

Report On

**“Import Process of ACI Godrej Agrovvet Private Limited.”**

By

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18104074

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

BRAC Business School  
Brac University

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## **Declaration**

It is hereby declared that

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

**Student's Full Name & Signature:**

**Ammatuz Jahan Madhobi**

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Ammatuz Jahan Madhobi  
18104074

**Supervisor's Full Name & Signature:**

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**Mr. Mahmudul Haq**

Associate Professor

Brac Business School, Brac University

## **Letter of Transmittal**

Mr. Mahmudul Haq  
Associate Professor  
Brac Business School  
BRAC University  
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

Greetings. This is my immense gratification to display my internship report on Import Process of ACI Godrej Agrovet Private Limited as partial fulfillment of the requirements for the degree of Bachelor of Business Administration.

In order to complete the report in the most substantial, concise, and thorough way possible, I have done my best to include the relevant details and recommended proposal. I am positive that the report fulfils all the criteria.

Sincerely yours,

Ammatuz Jahan Madhobi  
18104074  
BRAC Business School  
BRAC University  
Date: Month Day, Year

## **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.

### **Student's Full Name & Signature:**

Ammatuz Jahan Madhobi

.....

Ammatuz Jahan Madhobi

### **Internship Company Supervisor's Full Name & Signature:**

.....

Sumaiya Islam

Junior Executive- Accounts

Kaderia Tower, Ja-28/8/B, Mohakhali, C/A, Dhaka- 1212

## **Acknowledgement**

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The internship I completed with ACI Godrej Agrovet Private Limited was the best experience I had in terms of growing and learning professionally. I feel fortunate to have had the opportunity to work there and engage with so many people of different backgrounds. I want to express my sincere gratitude to everyone who helped me and guided me when I was composing this internship report. Without their guidance and assistance, completing this report would not have been any easier. I want to begin by conveying my profound gratitude and thanks to Mr. Mahmudul Haq, the professor who monitored my academic internship, for his involvement in guiding me in choosing the subject matter for this report and for his provision of suitable guidance and supervision throughout my internship. I am also thankful that he was always there when I needed help from him or instruction on how to start putting this report together. I would especially like to convey my appreciation to my organizational supervisor Sumaiya Islam, Junior Executive- Accounts, for delivering me clear direction and instructions on my work, fostering a friendly work environment, and generally being a wonderful supervisor. Without her utmost support, the report would have been incomplete. She helped in understanding all the spheres of my work and concept whenever I was stuck. Moreover, I admire the goodwill and involvement of the other employees with me during this internship program. Working with such an amazing team of people is something I consider to be a blessing.

## **Executive Summary**

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This report explain the whole process followed by ACI Godrej Agrovet Private Limited in case of international import. This report's primary goal is to study the variables that plays an important role to understand the concept of importing goods internationally. The report was put together using both primary data that I got from my organizational Supervisor about import process and secondary data that I got from the company's website and also some books and journals on documentary credit were read. The report analyses that the organization, ACI Godrej Agrovet Private Limited goes through robust steps and precautions from the starting of a specific order till the very last step. All the documentation processes and factors are mentioned here in brief. For writing my report efficiently I have communicated with other employees of the Accounts and Finance department to grasp a better concept of the whole import process. The paper includes which other organization the company is affiliated with for example- banks and insurance company and what conditions are followed. Starting from a Letter of Credit opening to policies, cover note, import permit, payment process, and insurance claiming all the steps are explained clearly here. This study provides an overview of the current state of the import method together with a number of recommendations that, in my opinion, will help to resolve their immediate issues and benefit them in the long run.

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# Chapter 1: Overview of Internship

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## 1.1 Student Information:

Name: Ammatuz Jahan Madhobi

ID: 18104074

Program: Bachelor in Business

Administration Major: Finance

Minor: Computer Information Management (CIM)

## 1.2 Internship Information:

1.2.1 Period: 1<sup>st</sup> June, 2022 – 31<sup>st</sup> August, 2022.

Company Name: ACI Godrej Agrovvet Private Limited

Department / Division: Accounts & Finance

Address: Kaderia Tower, Ja-28/8/B, Mohakhali, C/A, Dhaka- 1212

### 1.2.2 Internship Company Supervisor's Information:

Name: Sumaiya Islam

Position: Junior Executive- Accounts

### 1.2.3 Job Scope:

**Job Description-** ACI Godrej Agrovvet Private Limited offered me a scope to work in the Accounts and Finance department as an intern. The duration was of three months. Initially my responsibility was to check up on the import process which is done through LC basis and check all the required documents. I also worked on their SAP and did bank entry. I checked the policy pending details by calculating the claims from the insurance company.



**Internship Outcomes:** It was a great opportunity on my part to complete my internship in ACI Godrej Agrovet Private Limited. I learnt a lot about corporate culture and the work environment. It helped me to gain a basic idea which will help me to shape up my career in future.

**1.3.1 Student's contribution to the company-** My responsibility was to check up on the import process which is done through LC and CAD basis and check all the required documents. I also worked on their SAP and did bank entry. I checked their policy pending details.

**1.3.2 Benefits to the student-** I had the chance to work with professionals in a very warm and welcoming environment with a monthly allowance.

**1.3.3 Problems/Difficulties (faced during the internship period) -** There were no major problems here except for the transportation issue.

**1.3.4 Recommendations (to the company on future internships) -** The company should hire more than one intern at once so that the interns can share their work and gain more in-depth knowledge about different department. This will help to get an overall idea about the company including all the departments and their structural differences.

## **Chapter 2: Organization Part**

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### **2.1 Introduction**

In recent time the multinational companies are changing at a very fast pace. They are adapting to changes and modernization very quickly, for example- constantly developing their database, and upgrading the company structure, incorporating various changes and culture to get employee satisfaction and many others. Starting from the company culture, employee satisfaction, purchasing goods to transaction procedure, everything is evolving to accept and adapt to such changes which benefits the company.

Bangladesh features a number of significant businesses with a broad spectrum of assets in numerous industries. Large corporations like these can be beneficial for Bangladesh, particularly as we work to meet upcoming economic problems like import and export diversification, productivity growth, and industrial expansion to meet the need for good jobs from the millions of people who join the work force each year.

ACI Godrej Agrovat Private Limited is one such firm that has adapted and changed effectively to contribute in creating a remarkable economic development in Bangladesh by providing a pool of cost effective products which can be easily used by the local people. To cut back on extra cost, their take is to import goods where the prices of each product is comparatively lower than our local market. By implementing various technological aspects, the process became very smooth and in a way through all the banking transaction, they also contribute to the Bangladesh economy.

### **2.1.2 Objectives**

The main purpose of this study is to analyze the import process of ACI Godrej Agrovet Private Limited. There are few other objectives which are-

- To assess the documentation of import and payment procedure
- To gather an in-depth knowledge about the corporate culture.
- To meet the prerequisite for my BBA program.

### **2.1.3 Methodology:**

To complete this report, I got the primary source of data from the company's website. Moreover, I communicated with my Line Manager to get the secondary data and did an intensive study on the financial statements and import documents from the year 2019 to 2021 to get a better idea on the company profile. Moreover, to get a better understanding of the generic letter of credit process I studied few books and researched few websites and articles about documentary credit.

### **2.1.4 Limitations:**


While creating this writing I faced some hindrance which are-

- As it is a private owned company hence various sets of information were not available due to confidentiality issue.
- The company's website and social media presence is very insufficient which was problem while gathering extensive data about the company.

## **2.2 Overview of the company:**

ACI Godrej Agrovet Private Limited is a Joint venture of ACI Limited a reputed organization of Bangladesh and Godrej Agrovet Limited a subsidiary of Godrej Group which is an Indian company. Both ACI and Godrej hold 50% shares of this company. This company produces animal feed with the tagline ‘We help to feed the nation’. It was founded in 2004 in accordance with the Companies Act of 1994. The business has established a reputation for producing high- quality feed that meets the expanding demands of the feed industry. The firm, which produces premium feed for poultry, cattle, fish, and shrimp as well as day-old chicks (DOC), places the highest priority on quality. The basic philosophy of ACI-Godrej Agrovet Private Ltd. is to create and add value in every part and division of this business by offering quality products to the customers. With its nationwide reach, the business has linked with Bangladeshi farmers, building positive relationships and a strong reputation. Moreover, the firm is also working to create employment and maximize profit for the investors by improving and optimizing every department. The firm places a strong emphasis on collaborating directly with farmers and educating them about modern agricultural techniques. Different departments are working to achieve accountability, sincerity, integrity and transparency. This business is outcome oriented and the outcome which propels it is customer satisfaction as well as the sustainable growth of market share. The marketing and sales team identifies the market demand to serve and forecast it. According to this demand, the quality control department creates a formula to maximize the outcome and meet the customer’s demand.

## 2.2.1 Corporate Profile

Name of Organization	ACI Godrej Agrovet Pvt. Ltd.
Logo	 ACI Godrej Agrovet Private Ltd.
Known as	ACI Godrej
Chairman	<b>Mr. M Anis Ud Dowla</b>
Category	Joint Venture Private Limited Company
Type	Private
Industries	Livestock & Animals Agriculture & Mills
Year of Incorporation	2004
Fields of Activity	Poultry (Layer & Broiler), Cattle (Dairy & Beef), Fish (Sinking & Floating), Shrimp Feed and Day Old Chick (DOC)
Head Office	Head office: Kaderia Tower (9th Floor), JA 28/8-B, Mohakhali C/A, Bir Uttam AK Khandakar Rd, Dhaka 1212
Website	<a href="http://acigodrejagrovvet.com/">http://acigodrejagrovvet.com/</a>
Phone	(+8802) 8829468

### **2.2.2 Vision**

- To dominate the Bangladeshi market for animal feed.
- To establish a reputation as a truly inspiring workplace

### **2.2.3 Mission**

To lead the livestock farming business and aid farmers in increasing their output by continuously delivering innovative products and services using innovative and modern technology managed by empowered professionals in a sustainable and friendly responsible manner.

### **2.2.4 Values**

- ACI Godrej Agrovvet Private Limited is one of Bangladesh's top sellers of livestock compound feed.
- The techno marketing team concentrates on greater customer centricity.
- They have a strong research and development team.
- Enriched product portfolio: with strong brands premium / economy products according to age & variety
- Sales force more than 140 and strong rural focus throughout Bangladesh
- State of the art manufacturing plants with QA & GMP
- A culture of safety, Ethics & innovative IT platforms SAP, VC, online learning modules, CCTV etc.

### 2.2.5 Product Details:

The center of the business is the Sirajganj-based feed mill. The feed mill uses the most recent technology and ensures high quality while producing Poultry (Layer & Broiler), Cattle (Dairy & Beef), Fish (Sinking & Floating), and Shrimp Feed. The three facilities are running round-the-clock while using the highest quality raw materials from all around the nation as well as some of the greatest vitamins and premixes imported from other countries. Every stage of the process, from receiving raw materials through production to finished product, is tested physically and chemically to guarantee that their consumers receive products of the highest caliber. For the best possible storage of both their raw materials and completed goods, they have well-ventilated warehouses and silos. To assure clean water for feed production and drinking, the feed mill has its own power source and independent water treatment facilities.



SL	Categories	Products
1	Poultry	<p><b>Broiler Feed:</b></p> <ul style="list-style-type: none"> <li>● Broiler crumbo excel prestart</li> <li>● Broiler crumbo excel starter</li> <li>● Broiler crumbo excel finisher</li> <li>● Broiler crumbo excel ST pellet.</li> </ul> <p><b>Layer feed:</b></p> <ul style="list-style-type: none"> <li>● Layer grower Crumbs</li> <li>● Layergrower mash</li> <li>● Layer layer conentrate</li> <li>● Layerlayer Crumbs</li> <li>● Layer layer mash</li> <li>● Layer starter crumbs</li> <li>● Popular layer mash</li> </ul> <p><b>Cock / Sonali:</b></p> <ul style="list-style-type: none"> <li>● Cock / Sonali Excel Finisher</li> <li>● Cock / Sonali Excel Grower</li> <li>● Cock / Sonali Excel Starter</li> <li>● House Feed</li> </ul>
2	Aqua	<p><b>Sinking:</b></p> <ul style="list-style-type: none"> <li>● Pangus-Nursery 1 Premium</li> <li>● Pangus-Nursery 2 Premium</li> <li>● Pangus -Startrer 1 Premium</li> <li>● Pangus -Startrer 2 Premium</li> <li>● Pangus -Startrer 3 Premium</li> <li>● Pangus - Grower Premium</li> <li>● Pangus –Finisher Premium</li> <li>● Pangus - Starter 1 Popular</li> <li>● Pangus - Starter 3 Popular</li> <li>● Pangus -Grower Popular</li> <li>● Pangus - Finisher Popular</li> <li>● Tilapia- Nursery 1 Premium</li> <li>● Tilapia - Nursery 2 Premium</li> <li>● Tilapia - Starter 1 Premium</li> <li>● Tilapia - Starter 2 Premium</li> <li>● Tilapia - Starter 3 Premium</li> <li>● Tilapia - Grower Premium</li> <li>● Tilapia - Starter 1 Popular</li> <li>● Tilapia - Starter 2 Popular</li> <li>● Tilapia - Starter 3 Popular</li> <li>● Tilapia -Grower Popular</li> <li>● Koi / Tilapia / Shing/ Magur-Nursery 1 Premium</li> <li>● Koi / Tilapia / Shing/ Magur-Nursery 2 Premium</li> </ul>





		<ul style="list-style-type: none"> <li>● Koi / Tilapia / Shing/ Magur-Starter 1 Premium</li> <li>● Koi / Tilapia / Shing/ Magur-Starter 2 Premium</li> <li>● Koi / Tilapia / Shing/ Magur-Grower Premium</li> <li>● Carp-Grower Popular</li> </ul> <p><b>Floating:</b></p> <ul style="list-style-type: none"> <li>● Floating Popular Finisher (L)FFF</li> <li>● Floating Popular Finisher FFF</li> <li>● Floating Popular Grower FFF</li> <li>● Pangus Finisher FFF</li> <li>● Pangus Grower FFF</li> <li>● SPL Koi/Magur/Shing Nursery FFF</li> <li>● SPL Koi/Magur/Shing Pre starter FFF</li> <li>● SPL Koi/Magur/Shing Starter FFF</li> <li>● Tilapia / Koi GROWER FFF</li> <li>● Tilapia / Koi Nursery FFF</li> <li>● Tilapia / Koi PreStarter FFF</li> <li>● Tilapia / Koi Starter FFF</li> <li>● Tilapia / Koi / Shing/ Magur Grower FFF</li> <li>● Tilapia Finisher FFF</li> <li>● Special Post Nursery</li> </ul> <p><b>Shrimp:</b></p> <ul style="list-style-type: none"> <li>● Shrimp- Nursery 1 Premium</li> <li>● Shrimp- Nursery 2 Premium</li> <li>● Shrimp- Starter 1 Premium</li> <li>● Shrimp- Starter 2 Premium</li> <li>● Shrimp- Grower Premium</li> </ul>
3	Cattle	<p><b>Fattening Feed:</b></p> <ul style="list-style-type: none"> <li>● Meat more</li> <li>● B C S</li> </ul> <p><b>Milking Feed:</b></p> <ul style="list-style-type: none"> <li>● BYPRO</li> <li>● HPMR</li> <li>● Standard Ration Pellet</li> <li>● Bovino</li> </ul> <p><b>Cattle Supplement feed:</b></p> <ul style="list-style-type: none"> <li>● Moo Magic Mix</li> </ul>

## 2.2.6 Company Organogram:

A company's chain of command, often extending from senior management and executives to general staff, is referred to as its hierarchical structure. In other words, this organizational structure is appropriate for teams where the only leader reports to a continuous line of subordinates (Indeed Editorial Team, 2021). AGAPL has a company organogram and a corporate organogram because it is a joint venture. Corporate organizational chart shows many organizational tiers for various departments.

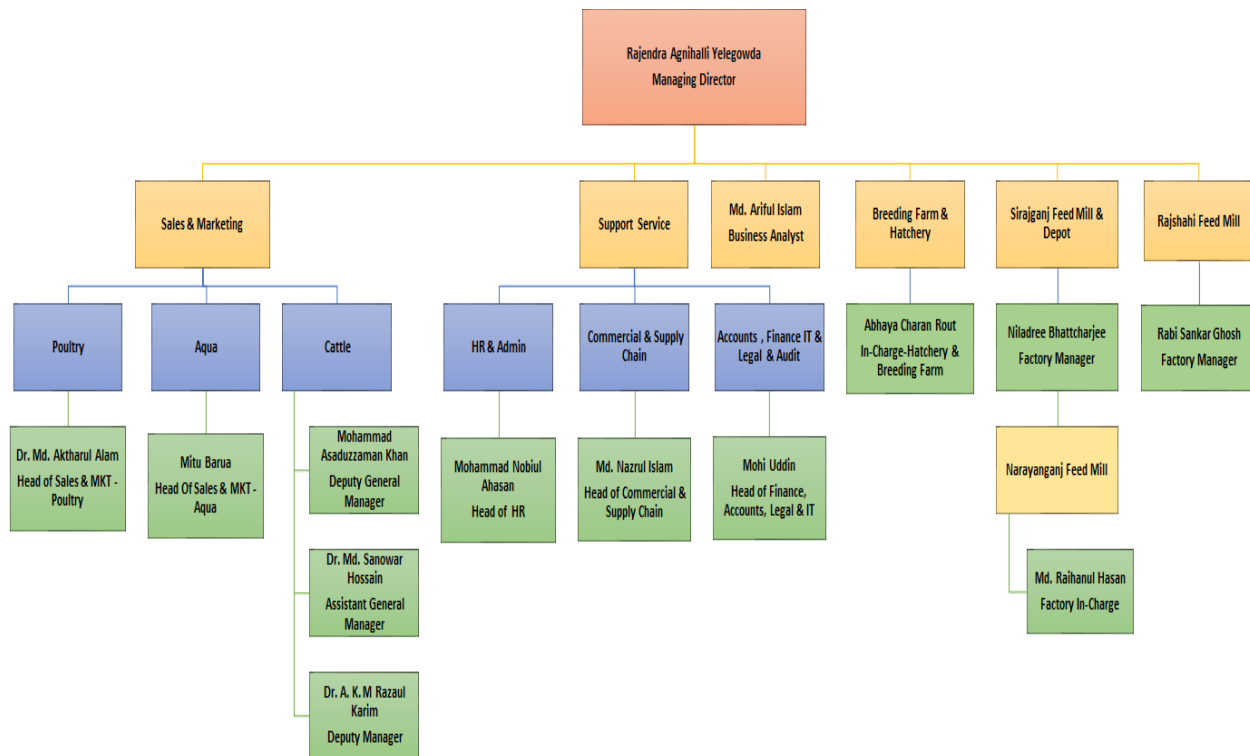


Figure 2: ACI Godrej Agrovvet Private Limited Organogra2.3

**2.3 Marketing Practices:** Currently ACI Godrej Agrovet Private Limited, has a well-trained sales team and also has a well-established distribution channel all over the country. The company has country wide well spread distribution network. At present they have the marketing policy is creating demand through providing good nutrition product. The company offers incentive packages to dealers monthly and yearly to find alternative source of funds. For financial support of the of the supplier working capital requirements, sometimes the company signs a memorandum of understanding with suppliers help to bill discounting. Besides these, the company also helps customer by after sales services through techno marketing. Another marketing strategy used by the firm is providing banners and festoons to the buyers. During and before festivals the price of the goods decreases to grab buyers along with providing exciting discounts.

### **2.4 Financial Practices:**

Financial performance usually relates to whether or not an organization's financial goals have been met. It is a crucial tool for calculating, monitoring, and managing financial risk. It is the process of figuring out how much money a firm's operations and policies have produced in terms of profits. It is mostly used to assess a company's financial standing over a specified time period. Financial statements can also be used to contrast companies in the same sector groups.

I have examined ACI Godrej Agrovet's financial performance over the last three years using a few ratio indicators, which will be useful for both internal and external users in assessing investment opportunities and company health.

**The ratio analysis of ACI Godrej Agrovet Private Limited is given below-**

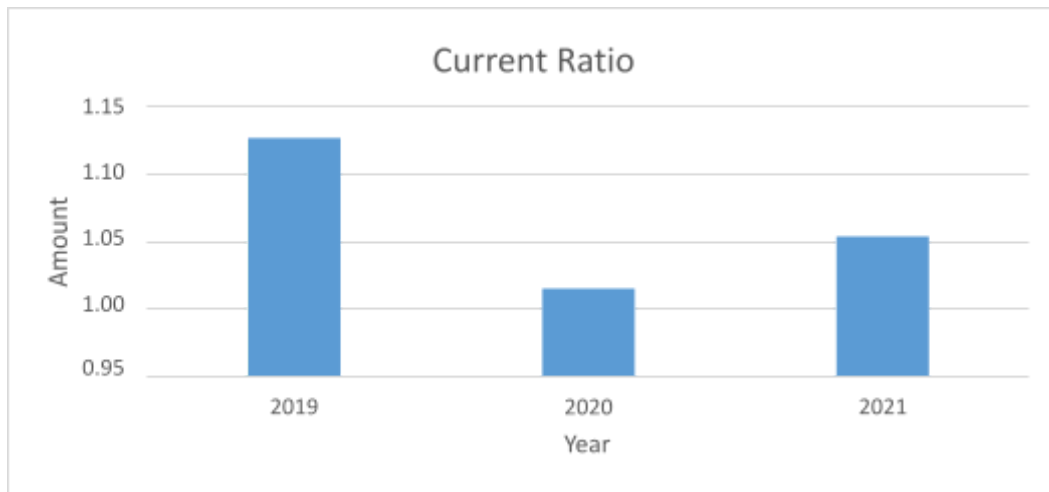
<b>Liquidity ratios (TK)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Current ratio</b>	1.13	1.02	1.05
<b>Quick ratio</b>	0.37	0.39	0.25

<b>Efficiency ratios (TK)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Inventory turnover ratio</b>	4.44	5.40	4.07
<b>Asset turnover ratio</b>	1.90	2.12	2.21

<b>Profitability ratio (TK)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>ROA</b>	7%	16%	14%
<b>ROE</b>	14%	33%	39%

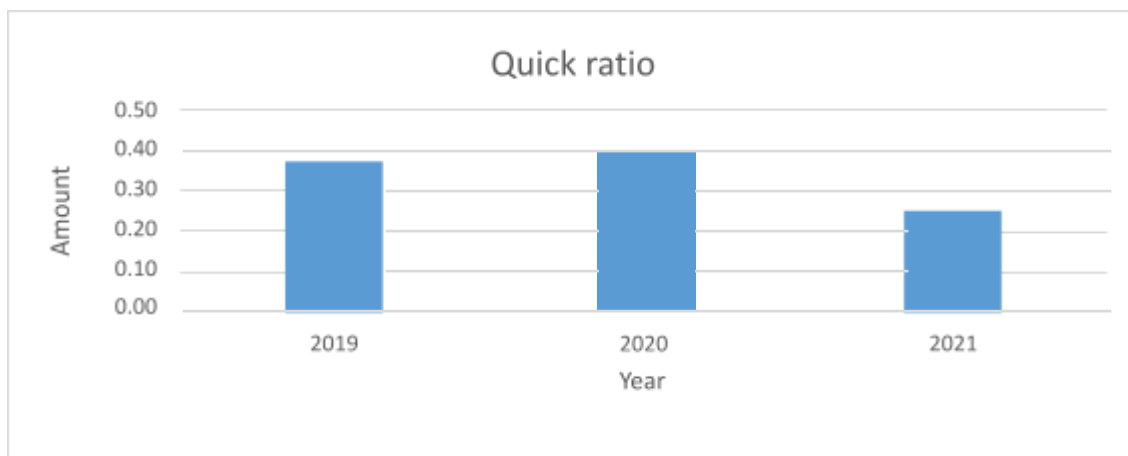
A graphical representation of all the ratios is given below to understand the prospects of the company in a clearer way.

**Current ratio:**



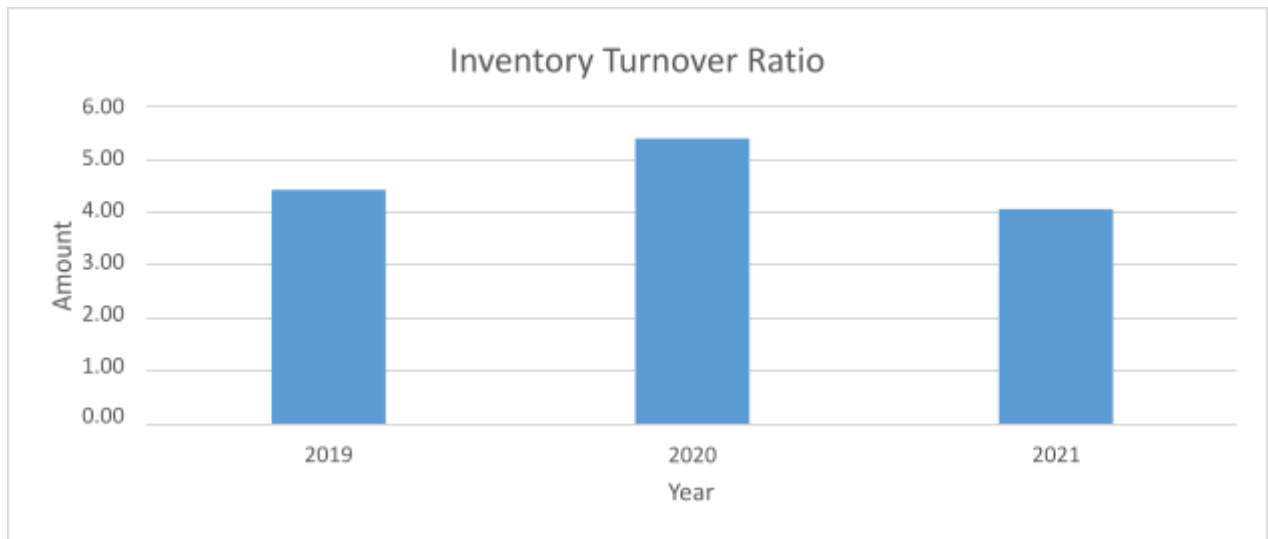
**Interpretation-** Here we can observe that in the year 2019 the current ratio was 1.13 which decreased in 2021 to 1.02 and again rose to 1.05 in 2021. The analysis shows that ACI Godrej in 2019 the assets were more than the liability but it declined in the following years.

**Quick ratio:**



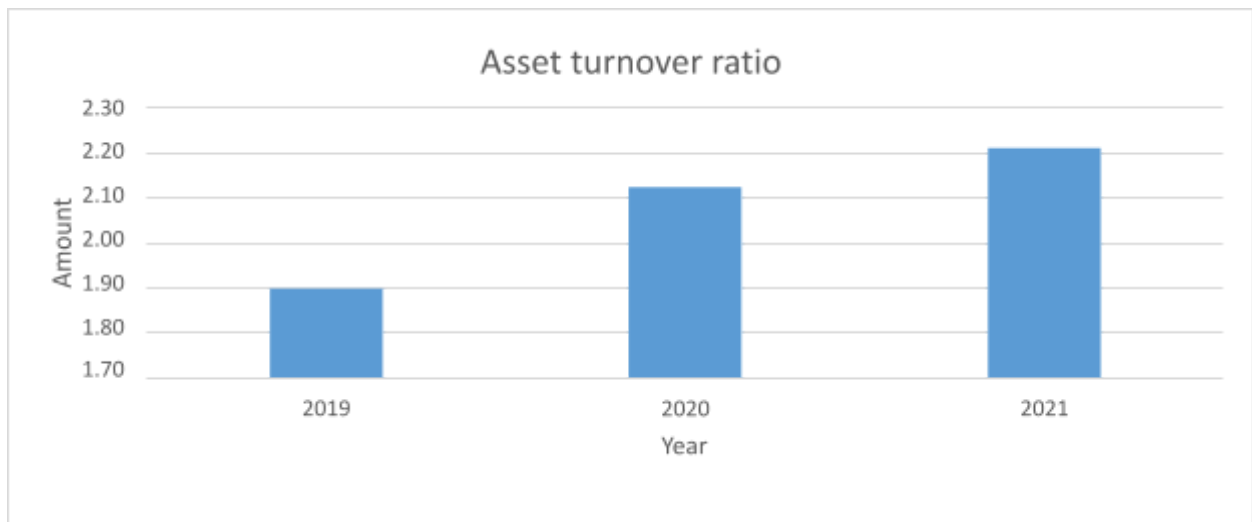
**Interpretation-** The quick ratio of ACI Godrej in the year 2019 was 0.37 which increased in 2020 to 0.39 and then subsequently decreases to 0.25 in 2021. This shows that, the company will struggle to meet the short term obligations.

### Inventory Turnover Ratio:



**Interpretation-** From the calculation we can see that in the year 2019, the inventory turnover ratio of ACI Godrej was 4.44 which rose to 5.40 in 2020 and again decrease to 4.07 in 2021. This shows that the inventory was more compared to sales in 2021.

### Asset Turnover Ratio:



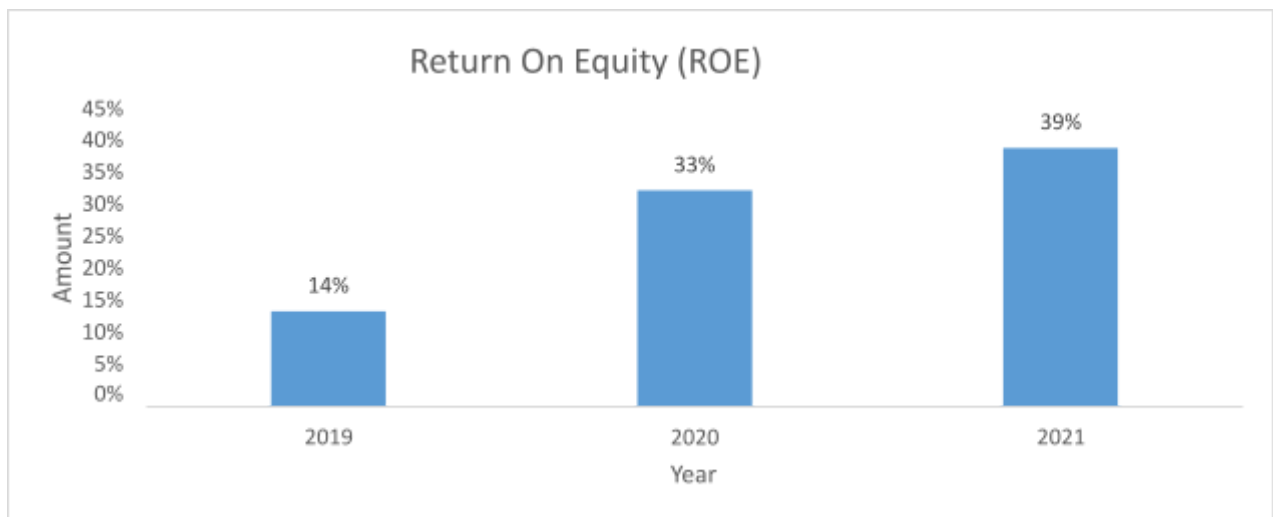
**Interpretation-** After calculating the asset turnover ratio of ACI Godrej we can see that in the year 2019 the ratio was 1.90 which increased to 2.12 in 2020 and increases even more to 2.21. It shows that the company gradually became more efficient in generating revenue from assets.

### Return on Assets ROA:



Interpretation- From the analysis we can observe that, in 2019 the ROA was comparatively lower which was 7 percent. It was the higher in 2020 which was 16% again decline to 14% in 2021, which means the ACI Godrej was able to generate more revenue in 2020.

### Return on Equity (ROE)



Interpretation- Here the graph shows that in 2019 the ROE was very low and then subsequently rose in the following years from 14% to 33% and 39% respectively. The graph shows a rising ROE which suggests that ACI Godrej is increasing its profit generation without needing much capital.



2.5 **SWOT Analysis:** To analyze the companies profile properly a SWOT analysis has been performed. It helped to point out the strengths, weaknesses, opportunities and threats of ACI Godrej Agrovet.

### **Strengths**

- Strong and diversified board of directors
- Well articulate database and technological system
- Distinctive raw material channel
- Wide variety of product
- Fast business growth
- Well established distribution channel
- Proper relationship with the banking channels

### **Weaknesses**

- Insufficient social media presence
- Extra expense due to importing goods

### **Opportunity**

- Can establish a range of affordable goods
- Can formulate well designed marketing strategy to stay ahead the competitors

## **Threats**

- Abrupt shutdown of import due to global lockdown
- Competitors providing goods from more affordable dealer channel
- Emergence of similar priced product
- Consumers switching to alternate products due to lack of social media presence

## **Chapter 3: Project Part**

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### **3.1 Introduction**

The amount of transactions taking place in the sphere of international trade is growing daily on a global scale. A secured transaction mechanism is therefore preferred by organizations. In international trade, there are numerous secured transaction methods, including Cash in Advance or Prepayment, Documentary Collection, Documentary Credit or Letter of Credit, and others. The letter of credit will be the main topic of this report.

#### **3.1.1 Background**

A letter of credit is a pledge given by a bank to the seller who is the exporter on behalf of the buyer who is the importer to pay credit for the products and services delivered. The bank is required to grant the credit if the papers are presented and meet the terms and conditions of the contract. In Bangladesh a letter of credit transaction is commonly used while doing international trade as it distributes the risk among the exporter and importer in a more steady way by creating a balance. Firstly, there will be a contract between both the parties for the sale of goods. In accordance to the seller, the buyer applies to his issuing bank to open a letter of credit. Upon accepting the application for LC, the bank issues the letter of credit to the seller's bank. As per the conditions underlying the sale of the contract, the seller sent the items to the buyer after getting the Letter of Credit. The seller then procures the necessary documentation to show to the advising bank or confirming bank. The seller's bank (advising bank) will transfer the required supporting documents to the buyer's bank (issuing bank). The issuing bank reviews all the paperwork before paying the seller using a Letter of Credit. The issuing bank sends all the documents to the buyer and collects the payment.

### 3.1.2 Objective

The main objective of this study is to gain an in-depth knowledge about all the steps needed to be followed and required documentation in terms of Documentary Credit while importing international goods.

- To assess all the documents needed for international import
- To differentiate in which ways the LC process of ACI Godrej Agrovet Private Limited differs from the literary LC process
- Identifying the challenges faced by ACI Godrej Agrovet Private Limited while importing goods

### 3.1.3 Significance:

The significance of this report is to determine various steps of the import process. To find out which factors differentiate ACI Godrej Agrovet Private Limited from other companies. The goal is also to gather an idea of what are the documentation and payment processes of importing goods internationally.

### 3.2 Methodology:

To write this report, I used descriptive method. Primary and secondary data were used here in the completion of this writing.

- ❖ **Primary Data:** For the initial information I spoke to my organizational Supervisor.
- ❖ **Secondary Data:** I have used the company's website and thoroughly researched the financial statements from 2019 to 2021. To differentiate the LC process followed by ACI and the academic LC process, I have read books, journals and looked up various website.

### **3.3 Findings and Analysis:**

**Procedure followed by ACI Godrej while importing products through LC-** In recent times ACI Godrej is opting for importing goods from foreign countries rather than local products due to price hike. The imports have gone comparatively high from the year 2019 to 2022. More inputs to be added.

**3.3.1 Settling deal and opening LC-** In the beginning of importing any product, an arrangement of call is made to the commercial according to the requirement of the buyer. The beneficiary then handovers a Proforma Invoice (PI) to the Finance team of the company. The beneficiary also undergoes a sales contract with ACI Godrej and a Purchase Order (PO) is taken. An application for opening a draft LC is then submitted to the issued bank of the company. ACI Godrej is associated with 11 banks in total, of which 6 are MNCs and the rest 5 are local banks.

**3.3.2 Documentation-** Upon confirmation of the draft, documents such as- LCA form, PI, insurance policy, cover note etc. are processed and the draft is converted into a letter of credit. The issued banks under ACI Godrej will receive the necessary documents from the beneficiary or the exporters' bank.

**LC form-** A LC form contains a distinct documentary credit number along with date of issue and date and place of expiry. It also has the information related to the applicant which in this case is- ACI Godrej Agrovet Private Limited and the beneficiary (exporter). The place of dispatch, place of final destination and latest date of shipment are also mentioned. The LC form has a separate section holding the description of the goods that are to be imported. The most important part of the form is 46A which mentions the documents required for importing the goods. The documents that are required to import goods internationally are different for raw

materials like maize and

vitamin additives. The documents required for raw material taking a sample- Indian Maize is discussed elaborately below-

1. Two originals and four copies beneficiary's signed commercial invoice showing freight charge separately in invoice is necessary. The invoice must clearly show the price of the goods and freight charge separately.
2. One original and two copies of truck receipt consigned to the issued bank, trade operations, head office, Bangladesh marked 'Freight prepaid' and the issuing bank and applicant should be notified. The truck receipt must mention the H.S code along with the goods name.
3. One original and one copy of the beneficiary's certificate stating that goods are supplied in strict compliance with their Proforma Invoice (PI) no. For example- UEL/PI/16/MAIZE/21- 22 dated 16-07-22.
4. One original and one copy of beneficiary's draft at sight drawn on LC issuing bank covering 100 PCT invoice value.
5. One original and one copy of phytosanitary certificate issued by any competent authority of the exporting country mentioning the Import Permit (IP) No. for example- 2021-22-1422 dated 17-08-2022 stating that the plant or plant product is free from injurious pest or rendered so by fumigation or other effective treatment. The certificate must mention the declaration that-
  - A. The consignment has been fumigated by appropriate fumigant at recommended dose before shipment.
  - B. The consignment is free from soil and extraneous material.

6. One original and one copy of quality and weight certificate issued by any independent surveyor of the exporting country must accompany the documents.
7. One original and one copy radioactivity analysis certificate issued by competent government authority in India mentioning the actual radioactivity level below 50 BQ/KG of CS 137 to the effect that the items are fit for poultry/animal consumption mentioning the DC number and date.
8. One original and one copy of the fumigation certificate issued by any competent authority of the exporting country is required.
9. One original and one copy of certificate of origin issued by the chamber of commerce and industries or any other government approved competent authority of the exporting country showing goods are of India origin.
10. Two originals and 2 copies of the detailed packing list- 'Export Standard Roadworthy Packing' should be mentioned in the packing list.
11. One copy details of shipment under the given LC must be advised by the beneficiary immediately after shipment is directed to the applicant by email and to the insurance company also. It should also contain insurance cover note number for example- PIL/HO/MC-0610/09/2021 dated 20-09-22 along with related addendum number- PIL/HO/M/ADN-0125/09/2021 dated 21-09-22 and the mentioned LC number. A copy of such advice must accompany the original documents.

The documents required for vitamin additives are different from raw materials. Taking G- M 200 as a sample, the documents required for import purpose is discussed elaborately below-

1. Initially to import vitamin additives the company requires a beneficiary's signed invoice in four copies which must accompany the original shipping documents certifying- merchandise are of originated from which country- in this case it is India,



description, quantity, specification, unit price, value and all other details of merchandise are strictly in conformity with the proforma invoice number as stated in the LCA form, A LC authorization form number should be mentioned in this case for example- CBL/LC 9071241, There should be a Tax Identification number as well such as- 194540113769, A vat registration number should also be given for instance- 000241089-1107, The IRC number and the H.S code should also be stated to track the product which are- 260326120124420 and 2309.90.12 respectively in this case.

2. Truck receipt consigned to the order of the issuing bank, here The City Bank Limited showing freight prepaid marked notify applicant and issuing bank giving full name and address must accompany the original shipping document. Truck receipt must be issued by a recognized truck owner approved by the Indian Bank association in this case.
3. There should be four copies of the packing list which must be accompanied by the original shipping documents certifying- gross weight along with net weight and a note saying “Please read as shipment has been effected in export standard packaged”.
4. In this case, the certificate of origin issued by the chamber of commerce/ government approved authority/ agency of the exporting country must include the original shipping documents.
5. Here country of origin must be clearly mentioned on goods, packages or containers. The beneficiary’s certificate to this effect should accompany the original shipping documents.
6. Applicant’s name, address and tax identification number must be mentioned or printed on the packages, containers, cartons or drums. Beneficiary’s certificate to this effect must accompany the original shipping documents.
7. The copy of shipment advice is to be sent within 7 working days of shipment through email or fax to the insurance company and to the LC issuing bank referring to the

cover

note and this the credit number giving full details of shipment. Copy of such shipment advice must accompany the original shipping documents.

8. For vitamin additives like G-M 200, a certificate is to be provided along with the shipping documents and also a certificate mentioning that there are no genetically modified organisms.
9. A certificate of analysis of products issued by manufacturer/ exporter/ beneficiary must accompany the original documents.
10. A radioactivity-test report issued in duplicate from the competent authority of the exporting country and a certificate to the effect that the items are fit for consumption by fish, poultry or animal as the case may be. The radioactive test report must clearly indicate the level of CS-137 found in such a radioactivity test in each kilogram of the item.
11. Lastly, a certificate issued by any competent authority certifying that the good is free from chloramphenicol, nitro furan and melamine must accompany the original document.

Along with the required documents there are some additional conditions that are needed to be followed. Those are discussed below-

1. Third party documents except drafts and invoice are acceptable.
2. All documents must bear LC number and no document should be dated earlier than the date of the sample LC.
3. H.S code number for example- 1005.90.90, IRC number for example- 260326120124420, LCA number for example- 219948, TIN such as- 194540113769, BIN for example- 000241089-1107, LC number such as- 147521010856 and issuing bank bin must be mentioned in the commercial invoice, packing list and transport documents.

4. One set of non-negotiable shipping documents must be sent by email within seven working days from the date of shipment.
5. There will be a discrepancy charge that varies from bank to bank. It acts as a cost of communication which is deducted from the bill value at the time of payment.
6. While importing from any specific country, a specific application of that country passed by the customs at any border must accompany the original documents.
7. All the documents must be presented in Standard English Language.
8. All parties related to the mentioned credit must comply with the resolution of the United Nations Security Council regarding sanction on countries, individuals, entities and other groups.
9. Country of origin, gross weight and net weight must be mentioned on all packing units at least 2 pct. of packing units of the goods should include full name, address and Taxpayer Identification (TI) for example- 194540113769 of the importer in irremovable ink.

**Cover Note:** The cover note is necessary to release the goods from the port. It provides coverage if there is any occurrence of damage after releasing the goods from the port to reach the office. The cover note is subjected to the 'Clauses and Conditions' of the company's policy form in use at the time of shipment or dispatch and to the clauses and conditions of cover specified in the schedule mentioned in the cover note is effected for the period of cover stated below to insure for the voyages or transits stated the interest specified in that cover note, shipped or dispatched within the limits of this cover note either by or for account of the insured name in which the said insured has an insurable interest unless insured elsewhere prior to such interest

being acquired or the insurance

of which in the insured's hand or under the insured's control as selling and/or purchasing Agent. The cover note does not cover the interest of any other person.

For any reason if the Letter of Credit (LC) is canceled then a specific amount can be claimed based on a calculation of the insurance company. Taking a sample LC the calculation is shown below-

Suppose,

The amount insured= \$62,500.00 + 10% @ Tk. 85.85= Tk. 59, 02,188.00

The rate of Marine is 1.17% on the amount insured=Tk. 59, 02,188\*1.17%

Net Premium= Tk. 69,056.00

VAT @ 15%= Tk. 10,349.00

Stamp Duty= Tk. 3,935.00

Gross Premium= Tk. 83,350.00

ACI Godrej can claim this amount if the goods are damaged on the way or if the LC is canceled. Although, the marine rate varies from port to port such as- sea, land and airport depending on goods.

There are some conditions to which the cover note is issued. Basis of valuation to be invoice cost plus 10% of the invoice cost or as may be arranged. Declaration is to be made to the company as indicated in the cover note prior to dispatch or as soon as possible after departure of vessel or conveyance giving the following-

**Cancellation-** The cover note may be canceled by the Company or by the Insured under the following conditions

- Marine and transit risk- by 30 (thirty) days' notice in writing.
- War risk- by 7 (seven) days in writing.
- Strike risk- by 48 (forty-eight) hours' notice in writing

**Documentation of claims-** Any claim under the insurance should be submitted without delay, accompanied by all available supporting documents, including the following:

1. Original Policy or Certificate of Insurance.
2. Original or Copy of Shipping Invoices, together with Shipping specification and weight notes.
3. Original Bill of Lading and/or other contract of Carriage.
4. Survey Report or other documentary evidence to the extent of the loss or damage.
5. Landing Account and weight notes at final destination.
6. Correspondence exchanged with Carriers and other Parties regarding their liability for the loss or damage.

**Insurance Policy:** Insurance policy is the document based on which the coverage is to be claimed if the goods are damaged. It is a part of the cover note. The policy will include a unique policy number and the given cover note number. It will also have a classification code, claims payable at and by and the amount to be paid. Here the bill of lading/ airway bill/ truck receipt number and date is very crucial in terms of claiming the insurance. The insurance needs to be claimed within a month after the sailing date. In the insurance policy there are some risk clauses for import rail, lorry and truck imposed by the insurance

company.



The policyholder must have an insurable interest in the subject-matter insured at the moment of loss in order to be entitled to compensation under this policy.

**Proforma Invoice:** A proforma invoice is an initial invoice or expected invoice that is used to ask the committed customer for payment prior to the provision of goods or services. A proforma invoice contains details of the items, the total amount due, and other parameters of the purchase. In the Proforma Invoice of ACI Godrej, all the details about the goods that are to be imported are mentioned. The quantity and the type of the product is mentioned here. ACI Godrej while receiving the goods will follow the details mentioned in the PI. The payment duration is also mentioned in the PI.

**Import Permit:** The Import Permit is a legal document that allows a company to import goods from one country to another country. In terms of ACI Godrej, the import permit is required for raw material like maize, wheat, residues of rapeseed etc. The document has a limit to receive goods up to a certain quantity. After that the import permit becomes invalid. There is also a specific date within which the delivery is to be completed.

3.1.1 **Shipment Procedure-** After following all the vigorous process of documentation, the product shipment can be released according to the requirements of the importers. The main concern here is the shipment date. The product is to be delivered before the shipment date. If there are any changes then an amendment is made. The beneficiary can release the shipment accordingly afterwards. There are three ports of shipment- Sea, land and air but the port is selected as per LC after receiving the original document. For land and airport, the shipment can be released with non-negotiable copy. For the seaport to release the shipment, an original document is necessary. All the shipment process is done according to the Proforma Invoice (PI).

**3.1.2 Payment Procedure-** In terms of making payment, no payment is done without receiving the original documents. The payment needs to be cleared within 7 working days. In case of deferred payment, it takes almost 90-180 days and without a bill of entry the payment is not made. If there is a discrepant document, then the payment is done after receiving the bill of entry. ACI Godrej can make the payment in 3 different ways- Site payment, Deferred Payment and UPAS (Usance LC payable at sight) payment.

**3.1.3 Closing LC-** After going through all the vigorous processes and documentation and after receiving the goods along with clearing the payment the LC is finally closed. In case of damaged goods or canceled LC, ACI Godrej claims the insured amount which was paid as a premium in the beginning.

### **3.4 Differentiation between ACI Godrej and general LC process in Bangladesh**

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Since ACI Godrej is a joint venture of ACI Limited and Godrej Group hence while importing from countries like India the process is very smooth. The documents to release product like- bill of entry and policy can be over seen if not available in case if it is an overseas shipment. On the other hand, the general Letter of Credit process in Bangladesh requires all the documents to be given before the release of the shipments. The companies must take insurance policy from the issued banks while importing because the documents is very crucial if there is a damage while loading the goods and the process of getting the policy is very lengthy. Due to maintaining a cordial relation with banks, the company can extend the timeline of showing the policy and can even release goods without the paperwork.

### **3.6 Recommendation:**

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My project's initial goal was to identify the benefits and disadvantages that ACI Godrej Agrovet Private Limited may have while importing goods. I have come across a few problems recommendation to which are given-

- According to me there should be a specific database to track the import of different goods to reduce hassle.
- They should manage their inventory more efficiently. For example- importing product according to the need to avoid damage.

### **3.5 Conclusion:**

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The chance to complete my internship at ACI Godrej Agrovet Private Limited and learn about all the processes of importing was a great opportunity for me. I was able to identify certain issues with the department that handles import and LC, and I made recommendations in response to those issues. My experience working for a multinational corporation was fantastic. My internship gave me the chance to work on crucial tasks for the company, which helped me gain confidence and develop necessary abilities. I have improved my communication and organizational abilities while employed by ACI Godrej Agrovet Private Limited. My prospects of succeeding in my early career were improved by this internship, which provided me with practical learning experience.

## **References:**

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3. Letter of credit operation in Bangladesh. Educarnival. (2012, August 9). Retrieved August 30, 2022, from [https://www.educarnival.com/letter-of-credit-operation-in-bangladesh/#:~:text=Letter%20of%20Credit%20\(L%2FC,face%20or%20share%20between%20them.](https://www.educarnival.com/letter-of-credit-operation-in-bangladesh/#:~:text=Letter%20of%20Credit%20(L%2FC,face%20or%20share%20between%20them.)
4. Bangladesh Marine Tariffs | PDF | Insurance | Underwriting. (n.d.). Scribd. Retrieved September 7, 2022, from <https://www.scribd.com/doc/59924124/Bangladesh-Marine-Tariffs>
5. IRDAI Welcomes You. (n.d.). Wwww.irdai.gov.in. Retrieved September 7, 2022, from <https://www.irdai.gov.in/ADMINCMS/cms/Uploadedfiles/74.Office%20-%20Policy%20Wordi ng.pdf>

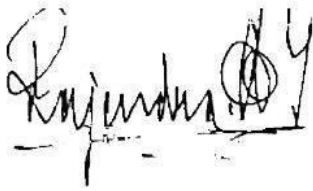
## **Appendix:**

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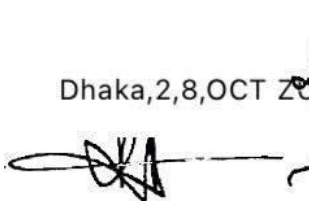
The statement of Financial position of ACI Godrej Agrovet Private Limited (2019 and 2020) -

ACI Godrej Agrovet Private Limited  
Statement of financial position

in Taka	Note	30 June 2020	30 June 2019
<b>Assets</b>			
Property, plant and equipment	*	2,793,975,778	2,108,159,714
Intangible assets	*	765,090	2,245,870
Investments	*	36,873,444	38,802,068
Lease receivable	*		213,255
Non-current assets		2,831,614,312	2,147,420,907
Lease receivable	9		24,460
Inventories	10	1,968,206,755	1,679,783,644
Biological assets	11	17,959,358	16,115,884
Other investments, including derivatives	12	1,318,593	
Trade and other receivables	13	606,922,595	491,976,976
Advances, deposits and prepayments	14	351,456,776	233,638,611
Cash and cash equivalents	15	271,128,399	31,511,590
		3,216,992,475	2,453,051,165
Assets held for sale	16		57,647,376
Current assets		3,216,992,475	2,510,698,541
Total assets		6,048,606,787	4,658,119,448
<b>Equity</b>			
Share capital	17	370,000,000	370,000,000
Retained earnings		1,915,814,416	1,768,947,522
Total equity		2,285,814,416	2,138,947,522
<b>Liabilities</b>			
Loans and borrowings	18	468,942,225	162,240,292
Deferred tax liabilities	19	101,165,314	103,155,815
Employee benefits	20	24,388,956	25,720,956
Non-current liabilities		594,496,495	291,117,063
Loans and borrowings	18	100,878,571	27,987,35
Short term bank loan	21	149,227,189	177,0221
Zero coupon bond	22		107,0606
Bank overdraft	23		
Trade and other payables	24	7,806,245,1093,6	32,137,1276
Accruals	25	140,235,434	114,638,
Provision for expenses	26	284,976,314	101
Provision for tax	27		1
Current liabilities		18,090,706	11,134,934
Total liabilities		3,168,295,8763,762,7	2,228,054,863
Total equity and liabilities		92,3716,048,606,787	2,510,171,0264




Dhaka, 2, 8, OCT 2020

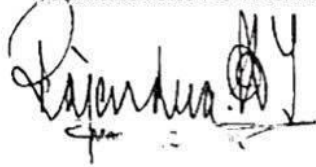


Rahman Rahman  
Hug Chartered  
KPMG in Bangladesh  
Accountants

ACI Godrej Agrovet Private Limited  
 Statement of profit or loss and other comprehensive  
 Income

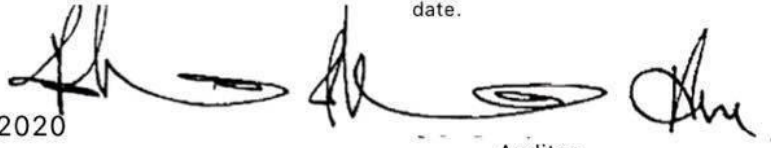
in Taka	Note	For the year ended	
		30 June 2020	30 June 2019
Revenue	28	12,847,260,885	8,843,356,220
Cost of sales	29	(10,623,875,433)	(7,451,417,743)
Gross profit		2,223,385,452	1,391,938,477
Selling and distribution expenses	30	(945,847,709)	(654,689,147)
Administrative and general expenses	31	(328,959,665)	(200,858,041)
Operating profit		948,578,078	536,391,289
Non-operating income/(expenses)	32	44,238,139	(18,587,407)
Net finance costs	33	(59,107,089)	(127,692,408)
Profit before contribution to WPPF		933,709,128	390,111,474
Contribution to WPPF		(46,685,456)	(19,505,574)
Profit before tax		887,023,672	370,605,900
Income tax expenses	34	(140,756,778)	(65,024,449)
Profit after tax		746,266,894	305,581,451
Other comprehensive income	35		2,483,337
Total comprehensive income		746,266,894	308,064,788

The annexed notes 1 to 44 form an integral part of these financial statements.




As per our report of same date.

Dhaka.28 OCT 2020

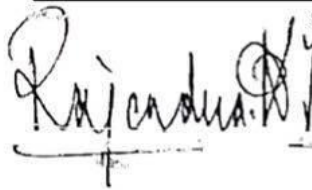



Auditor

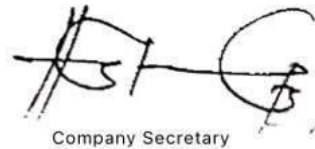
Rahman Rahman Huq  
 Chartered Accountants  
 KPMG in Bangladesh

ACI Godrej Agrovet Private Limited		ACI Godrej Agrovet Private Limited	
Statement of financial position			
In TekaNote	30 June 2021	30 June 2020	
Assets			2,793,975,778
Property, plant and equipment	5	2,9,851	765,090
Intangible assets	67	36,997,345	36,873,444
Non-current assets		2,841,941,403	2,631,614,312
Inventories	8	3,040,860,008	1,968,206,755
Biological assets	9	33,1	318,693
Other investments, including derivatives	10		
Trade and other receivables	11	604,652,230	606,922,595
Advances, deposits and prepayments	12	197,251,872	351,456,775
Advance income tax	13		
Cash and cash equivalents	14	111,780,314	271,128,399
Current assets		3,993,640,274	3,216,992,475
Total assets		6,835,581,677	3,216,992,475
Equity			6,048,606,787
Share capital	15	370,000,000	370,000,000
Retained earnings		2,177,885,068	1,915,814,416
Total equity		2,497,885,068	2,285,814,416
Liabilities			6,048,606,787
Loans and borrowings	16	409,011,509	468,942,225
Deferred tax liabilities	17	101,297,003	101,165,314
Employee benefits	18	37,038,956	24,388,956
Non-current liabilities		547,347,468	594,496,495
Loans and borrowings	16	82,775,864	100,878,571
Short term bank loan	19	1,663,589,729	149,227,189
Bank overdraft	20	29,933,561	23,793,806
Trade and other payables	21	1,145,735,892	2,451,093,856
Accruals	22	632,921,888	140,235,434
Provision for expenses	23	235,392,207	284,976,314
Provision for tax	13		18,090,706
Current liabilities		3,790,349,141	3,168,295,876
Total liabilities		4,337,696,609	3,762,792,371
Total equity and liabilities		6,835,581,677	6,048,606,787

Integral part of these financial statements.



Dr. A.K. M. Fareyul Haque Ansary  
Director



Company Secretary

As per our report of same date

Dhaka, 27 OCT 2021  
a.



Audit  
Ali Ashfaq, Partner  
Enrolment Number: 509  
Rahman Rahman Huq  
Chartered Accountants  
KPMG in Bangladesh  
Firm Registration Number: N/A

DVC: 2111110509AS64137  
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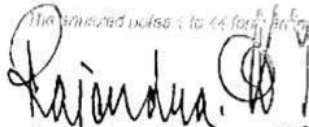
The statement of profit or loss of ACI Godrej Agrovet Private Limited (2021)-

ACI Godrej Agrovet Private

Statement of profit or loss and other comprehensive income

In Taka	Note	For the year ended	
		30 June 2021	30 June 2020
Revenue	24	15,115,798,717	12,847,260,885
Cost of sales	25	(12,376,384,990)	(10,623,875,433)
Gross profit		2,739,413,727	2,223,385,452
Selling and distribution expenses	26	(1,072,664,023)	(945,847,709)
Administrative and general expenses	27	(328,890,049)	(328,959,665)
Operating profit		1,337,859,655	948,578,078
Non-operating Income	28	3,286,895	44,238,139
Net finance costs	29	(103,355,291)	(59,107,089)
Profit before contribution to WPPF		1,237,791,259	933,709,129
Contribution to WPPF		(61,889,563)	(46,685,456)
Profit before tax		1,175,901,696	887,023,673
Income tax expenses	30	(189,036,856)	(140,756,778)
Profit after tax/Other comprehensive income/ (loss)	31	986,864,840(1 0,244,688)	748,266,894

Total comprehensive Income 976,620,152


  
Managing Director

  
K. M. Fareyul Haque  
Ansari Director

  
Company Secretary

As per our report of same date.

Dhaka, 27 OCT 2021

  
Auditor  
Ali Ashfaq, Partner  
Enrolment Number: 509  
Rahman Rahman Huq  
Chartered Accountants  
KPMG in Bangladesh  
Firm Registration Number: N/A

A

DVC: 2111110509AS641370