Report On

The Impact of Late Receivables Collection on the Company's Performance

By

Md. Ashiqul Islam Rahat

21104056

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

BRAC Business School

BRAC University

January 2026

Declaration

It is hereby declared that

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

Student's Full Name & Signature:

Md. Ashiqul Islam Rahat

ID: 21104056

Supervisor's Full Name & Signature:

H. M. Arif, PhD

Assistant Professor, BRAC Business School

BRAC University

Letter of Transmittal

H.M. Arif, PhD

Assistant Professor,

BRAC Business School

BRAC University

Kha-224 Merul Badda, Dhaka 1212, Bangladesh

Subject: Letter of Transmittal for Internship Report

Dear Sir,

This is my pleasure to display my entry level position in the internship program at ACI Godrej Agrovet Private Limited, which I was appointed by your direction.

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

I trust that the report will meet your expectations.

Sincerely yours,

____

Md. Ashiqul Islam Rahat

ID: 21104056

BRAC Business School

BRAC University

Date: 11/01/2026

Non-Disclosure Agreement

This agreement is made and entered into by and between ACI Godrej Agrovet Private Limited and the undersigned student at Brac University.

Acknowledgement

At the very beginning, I would like to express my sincere gratitude to my internship supervisor, H.M. Arif Sir, for his assistance and valuable advice regarding my internship report. Besides, I want to thank my on-site supervisor, Mohammed Maksudul Hasan, Assistant Manager (Accounts) at ACI Godrej Agrovet Pvt. Ltd. for his endless support and enthusiasm during my internship journey.

Additionally, the BBS department has always assisted me during my whole journey at BRAC University, and I would like to thank them for their endless support. I would also like to thank the HR team of ACI Godrej Agrovet Pvt. Ltd. that gave me an opportunity to take part in their internship program and learn in the real-world corporate situations.

Executive Summary

This report illustrates the internship experience at ACI Godrej Agrovet Private Limited under the Finance and Accounts department. The internship was a good experience of financial operations, specifically bank reconciliation. The major tasks were matching of company ledger accounts with bank statements and identifying the discrepancies. The essence of the research is the impact of late receivables collections on the performance of the firms. The results of descriptive statistics and multivariate regression analysis demonstrate that delayed receivables collection has an impact on the firm’s performance. This report is written with the combination of my internship experience and academic knowledge.

Keywords: Late Client Payments; Bank Reconciliation; Animal Feed; Financial Performance; Cash Flow; Receivables Collection Period;

Table of Contents

List of Acronyms

AGAPL	ACI Godrej Agrovet Private Limited
BBS	BRAC Business School
BR	Bank Reconciliation
ERP	Enterprise Resource Planning
CRM	Customer Relationship Management
RM	Raw Materials
SME	Small and Medium-sized Enterprise
NPM	Net Profit Margin
ROA	Return on Assets
EPS	Earnings Per Share

Chapter 1: Overview of Internship

1.1 Student Information

Name: Md. Ashiqul Islam Rahat

ID: 21104056

Program: Bachelor of Business Administration

Major: Accounting

Minor: Computer Information Management

1.2 Internship Information

1.2.1 Company Details

Period: May 26, 2025, to August 25, 2025 (03 months)

Company name: ACI Godrej Agrovet Private Limited

Department: Finance & Accounts, IT, Legal

Unit: Finance & Accounts

Address: Kaderia Tower, (7th & 9th Floor), Ja-28/8/B, Mohakhali, C/A, Dhaka-1212, Bangladesh

1.2.2 Internship Company Supervisor's Information

Name: Mohammed Maksudul Hasan

Position: Assistant Manager, Accounts

1.2.3 Job Scope

Job Description

I have been chosen as an intern at ACI Godrej Agrovet Private Limited in the Accounts Receivable team of the Finance and Accounts department. This is a full-time employment of 03 months. However, my main roles were to conduct Bank Reconciliation. This position entailed matching the ledger figures of the company against the entries on the bank statements to ensure that they match properly. This internship has helped me to have practical experience in the bank reconciliation process. This position enabled me to gain experience in the actual financial functioning and the advanced financial tools such as SAP.

Core tasks:

1. **Matching the entries/amounts:**

   My task was to match the Receives and Payments in the ledger of the company with the Receives and Payments in the bank statements. Moreover, I made sure that the ending balances of the company ledger and bank statement were reported correctly.

2. **Identifying Mismatches:** I identified discrepancies that occurred because of the following:
   - Outstanding checks: Checks that have been written by the company but which are yet to be cleared by the bank.
   - Deposit in transit: The money deposited in the bank that is not shown in the bank statement.

- Bank service charge: These are fees charged by the bank that were not reflected in the company's cash book.
- Making payments/collections by the bank: These are transactions that involve paying loan installments and utility bills, or payments received from the customer directly to the bank which do not reflect in the book of the company.
- Record-keeping errors:

  Any mistakes in recording entries, either on the company side or the bank side.

3. **Recording mismatches:**

   I was responsible for documenting any mismatches found. I had to make a detailed list of the mismatched entries for further review by my supervisor. Moreover, I prepared an Upload File where I recorded the matched entries to update/upload the balances later in the SAP software. (I was trained on basic operations of the SAP software but I did not have direct access to it due to confidentiality protocols of the company)

4. **Preparation of bank reconciliation statement:** I prepared bank reconciliation statements to ensure that the adjusted bank balance was in line with the ledger balance of the company. In case there was a mismatch in the balances, I used to conduct detailed investigations to ensure that there was no discrepancy in the entries. However, I have performed bank reconciliation on a weekly basis for different banks including Dutch Bangla Bank, Dhaka Bank, Mercantile Bank, Agrani Bank, and United Commercial Bank.

5. **Data entry:** I also performed data entry in Google Docs every time the company received payments through the bank from clients. This data was used by the sales team

to track whether a payment was made accurately by the client after a sale. Additionally, it helped them to monitor if the company received payments for the credit sales on the assigned payment date.

1.3 Internship Outcomes

1.3.1 Student's Contribution to AGAPL

During my internship at AGAPL, my main responsibility was bank reconciliation which was essential in ensuring there were current and precise financial records. I critically matched financial transactions between the bank statements and the internal records of the company and when errors in the records were identified, I informed and corrected it on time. This was an important task in upholding and enhancing the quality of the financial records of the company. Nevertheless, this helped in other accounting processes that eventually resulted in the smooth month-end closing activities.

In addition to my usual tasks, I was also involved in data entry of client payments that were received. The data needed to be properly recorded on a timely basis to help the sales team to track the received payments efficiently. I helped to streamline the workflow of the sales team by providing them with instant updates on payment related information. As a result, it allowed them to focus on improving client relationships.

Moreover, I also tried to make processes better whenever I could. I was active in identifying ways of automating or simplifying tasks. For instance, I proposed some changes in how payment data was tracked and entered which resulted in fewer manual errors and saved the team a lot of time. These improvements were very small, but they enhanced the operational efficiency in maintaining error-free data.

1.3.2 Benefits to the student

Reflecting on my internship experience at AGAPL, I can state that I learned a great deal of practical experience that made my skills considerably better. The most outstanding change was in my skills in Microsoft Excel. I was not very confident in working with Excel, but in the process of my internship, I got much more familiar with different functions of Excel, including input of data, different complex formulas, as well as data analysis.

Moreover, I got to know much regarding the bank reconciliation, more than I had learned in textbooks. The experience of working with actual financial data helped me to understand how the concepts can be used in the professional setting. It provided me with a more in-depth insight into the process and the significance of accuracy in financial reporting.

Furthermore, my ability to communicate was enhanced in the course of the internship. I have worked in different departments which included finance and sales and therefore, I have learned how to communicate effectively in a professional setting. Both when discussing reconciliations and assisting with entering payment data, I was taught how to be an effective communicator and cooperate with other employees.

Also, one of the most useful aspects of my internship was the possibility to solve the issues independently. I was always encouraged by my supervisor to think critically and find solutions whenever I encountered a problem. This did not only enhanced my problem-solving skills but also taught me to solve problems efficiently.

Lastly, the internship was an excellent educational experience that helped me grow as an individual and as a professional. It equipped me with practical skills and the real world knowledge and enabled me to work in a professional environment.

1.3.3 Challenges

These are the obstacles I have faced during my internship at AGAPL:

- The BR process was not as simple as I thought and it took time to put theoretical knowledge into practice.
- I had some difficulties in using some Microsoft Excel functions, but through practice, I managed to become better.
- It was challenging to find a single discrepancy or error in a large set of entries during BR.
- Being an introvert, I was afraid to communicate with seniors and had to take some time to adapt to the new working environment.

1.3.4 Recommendations

Variety in Tasks:

Giving the interns diverse assignments within various projects would assist them in having a broader skill base. This would make the internship interesting and enable the interns to have a glimpse of the various aspects of the company.

Cross-Department Collaboration:

It would be beneficial to have interns work across various departments so that they have a wider knowledge of the company. It would also help them to gain a balanced skill set.

Sessions on Feedback:

To make the interns learn more, regular feedback sessions should be arranged. Positive criticisms would enable them to learn more from the internship.

Opportunity to Attend Team Meetings:

If the interns are allowed in the regular team meetings, it would make them understand the larger picture of the company's goal. It would also give an opportunity to come up with ideas and feel more engaged with the team.

Chapter 2: Organization Part

2.1 Introduction

The objective of this chapter is to give a detailed overview of ACI Godrej Agrovet Private Limited (AGAPL). At the start, it illustrates management, marketing, and financial performance. It also looks at how the company has utilized information systems to support operations. The chapter further includes an industry and competitive analysis of AGAPL in the market in terms of Porter's Five Forces and a SWOT analysis. This is supposed to be a detailed explanation of the strengths, challenges and opportunities of the company in the agribusiness industry.

2.1.1 Objectives

The key objectives are:

1. To give a summary of the structure and operations of AGAPL.
2. Investigate the HR practices and leadership style at AGAPL.
3. Assess the marketing strategies and practices at AGAPL.
4. Review the financial performance and accounting practices of the company.
5. Examine the application of information systems and operations management.
6. Carry out an industry and competitive analysis of AGAPL.

2.1.2 Scope of Study

The report is based on the internship experience of 03 months in AGAPL which covers internal activities of the company. The study includes management practices, marketing strategies, financial performance, accounting methods, and operations management. It also involves an industry and competitive analysis of Porter's Five Forces and SWOT. Nevertheless, the research is restricted to the internship period, and it does not involve a detailed evaluation of the international operations and long-term strategies of AGAPL.

2.1.3 Methodology

Primary Data

Primary data were collected by observing the day-to-day activities during my internship at AGAPL. Moreover, communicating with coworkers and supervisor gave an opportunity to learn more about the way the company works.

Secondary Data

- ➢ Non-confidential internal sources.
- ➢ General reports.
- ➢ Publicly available materials.
- ➢ Website.

2.1.4 Significance of Study

The study represents the activities of ACI Godrej Agrovet Private Limited. It is one of the prominent Agrovet companies in Bangladesh. It highlights the management, marketing, and financial strategies of the company. This study is intended to improve internal operations and guide future interns in the Agrovet industry.

2.1.5 Limitations

This study is limited by the availability of the data and the privacy of sensitive company information. ACI Godrej Agrovet Private Limited is a privately held company. As a result, there was no easy access to information regarding specific financial data and business approaches. The study is also limited to the period of my internship and does not cover long-term trends or forecasts.

2.2 Overview of the Company

2.2.1 Background of AGAPL

ACI Godrej Agrovet Private Limited is a well-known agrovet company in Bangladesh that was established in the year 2004 as a joint venture between Godrej Agrovet of India and ACI Limited of Bangladesh. The company has its headquarters in Dhaka. It is involved in the production of high-quality animal feeds for poultry, cattle, fish, and day-old chicks (DOC). With its quality, innovation and sustainability efforts, the company has become a significant force in the agricultural industry in the country.

The company has three state of the art manufacturing plants (Sirajganj, Rajshahi, and Narayanganj) that manufacture 650,000 tons in a year. These are highly technical plants that observe strict quality control to manufacture high-quality feed products. The product portfolio of AGAPL consists of over 70 products that have been serving farmers in 64 districts in Bangladesh.

AGAPL has more than 500 employees. They are tasked with research and development aimed at enhancing the quality of products and fulfilling the needs of the evolving agricultural society. The company has also been devoted to excellence, and this has earned it numerous industry awards. For example, the National Productivity and Quality Excellence Award in 2018 (ACI Godrej Agrovet, n.d.).

2.2.2 Mission

Our mission is to lead the agriculture sector in Bangladesh by the production of high-quality animal feed and day-old chicken. We are committed to improving the livelihoods of farmers by being innovative, researching, and being customer-oriented, and ensuring sustainability and food security.

2.2.3 Vision

We aspire to be the best sustainable agricultural solutions provider in Bangladesh. We will empower farmers, enhance food security, and make a contribution towards a self-reliant agricultural sector by establishing new standards in quality, efficiency, and customer satisfaction.

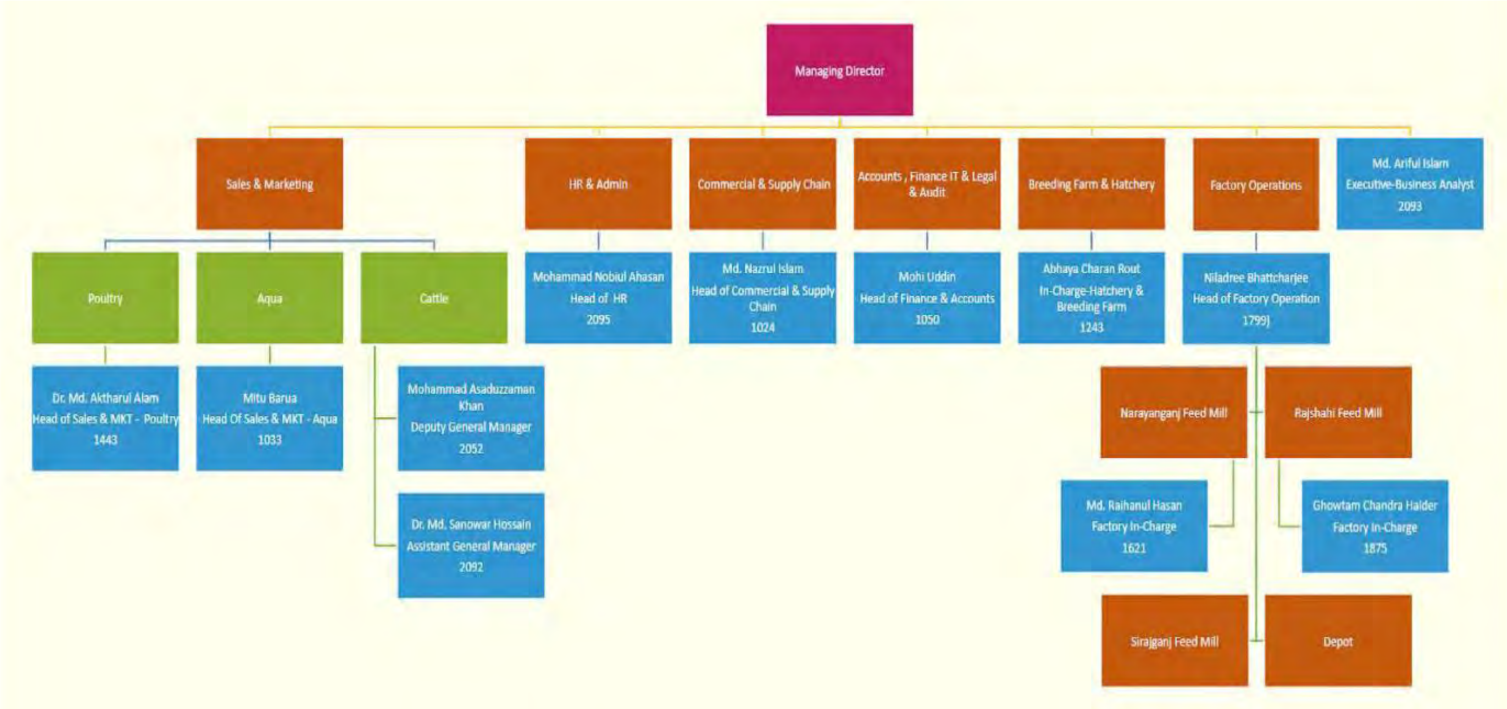
2.2.4 Product Details

AGAPL manufactures animal feeds with modern technology to provide quality animal feeds. The three factories are efficiently managed by trained personnels. Furthermore, the raw materials are sourced locally and essential vitamins are sourced internationally. Moreover, all the processes of production such as receiving the raw materials, up to the final product are tested physically and chemically. However, the factories have their own power supply and water treatment facilities to ensure safe water for production. The plant has well-ventilated modern warehouses and silos where raw materials and finished products are stored safely.

AGAPL provides a variety of animal feed products of high quality:

1. **Poultry Feed:** Broiler Feed, Layer Feed, and Sonali Feed contain with necessary nutrients that help in healthy growth and egg production.
2. **Aqua (Fish) Feed:** Specializes in Sinking Feed, Floating Feed, and Shrimp Feed for fish and shrimp farming.
3. **Cattle Feed:** Fattening Feed, Cattle Supplement Feed, and Milking Feed emphasize quality dairy and beef production.

2.2.5 Organizational Chart



This chart depicts the hierarchical levels of individual departments at AGAPL:

2.3 Management Practices

2.3.1 Leadership Style

AGAPL follows a participative leadership style. This implies that the management promotes individual participation of employees in the decision-making processes at every level. The company makes employees feel that their input is important, hence developing collaboration in the workplace. As a result, this strategy results in increased employee engagement and assists in the innovation. The leadership style helps in attaining the goals of quality animal feed production and maintaining market leadership.

2.3.2 Human Resource Planning Process

Recruitment and Selection

The process of recruitment in the company is well-organized. They employ different recruitment methods including job portals (bdjobs, LinkedIn), employee referrals, Social media (Facebook page), and campus placements. The emphasis is on the selection of candidates with the necessary skills but also corresponding to the main values and the long-term vision of the company. This makes sure that new employees can make a positive impact on the organizational culture and its goals.

Compensation System

ACI Godrej Agrovet has a competitive remuneration package. The package is designed to attract and retain talented professionals. The package comprises fixed payments, performance-related rewards, and health insurance. This system makes sure that the employees are rewarded based on the contributions they are making.

Training and Development

ACI Godrej Agrovet puts great emphasis on the training and development of its employees. This company offers various training programs. These programs include improving technical skills, leadership skills, and soft skills. Employees are also provided with on-the-job training to make them more efficient at their work.

The company also conducts training sessions in different depots and factories besides the regular programs. This helps in ensuring that employees are capable of working regardless of their location. These sessions are planned in accordance with the requirements of the specific depot or factory. This mainly focuses on the processes, machinery, safety measures, and working practices.

The training programs are aimed at enhancing the general performance of the employees. It also helps in increasing their productivity and to cope with the agribusiness industry. This focus on continuous improvement is crucial for both the individual employees and the long-term growth of the company.

Performance Appraisal Process

The performance evaluation at AGAPL is conducted with the help of a 360-degree feedback system, which implies that the assessment is determined by several sources of information, such as managers, peers, and subordinates. Moreover, the system provides an opportunity to thoroughly assess the job knowledge, the leadership abilities and the ability to work in a team of employees. The feedback that is received enables the employees to know what their strengths are and where they need to improve. However, periodic performance reviews help in aligning individual performance with the overall performance of the organization to promote personal and organizational development.

2.4 Marketing Practices

2.4.1 Marketing Strategy

The marketing mix of ACI Godrej Agrovet aims at delivering quality products to the agricultural industry particularly in animal feed. The company strives to establish good relations with the farmers, poultry and dairy farms and aquaculture industries. This is done through the provision of products that assist in enhancing productivity and the health of the animals. The firm strives to be a frontrunner in the agribusiness industry by constantly fulfilling the demands of their customers by providing innovative solutions.

2.4.2 Targeting and Positioning

The company is aimed at businesses (B2B) and individual consumers (B2C). The major clients are farmers, poultry farms, dairy farms and aquaculture enterprises. These consumers require quality and dependable animal feeds so that their livestock and fish would be healthy and productive. Furthermore, ACI Godrej Agrovet aims itself as a high-end brand providing high quality products in animal feeding. They put emphasis on scientifically developed feed, which promotes the nutrition and performance of livestock, poultry and aquatic animals. This positioning would make the company stand out of the competitors and highlight the quality and innovation that the company is devoted to.

2.4.3 Marketing Channels and Advertising Strategies

ACI Godrej Agrovet follows the traditional and digital marketing platforms in order to access the multifaceted target audience. They resort to print advertisements, radio, and TV commercials to approach the farmers, particularly in the rural regions. These are the conventional channels that aid in creating publicity about the company's products and services.

Additionally, the firm is heavily investing in digital marketing particularly in Facebook ads, to reach a more extended, tech-savvy consumers. They also use other social media such as Instagram and YouTube videos to interact with the customers. They have also built an effective website to introduce people to the company and their unique product through the product’s image and detailed informations. Their content, promotions, and product information are shared through these platforms. It applies email campaigns and online advertisements to specific customer groups as well.

2.4.4 Product/New Product Development and Competitive Practices

The company has invested a lot on research and development (R&D) in order to develop new and innovative animal feed products. These are customized products that are designed to address the particular nutritional requirements of poultry, livestock and aquatic animals. The emphasis on R&D makes sure that the products of the company are sustainable and efficient in maintaing the highest quality standards.

The competitive advantage of ACI Godrej Agrovet lies in the quality of products it provides at competitive prices. They also have loyalty programs and provide expert advice on animal nutrition to establish customer loyalty. They also provide promotions and discounts to attract and maintain customers.

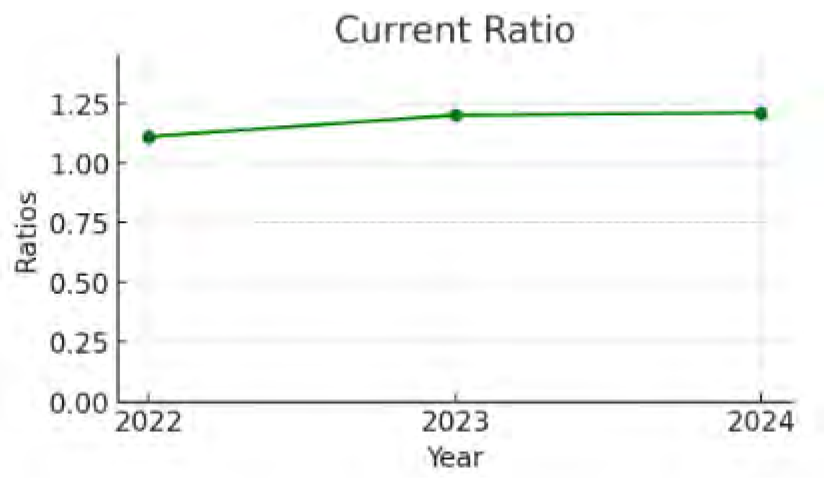
2.5 Financial Performance and Accounting Practices

2.5.1 Financial Performance

Ratio	2022	2023	2024
Current Ratio	1.11	1.2	1.21
Net Profit Margin (%)	4.92	5.91	5.93
Return on Assets (ROA) (%)	12.05	12.49	12.46
Return on Equity (ROE) (%)	30.34	32.84	33.38
Asset Turnover	2.45	2.11	2.1
Inventory Turnover	4.12	4.49	2.99
Debt to Equity Ratio	1.52	1.63	1.68
Debt Ratio	0.6	0.62	0.63

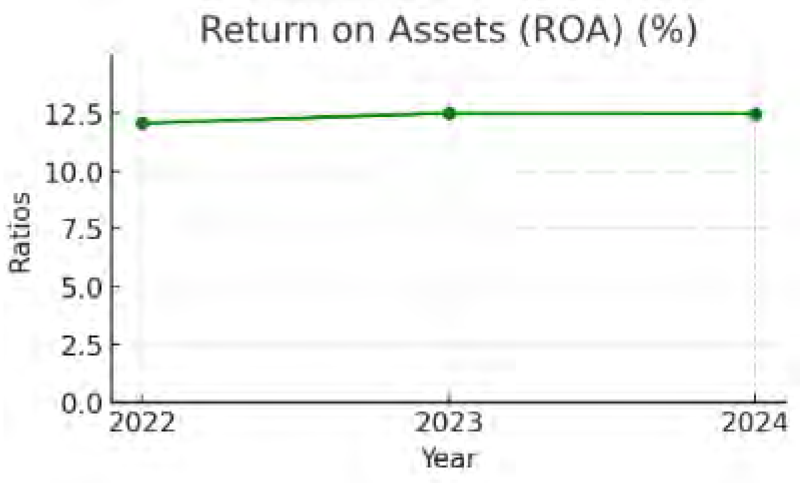
Table: Financial Ratios of AGAPL

Ratio Analysis

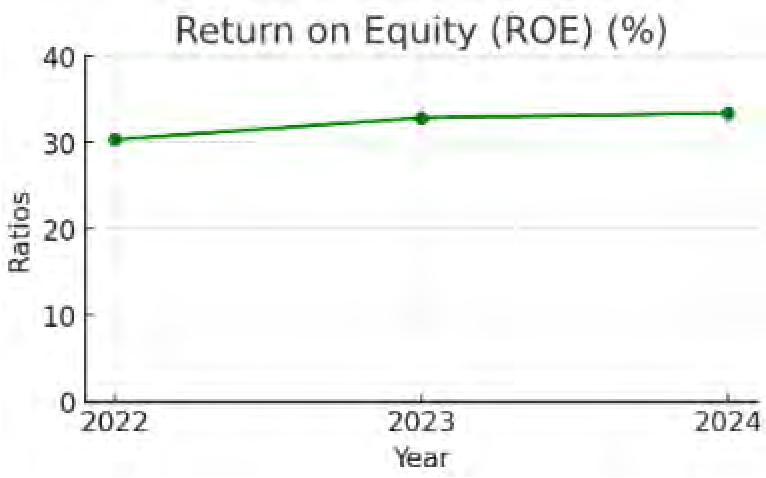


Interpretation: All three years (2022-2024) show a current ratio of more than 1. This means that the company has sufficient assets to cover its short-term liabilities. The ratio has improved to a little bit higher in 2023 and 2024 than it was in 2022 (1.11). This indicates that the company has improved its short-term liquidity over time.

Interpretation: The net profit margin has been on the increase over the years. This proves that the company is becoming more profitable. It rose to 5.93% in 2024 compared to 4.92% in 2022. This represents improved cost control and increased profit on sales.



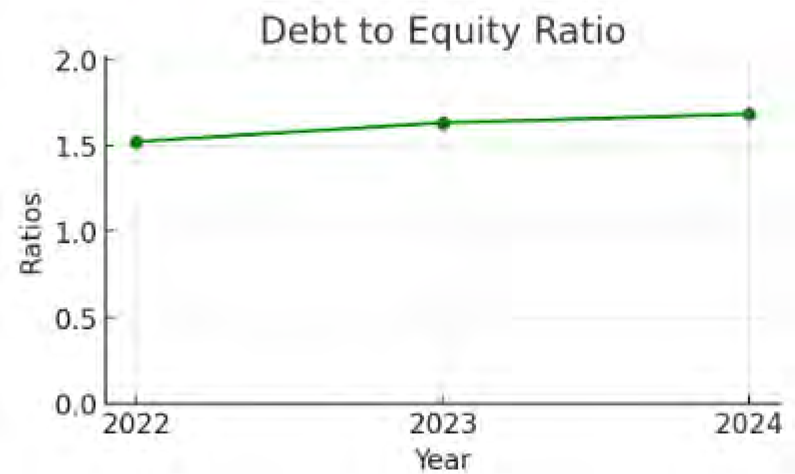
Interpretation: The ROA did not fluctuate significantly. It indicates that the company managed its assets well to make profits. The fact that the reduction is only 12.49 to 12.46 between 2023 and 2024 indicates that there are minimal changes in the efficiency of assets over the years.



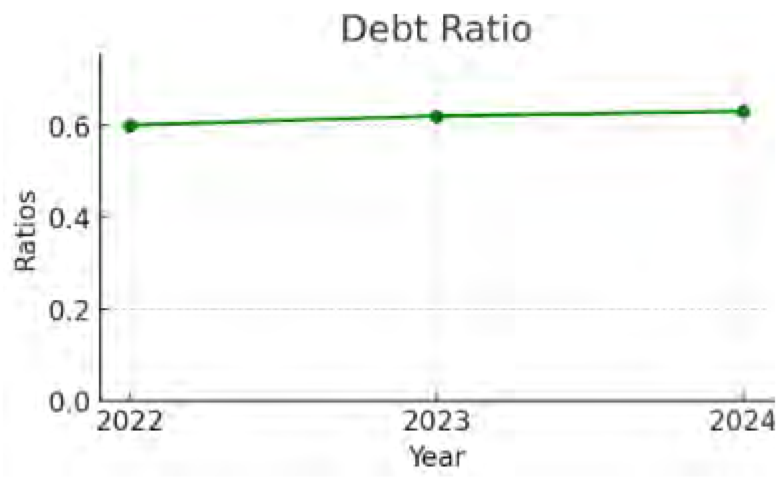
Interpretation: The ROE has been on a consistent rise and it shows that the company is making good use of the equity held by the shareholders to make profit. The growth of 30.34% in 2022 to 33.38% in 2024 shows that profitability is stronger and a more efficient use of equity.

Interpretation: There was a slight decline in the asset turnover ratio, 2.45 in 2022 to 2.1 in 2024, indicating that the company is becoming less efficient in utilizing its assets to generate revenue over the years.

Interpretation: Inventory turnover ratio in 2024 is lower than in 2023, which stands at 2.99 and 4.49 respectively, showing that it required the company to take more time to sell inventory in 2024. This is an indication of slow sales or increased stock.



Interpretation: The debt-to-equity ratio has grown from 1.52 (2022) to 1.68 (2024), which means that the company has been increasingly using debt to fund its operations. The high ratio means that it has more financial leverage and can be characterized by a higher financial risk.



Interpretation: The debt ratio increased slightly from 0.6 (2022) to 0.63 (2024), indicating that more assets of the company are being funded through debt. This means that it is at a higher leverage position and therefore bears more financial risk.

2.5.2 Accounting Practices

Accounting Standards

ACI Godrej Agrovet uses the International Financial Reporting Standards (IFRS) in its financial reporting. This ensures that the financial statements of the company are prepared in a transparent and comparable manner.

Method of Accounting

The accrual basis of accounting is used by the company. Here, revenues are recognized when they are earned, and expenses are recognized when they are incurred (Godrej Agrovet Limited, 2025).

Financial Reporting and Auditing

The financial statements of ACI Godrej Agrovet are audited by independent auditors. This is done to ensure adherence to the IFRS and other regulations. These audits determine whether the company has given the appropriate and reasonable financial information (B S R & Co. LLP, 2025).

2.6 Operations Management and Information System Practices

2.6.1 Use of Office Software

ACI Godrej Agrovet uses an ERP system (SAP) that helps in streamlining the processes of the company. It is done through the collection, storage, and analysis of information. However, this is applied in the major processes like inventory management, production, and sales. This system brings together the information of all departments and lets them have real-time control over the schedules, order processing, etc. In addition, the company uses Microsoft Office 365 and other software applications in data management.

2.6.2 Resource Optimization and Quality Control

The company has a quality management system. It measures product safety and quality standards. The batches of products are tracked using the system to ensure consistency. However, it also ensures proper utilization of raw materials, labor, and machinery. This is done to improve scheduling and resource allocation. As a result, it helps in reducing wastage and maximizes output.

2.6.3 System for Managing Customer Relationships

AGAPL uses a CRM system to monitor interactions with customers. The incorporation of these systems in their operations enables the company to enhance the overall efficiency, quality of the products, and offer better services to its clients.

2.7 Industry and Competitive Analysis

2.7.1 Porter's Five Forces Analysis

I. Threat of New Entrants *(Moderate)*

The animal feed industry has a moderate threat of new entrants. Entry barriers are high due to capital investment, technology and regulatory requirements, but the increased demand of quality animal feed provides new entrants with a chance to enter the market. Nevertheless, ACI Godrej Agrovet has the advantage of its brand, economies of scale, and good distribution network, and this means that new entrants will not be able to capture market share within a short period of time.

II. Bargaining Power of Suppliers *(Moderate)*

The supplier’s bargaining power is moderate. Although there are several suppliers of raw materials used in animal feed production, some of the very essential materials, like vitamins and premixes, can have fewer suppliers, which enhances their influence. However, the large-scale operations of AGAPL enable it to negotiate the prices better and ensure it has stability in its supply chain, which, to some extent, limits suppliers’ power.

III. Bargaining Power of Customers *(High)*

The power of buyers is high. There are several suppliers of animal feed that customers can choose from, and they can change the suppliers in case of bad prices or quality. Nevertheless, AGAPL has to remain competitive in terms of pricing and product quality in order to keep its customers and achieve customer loyalty in the highly competitive market.

IV. Threat of Substitutes *(Moderate)*

The threat of substitutes is moderate. Other sources of animal feed, like plant-based feed and natural supplement,s are gaining popularity as more and more consumers are interested in sustainable and environmentally friendly practices. Nonetheless, the market is still dominated by the use of traditional animal feed because it is cheaper and more commonly relied upon by farmers and other businesses within the livestock and aquaculture industries.

V. Industry Rivalry *(High)*

AGAPL has a high threat of existing competitors as well as new entrants in the market. The competitive pressures are intensified by companies like the Aftab Feed Products Ltd., Pran Agro Ltd., AG Foods Ltd. in Bangladesh that are well established in the animal feed industry. The market rivalry is based on the parameters of price, quality of the product, and efficiency of distribution. In order to stay competitive, ACI Godrej Agrovet will have to pay attention to the ongoing innovation, product differentiation, customer loyalty, and maintaining quality standards.

2.7.2 SWOT Analysis

I. *Strengths*

Strong Brand Image:

ACI Godrej Agrovet (Joint Venture) enjoys the reputation and trust of the well-established brands ACI Limited (Bangladesh) and Godrej Limited (India), as both companies have a long history of success in the agricultural and consumer industries.

Extensive Distribution Network:

The company has a vast distribution network in South Asia, which guarantees the company with a good distribution network in delivering products to the customers.

Modern Technology:

ACI Godrej Agrovet has modern technology in the production of animal feeds where the quality and consistency of the products are high.

II. *Weaknesses*

Price Sensitivity to Raw Materials:

The company is also vulnerable to the volatility of prices of raw materials such as soybean and corn that have the potential to affect profit margins.

Narrow Product Diversification:

ACI Godrej Agrovet has a more narrow scope of products, predominantly in the animal feed sector, which makes it less able to diversify and enter new markets beyond the feed market.

Exposure to Supply Chain Interruptions:

The company depends on international suppliers to supply raw materials, which makes it vulnerable to interruptions in the supply chains caused by geopolitics, trade restrictions, or natural disasters.

III. Opportunities

Increasing Demand:

With the rise in consumption of animal protein, the increasing demand of animal feed in the world opens vast growth potential.

Sustainability Trends:

The company has a potential of creating plant-based and environmentally friendly feeds to meet the increasing consumer demand of sustainable practices.

Tapping into the Emerging Markets:

The company can tap into new markets and expand its influence in emerging markets that have an increasing agricultural base.

IV. Threats

High Level of Competition:

ACI Godrej Agrovet experiences competition with other Bangladesh-based companies such as Aftab Feed Products Ltd., Pran Agro Ltd., City Group, and AG Foods Ltd. The competitors can be providing cheaper prices or better products.

Sudden Regulatory Changes:

The company faces the risk of regulatory changes that may impact the food safety, standards of quality and environmental policies. This might raise the cost of operation.

Unpredictable RM Prices:

The increased price of the raw materials can increase the cost of production. This will directly influence the profitability. The company is prone to the fluctuating prices of the RM in the international markets.

2.8 Summary and Conclusions

This chapter has given a detailed discussion about ACI Godrej Agrovet Private Limited. The company has experienced tremendous growth and success in the market. It is aided by the assistance of the current technology, the effective production facilities, and the strong distribution network. This company has become competitive due to its emphasis on innovation and quality.

However, there are various challenges that AGAPL faces. For instance, fluctuation in the price of raw materials and delayed customer payments. Additionally, competitive pressures are seen from rival companies like Aftab Feed Products Ltd., Pran Agro Ltd, and AG Foods. Lastly, AGAPL has to be innovative, minimize risks, and grasp new opportunities to maintain its leadership in the industry.

Chapter 3: Project Part

Late Receivables Collection and Company Performance

3.1 Introduction

Management of receivables plays a very important role in the financial health of a business. The amounts that are owed to a company by its customers are referred to as the receivables. Besides, the collection of receivables should be performed on time to ensure proper functioning of the business and a smooth cash flow.

Furthermore, delays in payments can lead to liquidity issues and a reduction in profitability. However, manufacturing firms that are highly dependent on trade credit are more prone to the impacts of late payments.

However, this report analyzes the data of the publicly listed manufacturing companies in Bangladesh. It is intended to give insights into the impact of late receivables collection on the company's performance. It pays a close attention to financial indicators such as profitability, usage of assets, and earnings.

3.2 Problem statement

Companies in the manufacturing industries face major problems due to delays in collecting receivables. Timely payments are essential for a smooth cash flow and the running of daily operations. Companies experience liquidity issues when customers are slow in paying. This makes it hard to pay suppliers, meet operational expenses, or invest in other areas. Moreover, the effects of late payments are worse among the SMEs. The cash reserves and profit margins of SMEs are frequently low. Late payments may cause companies to borrow at high interest rates or even make late payments to their suppliers. Furthermore, the longer the receivables are outstanding, the more the administration costs of debt collection. Late payments can also lead to loss of market share. However, it is crucial to understand how late receivables collection affects financial indicators to enhance business performance and financial management.

3.3 Research Question

1. Does late receivables collection affect a company's performance?

3.4 Objective

- ➢ To investigate the effect of late receivables collection on the company's performance.

3.5 Literature Review and Hypothesis

3.5.1 Literature Review

The problem of late receivables collection is a documented fact in all fields of business, such as agriculture, manufacturing, retail, and small enterprises. Late payment leads to a lot of financial pressure on businesses, particularly small and medium-sized businesses that tend to run on a tight margin and have limited cash reserves. Many manufacturing companies of various industries are particularly prone to such financial challenges. These firms usually provide trade credit to clients. But the late payments from clients reduce their ability to run their day-to-day operations effectively (Paul & Devi, 2012).

Moreover, the significant liquidity problems in the SME are caused by the late payments. This liquidity is more dependent on the cash flow to support the operations compared to the bigger companies. It has been shown that liquidity issues are one of the most significant issues for companies facing delayed payments. As a result, it reduces their ability to maintain profitability and operations efficiently (Kaya, 2024). However, this is most so with manufacturers. Their operations need a steady cash inflow to replenish their stock levels, pay their suppliers, cover operating costs, and run the production. The extended payable terms increase the liquidity crunch and, in other instances, result in further borrowing at high interest rates to sustain operations (Peel et al., 2000).

Furthermore, profitability is also affected negatively by late payments. The cash reserves held by some companies are usually less and they have less access to alternative sources of finance, which makes them more susceptible to delayed payments (Paul & Boden, 2011). Some firms already have a tight profit margin and when the clients are late to pay, it hurts them even more. Paul and Devi (2012) argue that the longer the delay in payment, the higher the administrative costs of debt collection that businesses incur, and in some cases, suppliers impose penalties on businesses that fail to pay their raw materials on time, which further decreases profitability. Such results imply that late payments directly result in a decrease in the profit margin and can even cause the failure of the business in case the problem is not solved.

Additionally, late payments are also a threat to the financial stability of businesses. Businesses with high rates of late payments might experience solvency problems, as the liabilities accumulate, and the cash flow does not cover them. In the case of some companies, this has been compounded by the necessity to have steady supply chains and the availability of financing to hold inventory. Businesses may lose their market share without timely payments, since the businesses may struggle to invest in new products or services (Rogowski, 2017).

3.5.2 Hypothesis

H1: Late collection of receivables has an impact on the firm's performance.

3.6 Conceptual Framework

3.7 Methodology

The study uses a quantitative approach to investigate the effects of late collection of receivables on the performance of companies. Data was collected from secondary sources such as the annual reports of manufacturing firms in Bangladesh. The most important variables (Ratios) are the Receivables Collection Period, Net Profit Margin, Return on Assets, Earnings Per Share and the Debt to Asset Ratio. The sample comprises 10 publicly listed manufacturing firms. These firms are chosen by their industry leadership and the accessibility of financial data. The data spans a period of 5 years (2020-2024).

Moreover, descriptive statistics will be used to summarize the data. It will include measures of central tendency. After that, the multivariate regression analysis will be used to test the correlation between the Receivables Collection Period and the financial performance measures. This will assist in the evaluation of the impact of late receivables collection on profitability, asset utilization, and earnings.

3.8 Findings and Discussion

3.8.1 Descriptive Statistics

Variables	N	Mean	Std. Deviation	Std. Error	Minimum	Maximum	25th Percentile (Q1)	Median (50%)	75th Percentile (Q3)
Receivables Collection Period (RCP)	50	62.8	73.45	10.48	3	381	23	36	59
Net Profit Margin (NPM)	50	0.088	0.083	0.012	-0.019	0.271	0.025	0.05	0.14
ROA (Return on Assets)	50	0.063	0.06	0.008	-0.021	0.201	0.014	0.039	0.114
EPS (Earnings Per Share)	50	15.37	19.76	2.82	-18.25	69.92	3.42	7.92	20.51
Total Assets	50	70.07B	55.79B	7.99B	1.38B	197.5B	16.95B	64.89B	97.17B
Debt-to-Asset Ratio	50	0.36	0.2	0.03	0.03	0.79	0.24	0.32	0.51

The average Receivables Collection Period (RCP) is 62.8 days. The companies require a range of 3 days and 381 days to collect the receivables. The collection period of most companies takes 23 to 59 days which suggests that there is an inconsistency in the collection of the companies. Moreover, the average Net Profit Margin (NPM) is 8.8% with a very wide range of -1.9% to 27.%. The majority of companies show their profit margin between 2.5% and 14%. Furthermore, the average Return on Assets (ROA) is 6.3% although it ranges between -2.1% to 20.%. A majority of companies have the ROA in the range of 1.4% to 11.4%. Additionally, the mean Earnings Per Share (EPS) is 15.37 with a range of -18.25 to 69.92. The majority of the company have the range of 3.42 to 20.51. To add more, the mean Total Assets is 70.07 billion with the range of 1.38 billion to 197.5 billion. Most of the companies has assets between 16.95 to 97.17 billion. Lastly, the mean Debt-to-Asset Ratio is 0.36. The range is between 0.03 and 0.79. And, the majority of the companies have a 24% to 51% Debt-to-Asset Ratio.

3.8.2 Multivariate Regression Analysis

Variables	**NPM**	**ROA**	**EPS**
Coefficient (Intercept)	0.1808	29.4844	29.4844
Receivables Collection Period (RCP)	-0.0004 ($p = 0.006$)	0.0483 ($p = 0.381$)	0.0512 ($p = 0.344$)
Total Asset	6.16e-13 ($p = 0.003$)	-7.285e-11 ($p = 0.325$)	-6.235e-10 ($p = 0.332$)
Debt-to-Asset Ratio	-0.3022 ($p = 0.000$)	-33.2331 ($p = 0.027$)	-31.2251 ($p = 0.019$)
R-squared	0.648	0.058	0.052
Adjusted R-squared	0.625	0.026	0.016
F-statistic	27.64	1.99	1.79
Prob (F-statistic)	2.74E-10	0.129	0.145

The findings of the regression analysis show the association of Receivables Collection Period (RCP), Net Profit Margin (NPM), Return on Assets (ROA), and Earnings Per Share (EPS). In the case of NPM, the RCP has a negative impact with a coefficient of -0.0004 and a p-value of 0.006, which is statistically significant. This implies that the longer the collection period, the less the profitability. Also, Total Assets positively affect NPM (coefficient 6.16e-13, p = 0.003). This implies that bigger companies are more likely to be more profitable. Nonetheless, the Debt-to-Asset Ratio negatively impacts NPM (coefficient of -0.3022, p = 0.000) which is statistically significant. This means that more debts of the firms results in less profitability.

In the case of ROA, there is no significant impact of RCP on ROA (p = 0.381). This means that longer collection periods do not have a negative (coefficient = 0.0483) influence on ROA. Nevertheless, the Debt-to-Asset Ratio negatively influences ROA such that its coefficient is -33.2331 and p = 0.027. This is also significantly negative. It indicates that the higher the debt, the lower the efficiency of the assets in the company.

Moreover, RCP has no significant effects on EPS (coefficient of 0.0512, p = 0.344). The Debt-to-Asset Ratio has a significant negative effect on EPS (coefficient of -31.2251, p = 0.019). This implies that an increased leverage decreases the shareholder earnings.

3.9 Conclusion

This paper has discussed how late receivables collection affects the performance of manufacturing firms in Bangladesh. The findings give valuable information regarding the effect of late payments on profitability, asset utilization, and earnings. Besides, the analysis indicated that RCP and NPM had a strong negative relationship. This implies that the higher it is the time of collection, the less the profitability. On the other hand, RCP had minimal impact on ROA and EPS. In addition, the Debt-to-Asset Ratio has a negative impact on NPM, ROA, and EPS. This represents the fact that financial performance is impaired by a high level of debt. However, this research demonstrates that there is a necessity to collect receivables in time in order to improve the financial performance. Businesses that manage their receivables in a proper manner are in a better position. This helps to avoid liquidity issues and maximizes overall profitability.

3.10 Limitations of the Study

The study has certain limitations. First, the sample was restricted to Bangladesh's publicly listed manufacturing firms. The same thing does not always apply to smaller or privately owned companies. Such companies are more likely to experience acute liquidity problems. In addition, the study was conducted based on annual reports as the source of secondary data. This may not be an accurate depiction of the operational difficulties related to receivables. Finally, the sample of 10 companies may not demonstrate the big picture of the industry.

3.11 Recommendations

The results can be used to make some recommendations. To begin with, the companies should be more attentive to the enhancement of their receivables management procedures. This could assist in minimizing receivables collection time. As an example, it can be achieved through offering an incentive for early payment to the customers. In addition, the companies are encouraged to be more efficient in the management of debts. This is very important because too much leverage can be detrimental to profitability. Finally, companies should track the key financial indicators that include profitability, ROA, and EPS. This is necessary to identify the effects of late collection of receivables at the initial stages. By doing so, they will be in a position to take corrective measures before these issues take a serious turn on their performance.

References

ACI Godrej Agrovet. (n.d.). *Overview*. https://acigodrejagrovet.com/overview

B S R & Co. LLP. (2025). *Independent auditor's report on the consolidated financial statements of Godrej Agrovet Limited for the year ended March 31, 2025*. https://www.godrejagrovet.com/public/uploads/reports/2024-25/Consolidated-Financials-and-Auditors-Report-2024-25.pdf

Godrej Agrovet Limited. (2025). *Annual report 2024-25*. https://www.godrejagrovet.com/public/uploads/reports/2024-25/GAVL-Annual-Report-FY-2024-25.pdf

Kaya, O. (2024). *The Impact of Late Payments on SMEs' Access to Finance: Evidence From Credit Rationing and Loan Terms*. https://pdf.sciencedirectassets.com/271681/1-s2.0-S0264999324X00103/1-s2.0-S0264999324002530/main.pdf

Paul, S., & Boden, R. (2011). Size matters: The late payment problem. *Journal of Small Business and Enterprise Development, 18*(4), 732-747. https://www.researchgate.net/publication/242339033_Size_Matters_The_Late_Payment_Problem

Peel, M. J., Wilson, N., & Howorth, C. (2000). Late Payment and Credit Management in the Small Firm Sector: Some Empirical Evidence. *International Small Business Journal Researching Entrepreneurship, 18*(2), 17-37. https://www.researchgate.net/publication/241651800_Late_Payment_and_Credit_Management_in_the_Small_Firm_Sector_Some_Empirical_Evidence

Paul, S., & Devi, S. S. (2012). Impact of late payment on firms' profitability: Empirical evidence from Malaysia. *Pacific-Basin Finance Journal, 20*(5), 777-792. https://doi.org/10.1016/j.pacfin.2012.03.004

Rogowski, W. (2017). Payment delays: Their reasons, scale, and consequences. *Journal of Management and Financial Sciences, 30*, 91-114. https://www.researchgate.net/publication/354628268_Payment_Delays_Their_Reasons_Scale_and_Consequences