as well as cargo carrying by the covered vans owned by AKH Group. Ensuring product quality with no compromise, AKH maintains delivery deadlines with extreme professionalism.

Now, AKH moves forward through the way where ethical practices, health & hygiene, safety, security and green environment meet the appropriate meanings for the optimum satisfaction of the value-chain members in the world market. With sporting spirit, AKH pursues progress as a matter of unending self-actualization. Thanks to our valued customers for their trust on us, we have been enjoying a continuous healthy two-digit yearly growth for long and so implementing expansion almost on a regular basis. Since the financial ratio provides the results for any organization, I had prepared the financial ratios based on the data provided by AKH management to determine the results and derive on the conclusion. The key ratio based on which the decisions are influenced are:

Ratio	FY 2024	FY 2023	FY 2022	FY 2021
Current Ratio	13	17	17	17
Debt Equity Ratio	.01	.02	.02	.02
Return on Equity Ratio (ROE)	10%	8%	17%	20%
Net profit margin	9%	7%	16%	17%
Earnings per Share_BDT	31	20	48	52
Dividend Payout Ratio	20%	68%	30%	25%
Dividend retention ratio	80%	32%	70%	75%

During my tenure at AKH Group, I came across different resources and persons who guided me, motivated me and shaped my outlook towards a corporate along with the industry. The time spent in AKH is worthy since it has given me the opportunity to explore myself, identify my shortcomings, rectification of errors, guidance on thing make happen. Meeting deadlines, punctuality, timeliness and respect at work to each other from all levels of the entity. The skill and knowledge gathered from AKH will allow me to do my jobs in better way along with integrity and forecasting ability. The knowledge learnt their will give me the confidence for making decisions and act as a team member.

The company's finances have gotten better, and they expect to make more money and have more profits in the next fiscal periods. But the falling of ROE and NPM in 2023 show that the company needs to make some strategic changes to keep the profit at the expected level to ensure a steady return for shareholders. The high dividend retention ratio except for FY 2023 suggests that the company is focused on reinvesting for future growth.

Item used during the completion of the report:

Item needed	No of each item
Books	1
Magazines	3
Notebook	1
Paper Pads	1 bundle
Pens	6 pieces
Pencils	1 piece
Pencil lead box	1 box
Highlighter	2 (1 piece each color)
Scissor	1 pair (small and medium 1 piece each)

Glossary

A. Software used by AKH is ERP. This software is used to keep records of all transaction related to Finance, HR and Supply Chain of the organization.

B. AKH's primary focus is in producing ready-made clothing which includes Shirts, Pants under oven item, Sweters etc.

C. AKH uses Just in Time purchase (JIT Purchase) mechanism in supply chain for ensuring the seamless supply of raw materials and productions are uninterrupted at any point of time due to raw materials and other materials used for the production\

The performance for any department is measured through few parameters based on the target set and communicated to the team. Achieving the targets at 100% minimum is the standard. However, any higher achievement is also being rewarded.

Chapter 1

Overview of Internship

Student Information
My name is Tahmina Mohiudden Misty, ID: 22264002. I am enrolled in the MBA program at BRAC University, majoring in Finance.

Internship Information
Period, Company Name, Department/Division, Address:

I have done internship at AKH Group of Industries in Finance, HR & Compliance Department, since July, 2025 to Sep 30, 2025. My current job location is AKH Group's corporate office is at AKH Tower, 133-134, Hemayetpur, Savar, Dhaka-1340, Bangladesh.

Internship Company Supervisor's Information: Name and Position
My internship supervisor at AKH Group is Md. Moniruzzaman, holding the position of Manager in the HR & Compliance Department.

Job Scope – Job Description/Duties/Responsibilities
The Finance and HR Compliance Department of AKH Group is an important part of the company that makes sure both the finances, and the workers follow the rules. The activities in finance and HR is broadly under the following category:

Finance	HR
Central Finance	Pay-roll
Factory Finance	Training and improvement
Production finance (costing)	Performance evaluation audit
Reporting	Compliance
Financial Audit	

Being an intern in HR and Compliance dept, I had to work with both team in different roles which includes payroll under HR, financial planning under production finance, reporting under reporting team.

Internship Outcomes

My contribution towards the team of finance:
Being the intern in Finance, HR and Compliance team of AKH Group, I was directed to do different things without any authority. I was instructed by permanent staffs of these teams to assist them in their regular BAU (Business as Usual). While working, sometimes, my major job in finance was namely:

- Assist in collating data for preparing financial statements
- Assist in audit paper Preparation
- Packing material inventory management
- Double checking vendors bill
- Assist in obtaining approval for vendor payment

My contribution towards the team of HR and Compliance
I had to do the task all along and sometimes, the team was assigned where I would be a member to perform job. This opportunity was given me to check how well am I in a group work and how well can I handle the peer pressure. My job in HR and Compliance was mainly:

- Payroll verification- checking
- Factory wages posting and integration
- Keep record of compliance audit
- Take meeting minutes of the audit issues
- Notification the actionable on the audit outcome

Benefits to the student:

Working closely with senior officials and talking to people from different departments of AKH Group and their vendors taught me a lot about how businesses work and how to solve problems. Also, they helped me to understand and prioritize tasks so that disruption can be avoided. The experience helped me understand how AKH Group handles compliance and financial accuracy. It also helped me improve my practical skills, which will help me grow in finance and HR compliance in the future.

Limitations of study
None.

Chapter 2
Overview of the Company

A brief description of the company.

AKH Group of Industries, one of the leading RMG manufacturing organizations in Bangladesh, was founded in 1997. Just about 15 kilometers to the North from the country's National Parliament in Sher-E-Bangla Nagar, Dhaka, and just by on the Dhaka-Aricha highway. The Corporate Headquarters of AKH group is situated. Its other premises are located at Hemayetpur and Tetuljhara in Savar, and Dhamrai in Dhaka. Public amenities and utilities as well as availability of workforce necessary for textiles and garment industry are in the best shapes by country standards in and around those areas. Adding all of these advantages to its own expertise and other strengths, AKH has now successfully evolved into a highly integrated leading group in apparel manufacturing and exporting from Bangladesh.

Employee Count & Company Size

The AKH group is made up of 27,000+ people who know a lot about the knit, woven, and other ready-made clothing businesses. It has factories in big cities in Bangladesh, which makes production easier and creates jobs in different parts of the country.

Vision and Mission

Vision

- To be one of the best places to buy clothes in the world
- To meet the needs of our valued customers by delivering quality goods and services on time and giving them the best value in terms of quality, price, environmental impact, and other ethical practices.
- To meet compliance standards to make sure the work environment is perfect and productivity is at its highest level to keep the industry leadar
- To encourage growth while making sure that everyone has the same chance
- To keep growing while developing professionalism; and to go green as much as possible.

The Company's Mission Statement.
AKH is committed to venture out into the changing and challenging global market as a leading enterprise in the world apparel industry by satisfying its valued customers.

AKH's Core Values
The following core values or the code of ethics is a formal statement of an organization's primary value and ethical rules it expects from its employees to follow.

- Accountability
- Respect
- Commitment
- Excellence

Products and Services
The main thing that AKH Group of Industries does is make ready-made clothes. They sell a lot of clothes, like shirts, tops, jackets, pants, sweaters, and other fashion items. They are known for making high-quality products that meet strict compliance standards.

Product Category	Description	Target Market
Knitwear	High-quality knit garments, including t-shirts, sweaters, and leggings.	Fashion retailers, sportswear brands
Woven Garments	Diverse range of woven apparel such as shirts, trousers, and dresses.	Casual and formal wear retailers
Denim Products	Denim jeans, jackets, and skirts with various styles and washes.	Youth and adult fashion markets
Apparel Accessories	Items like hats, scarves, and gloves to complement clothing lines.	Fashion retailers and accessory stores
Specialty Fabrics	Advanced fabrics for specific uses, such as moisture-wicking or fire-resistant materials.	Sportswear and safety gear manufacturers

Table: 2.1 Product Categories with Description

Market Position and Strategy of AKH Group of Industries
Market Position: The AKH Group of Industries is one of the biggest companies in the world that makes ready-made garments (RMG). Their market position is stronger because they are committed to keeping up with the following key strategies: keeping the quality of their products high, always making them better, and always providing good customer service.

Key Strategies:
- Ensuring quality of the product: Meeting the international standard set by buyers are the primary objective. AKH is thriving to obtain and retain the standard in RMG sector.
- New product development: Developing new products and improving the quality is a continuous process. AKH is determined to improve its product quality, differentiation adopting new technology and innovation to meet the increasing market demand
- Customer's satisfaction: Building customer's trust is the key to business. AKH is prioritizing in meeting customer's need and timely delivery to keep the reputation upheld
- Expansion: Expansion of any business is the key to make business sustainable. AKH is believer in expansion along with diversification either related or unrelated so that the new buyer's need can be met.

Key Growth Drivers

- Building more production facility in different locations to save turnaround (TAT) time and costing
- Exploring new market and penetrate the market with differentiation either through economies of scale or economies of scope
- New product development is another key to penetrate the market and attract buyers and customers so that the facility doesn't go obsolete.
- Cost savings and operational efficiency enhancement is another key to growth
- To have presence in the industry for a long time, developing and managing sustainable and ecofriendly facilities are also growth factor since buyers are only interested in green factories

To determine the present status and potential growth strategy of the firm, we had performed the financial analysis based on the data available and produced by the management. Based on its goals, AKH Group currently follows the following workflow procedure:

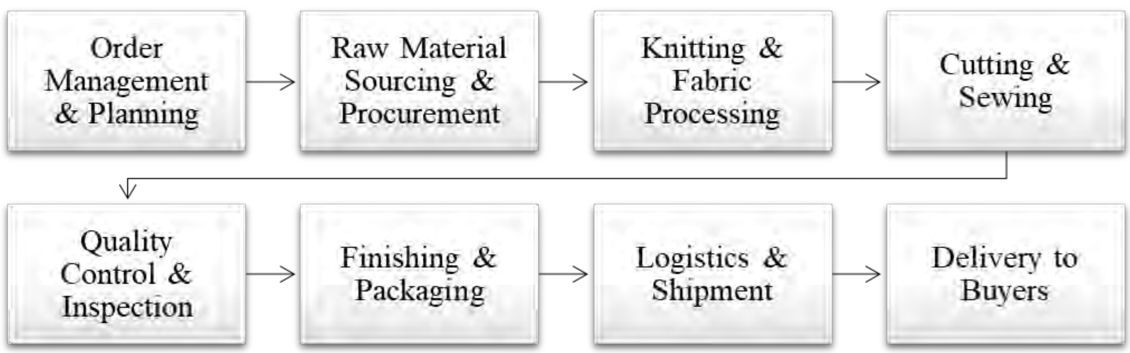

Fig: 2.1 Work Flow Diagram

Foreign clothing companies first place orders through the RMG Sustainability Council (RSC) or Nirapon, which are two groups that work to make the Ready-Made Garments (RMG) sector in Bangladesh safer and more environmentally friendly. The people who work for the specific organization check the facilities in question and give AKH Group a list of things they need to do in a certain amount of time before they can get the order. Once the requirements are met, buyers place orders based on product specifications, quantity, and delivery times. Then, production planning and scheduling are done. They get raw materials from local or international suppliers based on what we need. AKH Group has an integrated setup, so some of the materials come from its own factories. Yarn is turned into fabric in knitting units. The fabric is then dyed, washed, and finished to meet the buyer's needs. After that, AKH Group does the cutting and sewing. We check the quality of the stitching, measurements, and defects both during and after the line. If possible, products that don't meet the standards are fixed before they are shipped, or they are turned down. Then, based on what the buyer wants, the qualified final products are labeled (with size, brand tags, and wash care), pressed, tagged, and packaged. Then, they are sent to the foreign buyers through freight forwarders. In the case of AKH Group, these buyers are foreign companies.

The goal of this report is to show what I've learned about the Finance, HR, and Compliance

Department at AKH Group, how they work, and what they need to do to improve their supply chain management so that the management can use this report for their future endeavors and achieved the desired goals.

Organizational Structure

The organizational structure of AKH is layered and expanded both vertically and horizontally. Hence, the structure is rather complex due to the nature of the business and the organizational structure. The flow of divisional hierarchy of AKH is as follows:

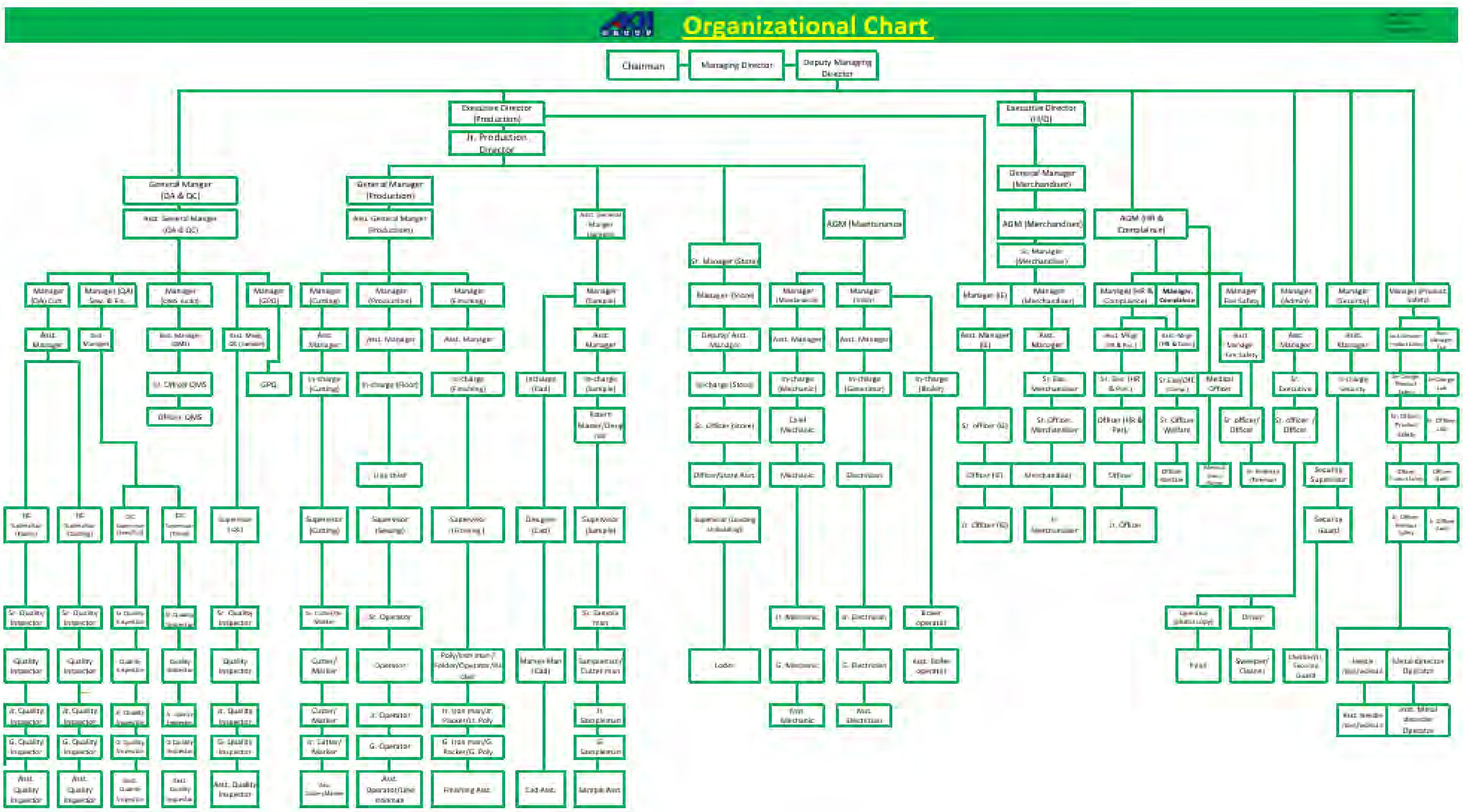

Fig: 2.2 Organization Structure

Financial performance
Detailed in Chapter 3 (Project)

Different Departments of Corporate Head Office

1. Central Management Department
2. HRD Department
3. Factory HR Operation Department
4. Training & OD Department
5. Admin & Compliance Department
6. Compliance & Sustainability Department
7. PPC & QA Department
8. Accounts & Banking Department
9. Internal Audit & FDA Department
10. Manufacturing Audit & Central Costing Department
11. Commercial Department
12. Store Management Department
13. IT & MIS Department
14. Local Procurement Department
15. Transport & Maintenance Department
16. Product Design & Development Department
17. Patter & Sample Department
18. Engineering Department (Civil & Electrical)
19. Fire Safety Management Department
20. Machine Maintenance Department
21. Security & Protocol Department

SWOT Analysis of AKH Group of Industries

Strengths:

- High-Quality Products: Known for making clothes that meet high international standards.
- Strong Market Position: Recognized as the leader in the global RMG sector.
- Management with experience: Led by experienced leaders who know a lot about the industry.
- Customer Satisfaction: Keeps strong ties with international buyers and puts customer satisfaction first.
- New product development is another key to penetrate the market and attract buyers and customers so that the facility doesn't go obsolete.

Weaknesses:

- RMG sectors in Bangladesh is dependent on international buyers and highly volatile and tend to change frequently.
- Strong Competition: Competes with other RMG makers both in the US and around the world.
- Labor Costs: Rising labor costs in Bangladesh can hurt profits.
- Supply chain plays a vital role in-
    - Production
    - Distribution
    - Sales

  The dependencies on external third party is higher

- RMG sector is manual driven industry and not much technological innovation took place over last few decades which lacks the buyer's attraction and delay in meeting the deadlines.

Opportunities

- Market Expansion: The chance to enter new international markets and grow your share of the market.
- Initiatives for sustainability: The growing demand for eco-friendly products gives you a chance to be market leader
- Technological advancement: Since RMG sector in our country is yet to implement technological amenities in the firms, AKH do have the opportunity to explore the option for a better outcome
- Diversification: Any diversification either related or unrelated if acceptable by the industry or customers is always an opportunity for the firm. AKH do have the potential for diversification which they can explore.

Threats

- Economic instability: Development of any industry is dependent on the economical and political stability of the land which is uncertain for Bangladesh.
- Political uncertainty: Charging tariff on Bangladeshi product in USA created large amount of threat for AKH and the industry. This changes in the law in different jurisdiction creates constrains.
- Concerns about the environment: More and more focus on making the environment last means that companies need to keep changing and investing.
- High employee turnover: While an entity faces high employee turnover due to reasons beyond control by the entity itself.

Values and Culture at Work

Basic Principles

- Our Mission is to produce and provide quality & innovative clothing for buyers and potential buyers people, maintain stringently ethical standard in business operation also ensuring benefit to the shareholders, stakeholders and the society at large.

- We view business to the material and social wellbeing of the investors, employees and the society at large, leading to accretion of wealth through financial and moral gains as a part of the process of the human civilization.

- Our objectives are to conduct transparent business operation based on market mechanism within the legal & social framework with aims to attain the mission reflected by our vision.

Culture at Work

- AKH, with its progressive business outlook, believes and practices corporate work culture with a classic blend of efficiency and equity. AKH believes in company growth by increasing efficiency level of employees and for that offering excellent environment and support for skill and knowledge upgradation. AKH values productivity as the spontaneous contribution of Human Resources.

- Strategic Human Resource Development Programs are the energy sources for AKH HR for running towards the zenith of success. Flow of clear and specific information and justification of queries play the vital role to ensure the market reputation of AKH as the most trusted and transparent company and it enriches the motivation level of HR who are the real contributors and owners of his / her own jobs.

- At AKH, HRD symbolizes the unique blending of professionalism as well as sharing the stress and success equally like a family where every member has deep concern, feelings and pride for their own company S AKH. HR ensures the strong supporting role to develop & implement HR policy guidelines for ensuring uninterrupted operation and spontaneous participation to achieve organizational objective as well as fulfillment of employee needs.

- HR is maintaining an effective way to deal with labor union and still no unrest has been recorded as dispute. Personnel working here are taking care of AKH as if it is their own family. Employee-employer relation is cordial and supporting always.

Awards and Honors
The AKH Group of Industries has won a number of awards and honors for their great work in the ready-made garment (RMG) industry:

Awards at the National Level:
1. President Award: Won for two years in a row. Awards from other countries:
2. Walmart's Best Supplier Award: They got it in 2004, 2005, 2006, 2007, 2008, and 2009.
3. Best Supplier Award from Charming Shop: Given in 2006.

Key Performance Indicators (KPIs) Used by AKH Group:
AKH Group uses a wide range of KPIs to keep an eye on and improve its work in different departments. The factories use the following KPIs:

- Planning, production, and industrial engineering (IE) Key Performance Indicators: Status of Monthly Target vs. Achievement
- The monthly efficiency percentage is the standard output divided by the actual output times 100. Planned Cut Date (PCD) for the Month Hit Rate
- Monthly Revenue and Monthly Profit/Loss Status

Key Performance Indicators (KPIs) for the Quality Assurance Department:
Pass Rate for Monthly Final Inspection-
- Percentage of Off-Quality Level (OQL) Each Month Percentage of Monthly Defects per Hundred Units (DHU) Analysis of the top five defects each month
- KPIs for the Human Resource Department: Monthly Absences of Workers Rate

KPIs that the Corporate Head Office uses:

1. Key Performance Indicators for Money

Profit Margin = (Net Profit / Revenue) × 100 Cost Per Garment (CPG) = (Total Production Cost / Total Garments Produced) Order Fulfillment Rate = (Total Orders Completed / Total Orders Received) × 100 Cash Conversion Cycle (CCC) = (Days Inventory Outstanding + Days Sales Outstanding - Days Payables Outstanding)

2. Following the rules and being eco-friendly Key Performance Indicators

Social Compliance Score (audit results from certifications like BSCI, WRAP, and SEDEX). To find out how much water each piece of clothing uses, divide the total water used by the total number of garments made. The carbon footprint for each piece of clothing is the total CO_2 emissions divided by the total number of clothes made. Workplace Safety Incidents = (Total Accidents / Total Workforce) × 100

Plans and goals for the future

Short-Term and Long-Term Goals

1. **Becoming the market leader:**

To become the market leader, only quantity will not allow AHK to get access in the lineup of the leaders. Rather, the quality of the product will determine the acceptance of the product and the company which will fuel AKH to be the marker leader. Hence, AKH always focus on quality along with quantity.

2. **The way of being market leader:**

To become the market/industry leader, AKH is to follow some strategies and adopt the rectification where needed work on those to get better output:

a) Keeping up the upliftment of the standards in quality control

- OEKO-TEX and ISO provides a guideline on the quality control. AKH thrives to control the quality measures as per the standards set by ISO or th OEKO.
- A regular inspection by third party is performed whether the raw materials, packing materials and finished products are at optimum standard on regular basis.

b) Putting the customer first

- Look at market trends to make sure they match what customers want.
- Always ask for and look at customer feedback to make things better.
- Give clients the option to customize things to meet their specific needs.

c) Making relationships with suppliers and partners stronger

- Work with suppliers you trust to get high-quality materials.
- Make long-term partnerships to keep the supply chain stable.
- Follow ethical sourcing practices to support goals for sustainability.

d) New ideas in making clothes

- Put money into research and development to find new materials and ways to make things that are more environmentally friendly.
- Use advanced manufacturing technologies like AI-based quality control to your advantage.
- Make clothing lines that are good for the environment to draw in customers who care about the environment.

e) Building a brand and growing the market

- Use social media and digital marketing campaigns to make your brand more visible.
- Take part in trade shows and industry events around the world.
- Use e-commerce and global distribution networks to reach customers in other countries.

f) Help with customer service and after-sales issues

- Make interactions more personal based on what the customer has done in the past and what they like.
- Offer longer warranties and repair services.
- Offer customer support in multiple languages 24 hours a day, seven days a week.

g) Being socially responsible and environmentally friendly

- Use renewable energy in production to cut down on carbon emissions.
- Set up programs for customers to recycle their clothes.

3. Provide great service and effort

Goal: To provide great services and work by getting employees involved, encouraging teamwork, encouraging personal excellence, and using scientific methods.

This means putting money into training and developing employees, encouraging them to work together, and using new technologies and methods to improve service quality and productivity. The goal is to make the workplace a good place to work that boosts productivity and customer satisfaction.

a) A promise to provide excellent service and performance

- The company needs to work on improving its operations and ways to connect with customers in order to stay strong in the market:

b) Encouraging teamwork and working together

- Make sure that all departments can talk to each other clearly.
- Plan activities for the team to do together to build unity.
- Promote a work environment where people respect each other and help each other.

c) Using modern technologies to their full potential

- Set up digital inventory and supply chain management systems.
- Use data analysis to make production more efficient and cut down on waste.
- Use AI and automation to make manufacturing more efficient.

d) Making customer service and after-sales support better

- Help customers by email and phone 24 hours a day, seven days a week.
- Make return and exchange policies easier to understand to gain trust.
- Make special deals and loyalty programs for customers who come back.

e) Efforts to make things last

- Use environmentally friendly manufacturing methods to cut down on waste.
- Make sure that workers get fair pay and work in safe conditions.
- Work on corporate social responsibility (CSR) projects that help people in your area.

4. Become the top global supplier of RMG

To become the market leader, only quantity will not allow AHK to get access in the lineup of the leaders. Rather, the quality of the product will determine the acceptance of the product and the company which will fuel AKH to be the marker leader. Hence, AKH always focus on quality along with quantity.

a) Increasing Market Presence

- Market Research and Growth: Find and focus on new markets with a lot of demand.
- Product Diversification: Offer a range of products, from eco-friendly to high-end fashion.
- Global Networking: Go to fashion and trade shows around the world.
- Strategic Partnerships: Work with fashion brands and retailers from other countries.

b) Buyer and AKH relationship is pivotal in making the global footprint for AKH. The task they can adopt can be namely:

- To get entry in the international market along with and create an impact, AKH is to be guided by global industry standards which they need to follow, and this is the minimum requirement;
- Dedicated Account Management: Give key clients their own teams.
- Supply Chain Optimization: Make sure that logistics and inventory management are done well.
- Commitments to sustainability: Use production methods that are good for the environment.
- Flexible Production Solutions: Provide buyers with the option to choose their own designs and order sizes.

c) New product ideas or related differentiation

- AKH can analyze the Trend and invest in Research and Development (R&D) so that the differentiation can be analyzed and implemented if there are potentiality
- For any new product development, the contribution of buyers is also pertinent. If buyer is not allowing AKH to develop new product, scope will be limited
- New product development may either be-
  - New design in same item
  - Introduction of new clothing item in the production line
  - Develop new market for similar products

d) Cost management or control

- Cost control or making additional profit is required for the management to sustain for a longer period in the industry
- Cost control can be done-
  - Establishing effective supply chain system
  - Decreasing Dayes sales outstanding
  - Increasing Payable cycle
  - Decreasing overall cash operating Cycle (CCC)

5. **Get long-term growth**

Every company is visionary for a long term and steady growth. This growth is not automatic. To grow steadily, the firms should perform test how these could be achieved and invest more in R&D. Apart from these, the growth can be obtained by-

- Product differentiation
- New market development
- New product development
- Introduction of extra manufacturing line in the existing facility
- Related diversification
  - Introduction of accessories in the line
  - Arrangement of raw material management
  - Waste management plant and generating extra revenue
- Unrelated diversification
  - New business segment (C&F)
  - New industry set up

Chapter 3

Project Part: Financial Management & Performance Evaluation of AKH Group

Introduction:

The readymade garment (RMG) contributes more than 12% of the gross domestic product (GDP). It's a major part of Country's economy accounting for significant portion of export income which is 80%. In 2024, total USD38.48 billion was received from export of RMG in Bangladesh. The readymade garments industry acts as a catalyst for the development of Bangladesh. The "Made in Bangladesh" tag has also brought glory for the country, making it a prestigious brand across the globe. Bangladesh, which was once termed by cynics a "bottomless basket" has now become a "basket full of wonders." The country with its limited resources has been maintaining 6% annual average GDP growth rate and has brought about remarkable social and human development.

After the independence in 1971, Bangladesh was one of poorest countries in the world. No major industries were developed in Bangladesh, when it was known as East Pakistan, due to discriminatory attitude and policies of the government of the then West Pakistan. So, rebuilding the war-ravaged country with limited resources appeared to be the biggest challenge.

Objective of the study:

AKH Group being a player of RMG sector is not from the country context and the industry. Though the financial results of AKH is very overwhelming and I am optimistic about the continuous growth of the firm as I had spent a small but impactful time in this organization. I had tried to analyze the financial data provided to me by the management of AKH and tried to figure out the present status along with the potential growth of the company. My rations are based on the basic finance principles which are pertinent to get a clear guidance on the company's positioning in the industry and the future potentiality

Methodology:

Data Sources

The study is be associated with pair of primary and secondary data to make sure methodological triangulation.

Primary Source: These data will be collected from interviewing the management team like finance and compliance team, accounts and senior managers within AKH Group. Also, informal interviews when the job was done from my part.

Secondary Source: The sources that has been used to collect necessary data is given below:

- Congregate from audited financial statements, annual reports, management reports and applicable industry publications wrapping a five- year period.
- Corporate websites of AKH Group.
- Different journals and research articles/study on AKH Group.
- Other thesis reports on AKH Group.
- Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Department of Inspection for Factories and Establishments (DIFE), Ministry of Labor and Employment, ILO Convention etc.

AKH Group PLC.

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2024

		Amount in taka			
Particulers	**notes**	**July'23 - June'24**	**July'22 - June'23**	**July'21 - June'22**	**July'20 - June'21**
Net Revenue	23	45,565,670,277	39,460,129,985	37,438,661,883	32,956,968,786
Cost of Goods Sold	24	(24,068,591,004)	(20,567,009,535)	(18,172,717,537)	(16,120,023,111)
Gross Profit		21,497,079,273	18,893,120,450	19,265,944,346	16,836,945,676
Operating Expenses		(10,644,282,495)	(5,449,668,767)	(5,671,991,011)	(3,312,912,647)
Selling and Distribution Expenses	25	(7,842,837,172)	(6,353,950,257)	(6,785,525,803)	(5,566,907,115)
Administrative Expenses	26	(1,215,455,528)	(1,082,718,510)	(911,465,209)	(791,005,533)
Finance Cost	27	(1,585,989,795)	1,987,000,000	2,025,000,000	3,045,000,000
Profit before Other Operating Income		10,852,796,778	13,443,451,683	13,593,953,335	13,524,033,028
Other Operating Income	28	220,145,895	464,961,088	379,719,922	88,633,163
Income from Investments	29	3,022,902,628	2,572,215,699	2,237,091,184	2,176,699,870
Profit before contribution to WPPF & WWF		14,095,845,301	16,480,628,470	16,210,764,441	15,789,366,062
Contribution to WPPF & WWF	30	(754,082,471)	(701,721,784)	(683,298,196)	(609,567,808)
Profit before tax		13,341,762,830	15,778,906,686	15,527,466,245	15,179,798,254
		29%	40%	41%	46%
Income Tax Expense	31	(2,852,779,639)	(3,017,120,875)	(2,994,591,127)	(2,608,234,156)
Current Tax (Expense)		(3,030,179,862)	(3,111,960,941)	(3,002,057,257)	(2,721,863,265)
Deferred Tax (Expense) / Income		177,400,223	94,840,066	7,466,130	113,629,109
Profit after Tax		7,745,643,104	6,953,347,313	8,146,368,827	8,171,516,664
Profit from Associate Undertakings	5	1,686,465,843	1,639,634,177	1,307,024,932	839,287,610
Profit for the Year		**9,432,108,947**	**8,592,981,491**	**9,453,393,759**	**9,010,804,273**
NPM					

Particulers	notes	Amount in taka July’23 - June’24	July’22 - June’23	July’21 - June’22	July’20 - June’21
Net Unrealised Gain/(Loss) on Marketable Securities	32	(656,207,378)	(62,470,489)	(200,856,763)	996,080,714
Translation Adjustment for the Year	14.1	74,627,516	(16,837,351)	-	-
Other Comprehensive Income		(581,579,862)	(79,307,840)	(200,856,763)	996,080,714
Total Comprehensive Income		8,850,529,085	8,513,673,651	9,252,536,996	10,006,884,987
Profit for the Year Attributable to:					
Equity Holders of the Company		13,601,792,610	12,336,935,749	11,814,900,447	10,365,842,969
Non-Controlling Interest		13,602,839,849	12,337,091,582	(19,739)	-
		27,204,632,458	24,674,027,331	11,814,880,708	10,365,842,969
Total Comprehensive Income Attributable to:					
Equity Holders of the Company		13,020,214,071	12,257,627,909	11,620,077,717	11,373,489,379
Non-Controlling Interest		13,021,259,987	12,257,783,743	(19,739)	-
Earnings Per Share (EPS)	34	30.55	20.21	47.68	51.67
EBIT		14,927,752,625	13,791,906,686	13,502,466,245	12,134,798,254

AKH Group PLC.

Consolidated Statement of Financial PositionAs at 30 June 2024

Appendix-B

		Amount in taka			
Particulers	**notes**	**30-Jun-24**	**30-Jun-23**	**30-Jun-22**	**30-Jun-21**
ASSETS					
Non-Current Assets:		**39,930,589,383**	**33,363,972,598**	**30,966,650,539**	**26,244,323,869**
Property, Plant and Equipment	4	18,037,503,812	16,938,234,234	17,668,737,078	14,874,667,363
Investment in Associates	5	11,308,089,363	9,799,925,041	7,218,367,946	6,030,210,694
Investment in Marketable Securities	6	6,040,061,721	2,983,413,570	2,825,401,062	3,005,815,609
Long Term Investment - Others	7	4,544,934,488	3,642,399,753	3,254,144,452	2,333,630,202
Current Assets:		**46,283,588,706**	**45,816,625,760**	**40,526,023,128**	**35,799,646,808**
Inventories	8	8,178,398,992	7,947,678,768	5,339,172,244	4,709,508,003
Trade and Other Receivables	9	2,927,201,038	3,979,491,163	2,206,802,300	1,895,516,193
Advances, Deposits and Prepayments	10	1,369,239,844	1,328,146,624	1,154,424,666	1,007,997,259
Cash and Cash Equivalents	11	33,808,748,832	32,561,309,205	31,825,623,918	28,186,625,353
TOTAL ASSETS		**86,214,178,089**	**79,180,598,358**	**71,492,673,667**	**62,043,970,677**
Shareholders' EQUITY AND LIABILITIES					
Shareholders' EQUITY:		**81,847,546,530**	**74,877,360,603**	**67,244,436,838**	**59,081,518,059**
Share Capital		5,761,931,565	5,761,931,565	5,761,931,565	5,761,931,565
Share Premium		1,323,052,250	1,323,052,250	1,323,052,250	1,323,052,250
General Reserve		68,820,830	68,820,830	68,820,830	68,820,830
Fair Value Reserve	12	(178,776,313)	477,429,742	539,900,231	740,756,994
Tax Holiday Reserve	13	618,482,548	86,709,272	-	-
Translation Reserve	14	63,638,911	(10,988,605)	5,848,746	(185,286)
Retained Earnings	15	74,190,396,739	67,170,405,548	59,544,883,215	51,187,141,706
Attributable to Equity Holders					
Non-Controlling Interests	16	1,507,011	461,094	305,261	325,000
TOTAL EQUITY		**81,849,053,541**	**74,877,821,697**	**67,244,742,098**	**59,081,843,059**
LIABILITIES					

Particulers	notes	Amount in taka 30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21
Non-Current Liabilities:		**931,853,877**	**1,553,831,945**	**1,867,742,859**	**896,064,316**
Long Term Loan	17.1	529,450,887	889,431,988	1,101,561,670	67,409,855
Deferred Tax Liabilities	18	402,402,990	664,399,957	766,181,189	828,654,461
Current Liabilities:		**3,433,270,671**	**2,748,944,715**	**2,380,188,708**	**2,066,063,302**
Long Term Loan - Current Portion	17.2	399,450,887	402,096,157	130,000,000	-
Trade Payables	19	946,028,377	651,143,247	413,402,151	433,008,683
Other Payables	20	1,183,613,582	1,220,675,512	1,042,523,602	897,976,191
Current Tax Liabilities	21	592,972,838	231,462,109	592,478,167	372,238,797
Accrued Expenses	22	186,415,627	140,219,126	117,521,370	118,981,901
Unclaimed Dividend		124,789,360	103,348,564	84,263,419	243,857,730
TOTAL LIABILITIES		4,365,124,548	4,302,776,661	4,247,931,567	2,962,127,618
TOTAL EQUITY AND LIABILITIES		**86,214,178,089**	**79,180,598,358**	**71,492,673,665**	**62,043,970,677**
Net Assets Value (NAV) per Share	33	142	130	117	103
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AKH Group PLC.

Extract of the key figures from the Balance Sheets and Income Statements for the last four financial year of AKH group. Amounts are in millions of Bangladeshi Taka (BDT).

Balance Sheet (BDT in millions)

Particulars	**FY 2024**	**FY 2023**	**FY 2022**	**FY 2021**
Current Assets	46,284	45,817	40,526	35,800
Total Assets	86,214	79,181	71,493	62,044
Current Liabilities	3,433	2,749	2,380	2,066
Inventories	8,178	7,948	5,339	4,710
Total Equity	81,849	74,878	67,245	59,082
Total Liabilities	4,365	4,303	4,248	2,962
Retained Earnings	74,190	67,170	59,545	51,187
Total debts	929	1,292	1,232	2,067

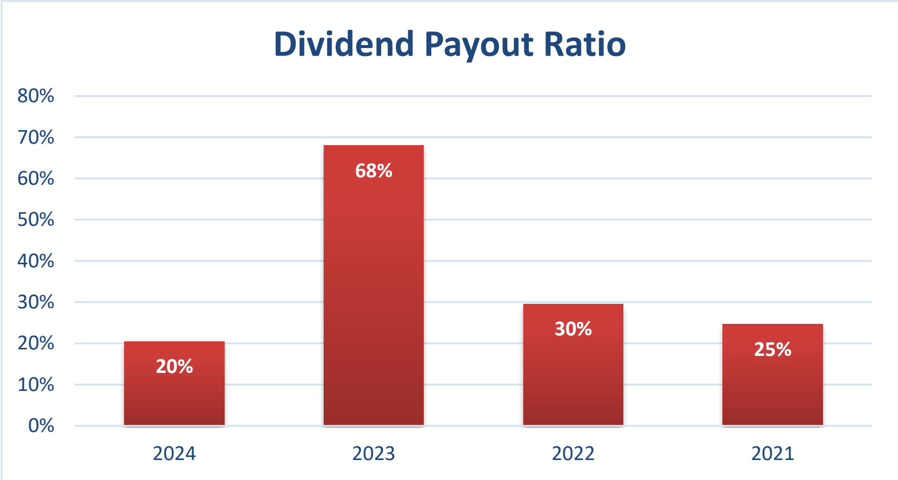
Income Statement (BDT in millions)

Particulars	**FY 2024**	**FY 2023**	**FY 2022**	**FY 2021**
Revenue	45,566	39,460	37,439	32,957
Cost of Goods Sold	(24,069)	(20,567)	(18,173)	(16,120)
Gross Profit	21,497	18,893	19,266	16,837
Interest expenses	1,585	1,987	2,025	3,045
EBIT	14,928	13,792	13,502	12,135
Net Profit	13,603	12,337	11,815	10,366
Equity (BDT mn)	81,849	74,878	67,245	59,082
Sales (BDT mn)	45,566	39,460	37,439	32,957
Net Income (BDT mn)	13,603	13,603	13,603	13,603
Equity (BDT mn)	81,849	74,878	67,245	59,082
Revenue	45,566	39,460	37,439	32,957
Net Income (BDT mn)	13,603	13,603	13,603	13,603
Dividend Per Share (DPS_BDT)	6.25	13.74	14.09	12.73
Dividend payout ratio(DPR)	20%	68%	30%	25%
Dividend retention ratio	80%	32%	70%	75%
NPM	21%	22%	25%	27%
ROE	12%	11%	14%	15%
EPS(BDT)	30.55	20.21	47.68	51.67

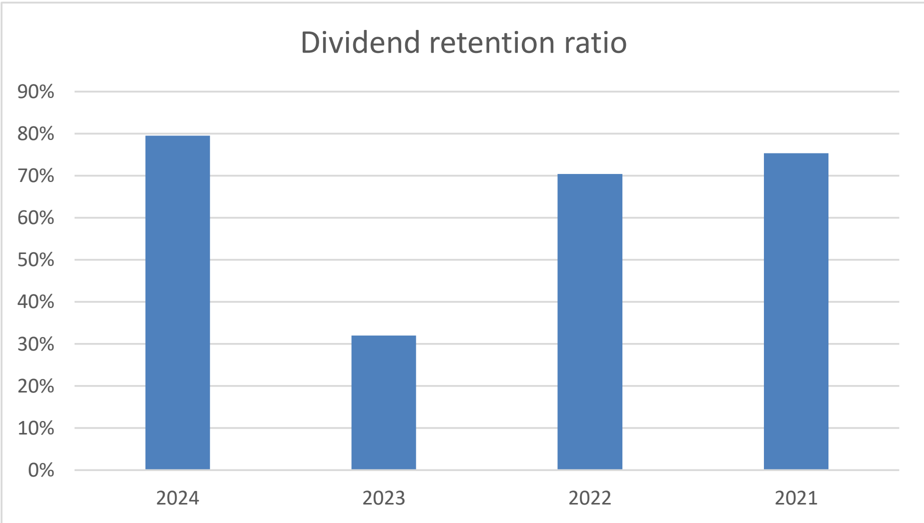
AKH Group PLC

Analysis of Profitability Ratio
For the years from 2021 to 2024

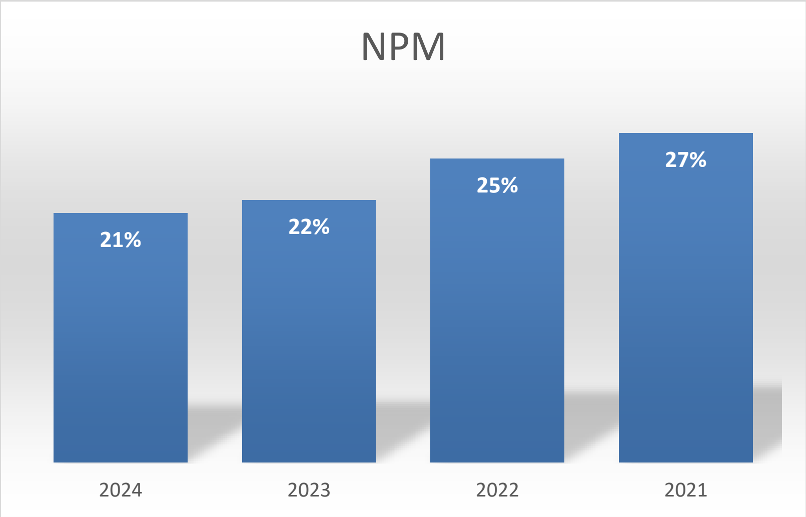
AKH Group PLC.	**2024**	**2023**	**2022**	**2021**
Dividend Payout Ratio	20%	68%	30%	25%



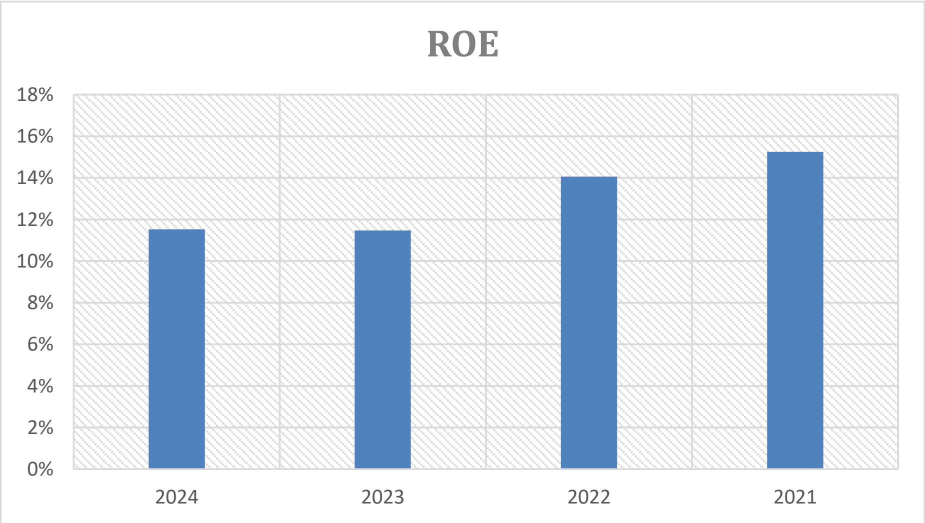
AKH Group PLC.	**2024**	**2023**	**2022**	**2021**
Dividend retention ratio	80%	32%	70%	75%



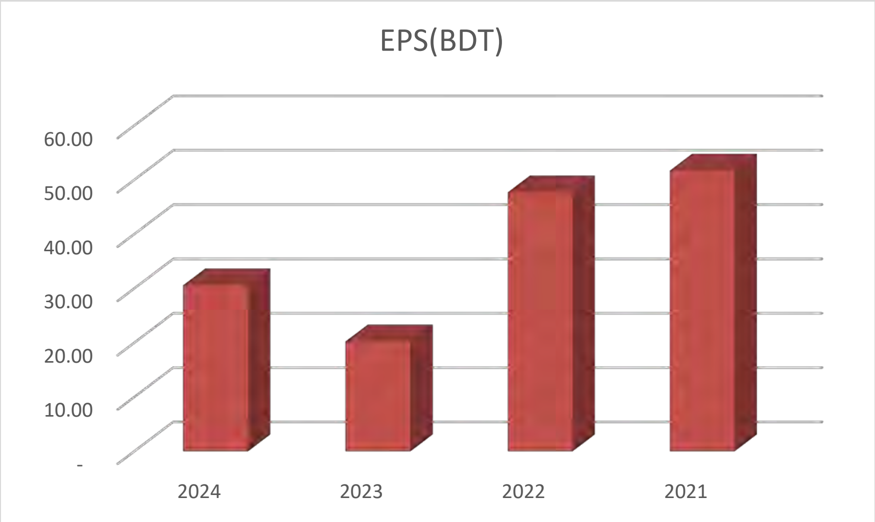
AKH Group PLC.	2024	2023	2022	2021
NPM	21%	22%	25%	27%



AKH Group PLC.	2024	2023	2022	2021
ROE	12%	11%	14%	15%



AKH Group PLC.	2024	2023	2022	2021
EPS(BDT)	30.55	20.21	47.68	51.67



AKH Group PLC

Profitability ratio analysis provides an summarized outlook for the shareholders based on which the existing potential shareholders make decisions. New investors are likely to be interest on these ratio since the initail outlook of a share depends on the profitability ratios and their trend. Profitability ratio consist s of NPM, ROE, EPS and DPR. The performance of a company is primairly measured evaluating results of NPM, ROE and EPS. While analysing the results of AKH, we considered four years data ragning from 2021 to 2024. Summarized the results below based on our calcuation and applying the basic financial performanc parameter.

Net Profit Margin (NPM):
There is a noticeable decline in NPM from 17.21% in FY 2021 to 9.35% in FY 2024. This suggests that the company's profitability per unit of revenue has decreased over the years.

Return on Equity (ROE):
Return on Equity (ROE) dropped from 20% in FY 2021 to 10% in FY 2024 , which is a big drop. This means that the company has almost half of its return on its equity over last four years which significant and need to be addressed.

Earnings Per Share (EPS):
EPS has dropped a lot, from BDT 51.67 in FY 2021 to BDT 30.55 in FY 2024. This drop in EPS means that the company's net income available to shareholders has gone down.

Dividend payout Ration(DPR)
Dividend payout ratio indicates that how much fund the company is going to retain from the total profit for the year and the equity is built and meet the shareholders growth in the long term.

Summary of the profitability ratio based on the financial information provided by AKH

	FY 2024:	**FY 2023:**	**FY 2022:**	**FY 2021:**
NPM:	21%	22%	25%	27%
ROE:	12%	11%	14%	15%
EPS:	BDT 30.55	BDT 20.21	BDT 47.68	BDT 51.67
DPR:	20%	68%	30%	25%

Overall Summary:
For the fiscal year 2021, the company had a high NPM (27%), ROE (15%), and EPS (BDT51.67), with a DPR of 25%. This shows that the company had a good profitability along with financial condition with better NPM, ROE and EPS which directs that AKH did have balance between paying dividends and reinvesting. FY 2022, NPM and ROE went down a little bit, but they are still strong, with a DPR of 30% and a focus on growth. If we look into FY 2023, a big drop in NPM, ROE, and EPS, along with a high DPR of 68%. This is alarming for AKH since the company may sustain liquidity crysis and constrain in maintaining the dividend payout trend. If the ratios continu to be dropped, AKH may consider change their dividend policy.

However, the drop of the profitability ratio for a single year or for several years which is not significant, can be observed for some time as the drop is dependant not only the business own reason but some other factors like economical, relationship with global economy etc. Hence, being vigilant could be a measure of safeguard. If the drop off continues, management of AKH may reconsider their existing policy and processes.

Dividend Policies and Financial Performance analysis:

1. Flexible Dividend Policy:
   The company changed its dividend payout ratio based on how well it was doing financially and what it needed to do strategically. In FY 2023, higher payouts may have been meant to reward shareholders during a time when profits were lower.

2. Growth of AKH:
   High retention rates in FY 2021, FY 2022, and FY 2024 helped support reinvestment and growth plans, which led to continued revenue growth. The lower retention ratio in FY 2023 did not have a big effect on revenue growth, which suggests that the company used its previously retained earnings well.

3. Finding a Balance Between Shareholder Returns and Reinvestment:
   The company found a balance between paying dividends to shareholders and keeping profits for growth. This balance is very important for long-term growth and value creation.

4. Strategic Reinvestment:
   Retained earnings were probably used for strategic investments that helped the company make more money, especially in FY 2024 when the company saw a lot of growth.

5. Conclusion:
   The company's dividend policy and retention ratio were very important to its growth and financial health. The company was able to keep its revenue growth going and even speed it up by carefully changing the dividend payout ratio and keeping earnings for reinvestment. This method shows how important it is to balance returns to shareholders with reinvestment for long-term growth and financial stability.

AKH Group PLC
Statement of Financial Position (One Forecasted)
Question number 4(b)

Appendix-D

Particulers	**notes**	**Sales growth**	**Forecased_in Taka 30-Jun-25**	**Actual_Amount in taka 30-Jun-24**	**Delta**
ASSETS					
Non-Current Assets:		11.25%	**44,422,780,689**	**39,930,589,383**	**4,492,191,306**
Property, Plant and Equipment	4	11.25%	20,066,722,990	18,037,503,812	2,029,219,179
Investment in Associates	5	11.25%	12,580,249,417	11,308,089,363	1,272,160,053
Investment in Marketable Securities	6	11.25%	6,719,568,664	6,040,061,721	679,506,944
Long Term Investment - Others	7	11.25%	5,056,239,617	4,544,934,488	511,305,130
Current Assets:			**51,490,492,435**	**46,283,588,706**	**5,206,903,729**
Inventories	8	11.25%	9,098,468,878	8,178,398,992	920,069,887
Trade and Other Receivables	9	11.25%	3,256,511,155	2,927,201,038	329,310,117
Advances, Deposits and Prepayments	10	11.25%	1,523,279,327	1,369,239,844	154,039,482
Cash and Cash Equivalents	11	11.25%	37,612,233,076	33,808,748,832	3,803,484,244
TOTAL ASSETS			**95,913,273,124**	**86,214,178,089**	**9,699,095,035**
Shareholders' EQUITY AND LIABILITIES					
Shareholders' EQUITY:			**91,055,395,515**	**81,847,546,530**	**9,207,848,985**
Share Capital		11.25%	6,410,148,866	5,761,931,565	648,217,301
Share Premium		11.25%	1,471,895,628	1,323,052,250	148,843,378
General Reserve		11.25%	76,563,173	68,820,830	7,742,343
Fair Value Reserve	12	11.25%	(198,888,648)	(178,776,313)	(20,112,335)
Tax Holiday Reserve	13	11.25%	688,061,834	618,482,548	69,579,287
Translation Reserve	14	11.25%	70,798,289	63,638,911	7,159,377
Retained Earnings	15	11.25%	82,536,816,372	74,190,396,739	8,346,419,633
Attributable to Equity Holders					
Non-Controlling Interests	16		1,676,549	1,507,011	709,376
TOTAL EQUITY			**91,057,072,064**	**81,849,053,541**	**9,208,558,361**
LIABILITIES					
Non-Current Liabilities:			**1,036,687,438**	**931,853,877**	**104,833,561**
Long Term Loan	17.1	11.25%	589,014,112	529,450,887	59,563,225
Deferred Tax Liabilities	18	11.25%	447,673,326	402,402,990	45,270,336

Particulers	notes	Sales growth	Forecased_in Taka 30-Jun-25	Actual_Amount in taka 30-Jun-24	Delta
Current Liabilities:			**3,819,513,622**	**3,433,270,671**	**386,242,951**
Long Term Loan - Current Portion	17.2	11.25%	444,389,112	399,450,887	44,938,225
Trade Payables	19	11.25%	1,052,456,569	946,028,377	106,428,192
Other Payables	20	11.25%	1,316,770,110	1,183,613,582	133,156,528
Current Tax Liabilities	21	11.25%	659,682,283	592,972,838	66,709,444
Accrued Expenses	22	11.25%	207,387,386	186,415,627	20,971,758
Unclaimed Dividend		11.25%	138,828,162	124,789,360	14,038,803
TOTAL LIABILITIES			4,856,201,060	4,365,124,548	491,076,512
TOTAL EQUITY AND LIABILITIES			**95,913,273,124**	**86,214,178,089**	**9,699,095,035**
Net Assets Value (NAV) per Share	33			142	(142)

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Average sales growth rate calculated in Annexure-E

AKH Group PLC

Consolidated Statement of Profit or Loss and Other Comprehensive Income (one forecasted)

Question number 4(b)

Appendix-D

Particulers	**notes**	**Average Growth**	**Forecasted in taka** **July'24-June'25**	**Actual_in taka** **July'23 - June'24**	**Delta**
Net Revenue	23	11.25%	50,691,808,184	45,565,670,277	5,126,137,906
Cost of Goods Sold	24	11.25%	(26,776,307,492)	(24,068,591,004)	(2,707,716,488)
Gross Profit			23,915,500,691	21,497,079,273	2,418,421,418
Operating Expenses			(11,841,764,276)	(10,644,282,495)	(1,197,481,781)
Selling and Distribution Expenses	25	11.25%	(8,725,156,353)	(7,842,837,172)	(882,319,182)
Administrative Expenses	26	11.25%	(1,352,194,275)	(1,215,455,528)	(136,738,747)
Finance Cost	27	11.25%	(1,764,413,647)	(1,585,989,795)	(178,423,852)
Profit before Other Operating Income			12,073,736,416	10,852,796,778	1,220,939,638
Other Operating Income	28	11.25%	244,912,309	220,145,895	24,766,413
Income from Investments	29	11.25%	3,362,979,173	3,022,902,628	340,076,546
Profit before contribution to WPPF & WWF			15,681,627,898	14,095,845,301	1,585,782,596
Contribution to WPPF & WWF	30	11.25%	(838,916,749)	(754,082,471)	(84,834,278)
Profit before tax			14,842,711,148	13,341,762,830	1,500,948,318
Income Tax Expense	31		(3,173,717,349)	(2,852,779,639)	(320,937,709)
Current Tax (Expense)		11.25%	(3,371,075,097)	(3,030,179,862)	(340,895,235)
Deferred Tax (Expense) / Income		11.25%	197,357,748	177,400,223	19,957,525
Profit after Tax		11.25%	8,617,027,953	7,745,643,104	871,384,849
Profit from Associate Undertakings	5	11.25%	1,876,193,250	1,686,465,843	189,727,407
Profit for the Year			**10,493,221,203**	**9,432,108,947**	**1,061,112,256**
Net Unrealised Gain/(Loss) on Marketable S	32	11.25%	(730,030,708)	(656,207,378)	(73,823,330)
Translation Adjustment for the Year	14.1	11.25%	83,023,111	74,627,516	8,395,596
Other Comprehensive Income			(647,007,596)	(581,579,862)	(65,427,734)
Total Comprehensive Income			9,846,213,607	8,850,529,085	995,684,522
Profit for the Year Attributable to:					
Equity Holders of the Company		11.25%	20,925,834,784	13,601,792,610	7,324,042,174
Non-Controlling Interest		11.25%	20,927,445,921	13,602,839,849	7,324,606,072
			41,853,280,705	27,204,632,458	
Total Comprehensive Income Attributable to:					
Equity Holders of the Company			20,031,098,570	13,020,214,071	7,010,884,500
Non-Controlling Interest			20,032,707,672	13,021,259,987	7,011,447,685
Earnings Per Share (EPS)	34			23.61	23.61
EBIT			16,607,124,795	14,927,752,625	1,679,372,170

Average sales growth rate calculated in Annexure-E

AKH Group PLC

Calculated previous ration (that was calculated based on actual FS) with the forecasted financial statement of 2025 and provided a comparative comments on the company's actual and forecasted financial performance. Also discussed the changes in performance due to the sales forecasting and financing decisions based on the calculated numbers.

Calculation of growth and forcasted ratio analysis

Particulars		Forecasted	Actual			
		FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Liquidity Ratio						
Current Ratio	Current Assest/Current Liability	13	13	17	17	17
Quick Ratio	(Current Assest-Inventory)/Current Liability	11	11	14	15	15
Debt Management						
Debt Ratio	(Total Debt/ Total Asset)*100	1%	1%	2%	2%	3%
Times Interest Earned (TIE)	EBIT/ Interest Expense	9	9	7	7	4

Liquidity Ratios

1. Current Ratio
Formula: Current Assets / Current Liabilities
Values: 13, 13, 17, 17, 17

Analysis: The current ratio measures a company's ability to pay off its short-term liabilities with its short-term assets. A higher ratio indicates better liquidity.

Trend: The current ratio has shown an improvement from 13 to 17 over the given periods.
Interpretation: The company's liquidity position has strengthened, suggesting that it has more than enough assets to cover its short-term liabilities. A current ratio above 1 is generally considered good, and these values indicate a very strong liquidity position.

2. Quick Ratio
Formula: (Current Assets - Inventory) / Current Liabilities
Values: 11, 11, 14, 15, 15

Analysis: The quick ratio, also known as the acid-test ratio, is a more stringent measure of liquidity than the

Trend: The quick ratio has improved from 11 to 15 over the periods.

Interpretation: Calculaiton of quick ratio [(Current Assets-Inventory)/Current Liabilities] shows that the short term obligation of the company can be met more effeciently than the prior years, for example 2021. This also indicates that the company can now manage liquidity at a better level than previous but not satisfactory at all. AKH have to work hard to keep the quick ratio down to be more efficient in meeting short term obligations and dont have idle fund foregoing income from the fund.

Debt Management Ratios

1. Debt Ratio

Formula: (Total Debt / Total Assets) * 100

Values: 1%, 1%, 2%, 2%, 3%

Analysis: The debt ratio measures the proportion of a company's assets that are financed by debt. A lower

Trend: The debt ratio has increased slightly from 1% to 3% over the periods.

Interpretation: The debt base of AKH group is much lower than the asset base. This indicates that the Company follows a conservative approach to the leverage and do have enough cash to apply fat cat policy which is reducing theire risk of liqudity but killing the potential of generating more income from the liquid current assets. The company is more reliant on the own fund than debt to settle their obligations which kept the overall debt low.

2. Times Interest Earned (TIE)

Formula: EBIT / Interest Expense

Values: 9, 9, 7, 7, 4

Analysis: The TIE ratio measures a company's ability to meet its interest obligations from its operating earnings.

Trend: The TIE ratio has decreased from 9 to 4 over the periods.

Interpretation: While the company's ability to cover its interest expenses has declined, a TIE ratio of 4 still indicates that the company earns four times its interest obligations, which is generally considered acceptable. However, the downward trend suggests that the company should monitor its interest coverage closely to ensure it does not fall to a concerning level.

Comparative Insights

Liquidity Position: The company shows a very strong liquidity position with both current and quick ratios improving and remaining significantly above 1. This indicates excellent short-term financial health.

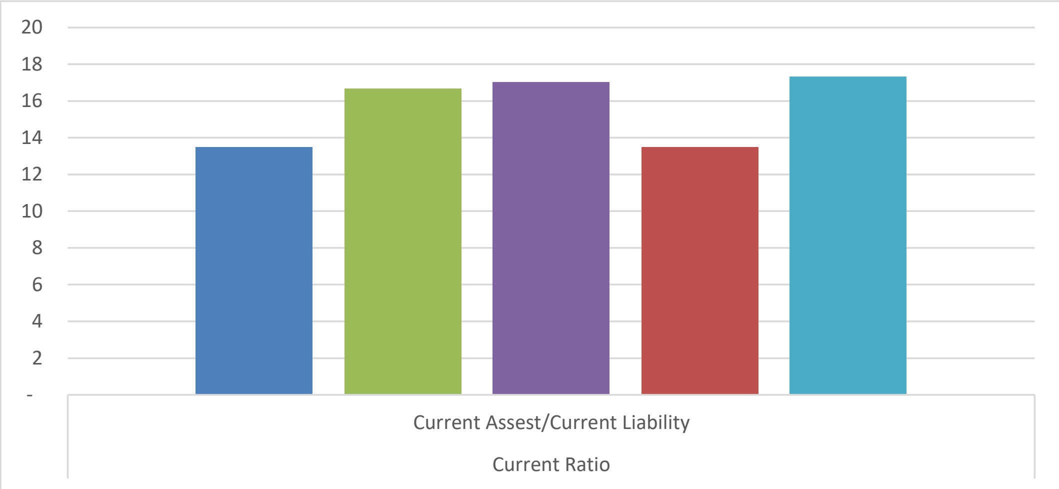
Debt Management: The company has maintained a very low debt ratio, suggesting minimal financial risk from leverage. The slight increase in the debt ratio is not alarming but should be monitored. The TIE ratio, although decreasing, still indicates adequate coverage of interest expenses.

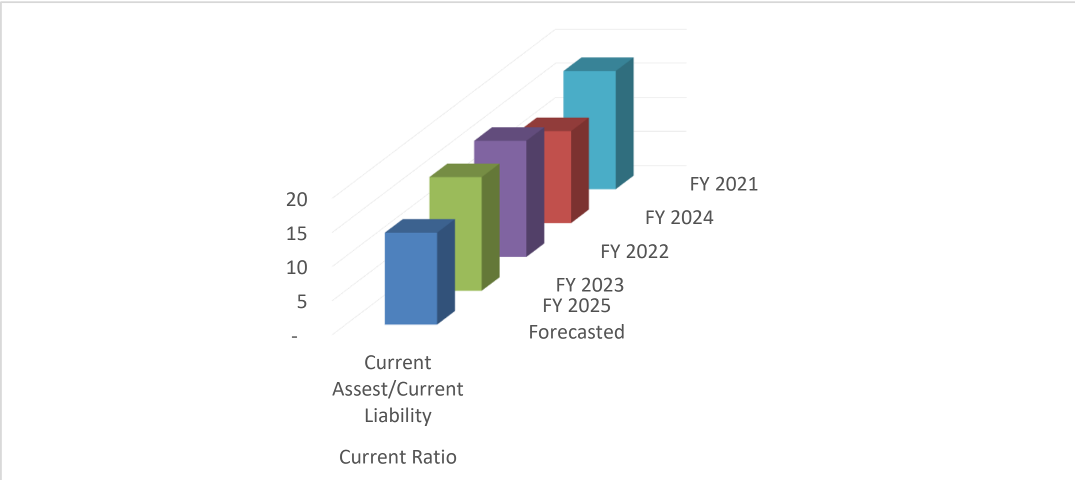
Conclusion

Overall analysis of the company's liquidity shows a higher cash balance which indicates that AKH is following the FATCAT policy or Conservative approach in managing cash. This allows AKH to enjoy large cash at a time and use those cash either for debt settlement or reinvestment. But the downside of the conservative approach is that the company is loosing the benefit of the cash in the operation which is declining the potential income and shareholders wealth maximization in the long run is impacted due to the lower profitability (as we saw in the profitability ratio analysis).

AKH Group PLC
Calculation of Liquidity Ratio

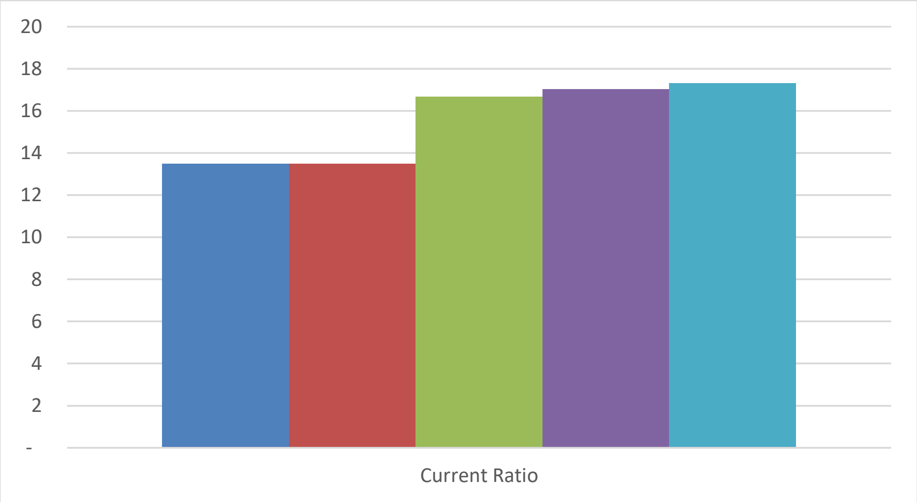
Ratios	Formula	FY 2025 Forecasted	FY 2024	FY 2023	FY 2022	FY 2021
Current Ratio	Current Assest/Current Liability	13	13	17	17	17
Quick Ratio	(Current Assest-Inventory)/Current Liability	11	11	14	15	15

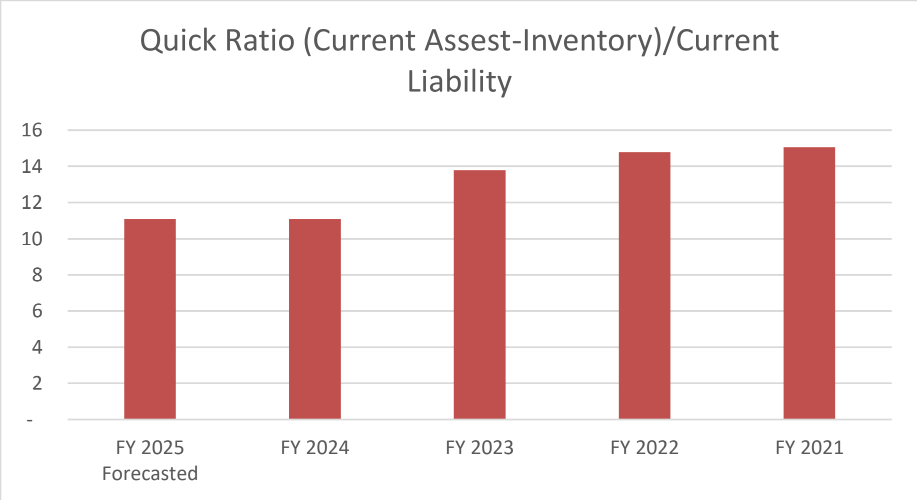




AKH Group PLC
Calculation of Liquidity Ratio_Forecasted

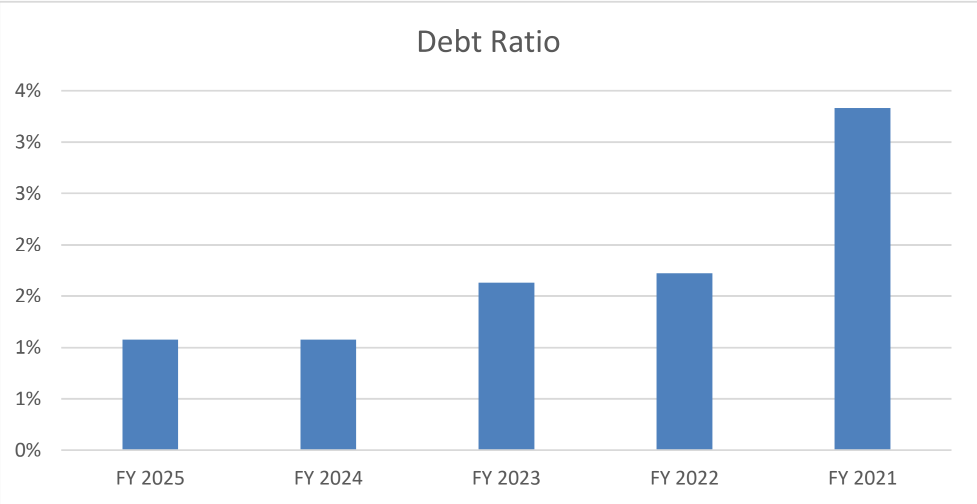
Ratios	Formula	FY 2025 Forecasted	FY 2024	FY 2023	FY 2022	FY 2021
Current Ratio	Current Assest/Current Liability	13	13	17	17	17
Quick Ratio	(Current Assest-Inventory)/Current Liability	11	11	14	15	15

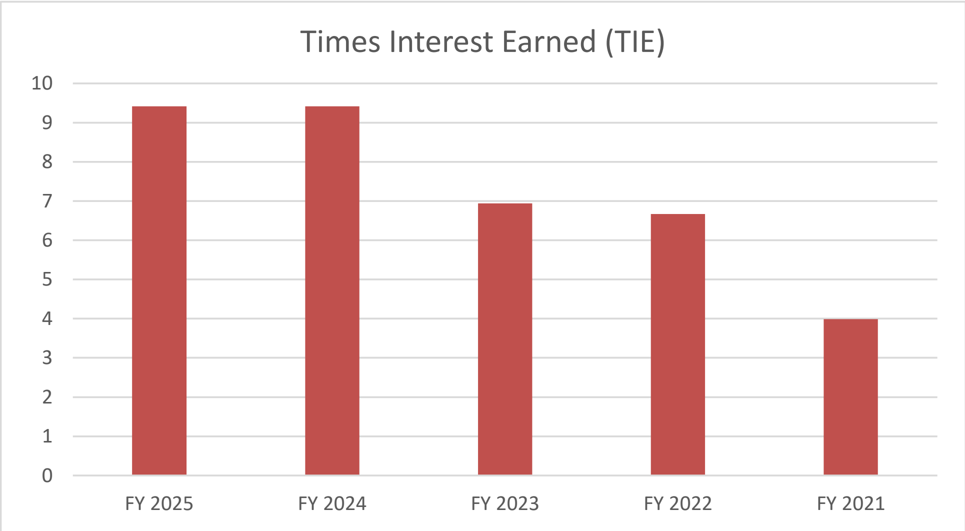




AKH Group PLC
Calculation of Debt Management Ratio

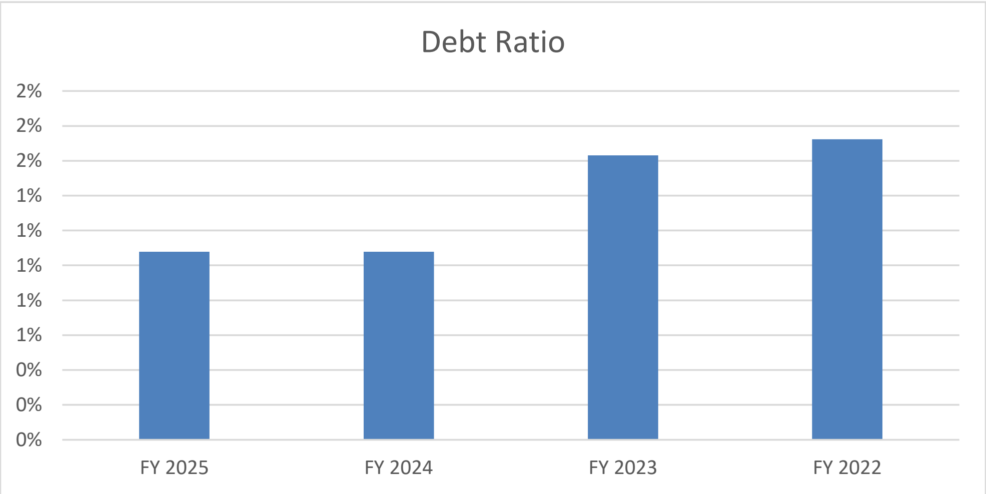
Ratios	Formula	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Debt Ratio	(Total Debt/ Total Asset)*100	1%	1%	2%	2%	3%
Times Interest Earned (TIE)	EBIT/ Interest Expense	9	9	7	7	4

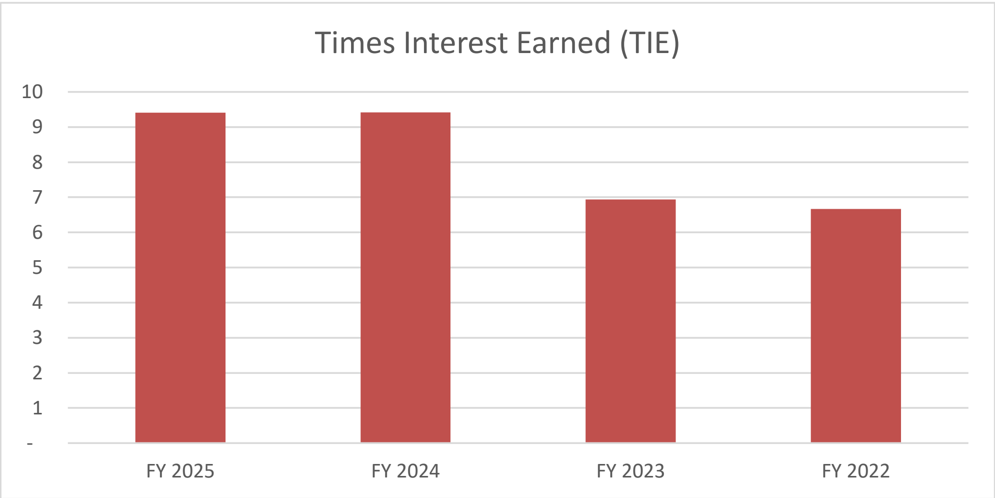




AKH Group PLC
Calculation of Debt Management Ratio (Forecasted)

Ratios	Formula	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Debt Ratio	(Total Debt/ Total Asset)*100	1%	1%	2%	2%	3%
Times Interest Earned (TIE)	EBIT/ Interest Expense	9	9	7	7	4





AKH Group PLC
Average sales growth rate calculation

Particulars		Forecasted	Actual			
		FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Revenue		77987.39721	70,101	60,708	57,598	50,703
			15%	5%	14%	11%
Average Sales Growth			**11.25%**			

AKH Group PLC
Report on the Financial analysis and the summary of the project

- The company AKH is yet to integrate its technology among different departments. For example, Finance, Sales, Marketing, HR, Compliance, Production, Operations and Distribution or Supply Chain Management (SCM). The integration may take place either by

  1. Developing a single user interface where all the data from all locations will be provided and data extract will be in consolidated format and report can be generated based on the collated data.

  2. Prepare individual department or segment wise software or system for the input by the teams mentioend above and develp an integration software which will extract data from all the remote or individual system/software and provde a consolidated report for the purpose of reporting by the persons responsible to report. The access of the consolidate software may be limited for the sake of confidentiality and data breach or damage.

Conclusive summary of the report
I really enjoyed my internship in the Finance, HR, and Compliance Department at AKH Group. It taught me a lot about how the company runs its processes through all various departments which includes Finance, Sales, Marketing, HR, Compliance, Production, Operations and Distribution or Supply Chain Management (SCM). Even though I had the chance to work with the Finance and HR compliance only, my hands on experiecne is limited to those departments only. But during the orientation, while i had been briefed on the overall opearations and processces of the company, that helped me to link the taks done at the different deparment and the interdepartmental relationship along with dependancies.

Every company follows the process developed by them which may not be correct for lifetime of the entity. These policies and procedures are prepared with the expectaion that these will provide a better results. In case the results are not satisfactory, these are meant to be changed as per the existing position of the comapny along with the vision of entity.

In financial world, notihing is 100% right or wrong since the world is not perfect and not always all the parameter remains constant. For this, while developing a process or policies, management always should consider whether the process are optimum or not. If not, it should be revisited and change if partinent. On my analysis of financial data of AKH Group, I can assume that the company is very conservative in cash management having large amount of liquid assets with the mindset that the debts can ruin the company's efficiency and eat the profit. But in reality, the large amount of cash is impacting the operations of the business which leads to the lowering the profit of the organization. as the large liquids are losing potential income. May be the initial thought of building cash was a prudent idea; but this idea is now getting the company backward which needs to be addressed at once.

To sum up, my internship at AKH Group has taught me how to apply what I've learned in academics to real life and how to build on that knowledge based on the situation I am facing. This internship has shown me what it's like to work in a corporate setting, which will help me adjust to any new job in the future. The things I've learned and the skills I've gained will help me a lot as I move up in my career. I want to thank all of my bosses and coworkers for making my internship useful.

AKH Group PLC

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b Principles of Managerial Finance by Scott Besley and Eugene F. Brigham
c Principles of Managerial Finance by Lawrance J. Gitman and Chad J. Zutter