

Report On
The Effectiveness of RANGS Motors Limited's Credit Policy and Its
Impact on Profitability

By

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Bachelor of Business Administration

BRAC Business School
BRAC UNIVERSITY

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Declaration

It is hereby declared that

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

Student's Full Name & Signature:

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Student ID:18304157

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Assistant Manager, Accounts & Finance Department
RANGS Motors Limited

Letter of Transmittal

Mr. Sang H Lee
Professor and Dean,
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Internship Report Submission

Dear Sir,

It gives me great pleasure to present my Intern level position and share details about 'The Effectiveness of RANGS Motors Limited's Credit Policy and Its Impact on Profitability' for which I was assigned by your direction. I've done my best to finish the report with the most important information and recommendations in the most compact and thorough way feasible.

I am confident that the report will meet your expectations.

Sincerely yours,

Fariha Alam
Student ID:18304157
BRAC Business School
BRAC University
Date: January 12, 2022

Acknowledgement

First and foremost, I want to express my gratitude to Almighty Allah for assisting me in completing my internship with great strength and the ability to execute my duties as an Intern. Mr. Sang H Lee, Professor and Dean of BRAC Business School, for his rigorous inspection of my internship report is greatly appreciated. In addition, I'd like to thank Yeasmin Akter, RANGS Motors Limited's Assistant Manager, for serving as my organizational supervisor. My thanks extend to the entire BRAC Business School for establishing the Internship Program as a mandatory component of the academic program, allowing theoretical knowledge to be blended with real-world experience. Finally, I'd want to thank everyone at RANGS Motors Limited who helped make my term paper a success by contributing their thoughts and experiences during the Credit & Credit Collection Policy study.

Executive Summary

I introduce myself, my company, RANGS Motors Limited, and my supervisor, Ms. Yeasmin Akter, in Chapter 1. I worked immediately under her, a manager's assistant. Then there was my contribution to the company as an intern. Day-to-day tasks, as well as credit and collection policies, were all taught to me. I've learned how to terminate a customer's credit policy. RANGS Motors Limited had little influence over my problems, however Covid had a huge impact on our life and my internship. I advised that RANGS Motors Limited recruit more interns and additional students solely to teach them appropriate ethics and work environments.

Following that, I go into great length about RANGS Motors Limited as a company and how they operate. The mission's vision and objectives. The company's overview, governing body, board of directors, and founder are all discussed. We talk about their marketing plans, and I talk about their financial performance. In a table and graph format, I showed their liquidity ratio, profitability ratio, and solvency ratio, followed by a summary and conclusion.

Finally, I talk about the most challenging task I've ever had to complete. RANGS Motors Limited's 4000 credit file closing project, credit policy during selling, and credit collecting methods were all covered here. And I didn't give them any guidance since, while the procedure was simpler on our end, getting data from the Accounts & Finance Department's overworked personnel was more challenging.

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Chapter 1

Internship at RANGS Motors Limited, Finance and Accounts

1.1 Student Information

I'm Fariha Alam, and I'd like to introduce myself as a BRAC Business School student. My ID number is 18304157. I've been a student at BRAC University since 2017. However, in 2018, my ID number was changed to 18 due to a transfer from one department to another. This is my final semester of study. I'm working on my bachelor's degree. I'm now pursuing a Finance and Marketing double major. My BUS 400 course requires an internship. So, I've decided to do my internship at RANGS Motors Limited's corporate headquarters. I spotted a vacancy in the Accounts and Finance department and applied for it. I was chosen for their Finance and Accounts department because of my finance major, and I recognized it was the finest option for me. I witnessed firsthand how accounting and finance can help a company succeed. In the long run, this will surely benefit me.

1.2 Internship Information:

As a result, I applied for the RANGS Motors Limited internship program. It asked which department I liked, and despite having a finance and marketing major, I chose the finance and accounts team. On the day of the interview, I specifically requested to be placed in their Accounts & Finance department. I knew it was going to be the spot where I'd be able to find the career I

desired. I was supervised while I was working. Its work was linked to the company's ERP (enterprise resource planning) system and bank reconciliation. They have assigned me to handle bank reconciliation for several banks such as Bank Asia, Shonali Bank, Pubali Bank, Shahjalal Islami Bank, and others starting from the year 2019, among other things.

1.2.1 Period, Company Name, Department and Address

It was a three-month internship. From August 22nd until November 22nd, 2021. I worked in RANGS Motors Limited's Head Office's Finance and Accounts Department. 117/A, RANGS Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215, Bangladesh was the address of the office where I worked.

1.2.2 Internship Company Supervisor's Information

During my internship period, I had two supervisors. Ms Yeasmin Akter and Mr Touhidur Rahman. Both of my supervisors were very cooperative and wonderful human beings. They guided me throughout the three months of my internship. They work in the finance and accounts department as Assistant Managers.

1.2.3 Job Responsibilities

I worked directly with Mr Touhidur Rahman for the first month of my internship. My job was to help him with his backlog of work, which largely consisted of payment entry into the ERP system. One of my many jobs was to help him with his paperwork and Excel work. RANGS used to keep

track of their data in their Tally software, but starting in 2021, they switched to an ERP system to keep up with the rest of the industry. First, I had to execute interactive journal posting by gathering data from specified files, and then we moved on to payment entry, where we had to set the transaction type and account number. In the ERP system, I also did supplier bill booking.

After that, I worked for Ms Yeasmin Akter for the next two months. Then it was up to me to complete month-by-month reconciliation and reporting for the years 2019, 2020, and 2021. First and foremost, I was simply tasked to handle the month-by-month bank reconciliation for Bank Asia, RANGS major bank. After that, I was assigned to reconcile the accounts of Pubali Bank and Shahjalal Islami Bank. There were two files in bank reconciliation: one was the bank statement, and the other was the ERP statement. I had to match the transactions on the bank statement to the transactions on the ERP statement. After the job is completed, the final ERP debit value should match the credit value on the bank statement, and the ERP credit value should be the same as the debit value on the bank statement.

Another task I completed under Ms Yeasmin was to close a customer's file. I needed to find out how much the customer owed the company, how much the customer owed their vts, how much the customer owed the file closing charge, and so on. For this, I had to go over every single customer's financial top sheet. Then I have to double-check information in the ERP software, such as product names, client names, file closing fees, vts received amounts, and so on.

One of the most essential projects I worked on was that one. In Finance and Accounting, there isn't much room for creativity.

1.3 Internship Outcomes

1.3.1 Student's contribution to the company

I learned a lot while working at RANGS Motors Limited. I had been given the most important task. My boss needed me to complete the bank reconciliation and reporting so that he could complete the final report and give it to the company's CFO. There were no large projects for Accounts & Finance to take on at the time; in fact, we were closing off a major project when I arrived. I helped with some of the research for the project. However, I was involved in the day-to-day operations of the finance and accounts department, and I was also given the duty of compiling a list of missing data files required for interactive journal posting. My supervisor would occasionally send me bill files created by corporate agents to check if the bill receipts were legitimate and the computations were correct. However, during my internship, I learned how to use ERP software. I had to enter a lot of data into the ERP system. As a result, I became familiar with many aspects of the ERP system. In addition, in three months, I was given the duty of shutting 4000 customer credit files. I had to close the credit files of 4000 consumers in Excel. I helped with some of the research for the project.

1.3.2 Benefits to the student

I learnt how to close a consumer's credit file. I learned how to use ERP software to double-check data. I was tasked with resolving issues with a number of financial top sheet documents. I also heard about RANGS Motors Limited's approach to the car market. I researched vehicle loan policies in Bangladesh and how they are implemented, as well as which companies are engaged and how they operate. In Bangladesh, I learned about the lending procedures of other vehicle companies. In addition, as part of the project's completion, I looked at RANGS Motors Limited's vehicle selling strategy as well as multinational corporations' strategies.

1.3.3 Problem/Difficulties:

The internship was scheduled to last three months. However, due to the severity of the epidemic in our country, I was only able to visit the office for two months. Then I was obliged to perform business remotely due to office rules. So, over the next month, I carried out my regular duties via the internet, emails, meetings, and other methods. So, during my first two months at RANGS Motors Limited, I learnt a lot about the day-to-day operations of the accounting and finance unit, as well as how we close client credit files and sell automobiles to clients. And everything that goes along with it.

Then there's the necessity of working from home. There were times when I didn't have much work for days since they couldn't provide me with the ERP Software. Because I usually do whatever my employer tells me to do. Due to the lack of an office presence, more free time, and the flexibility to perform work as we all desired, my supervisor was able to complete more work. I was doing less and less work as a result of this. Finally, I had to fact-check a few files and cancel a few clients' credit files.

Corona had an adverse effect on my experience. I continued to study and work harder with the hopes of gaining a specific experience, but Covid squandered that opportunity. During our internship, that was the only major stumbling block I faced. There were times when I didn't understand a task, but my supervisors, employees, and even attendants helped me enormously in understanding and completing the project. So, in terms of work, I had no problems because all of my employees were genuinely nice and helped to create a wonderful working environment.

1.3.4 Recommendations:

I learned a lot while working as an intern at RANGS Motors Limited. They gave me assignments that were really beneficial in real life. Furthermore, the ideals they teach are generally respected,

and they want us to operate in a respectful environment. It's undoubtedly instructive. During these trying times, I strongly suggest RANGS Motors Limited to engage more interns. While it may be costly due to the fact that they must pay their interns, it is a worthwhile investment.

It's also a social initiative to demonstrate that they're hiring more interns and teaching them responsibilities, offering experience for future employment, instilling good ethics and manners, and, most importantly, providing and educating a proper workplace environment in these trying times. These aren't simply significant; they're also required. RANGS Motors Limited has a world-class work environment in our country. If you teach a growing number of students, you can have a full class of people who have received proper education.

RANGS Motors Limited will be established as a workplace norm, and students will be prepared to handle the epidemic. RANGS Motors Limited will benefit from increased visibility as well as a distinct name as a result of this.

Chapter 2

IN A NUTSHELL: RANGS

RANGS Group is a well-known business organization in Bangladesh. Since its establishment in 1979, RANGS Group has grown from its roots as a car dealership to a multi-business, multi-discipline enterprise. RANGS has become a household name in the automotive, public transportation, real estate and construction development, pharmaceuticals, interior design, telecommunications, and FMCG production and distribution industries. Diversification has been a priority under the leadership of Mr. Abdur Rouf Chowdhury, the group's founder and chairman. We instill a spirit of adventure, responsibility, and accomplishment in our students.[1]

In the early phases of new businesses and adventures, there is a lot of excitement and thrill, but nurturing and extending these activities into successful businesses is a different story. The organization strives to be in the forefront of bringing local Bangladeshi corporations to the global arena, with over 50 enterprises and over 30 years of expertise in various activities and businesses.[1]

The group's social impact is instilled, allowing projects such as Dolonchapa which is Bangladesh's only female-only bus service to be realized. The care with which these businesses were founded and run proves their ability to have a genuine influence on the ground, as well as to spark discussion and change in the direction of social balance and true empowerment. Previous victories are rarely a guarantee of future success. With new inventions and a new millennial labor pool joining the organization every other day, the organization is undergoing drastic changes to position itself for an electric future.[1]

The "Shaping for Excellence" organizational culture is at the heart of transforming the entire organization into a maneuverable, customer-focused, and attracting organization that agrees to take the organization where it requires to go - from effective and notable organizations to friendly and tech-savvy organizations built for the future.[1]

2.1 RANGS Motors Limited at a quick glimpse:

Since its beginning in 1998, RANGS Motors has been a key player in the Bangladeshi automotive market. Volvo-Eicher, Mitsubishi, Honda, and Mahindra are just a handful of the world's most well-known automobile manufacturers. Among the key global automotive brands, they have introduced are Volvo-Eicher, Mahindra & Mahindra, and AJAX. [2]

MAHINDRA: When it comes to business, one size does not fit all. As a result, RANGS Automotive Division has developed the most comprehensive line of commercial cargo trucks available. Because of modern engine technology and robust materials, Mahindra cars can easily

manage both rough country terrain and smooth city highways. Mahindra is a company that not only manufactures automobiles but is also planning to enter the Bangladeshi electrical market. [2]

EICHER: With the invention of India's first agricultural tractor in 1959, the Eicher Group's flagship company, Volvo-Eicher Commercial Vehicles Ltd (VECV), was a catalyst in India's green revolution. In the Indian vehicle business, VECV has established itself as a prominent player. [2]

VECV has entered the Bangladesh market to reach out to a wide range of clients, thanks to the countrywide coverage that the RANGS GROUP has developed over the years. Because of its exceptional aftermarket services, the brand holds a 60 percent market share in Bangladesh's commercial vehicle sector. [2]

Marketing Practices:

2.2 SWOT Analysis of RANGS Motors Limited

A SWOT Analysis is a method for assessing these four aspects of a company. Strengths, Weaknesses, Opportunities, and Threats (SWOT) are acronyms for Strengths, Weaknesses, Opportunities, and Threats.

Anyone can use a SWOT Analysis to make the most of what they have for the benefit of their company. Anyone can reduce their chances of failure by understanding their weaknesses and avoiding threats that would otherwise catch them off guard.

Strength:

Brand value: RANGS Group has a strong brand value and a long-standing reputation in Bangladesh, having been in business for over 40 years. RANGS Motors Limited is one of the most

successful sub-business units of the corporation. Customers may trust RANGS Motors Limited's car simply by hearing the word RANGS.

Customer Focus: RANGS Motors Limited is known for its outstanding customer service. Its main purpose is to instill customer delight in the thoughts of their clients.

Product Quality: RANGS Motors Limited is an exclusive distributor for Mahindra and Eicher. Mahindra & Eicher is well-known for producing high-quality vehicles for its customers. RANGS Motors Limited is a business that provides high-quality goods to its customers.

Weakness:

1. Media Coverage: RANGS Motors Limited is putting up every effort to gain a competitive advantage in the vehicle industry. However, they are not aiming to increase their market by increasing media coverage.

It would be easier, in my opinion, if they focused more on the media. In order to reach out to more new generation clientele, they should also improve their social marketing activities.

2. Product Line: RANGS Motors Limited solely sells Mahindra and Eicher automobiles. On the other hand, their main competitors, Nitol Motors and IFAD Autos, have a broader product line than they do.

Opportunities:

Increasing market share: RANGS Motors Limited has the ability to offer new vehicles into the Bangladesh market in order to attract more customers. RML can take advantage of this opportunity to expand the automobile market by releasing new and innovative vehicles and gaining a larger market share.

Threats:

1. Bangladesh's vehicle market is huge, and there is fierce competition. RML will have to work hard to expand sales, surpass competitors, and establish a more credible brand identity.

2.3 Porters 5 Forces Model:

Porter's Five Forces is a method for identifying and assessing the weaknesses and strengths of an industry by identifying and analyzing five competitive forces that drive every sector. A five-forces analysis is often used to determine company strategy by determining the structure of an industry.

[3]

1.New Entrant Threat (Low): Without a huge amount of funds and investments, an ordinary businessman will not be able to build this firm. A huge firm from another industry, on the other hand, is very likely to enter the car market. I feel RML's threat of new entrants is low because launching a vehicle business with little money and investment is impossible.

2.Substitute Threat (High): Other vehicle companies in Bangladesh include Nitol Motors, IFAD Autos Limited, and others, all of which offer a varied product line. As a result, Bangladesh has a high number of RANGS Motors Limited replacement automobiles. As a result, there is a high risk of substitution.

3.Bargaining Power of Supply (High): Mahindra & Eicher buses and trucks are exclusively imported by RANGS Motors Limited, and no other firm produces high-quality vehicles like Mahindra & Eicher. As a result, I feel the provider has a lot of negotiating power when it comes to supply.

4.Customer Bargaining Power (High): RANGS Motors Limited sells its vehicles mostly to bus and truck company owners. Because they purchase large quantities of vehicles for their businesses, they can easily bargain with RML to lower the vehicle's price. As a result, I believe RML has strong customer negotiating power.

5.Industry Rivalry (High): Since then, other automobile companies have emerged, including Nitol Motors Limited, Runner, and IFAD Autos Limited. Nitol Motors receives their autos from TATA. TATA is one of the world's most renowned vehicle manufacturers. As a result, RML's main competitor is Nitol Motors. That is why I feel RML and its competitors have a strong rivalry in the sector.

2.4 Financial Performance Analysis:

LIQUIDITY RATIO:

Current Ratio:

The current ratio is a measure of a company's ability to meet short-term financial obligations and is calculated by dividing current assets by current liabilities.

This ratio's formula is as follows:

$$\text{Current Ratio} = (\text{Current Assets}) / (\text{Current Liabilities})$$

RANGS Motors Limited:

Years	2019	2018	2017
Current Ratio	1.01times	1.11 times	1.33 times

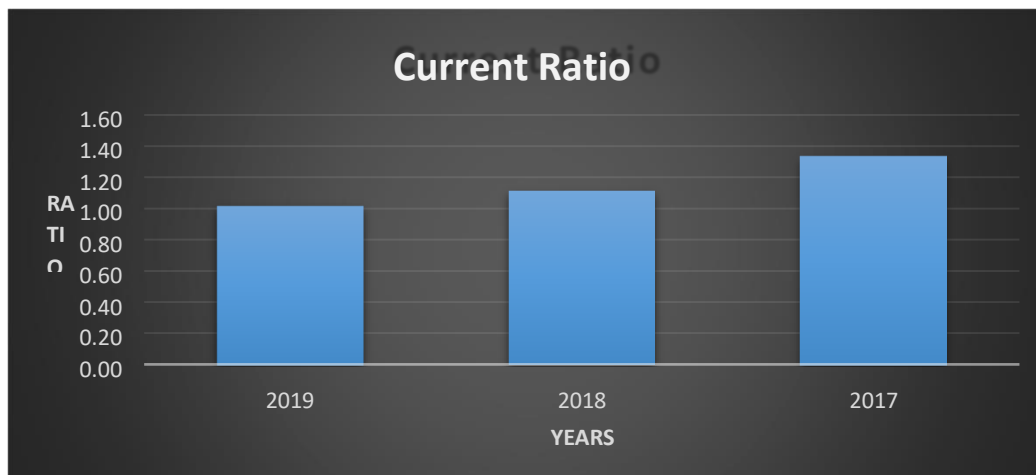
INDUSTRY AVERAGE:

<u>2019</u>
2.16 times

Interpretation:

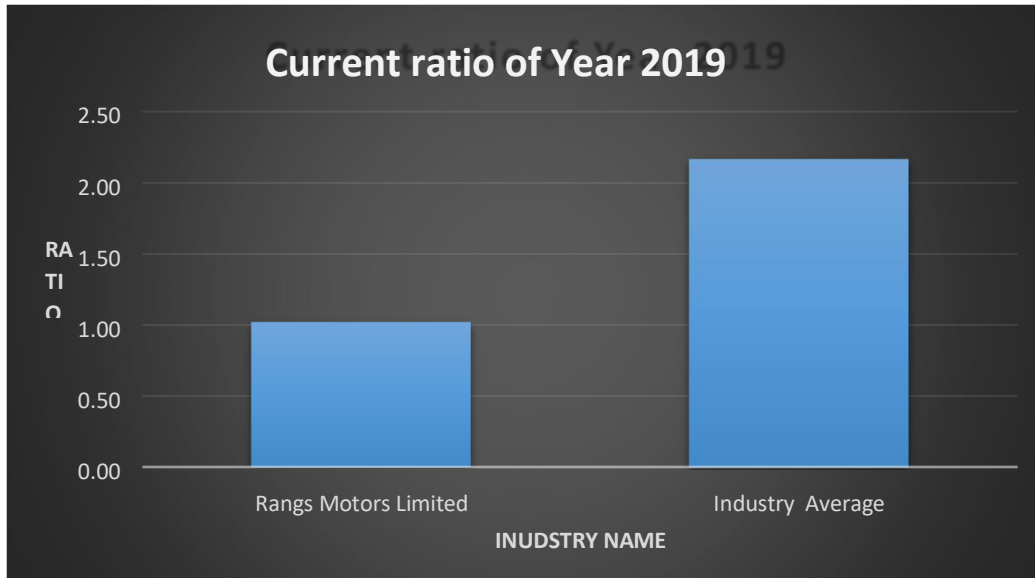
• **Time Series Analysis:**

- RANGS Motor Limited's current assets were 1.01 times its current liabilities as of 2019.
- The current ratio has dropped in 2019 compared to the previous year (Base year 2017). The main source of concern is that the present ratio rate peaked in 2017, but has since been steadily declining in the years 2018-2019. In the years 2018-2019, they were unable to improve their current ratio. The ratio's decline might be attributed to an increase in short-term debt, a drop in current assets, or a mix of the two.



Cross Functional Analysis:

The current ratio in 2019 is lower than the industry average, indicating a weak ratio.



Recommendation:

Their ratio is not excellent or satisfactory because they are below the industry average. As a result, they will need to increase their current ratio in the coming years by paying current commitments and rolling money faster via debtors. This is the only way they can get back to a higher current ratio than they had in 2017.

Quick or Acid test Ratio:

The Quick Ratio is a vital indication of a company's liquidity, computed by deducting inventory from current assets and dividing the remainder by current liabilities. The Acid Test Ratio is another name for it.

This ratio's formula is as follows:

$$\text{Quick Ratio} = (\text{Current Assets} - \text{Inventory}) / \text{Current Liabilities}$$

RANGS Motors Limited:

Years	2019	2018	2017

Quick or Acid Ratio	0.61times	0.54 times	0.64 times
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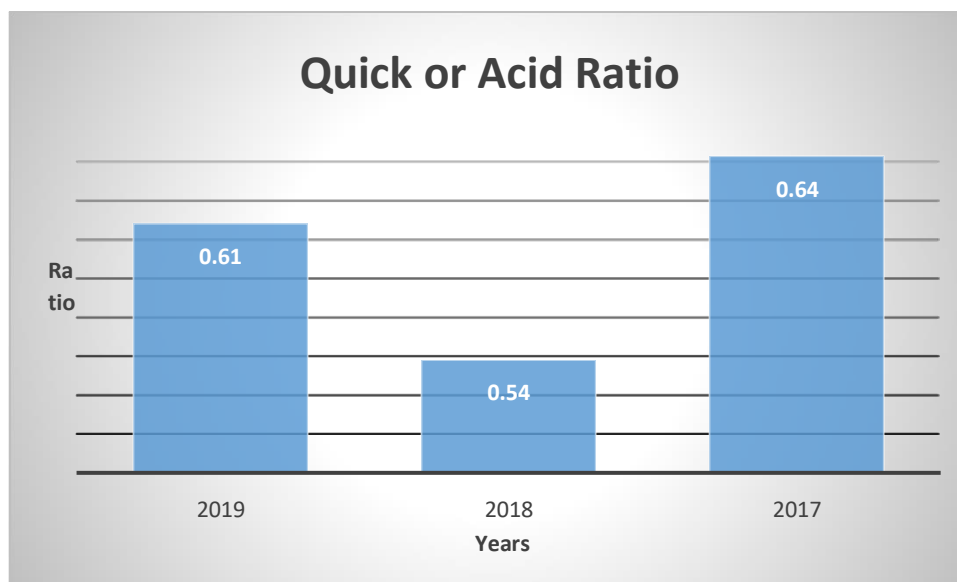
INDUSTRY AVERAGE:

<u>2019</u>
1.94 times

Interpretation:

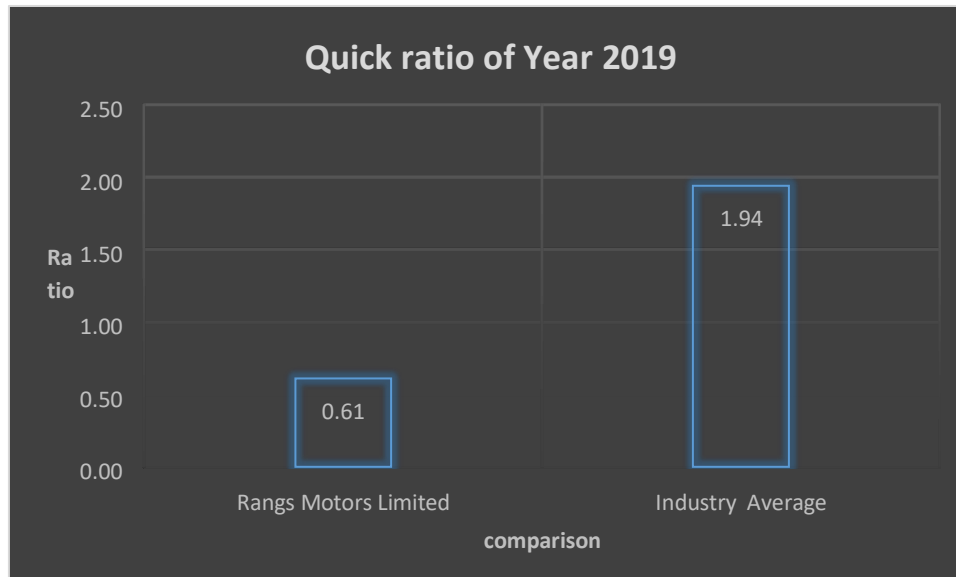
• **Time Series Analysis:**

- RANGS Motor Limited's current assets minus inventories were 0.61 times its current liabilities in 2019.
- The fast ratio declined in 2019 compared to the prior year (Base year 2013), but it grew again compared to 2018. The good news is that the ratio dropped in 2018, but improved again in 2019. The decrease in the ratio in 2018 could be attributable to a company's current assets being significantly dependent on inventory. RANGS Motors Limited, on the other hand, attempted to become less reliant on inventory in 2019. As a result, their ratio improved from the previous year.



Cross Functional Analysis:

The 2019 quick ratio is below the industry average, indicating that the ratio is weak.



Recommendation:

Their ratio is not excellent or satisfactory because they are below the industry average. As a result, beginning the following year, they must be concerned about paying off present liabilities while also increasing sales, so that cash on hand or AR improves, as it did in 2017. That's one method they might be able to regain consistency in terms of raising their quick ratio.

ASSET MANAGEMENT RATIO:

Inventory Turnover:

The Inventory Turnover Ratio is the number of times a company's inventory investment is recouped over the course of an accounting period.

This ratio's formula is as follows:

$$\text{Inventory Turnover Ratio} = \text{Sales} / \text{Inventory}$$

RANGS Motors Limited:

Years	2019	2018	2017
Inventory Turnover	2.84 times	1.92 times	1.72 times

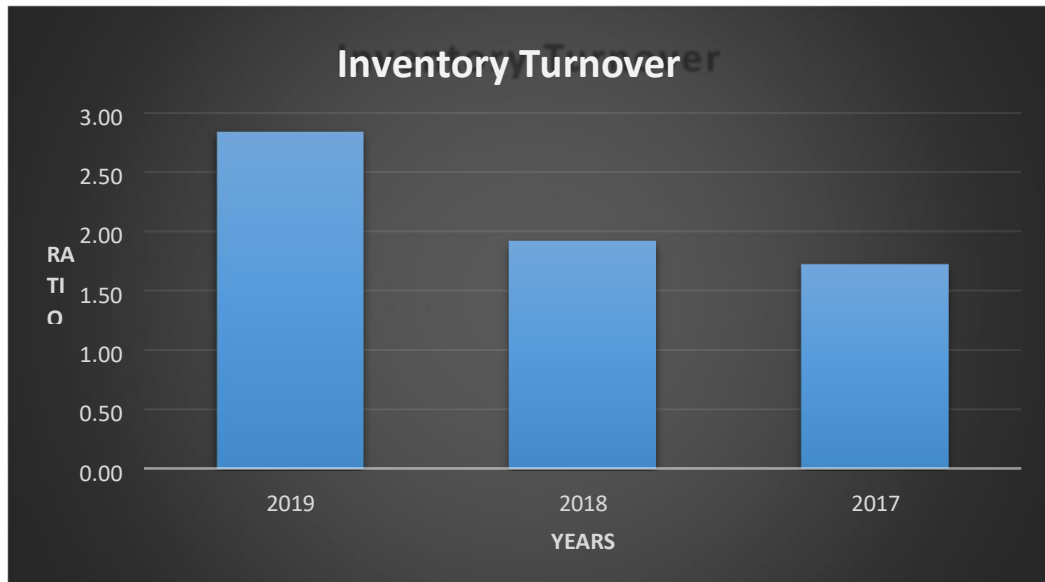
INDUSTRY AVERAGE:

<u>2019</u>
3.91 times

Interpretation:

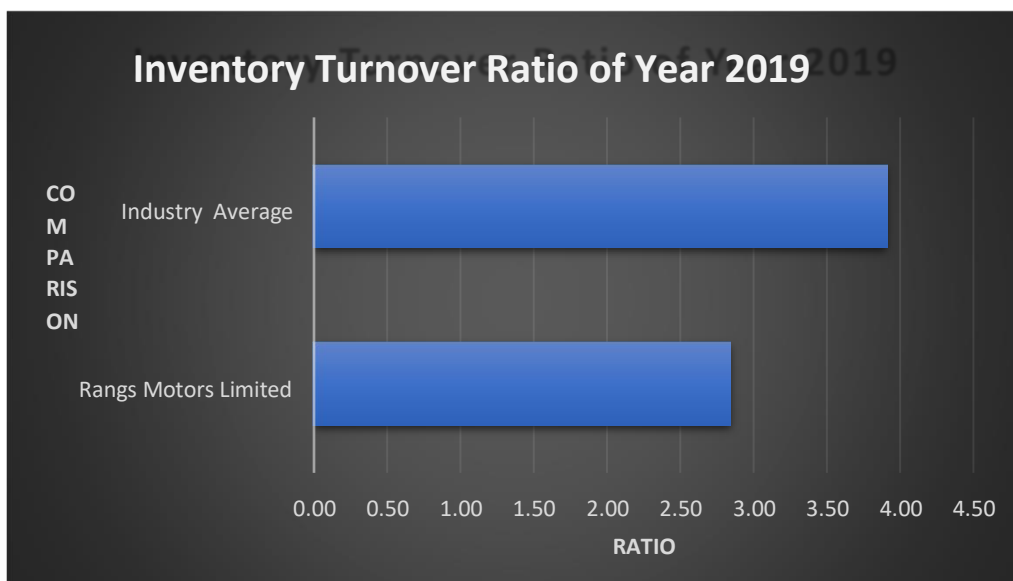
• **Time Series Analysis:**

- RANGS Motors Limited's inventory was sold and refilled 2.84 times in 2019.
- The inventory turnover ratio grew in 2019 compared to the previous year (Base year 2017), and the inventory turnover ratio rate increased in 2019 compared to 2018. The reason for the increase in the ratio is due to more sales, lower prices, or low inventory pricing.



Cross Functional Analysis:

The inventory turnover ratio in 2019 is lower than the industry average, indicating that the ratio is in poor shape.



Recommendation:

Their ratio is not excellent or satisfactory because they are below the industry average. As a result, they will need to improve sales even more the next year, either by lowering prices or by better inventory pricing.

AVERAGE COLLECTION PERIOD:

The average collection period is the number of days it takes to collect billed payments from clients.

Average Collection Period Formula:

$$\text{Average Collection Period} = \text{Accounts Receivables} / (\text{Net Sales} / 365)$$

RANGS Motors Limited:

Years	2019	2018	2017
AVERAGE COLLECTION PERIOD	205 days	176 days	193 days

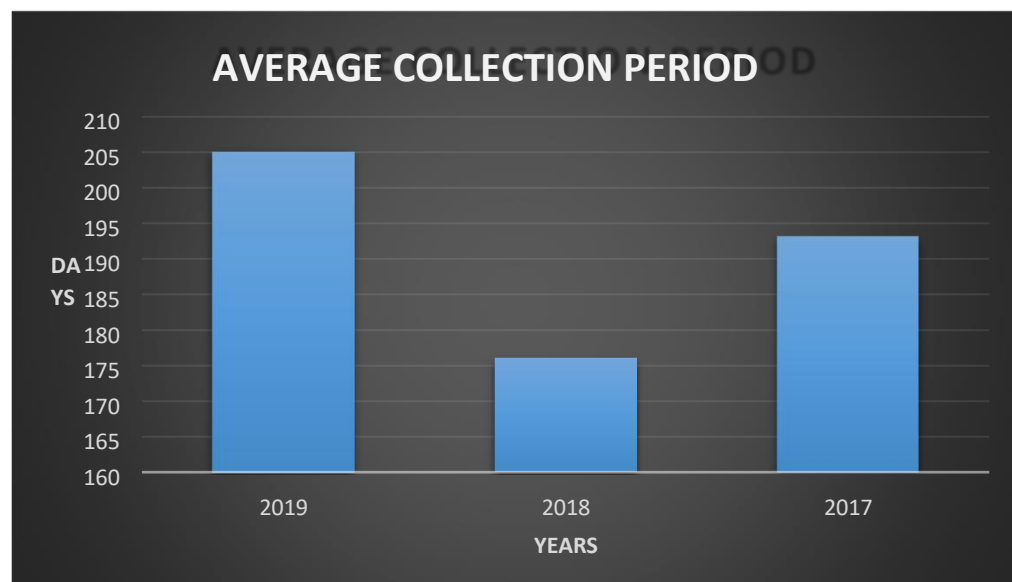
INDUSTRY AVERAGE:

<u>2019</u>
719 days

Interpretation:

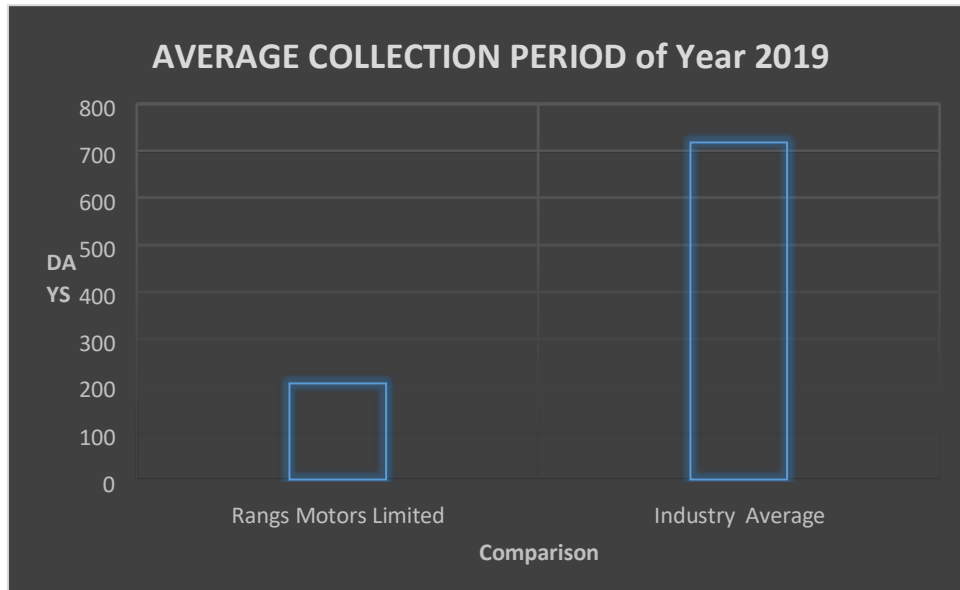
- Time Series Analysis:

- In 2019, the average time it took to collect receivables from customers was 205 days.
- According to the data, the number of days in 2019 is significantly larger than any of the previous three years. It reduced by 17 days from 2017 to 2018. Then again, in 2019, there were 205 days, which is significantly more than in 2018 and 2017. The fewer the days, the better for the organization; otherwise, this receivable may turn into bad debt, and bad debt can lead to a lack of liquidity. 205 days to collect receivables is not good for their business because they are taking a long time to collect receivables in comparison to the previous two years.



Cross Functional Analysis:

The average industry collection duration is 719 days, which is higher than RANGS Motors Limited's average collection term in 2019, indicating that the firm is in a better situation.



Recommendation:

From the above, it can be concluded that, while the company is in a better situation than the industry average, they still need to improve their sales and receivables. In order to collect money from accounts receivable as rapidly as possible, they must reduce credit sales and pay discounts.

FIXED ASSET TURNOVER:

Fixed-asset turnover is the ratio of sales (on the profit and loss account) to the value of fixed assets (on the balance sheet). It demonstrates how well a company's fixed assets are leveraged to generate revenue.

Fixed Asset Turnover Formula:

$$\text{Fixed Asset Turnover} = \frac{\text{Net Sales}}{\text{Net Fixed Asset}}$$

RANGS Motors Limited:

Years	2019	2018	2017
Fixed Asset Turnover	1.56 times	1.57 times	1.56 times

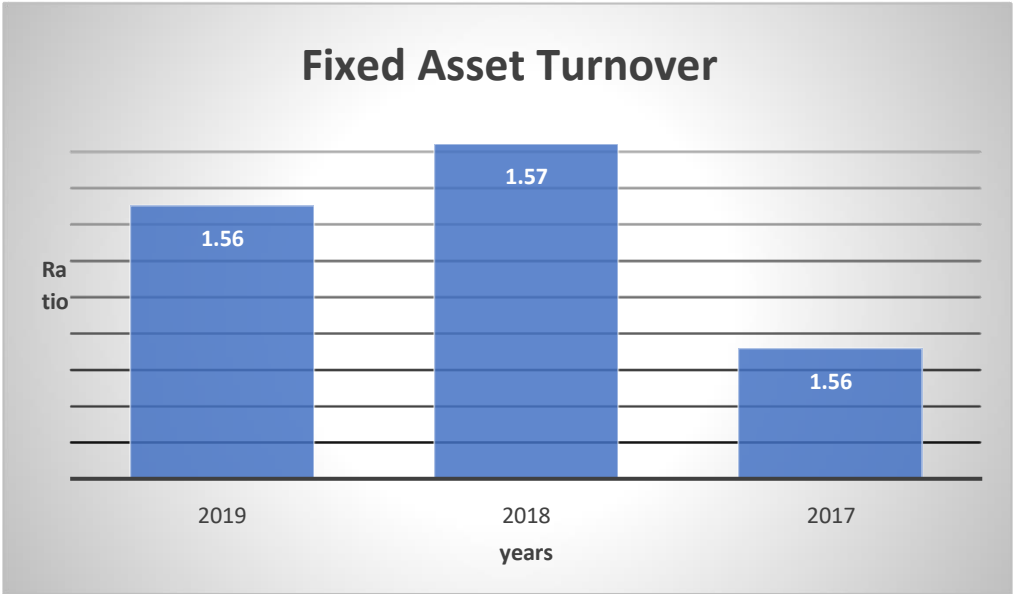
INDUSTRY AVERAGE:

<u>2019</u>
4 times

Interpretation:

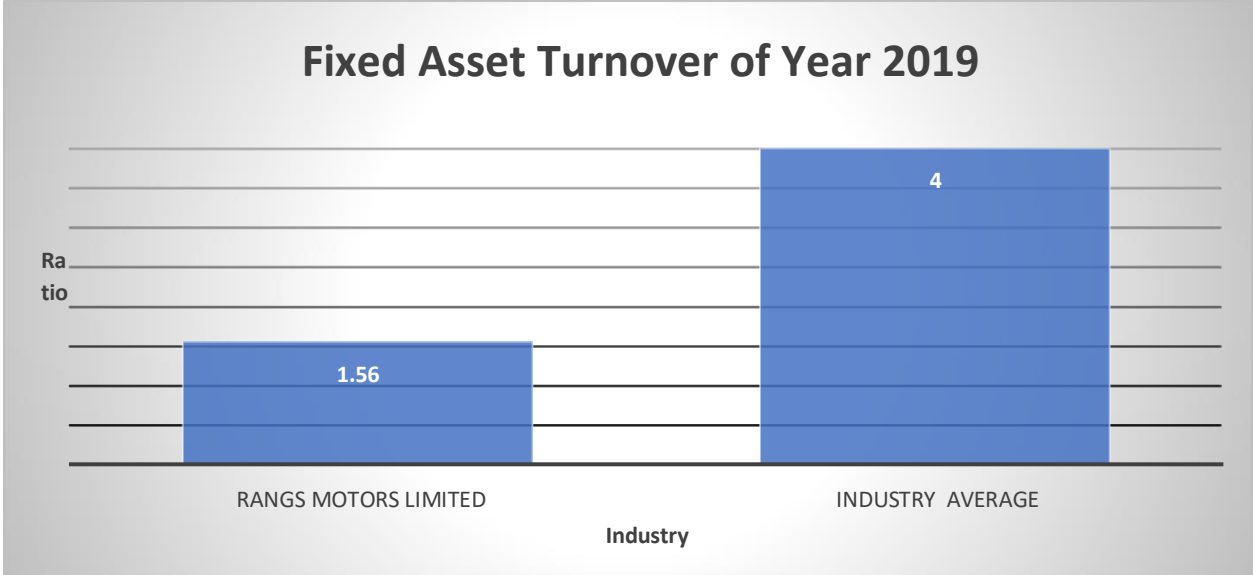
• Time Series Analysis:

- For every BDT 1 of Fixed Assets, RANGS Motors Limited produced BDT 1.56 in sales in 2019.
- Fixed Asset turnover in 2018 is 1.57 times, which is greater than the previous year (Base Year). However, it peaked in 2018 and then began to decline in 2019. This could happen as a result of a lack of accurate fixed asset value or a large number of closing inventories.



Cross Functional Analysis:

The Fixed Asset turnover of RANGS Motors Limited is significantly lower than the industry average. As a result, the ratio is bad.



Recommendation:

Although the company is in the poorest position compared to the industry average, it may be concluded from the above position. As a result, the corporation must focus on its entire fixed assets and sales. They must ensure that their fixed assets are correctly depreciated and that their capital expenditure is accurately recorded. They also need to improve credit sales or give discounts to increase sales. They must also be concerned with the proper use of their fixed assets and the preservation of historical concepts.

Total Asset Turnover:

A company's revenues are compared to its total assets in the total asset turnover ratio.

Total Asset Turnover Formula:

Total Asset Turnover= Net Sales / Total Assets

RANGS Motors Limited:

Years	2019	2018	2017
Total Asset Turnover	0.46 times	0.45 times	0.42 times

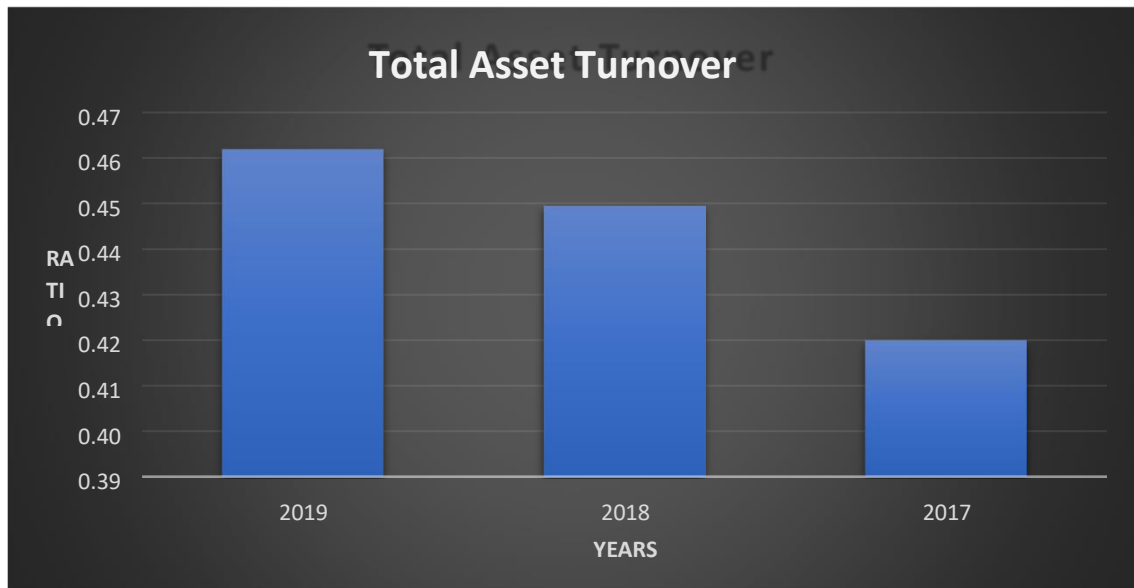
INDUSTRY AVERAGE:

2019
0.36 times

Interpretation:

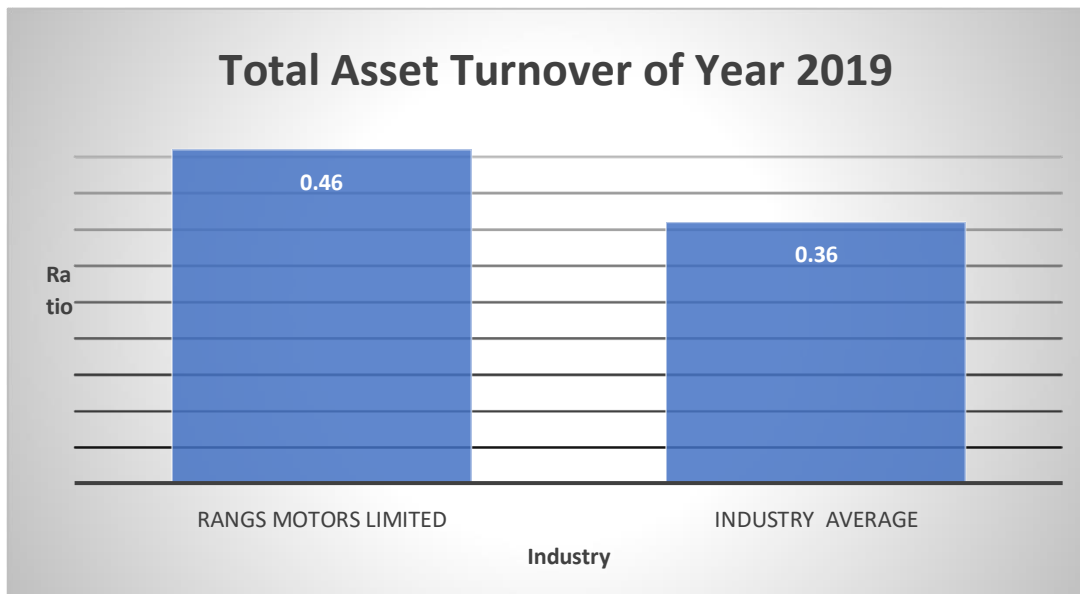
• **Time Series Analysis:**

- For every BDT 1 in Total Assets, RANGS Motors Limited generated BDT 0.46 in sales in 2019.
- Total Asset Turnover in 2019 was 0.46 times, which is higher than the previous year's figure of 0.45 times (Base Year). It was 0.45 times in 2018, and it began to rise in 2019, which was advantageous to the organization. This might happen as a result of improper fixed asset valuation, a large amount of closing inventory, or an increase in credit sales, all of which raise accounts receivables, resulting in a large quantity of assets compared to net sales.



Cross Functional Analysis:

The Fixed Asset turnover of RANGS Motors Limited is higher than the industry average.



Recommendation:

Although the industry average may appear to be better, companies must ensure that they are effectively depreciating their fixed assets and must also be concerned about their present assets in the near future.

DEBT MANAGEMENT RATIO:

DEBT RATIO: The decimal or percentage ratio of total debt to total assets is known as the debt ratio.

Debt Ratio Formula:

Debt Ratio= Total debt/ Total Asset

RANGS Motors Limited:

Years	2019	2018	2017
Debt Ratio	71%	69%	64%

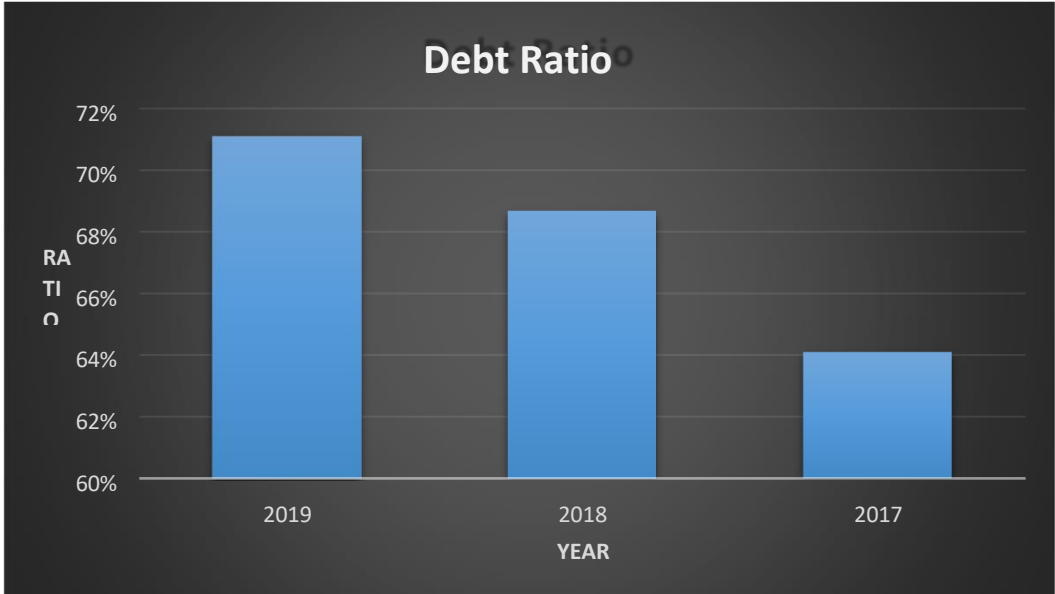
INDUSTRY AVERAGE:

2019
70%

Interpretation:

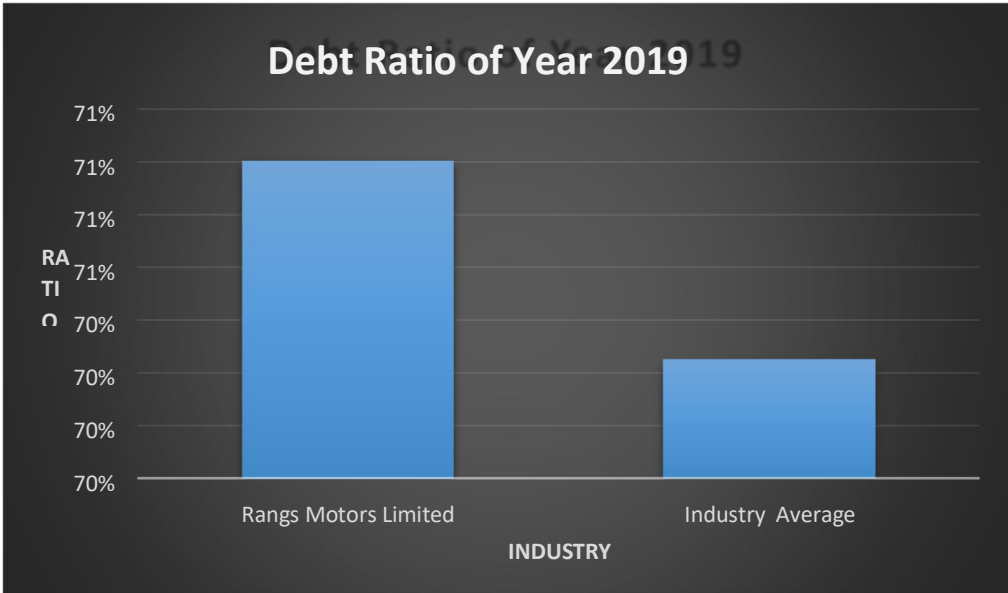
• Time Series Analysis:

- In 2019, MJL Bangladesh LTD's total assets were financed by debt to the tune of 71%.
- In 2019, the debt-to-income ratio is 71 percent, which is higher than the previous year (base year). It was 64 percent in 2017 and has since begun to rise, indicating that the company's ability to repay debt is deteriorating. It has steadily increased from 2017 to 2019. This could happen if the company takes on too much debt or fails to appropriately utilize its assets.



Cross Functional Analysis:

Rangs Motors Limited's debt ratio is lower than the industry average.



Recommendation:

The company's debt ratio is higher than the industry average, but it is also expanding day by day, posing a serious concern for the company in the long run. In such circumstances, the company must ensure that it is not taking on too much debt and that its assets are being utilized. Fixed assets have been accurately valued, while current assets have been appropriately managed. Excessive credit sales may result in bad debt.

TIMES INTEREST EARNED:

The TIE ratio is a measure of a company's capacity to meet debt commitments based on current income.

Time Interest Earned Formula:

Time Interest Earned= Earnings before Interest and Tax/ Interest Expense

RANGS Motors Limited:

Years	2019	2018	2017
Time Interest Earned	2.42 times	1.96 times	2.00 times

INDUSTRY AVERAGE:

2019
6.33 times

Interpretation:

• Time Series:

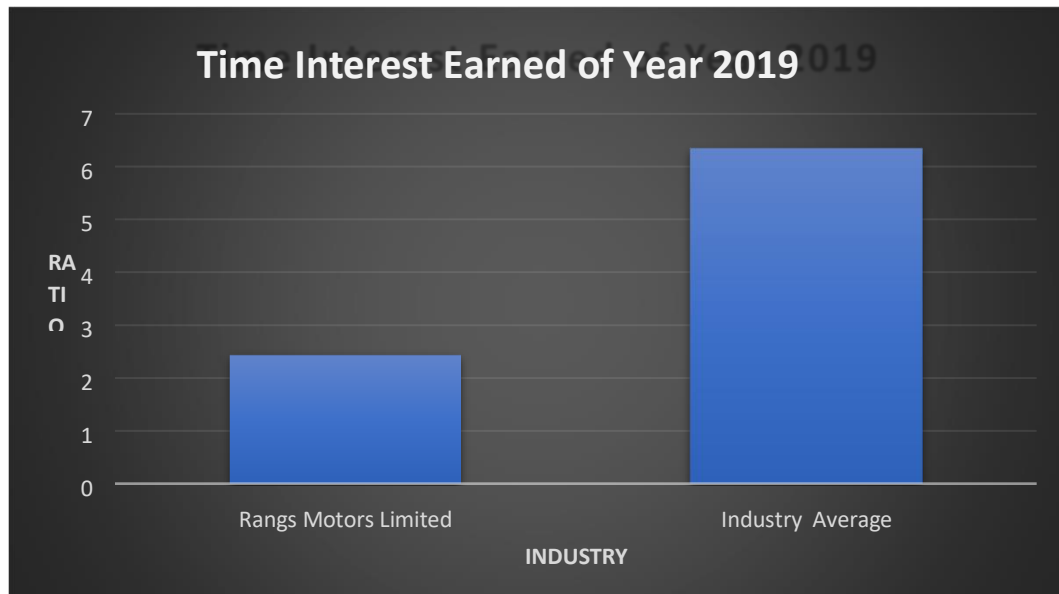
- MJL Bangladesh LTD. paid its interest expense 2.42 times in 2019.

- The time interest earned ratio increased in 2019 compared to the prior year (base year 2017). The main source of concern is that the ratio fell in 2018 and then climbed in 2019. The decrease in interest expense or the increase in EBIT, or both, could be the explanation for the increase in 2019.



Cross functional Analysis:

The ratio is poor because the industry average is higher.



Recommendation:

The ratio is poor since they are lower than industry averages. As a result, in the coming years, they will need to earn more EBIT and recover from debt in order to maintain steady growth.

PROFITABILITY RATIO:

Gross Profit Margin:

After paying off its Cost of Goods Sold, a company's gross margin is calculated.

Gross Profit Margin Formula:

$$\text{Gross Profit Margin} = (\text{Gross Profit} / \text{Sales}) * 100$$

RANGS Motors Limited:

Years	2019	2018	2017
Gross Profit Margin	24%	23%	23%

INDUSTRY AVERAGE:

2019
21%

Interpretation:

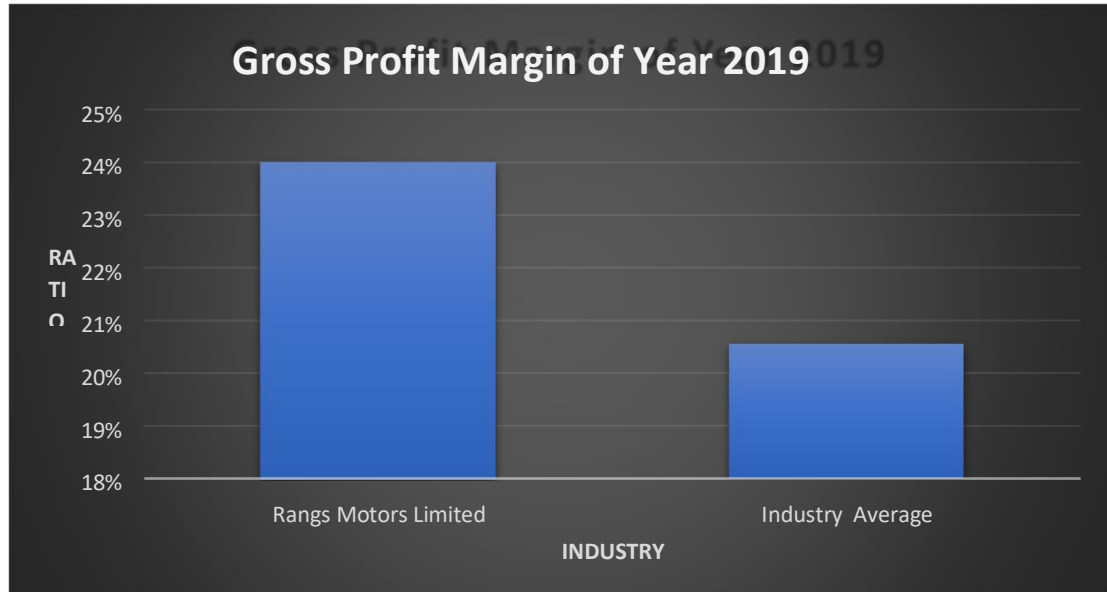
• **Time Series:**

- RANGS Motors LTD had a gross profit of 24 TK for every 100 TK of sales in 2019.
- The gross profit margin grew in 2019 compared to the prior year (Base year 2017). The main source of concern is that the ratio grew in 2019, but remained stable in 2017-2018. The reasons for the constant gross profit margin ratio in 2018 could be due to consistency in sales, stability in cost of goods sold, or the selling price being the same as in 2017.



Cross Functional Analysis:

They are higher than the industry average, thus the ratio is good.



Recommendation:

The ratio is good because it is lower than the industry average. To enhance this ratio even more, companies may need to grow sales, reduce cost of goods sold, or charge a high selling price for their products/services/goods.

Operating Margin:

The operating margin ratio is the proportion of a company's operating profits to its revenue.

Operating margin Formula:

$$\text{Operating margin} = \text{Operating income}/\text{net sales} * 100$$

RANGS Motors Limited:

Years	2019	2018	2017
Operating Profit Margin	12%	11%	11%

INDUSTRY AVERAGE:

2019
16%

Interpretation:

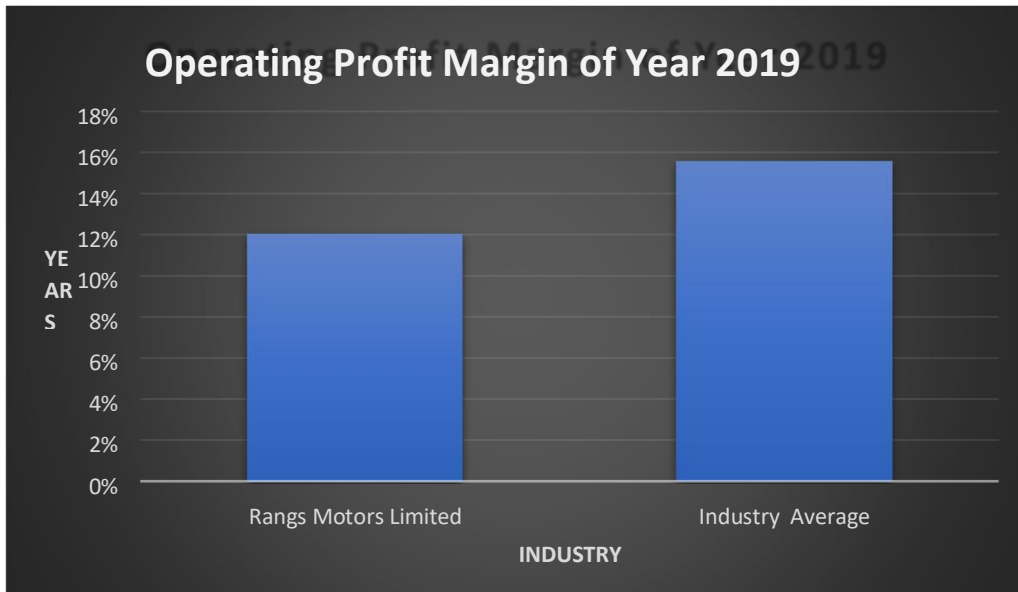
• **Time Series:**

- RANGS Motors LTD produced 12 TK of operational profit for every 100 TK of sales in 2019.
- The operating margin grew in 2019 compared to the prior year (Base year 2017). The good news for this ratio is that it is higher than it was in 2017-2018. However, there are two main causes for growing operating margin: either the company's sales have climbed or its expenses have decreased.



Cross Functional Analysis:

Because they are below the industry average in 2019, the ratio is poor.



Recommendation:

The ratio is poor since it is lower than the industry average. To enhance this ratio even further, they may need to increase operating margin, grow revenue, or reduce expenses.

Net Profit Margin:

The net profit margin is the percentage of revenue that is earned in net income or profit. A company's or business segment's net profit margin is the ratio of net profits to revenues.

Net Profit Margin Formula:

$$\text{Net Profit Margin} = (\text{Net Profit} / \text{Net Sales}) * 100$$

RANGS Motors Limited:

Years	2019	2018	2017

Net Profit Margin	5%	3%	3%
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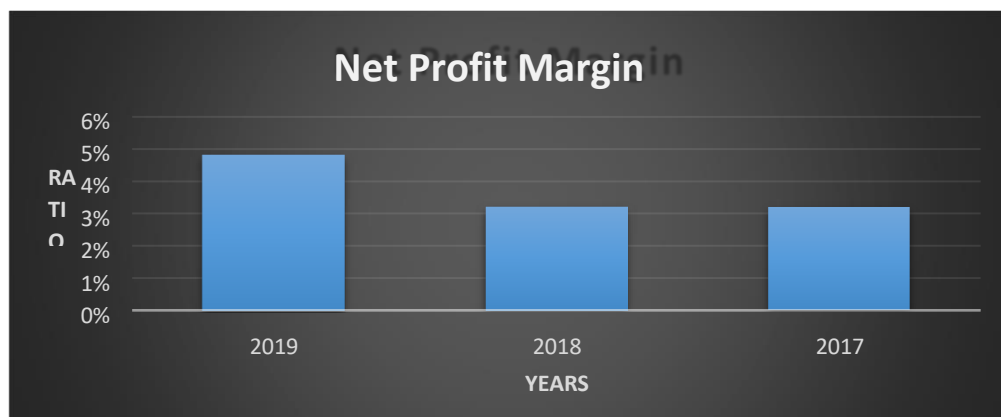
INDUSTRY AVERAGE:

2019
10%

Interpretation:

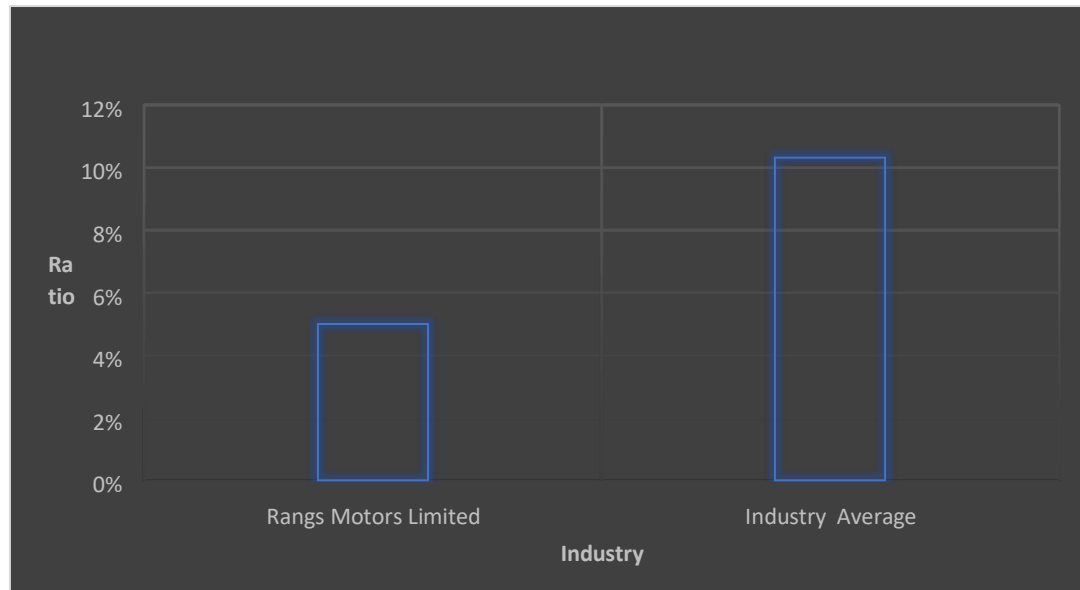
• **Time series:**

- RANGS Motors LTD produced 5 TK of net profit for every 100 TK of sales in 2019.
- The profit margin grew in 2019 compared to the prior year (Base year 2017). The main source of concern is that the ratio has risen in 2019 after remaining stable in 2017-2018. However, consistent net profit margin ratios in 2017-2018 could be due to constant raw material costs, labor expenses, the introduction of new technology, and macroeconomic developments such as recessions. Furthermore, charging the same price for their product, service, or items might result in a consistent net profit margin ratio.



Cross Functional Analysis:

The ratio is poor since they are below the industry average.



Recommendation:

Because they are below the industry average, their ratio is low, and they will need to lower raw material costs, labor costs, or the price of their products/services/goods to achieve the high ratio that other companies have.

Return on Assets:

Return on Assets (ROA) is a measure of a company's asset utilization, based on how profitable it is in relation to its total assets.

Return on Assets formula:

$$\text{Return on Assets} = \text{Net Income} / \text{total assets}$$

RANGS Motors Limited:

Years	2019	2018	2017
Return On assets	2%	1%	1%

INDUSTRY AVERAGE:

2019
4%

Interpretation:

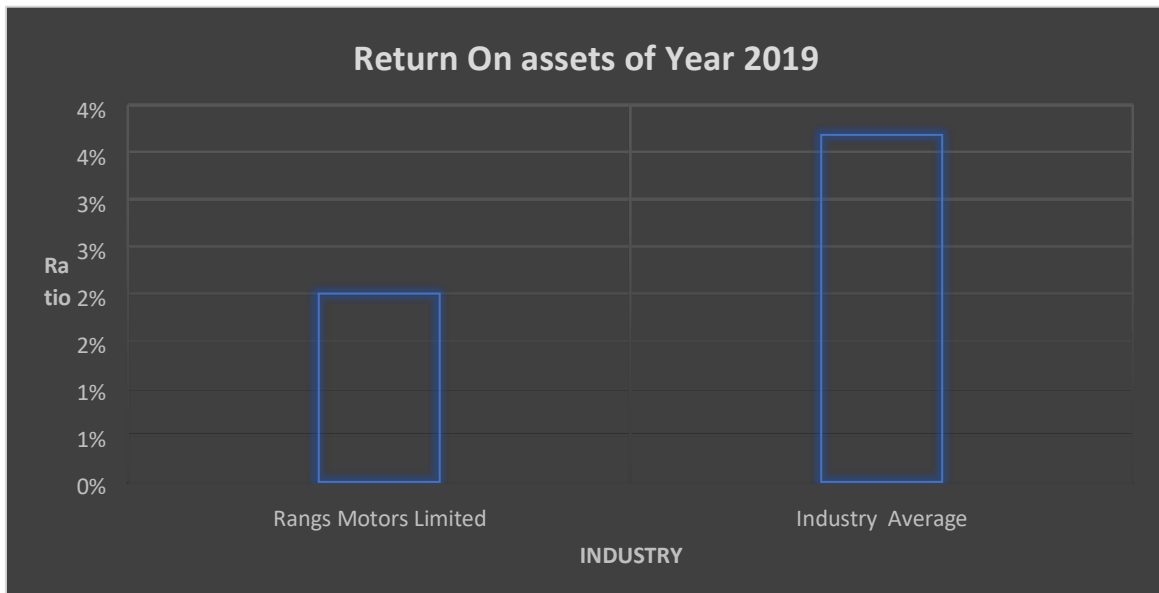
• Time Series:

- RANGS Motors Limited produced 2 takas of net profit per 100 takas of gross assets in 2019.
- The return on assets ratio grew in 2019 compared to the prior year (Base year 2017). The main source of concern is that the ratio rate grew in 2019, but remained unchanged in 2017-2018. Despite the fact that the return on assets ratio for 2019 is better than the base year of 2017, they were unable to enhance it in 2017-2018. The consistent return on assets ratio in 2019 could be due to a constant in assets cost or revenues/sales, or it could be due to constant expenses of their company in the 2017-2018 years.



Cross Functional Analysis:

They have a poor ratio since they are below the industry average.



Recommendation:

Their ratio is poor since they are below the industry average. As a result, beginning the following year, they must reduce their cost of goods sold, increase the efficiency of present assets, and cut expenses as much as feasible. That is one way they could be able to achieve a Return on Assets ratio that is comparable to the industry average.

Return on Investment:

The ratio of a profit or loss made in a fiscal year expressed in terms of an investment is known as return on investment (ROI).

Return on investment formula:

Return on Investment = Net profit / total investment

RANGS Motors Limited:

Years	2019	2018	2017
Return on investment	59%	35%	31%

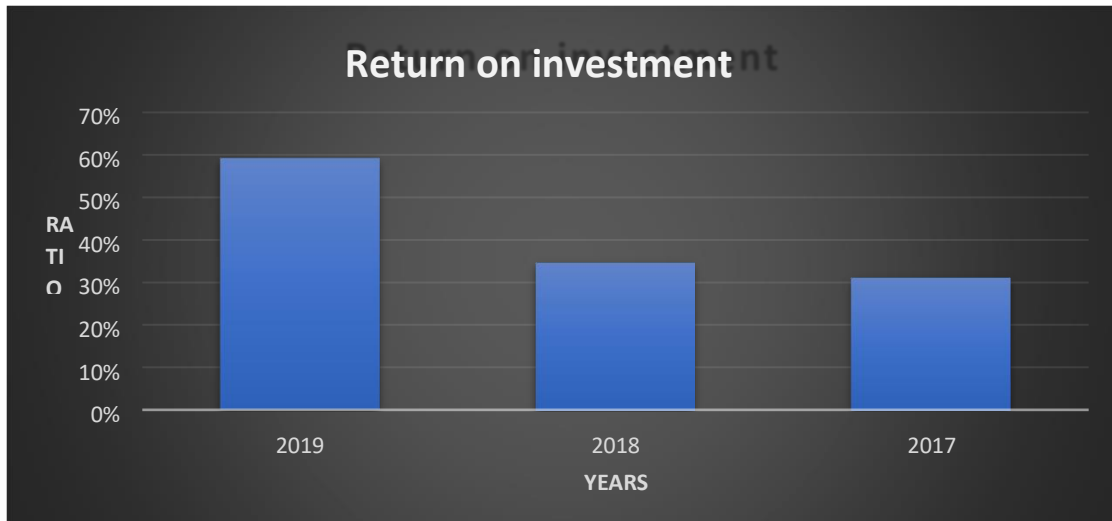
INDUSTRY AVERAGE:

2019
367%

Interpretation:

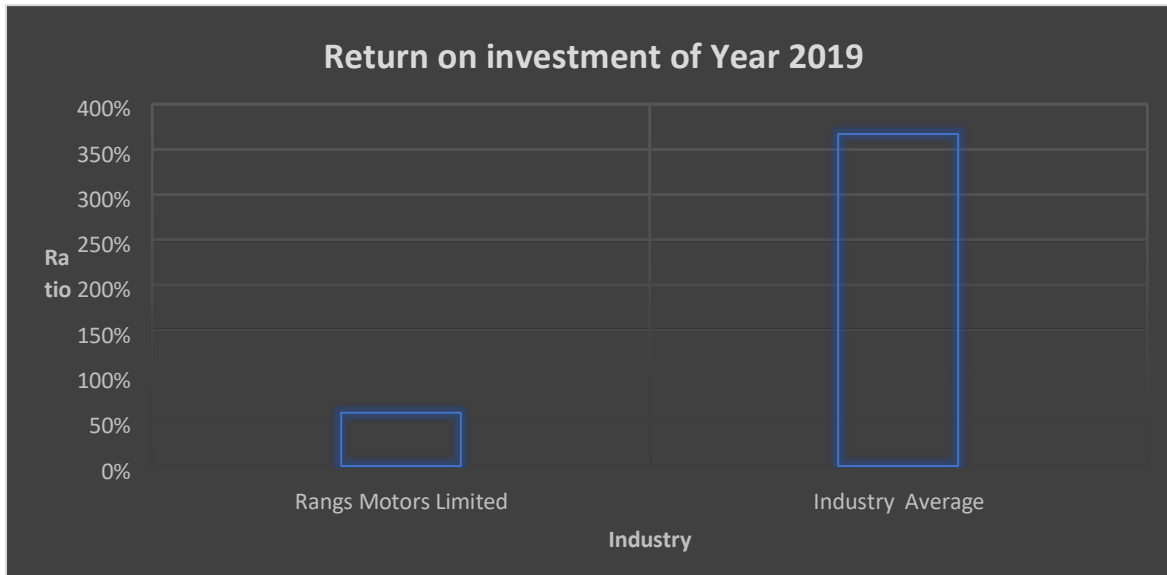
• Time Series Analysis:

- RANGS Motors Limited gained Tk 59 for every Tk invested in 2019.
- The return-on-investment ratio grew in 2019 compared to the previous year (Base year 2017). This business has continually grown its return-on-investment ratio. The more efficiently the company employed its asset base to produce revenues could be the cause for the steady increase in the percentage of return on investment from 2017 to 2019. We know that the return-on-investment ratio assesses a company's or investment's performance or projected return.



Cross Functional Analysis:

They have a poor ratio since they are below the industry average.



Recommendation:

Their ratio is poor since they are below the industry average. Consistently increasing the ratio could be a noteworthy achievement for this organization. However, in comparison to other

companies, their ratio is too low. So, starting the following year, they must be cautious to make as much profit as other companies from their investments, and they must either generate more sales and revenues or raise their pricing to achieve the same ratio. That is one way they might be able to earn a return on investment similar to the other company.

STOCK MARKET RATIO:

Earnings Per Share:

Earnings per share represents the earnings for each outstanding share of ordinary stock. Earnings per share is a metric that measures a company's profitability.

Earnings Per Share formula:

Earnings Per share: (Net profit after tax/total number of common outstanding)

RANGS Motors Limited:

Years	2019	2018	2017
Earnings per share	BDT25.14	BDT 10.35	BDT 7.63

INDUSTRY AVERAGE:

2019
BDT 4.59

Interpretation:

• Time Series Analysis:

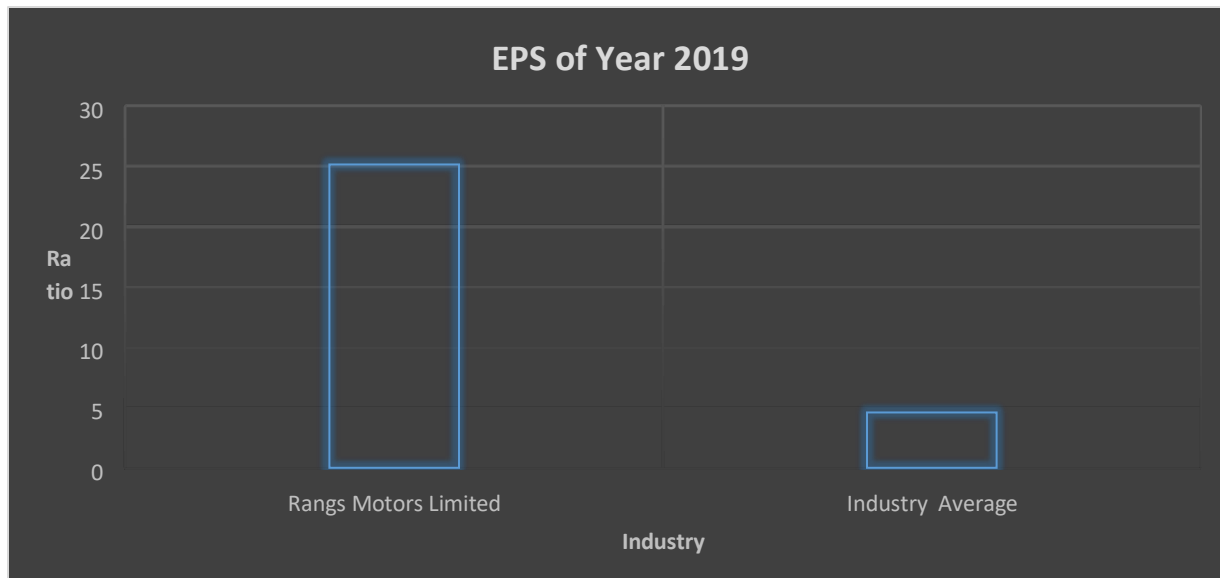
- The ordinary shareholders of RANGS Motors Limited have received BDT 25.14 per share in 2019.

▪ MJL Bangladesh Limited common shareholders got BDT 25.14 per share in 2019. The company's earnings per share grew in 2018 compared to the previous year. The rationale for the higher ratio is that they may have raised their net profit after taxes by growing revenue while lowering expenses.



Cross Functional Analysis:

RANGS Motors Limited has an earnings per share ratio that is higher than the Industry Average in 2019. As a result, the ratio is in good shape.



Recommendation:

They don't require any recommendations because their ratio is better than the industry average, but they should endeavor to maintain it like the rest of the industry.

Chapter 3

RANGS Motors Limited's Sales Method and Credit Collection Policy

3.1 Introduction:

I worked on a number of assignments that my supervisor assigned to me under her supervision. One of the most difficult duties I had to do was closing a client credit file. My supervisor handed

me an excel spreadsheet including credit information for 4000 consumers. RANGS Motors Limited provides vehicles in three different configurations. I was tasked with closing the files of clients who had purchased a vehicle on credit from RANGS Motors Limited. Due to a variety of financial challenges, I learned that the customers were unable to pay their bills. The most prevalent reason for consumers not being able to repay the loan was Covid 19 and vehicle damage issues. RANGS Motors Limited is requesting a payment proposal in order to close these accounts. Sending a proposal to a customer has the purpose of minimizing the company's loss.

In general, grasping the scope of the enormous project in a short amount of time was tough. To begin, I needed to use ERP to collect a variety of data from clients. Those particulars must be entered into the excel spreadsheet. Then I had to collect all of the information from the customer's financial top sheet, such as the EMI received, the proposal amount, the service charge received, the VTS received, and so on.

3.2 Methodology:

The study focused on RANGS Motors Limited's accounts and finance department, which is essentially an import corporation that sells commercial vehicles to its customers. As part of the secondary data, the study work was designed in such a way that data was generated from this company's annual reports and accounts. Because I already had a copy of RANGS Motors Limited's annual report and other pertinent material for my investigation, the sample size of this project constitutes one manufacturing company which is RANGS Motors Limited. In order to complete the project work, I will use both primary and secondary sources for my study.

There were a few points to consider. I had to work with two distinct types of vehicle files for each of them. On the other hand, working with Mahindra and Eicher files is a completely different experience. Mahindra's consumer credit file was straightforward. Eicher's customers' credit files, on the other hand, were quite sophisticated.

RML experiences financial challenges with its customers every year, hence this program is carried out every year. These 4000 files, on the other hand, would aid my supervisor in calculating the vehicles' profit/loss.

3.3 Findings & Analysis:

RANGS Motors Limited offers three main vehicle configurations. This is a list of the Modes.

1. Sales made entirely in cash
2. Policy Mixture
3. Policy on Credit

1. Full-cash Sales: In a cash sale, the buyer's payment obligation is met immediately.

When selling their autos for cash, RANGS Motors Limited uses this method. The buyer pays for the car in full using this method. RANGS Motors Limited will provide the consumer a cash discount. They offer consumers discounts ranging from 8,000 to 10,000 takas in cash sales.

2. Policy Mixture: The Early Settlement Process is classified as a hybrid policy. It's just a half-cash transaction. RANGS Motors Limited follows a similar strategy. The Mixed Policy will last for 24 months. RANGS Motors Limited would not charge interest to customers who pay their loans on time and in full within 24 months. The Mixed Policy, on the other hand, will not assist the consumer if the remaining debt is not paid within 24 months. The consumer must then pay 12.6 percent interest for the next 48 months.

3. Policy on credit: They have specialized branches that provide commercial vehicle and equipment loans tailored to the demands of their customers. Individuals, bus and truck operators, partnership corporations, and organizations, among others, are among the borrowers. This lending program allows for the purchase of buses, trucks, and other light and compact commercial vehicles. Customers must also pay a down payment of a certain amount of taka, which is established by RANGS Motors Limited, and the remainder of the money will be paid

over a period of 24 to 48 months. The customer must pay interest on a monthly basis during this process.

RANGS Motors Limited's credit collection policy

RANGS Motors Limited is the distributor for Mahindra and Eicher in Bangladesh. The distribution route is made up of RML licensed dealers, showrooms, and deal concerns. Customers can pay with credit, cash, or a combination of the two to purchase their vehicle. If a consumer chooses to buy a car on credit, they must immediately make a down payment.

RANGS Motors Limited has to cope with two types of circumstances on a regular basis:

Case1. Customer with a Normal Financial Situation:

A consumer will be charged a 12.6 percent annual interest rate if they do not pay their due amount within 24 months of the start date. However, if a consumer is able to pay his or her due amount within 24 months, he or she should not be charged any interest.

For Example: Let's say Mr. Fahim spends 1600000/- on a BIG BOLERO. He gives a down payment of 260000/- and the rest of the money is paid as an Emi payment over 48 months. So, how much does he have to pay in total as an interest payment?

*As a result, the remaining sum is = $(1600000 - 260000)$ Tk = 1340000tk

Because he selects 48 months to repay the debt, he will have to pay a 12.6 percent annual interest rate.

*So, 1 year's interest is = $(1340000 * .126)$ TK = 168840tk

*So, 4 years interest is = $(168840 * 4)$ TK = 675360tk

*As a result, after 48 months, the customer must pay = $(1340000 + 675360)$ TK = 2015360tk

He must additionally pay an additional 5000 TK along with his due amount to RANGS Motors Limited for the closing of his credit file at the end of the 48-month period, as well as a Vehicle tracking charge (variable).

In the case of financially solid consumers, this is how RML collects the due amount.

Case 2: Customers who are financially unstable:

RANGS Motors Limited will often submit a proposal to a client if they become financially unstable within their 48-month/24-month Emi payment period, noting that they must pay at least the requested amount to cancel their credit file.

Assume Mr. Asef paid RML 250000 TK as a down payment on a BIG BOLERO worth 1600000/. However, the condition of his vehicle has deteriorated over the last 26 months, and it was his only method of paying Emi of RANGS Motors Limited. On the other hand, Mr. Karim is unable to pay his EMI on time. As a result, the interest rate on the delayed payment is rising every day. The regional manager then provides RANGS Motors Limited information about his vehicle's condition and financial situation. RANGS Motors Limited assesses the customer's circumstances before making an offer to pay at least the amount recommended by RANGS Motors Limited. In accordance with policy. By paying at least 200000 TK, Asef's credit file must be closed. A file closing fee, vts charge, and service charge must also be paid to RML.

If Mr. Karim pays the proposal amount on schedule, RML cancels his credit file. This is how RML collects a customer's owing payment in the event of a financial crisis.

Problem in their credit collection policy

One issue I have with their credit collection approach is that they are not correctly using the time worth of money in the installment payment method, in my opinion. For intermediate payments during the 24 or 48-month payment period, the mortgage and annuity payment schemes should take into account the time value of money. The corporation should have taken into account the time worth of money by now, as it is a fundamental notion in finance.

As we all know, "the value derived from the use of money over time as a consequence of investment and reinvestment" is defined as "the value derived from the use of money over time as a result of investment and reinvestment." The term "time value of money" refers to the fact that "the value of a taka received today differs from the value of a taka received in the future." The desire for money now over money later is referred to as time preference of money. As a result, an industrial conglomerate like RANGS Group should be mindful of this crucial financial notion. While allowing their consumers to purchase things on an installment basis for 24 or 48 months may bring them more customers than they would have otherwise, in the majority of situations, they end up losing money and are unable to collect all of the money or reclaim the assets.

Comparisons between the right way and the current way of the company practice:

Current way of practice:

According to current policy, if a customer purchases a car for 1600000/- with a down payment of 260000 and the balance to be paid as an Emi over 48 months, the corporation will earn 2015360 TK instead of 1340000 TK at the end due to the 12.6 percent annual interest rate.

This is what they estimate to be their profit.

Proposed right way of practice:

Now we'll investigate what would happen if buyers bought things in another way than on an Emi basis.

Scenario 1: RANGS Motors Limited has the option of selling its vehicles on a monthly annuity basis. Customers have the option of making a series of payments at regular periods. For example, if a customer purchases a car for 1600000/- with a down payment of 260000/-, the remaining 1340000/- should be paid on a monthly annuity basis for the next two years. Customers will make payments at regular times; thus, the corporation will not have a problem recovering money all at once. All they have to do now is make sure that customers pay their bills on time. As a result, the likelihood of losing their money would be significantly reduced.

$P = PMT * [1 - [(1 / 1+r)^n] / r]$ $P = PMT * [1 - [(1 / 1+r)^n] / r]$ $P = PMT * [1 - [(1 / 1+r)^n] / r]$
 $P = PMT * [1 - [(1 / 1+r)^n] / r]$ $P = PMT * [1 - [(1 / 1+r)^n] / r]$ where P is your annuity stream's present value.
PMT = Each payment's dollar amount. r = Interest rate or discount.

They would be able to observe the difference between how much they profit from annuity payments now and how much they profit from present practice by calculating this.

Scenario 2: The organization can also determine the extent of their outstanding accounts receivable by calculating their days sales outstanding (DSO). It will calculate their size in average sales days rather than monetary units. They can calculate their outstanding days sales on a monthly basis. They can determine their days sales outstanding using the formula $DSO = \text{Accounts receivable} / \text{Total credit sales number of days}$.

They may determine the average number of days it takes for the company to collect payment for a transaction by measuring the days sales outstanding (DSO). If they have a high DSO number, it means that they are facing payment delays. This will eventually result in a cash flow issue. So, if they figure it out in a timely manner, they will be able to take the appropriate actions to correct the problem.

3.4 Recommendation:

In financial decision-making, understanding the time worth of money is critical. A financial decision made today will have long-term consequences. Every financial decision includes weighing cash outflows (outlays or investment costs) against cash inflows (benefits or earnings after tax but before depreciation). The two sets of flows must be kept identical for a valid comparison.

When making significant decisions on their credit policy, financial managers should bear the following in mind:

- (i) risk, i.e., the unpredictability of future receipts or
- (ii) Inflation, which causes a decrease in money's purchasing value; or
- (iii) the ability to reinvest cash received early.

This necessitates sound financial management decisions on financing, investment, and dividends. The "time factor" must be considered by financial management when making these judgments.

They should additionally consider the following factors:

- (i) When will the interest on the monies raised have to be paid
- (ii) When will you get a return on your investment
- (iii) Whether or not it will be received on a regular basis, and so forth.

Other ideas that are required include the finance manager's understanding of numerous valuation concepts, such as compound value, annuity, and present value. Management will be able to keep the firm running smoothly if they pay attention to these aspects.

And for their internship program, the repetition of the same tasks was the most difficult component of the work. Though I had the opportunity to do and learn new things because I worked under different supervisors, I generally had to complete the same tasks every day. RANGS Motors Limited, in my opinion, should give their interns a variety of jobs. Because I believe that internships are mostly used to obtain practical experience. I don't think any of their interns will become bored if they can come up with a variety of work for them.

References

[1] RANGS Group, "About us: RANGS Group," 9 September 2021. [Online]. Available: <https://www.rangsgroup.com/>.

[2] RANGS Group, "Automotive: RANGS Group," 30 September 2021. [Online]. Available: <https://www.rangsgroup.com/industries/automotive/rangs-motors>.

[3] Investopedia, "Fundamental Analysis: Investopedia," 1 October 2021. [Online]. Available: <https://www.investopedia.com/terms/p/porter.asp>.

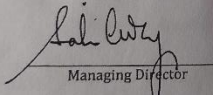
Appendix A.

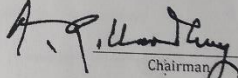
Years	2019	2018	2017
Current Ratio	1.01	1.11	1.33
Quick or Acid Ratio	0.61	0.54	0.64
Inventory Turnover	2.84	1.92	1.72
AVERAGE COLLECTION PERIOD	205	176	193
Fixed Asset Turnover	1.56	1.57	1.56
Total Asset Turnover	0.46	0.45	0.42
Debt Ratio	71%	69%	64%
Time Interest Earned	2.42	1.96	2.00
Gross Profit Margin	24%	23%	23%
Operating Profit Margin	12%	11%	11%
Net Profit Margin	5%	3%	3%
Return On assets	2%	1%	1%
Return on investment	59%	35%	31%
Earnings per share	25.14	10.35	7.63

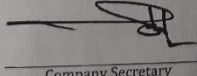
Rangs Motors Ltd.
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2018

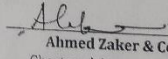
Particulars	Notes	Amount in Taka	
		2017-2018	2016-2017
Revenue	22.00	4,639,761,343	3,611,180,118
Cost of sales	23.00	(3,568,234,774)	(2,778,610,571)
Gross profit		1,071,526,569	832,569,547
Operating Expenses			
Selling and distribution expenses	24.00	(220,660,470)	(171,952,894)
General administrative expenses	25.00	(345,339,565)	(267,852,100)
Operating profit		505,526,535	392,764,553
Other income	26.00	8,719,202	7,399,393
Finance costs	27.00	(257,523,127)	(196,219,662)
Net finance costs		(257,523,127)	(196,219,662)
Profit before Income Tax		256,722,610	203,944,284
Income tax expense	28.00	(153,258,814)	(127,650,369)
Net profit after tax		103,463,796	76,293,915
Items that are or may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets - net change in fair value	29.00	44,528,952	38,355,519
Other comprehensive income for the year		44,528,952	38,355,519
Total comprehensive income for the year		147,992,748	114,649,434
Earnings Per Share	30.00	10.35	7.63

The annexed notes 1 to 30 form an integral part of these financial statements.


Managing Director


Chairman


Company Secretary


Ahmed Zaker & Co.
Chartered Accountants

Signed as per our audit report

These financial statements have been authorised by the Board of Directors on 30 October 2018.
Date: October 30, 2018
Location: Dhaka

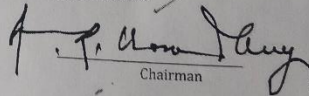
Rangs Motors Ltd.
Statement of Financial Position
As at 30 June 2018

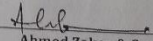
Particulars	Notes	Amount in Taka	
		30-Jun-18	30-Jun-17
Assets			
Property, plant and equipment	4.00	2,961,986,028	2,322,015,876
Construction work-in-progress	5.00	71,722,646	8,183,036
Investment in shares & others	6.00	351,175,384	306,646,432
Trade and other receivables	7.00	2,237,028,337	1,910,267,600
		5,621,912,395	4,547,112,944
Non-current assets			
Trade and other receivables	7.00	954,983,501	981,961,735
Inventories	8.00	2,422,688,970	2,100,188,970
Investment in FDR	9.00	77,038,565	62,451,701
Due from associate companies	10.00	344,931,661	235,597,286
Advance, deposit & pre-payment	11.00	761,227,166	611,825,443
Cash and cash equivalents	12.00	141,699,673	63,195,313
		4,702,569,536	4,055,220,448
Current assets		4,702,569,536	4,055,220,448
Total assets		10,324,481,931	8,602,333,392
Equity			
Share capital	13.00	100,000,000	100,000,000
Retained earnings	14.00	1,048,239,965	944,776,169
Unrealized gain/(loss)		79,427,737	34,898,785
Revaluation Reserves	15.00	2,009,414,537	2,009,414,537
Equity attributable to owners of the		3,237,082,239	3,089,089,491
Total equity		3,237,082,239	3,089,089,491
Liabilities			
Long term loan	16.00	2,771,086,229	2,395,326,905
Deferred tax liabilities	17.00	79,715,089	78,853,746
Non-current liabilities		2,850,801,318	2,474,180,651
Short term loan	18.00	2,737,868,116	1,862,615,179
Long term loan (Current portion)	19.00	963,203,078	823,805,571
Accrued & other liabilities	20.00	143,843,970	113,356,761
Provisions for income tax	21.00	391,683,210	239,285,739
		4,236,598,374	3,039,063,250
Current liabilities		4,236,598,374	3,039,063,250
Total liabilities		7,087,399,692	5,513,243,901
Total equity and liabilities		10,324,481,931	8,602,333,392

The annexed notes 1 to 30 form an integral part of these financial statements.


Managing Director


Company Secretary


Chairman

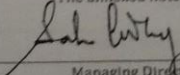

Ahmed Zaker & Co.
Chartered Accountants

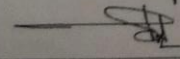
Signed as per our audit report
These financial statements have been authorised by the Board of Directors on 30 October 2018.
Date: October 30, 2018
Location: Dhaka

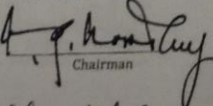
Rangs Motors Ltd.
Statement of Financial Position
As at 30 June 2019

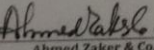
Particulars	Notes	Amount in Taka	
		30-Jun-19	30-Jun-18
Assets			
Property, plant and equipment	4.00	3,582,925,794	2,961,986,028
Construction work-in-progress	5.00	93,404,002	71,722,646
Investment in shares & others	6.00	370,920,239	351,175,384
Trade and other receivables	7.00	3,145,906,494	2,237,028,337
Non-current assets		7,193,156,528	5,621,912,395
Trade and other receivables	7.00	1,145,980,200	954,983,501
Inventories	8.00	1,975,055,856	2,422,688,970
Investment in FDR	9.00	84,150,461	77,038,565
Due from associate companies	10.00	429,890,596	344,931,661
Advance, deposit & pre-payment	11.00	891,068,557	761,227,166
Cash and cash equivalents	12.00	410,353,385	141,699,673
Current assets		4,936,499,055	4,702,569,536
Total assets		12,129,655,584	10,324,481,931
Equity			
Share capital	13.00	100,000,000	100,000,000
Retained earnings	14.00	1,299,635,167	1,048,239,965
Unrealized gain/(loss)		97,172,592	79,427,737
Revaluation Reserves	15.00	2,009,414,537	2,009,414,537
Total equity		3,506,222,296	3,237,082,239
Liabilities			
Long term loan	16.00	3,676,652,168	2,771,086,229
Deferred tax liabilities	17.00	80,573,122	79,715,089
Non-current liabilities		3,757,225,290	2,850,801,318
Short term loan	18.00	2,894,254,505	2,737,868,116
Long term loan (Current portion)	19.00	1,253,260,352	963,203,078
Accrued & other liabilities	20.00	185,167,176	143,843,969
Provisions for income tax	21.00	533,525,967	391,683,211
Current liabilities		4,866,207,999	4,236,598,374
Total liabilities		8,623,433,289	7,087,399,692
Total equity and liabilities		12,129,655,584	10,324,481,931

The annexed notes 1 to 31 form an integral part of these financial statements.


Managing Director


Company Secretary


Chairman


Ahmed Zaker & Co.
Chartered Accountants

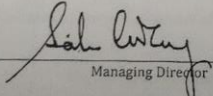
Signed as per our audit report

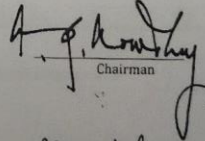
Date: 30 October 2019
Location: Dhaka

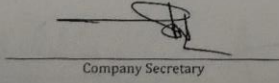
Rangs Motors Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

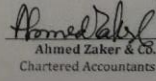
Particulars	Notes	Amount in Taka	
		01.07.2018 to 30.06.2019	01.07.2017 to 30.06.2018
Revenue	22.00	5,600,236,409	4,639,761,343
Cost of sales	23.00	(4,261,573,151)	(3,568,234,774)
Gross profit		1,338,663,258	1,071,526,569
Operating Expenses			
Selling and distribution expenses	24.00	(276,822,808)	(220,660,470)
General administrative expenses	25.00	(414,273,343)	(345,339,565)
Operating profit		647,567,107	505,526,535
Other income	26.00	13,743,080	8,719,202
Finance costs	27.00	(267,214,197)	(257,523,127)
Profit before Income Tax		394,095,991	256,722,610
Income tax expense	28.00	(142,700,789)	(153,258,814)
Net profit after tax		251,395,202	103,463,796
Items that are or may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets - net change in fair value	29.00	17,744,855	44,528,952
Other comprehensive income for the year		17,744,855	44,528,952
Total comprehensive income for the year		269,140,057	147,992,748
Earnings Per Share			
	31.00	25.14	10.35

The annexed notes 1 to 31 form an integral part of these financial statements.


Managing Director


Chairman


Company Secretary


Ahmed Zaker & Co.
Chartered Accountants

Date: 30 October 2019
Location: Dhaka

Signed as per our audit report