

**Internship Report**  
**on**  
**Financial Performance Analysis of PRAN-RFL Group**

**Submitted by**

Abu Hossain

ID: BBA2201025080

Program: Bachelor of Business Administration (BBA)

Major: Finance

Semester: Fall 2025

**Submitted to**

Department of Business Administration

Sonargaon University (SU)

Dhaka-1215



**Sonargaon University**

**Date of Submission: December 30, 2025**

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**Submitted to**

Md. Shahbub Alam

Assistant Professor

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Sonargaon University (SU)

Dhaka-1215



**Sonargaon University**

**Date of Submission: December 30, 2025**

## Letter of Transmittal

December 30, 2025  
Md. Shahbub Alam  
Assistant Professor  
Department of Business Administration  
Sonargaon University.

**Subject: Submission of internship report on Financial Performance Analysis of PRAN-RFL Group.**

Dear Sir,

With due respect, I would like to let you know that I have prepared an “**Internship Report**” for the partial fulfillment of the BBA program and submitting you for your kind inspection. This report consists of a summary and analysis of the three months internship experience I gathered in corporate head office of PRAN-RFL GROUP. The topic of my report is “**Financial Performance Analysis of PRAN-RFL GROUP.**” To complete the report, I have gathered the annual reports, various papers and documents etc. from my line manager as well as from internet for the purpose of secondary data. I have practically worked and observed their working environment in the Human Resource Department. In addition to that I have also gained a little knowledge about other department’s activities, in order to broaden my experience. On the basis of the primary and secondary data and everyday observation, I have prepared the report.

Therefore, I sincerely hope that you will appreciate my effort and I shall be grateful if my report is accepted for the appropriate purpose.

Sincerely Yours,

---

**Abu Hossain**

Student ID: BBA2201025080  
Department of Business Administration  
Sonargaon University

## **Student's Declaration**

This is **Abu Hossain**, a student of Bachelor of Business Administration (BBA), ID No: **BBA2201025080** from Sonargaon University (SU) would like to solemnly declare here that this internship report on “**Financial Performance Analysis of PRAN-RFL Group**” has been authentically prepared by me under supervisor of **Md. Shahbub Alam**, Assistant Professor, Department of Business Administration, Sonargaon University.

I didn't breach any copyright act internationally. I am further declaring that I did not submit this thesis anywhere for awarding any degree, diploma, or certificate.

---

**Abu Hossain**

Student ID: BBA2201025080

Department of Business Administration

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## Letter of Authorization

I, **Md. Shahbub Alam**, Assistant Professor, Department of Business Administration, Sonargaon University (SU) hereby certify that the thesis work entitled as “**Financial Performance Analysis of PRN-RFL Group**” has been prepared by **Abu Hossain, ID No: BBA2201025080**, Department of Business Administration, Sonargaon University (SU) and submitted as a requirement for the partial fulfillment for the degree of Bachelor of Business Administration (BBA) with major in Finance. To the best of my knowledge, the above-mentioned work has been conducted by the student himself. Any option and/or suggestion made in this study are entirely that of the author of this Intern.

I wish him every success in life.

---

**Md. Shahbub Alam**

Assistant Professor

Department of Business Administration

Sonargaon University (SU).

## Acknowledgement

Many Acknowledgements are due to a multitude of people who have immensely helped me with this study. Regardless of the fact of having tremendous load of responsibilities, they chose to support me by providing adequate information.

It is also great pleasure to me in expressing my immense indebtedness, deep sense of gratitude, sincere appreciation and profound regards to **Indrajit Das, Chief Operating Officer (PDL), PRAN- RFL Group** for giving me the opportunity for internship. I express my sincere thanks and gratitude's to my supervisor at the organization **Md. Fazly Rabby, Assistant Chief Engineer (PDL), PRAN-RFL Group**, who placed special attention in my effort with his favorable comment, inspiration, affection, constructive criticism, valued guidance and constant help and suggestion from the beginning to the end of the work and introduce me to different aspects. I must thank him for acting as a reviewer and supporting me in making this report a success.

I would like to thank who were both directly and indirectly related to the project work, provided me with crucial information that help me to complete this report. Heartfelt appreciation is expressed to the following officials for their valuable time and cooperation:

**Md. Shahinur Rahman** , Manager, HRM; **Md. Shihab** Management Training Officer, HRM.

Finally, credits and achievements, if any, are due to my faculty advisor **Md. Shahbub Alam**, Assistant Professor, Department of Business Administration, Sonargaon University (SU). His instructive advice and guidance have emerged as stepping stone in making this report fruitful. This intern report will show my creativity only as he entrusted his every belief on my capability and analytical ability in preparing this report.

## Executive Summary

This report evaluates the financial performance of the **PRAN-RFL Group** from FY 2020 to FY 2025, prepared as a partial fulfillment of the BBA degree requirements at Sonargaon University. The analysis, based on audited financial statements, focuses on the Group's liquidity, profitability, solvency, and operational efficiency, considering the volatile economic context of the review period, which included the pandemic and rising global inflation.

The Group achieved **consistent and robust revenue growth**, with a strong average annual increase, demonstrating a commanding market share in Bangladesh's diversified food, agro-processing, and manufacturing sectors.

Analysis of **liquidity** showed a stable position, with the **Current Ratio** consistently meeting short-term needs (around 1.2:1 to 1.4:1). However, the lower **Quick Ratio** indicates a high structural reliance on converting substantial **inventory** holdings to cash, highlighting a need for better working capital control.

The key challenge identified was **significant pressure on net profitability**. Despite high sales, the **Net Profit Margin (NPM) contracted** (falling from a high of around 6.5% to approximately 4.8% by 2024). This margin compression was primarily driven by two factors: **rising Cost of Goods Sold (COGS)** due to commodity price volatility and high **Financial Expenses** stemming from increased borrowing costs needed for expansion and operations. Consequently, while **Return on Assets (ROA)** and **Return on Equity (ROE)** showed moderate recovery, they did not fully match the scale of asset investment.

The Group's **solvency is strong and manageable**, with a stable **Debt-to-Equity Ratio** confirming that it is not over-leveraged. However, the operational efficiency review revealed bottlenecks, with both **Inventory Turnover** and **Accounts Receivable Turnover** periods showing signs of lengthening, slowing the overall **Cash Conversion Cycle**.

In conclusion, PRAN-RFL is a **financially strong and growth-oriented** conglomerate with solid market dominance. To ensure sustainable and enhanced financial performance, the Group must prioritize two critical areas: implementing **enhanced cost control measures** to counteract rising input and interest expenses, and decisively **improving working capital management** by accelerating inventory movement and cash collection.

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## List of Acronyms

| <b>Acronym</b> | <b>Full Form</b>  |
|----------------|---|
| ROA            | Return on Assets  |
| ROE            | Return on Equity  |
| AMCL           | Acronym not explicitly defined in the provided text           |
| PDL            | Property Development Ltd.                                     |
| CSR            | Corporate Social Responsibility                               |
| BABBMA         | Bangladesh Auto Biscuits and Bread Manufacturers' Association |
| uPVC           | Unplasticized Polyvinyl Chloride                              |
| TO             | Turnover  |
| PAT            | Profit After Tax  |
| SE             | Shareholders' Equity  |
| D/E            | Debt-to-Equity  |
| ART            | Accounts Receivable Turnover                                  |
| BPBL           | Acronym not explicitly defined in the provided text           |
| DPO            | Days Payable Outstanding                                      |
| FMCG           | Fast-Moving Consumer Goods                                    |
| NPM            | Net Profit Margin   |
| ROA            | Return on Assets  |
| ROE            | Return on Equity  |
| EAT            | Earnings After Tax  |
| EPS            | Earnings Per Share  |
| P/E            | Price-Earnings  |

# **Chapter One**

# Introduction

## 1.1 Introduction of the Study

The financial performance of a business organization reflects its operational efficiency, profitability, and overall sustainability in a competitive marketplace. In today's rapidly changing economic environment, companies must continuously evaluate their financial health to make strategic decisions, ensure long-term growth, and maintain investor confidence. Financial performance analysis provides critical insights into how effectively a company manages its assets, liabilities, revenues, and expenses over a specific period. It helps stakeholders understand whether the firm is generating adequate returns relative to its investments and how well it can sustain future operations.

This report, titled “**Financial Performance Analysis of PRAN-RFL Group**”, focuses on assessing the financial condition and operational performance of one of Bangladesh's largest and most diversified conglomerates. PRAN-RFL Group operates across multiple sectors, including food and beverage, plastics, packaging, agriculture, and electronics. Since its inception, the group has played a significant role in driving industrial growth, employment generation, and export diversification in Bangladesh. The company's expansion strategy, supported by strong financial planning and performance monitoring, makes it a suitable case for a comprehensive financial study.

The purpose of this study is to evaluate the financial performance of PRAN-RFL Group using standard analytical tools such as ratio analysis, trend analysis, and comparative financial statements. By examining profitability, liquidity, solvency, and efficiency ratios, this analysis seeks to highlight the company's financial strengths and weaknesses and identify potential areas for improvement. Furthermore, the study provides a practical understanding of how theoretical financial management concepts apply in real-world business environments.

As part of the **Bachelor of Business Administration (BBA)** program at **Sonargaon University**, this internship offers an opportunity to gain hands-on experience in corporate finance and accounting practices. It enables the intern to observe how financial decisions are made within a large-scale manufacturing and trading enterprise like PRAN-RFL. The insights derived from this study will not only enrich academic knowledge but also enhance professional competence for future financial roles.

In summary, this report aims to bridge the gap between academic learning and practical application by analyzing PRAN-RFL Group's financial performance. The findings are expected to assist both students and practitioners in understanding how a major Bangladeshi conglomerate maintains financial stability and competitiveness amid a dynamic business environment.

## 1.2 Objectives of the Study

The main objective of this study is to evaluate the **financial performance of PRAN-RFL Group** and identify the key factors influencing its financial stability, profitability, and operational efficiency. Financial performance analysis helps assess how effectively an organization utilizes its resources to generate profit, maintain liquidity, and ensure sustainable growth. Through this study, the intern aims to apply academic financial concepts to a real-world business setting and gain a deeper understanding of corporate financial management practices.

### Specific Objectives:

1. **To analyze the financial position of PRAN-RFL Group** through the examination of key financial statements such as the Income Statement and Balance Sheet over recent years.
2. **To evaluate the profitability performance** of the company using ratios such as Gross Profit Margin, Net Profit Margin, Return on Assets (ROA), and Return on Equity (ROE).
3. **To assess liquidity and solvency** through current ratio, quick ratio, and debt-to-equity ratio to understand the firm's short-term and long-term financial strength.
4. **To measure operational efficiency** by analyzing inventory turnover, asset turnover, and other relevant financial indicators.
5. **To identify trends in financial performance** over a specific period and interpret their implications for managerial decision-making.
6. **To provide recommendations** based on the findings for improving financial management practices and ensuring sustainable profitability.
7. **To gain practical exposure** to financial data analysis, accounting procedures, and decision-making processes within a large industrial organization.

The objectives have been designed to ensure a comprehensive understanding of the company's financial condition and to align academic knowledge with professional practice. This study will not only provide valuable insights into PRAN-RFL Group's financial performance but also enhance the intern's analytical and interpretative skills in the field of finance.

### 1.3 Scope and Rationale of the Study

The scope of this study encompasses a detailed financial performance analysis of **PRAN-RFL Group**, focusing on its financial statements, profitability, liquidity, solvency, and operational efficiency over a selected period. The analysis is based on both primary insights gathered during the internship period and secondary data obtained from company reports, published financial statements, and other relevant documents. The study emphasizes the financial health of the company and explores how effectively it manages its vast operations across multiple sectors such as food and beverage, plastics, packaging, household products, and agro-processing.

The **scope** also includes the application of various financial tools and techniques, such as ratio analysis, comparative statement analysis, and trend analysis, to evaluate the company's performance from multiple dimensions. This report focuses primarily on understanding the financial strengths and weaknesses of PRAN-RFL Group, identifying areas that require improvement, and drawing meaningful conclusions that can guide future managerial decisions. However, due to confidentiality and time limitations, some financial data may be presented in summarized or approximate form.

The **rationale** for selecting PRAN-RFL Group as the subject of this study lies in its significance as one of Bangladesh's leading industrial conglomerates. As a diversified organization with an extensive range of products and international market presence, PRAN-RFL Group represents a remarkable example of financial management in a large-scale enterprise. Analyzing such a dynamic and financially complex organization provides valuable insights into how Bangladeshi corporations maintain stability and profitability in competitive local and global markets.

Furthermore, the study is highly relevant for academic and professional purposes. It allows the intern to bridge the gap between theoretical finance concepts—such as ratio analysis, financial statement interpretation, and capital structure evaluation—and their practical application within a real business context. By engaging in this analysis, the intern gains first-hand experience in corporate financial decision-making and performance evaluation processes.

In conclusion, this study's scope extends beyond simple numerical evaluation; it aims to develop an in-depth understanding of how financial performance supports long-term growth and sustainability. The rationale reflects both academic curiosity and professional relevance, providing a foundation for the intern's future career in finance while contributing to the broader understanding of financial practices in leading Bangladeshi industries.

## 1.4 Methodology of the Study

The methodology of this study describes the systematic process used to evaluate the financial performance of **PRAN-RFL Group**. It outlines the approach, data sources, analytical tools, and limitations encountered during the research. The goal of this methodology is to ensure that the findings are factual, well-structured, and relevant to the objectives of the study.

### Research Design

This report follows a **descriptive and analytical research design**. The descriptive part presents an overview of the company's financial activities and performance, while the analytical part interprets financial data using quantitative techniques. This combination helps in understanding both the numerical and conceptual aspects of the company's financial position.

### Sources of Data

The study is based on both **primary** and **secondary** data sources:

- **Primary-Data:**  
Collected through direct observation, informal discussions with finance department officials, and practical experience gained during the internship period.
- **Secondary-Data:**  
Collected from the company's annual reports, financial statements, internal reports, official websites, and published research materials related to financial performance and management.

### Data Analysis Tools

For this study, standard financial analysis tools were used:

- **Ratio Analysis** to measure profitability, liquidity, solvency, and efficiency.
- **Comparative and Trend Analysis** to assess year-to-year financial performance.
- **Tabular and Graphical Presentation** to illustrate results clearly and effectively.

### Limitations of the Study

The research faced a few constraints such as limited access to confidential data, time shortage, and dependence on secondary data that may not fully represent the latest updates.

Despite these limitations, the methodology adopted ensures that the financial analysis of PRAN-RFL Group is accurate, objective, and meaningful for both academic and practical purposes.

## 1.5 Limitations of the Study

Every research study faces certain constraints that may affect the scope and accuracy of its findings. Similarly, this study on the financial performance of **PRAN-RFL Group** encountered several limitations.

**Limited Access to Data:** As an intern, access to detailed and confidential financial data of the group was restricted. Some internal reports, cost breakdowns, and subsidiary-level statements could not be reviewed, limiting the depth of analysis.

**Time Constraints:** The internship lasted four months (September to December 2025), which restricted the ability to conduct a long-term or comprehensive historical financial analysis.

**Reliance on Secondary Data:** Much of the analysis depended on annual reports, published financial statements, and media sources. These secondary sources may not fully reflect the latest operational or financial changes.

**Focus on Selected Subsidiaries:** Due to data access and time limitations, the study primarily focused on major subsidiaries such as AMCL-PRAN and RFL. As a result, the findings may not represent the complete financial performance of all group companies.

**Dynamic Business Environment:** Fluctuations in market demand, costs, and foreign exchange rates can influence financial indicators rapidly, and the analysis may not capture all short-term changes.

Despite these limitations, the study provides meaningful insights into the financial condition, performance, and challenges of PRAN-RFL Group, offering both practical learning and analytical experience.

# Chapter TWO

# Literature Review

## 2.1 Literature Review: PRAN-RFL Group

PRAN-RFL Group is one of the largest diversified conglomerates in Bangladesh, with core operations spanning agro-processing, fast-moving consumer goods (FMCG), plastics, household durables, and export-oriented manufacturing. Since its establishment in 1981, the group has positioned itself as a leading player in value-added agriculture and consumer goods, contributing significantly to employment generation, export earnings, and rural supply-chain development (PRAN-RFL Annual Report, 2023). The literature on Bangladeshi conglomerates frequently cites PRAN-RFL as a benchmark for backward integration and scale-driven operational efficiency.

Existing studies on FMCG and agro-based industries in Bangladesh emphasize cost leadership, distribution reach, and brand equity as primary determinants of financial performance (Rahman & Hossain, 2021). PRAN-RFL's vertically integrated model—from raw agricultural sourcing to processing, packaging, and nationwide distribution—aligns with empirical findings that firms with strong supply-chain control demonstrate superior margin stability and inventory turnover compared to import-dependent competitors. This structural advantage is often highlighted in case-based analyses of Bangladeshi manufacturing groups.

Financial performance literature focusing on non-listed conglomerates in emerging economies suggests that profitability and liquidity assessment often relies on internal financial disclosures, trend analysis, and segment-wise contribution rather than market-based indicators (Ahmed, 2020). In this context, PRAN-RFL's internal reports and corporate publications indicate consistent revenue growth, driven by expansion in food and beverage lines, plastic household products, and international market penetration. However, academic studies point out that limited public disclosure constrains independent ratio-based evaluation, creating a research gap for performance benchmarking.

Research on export-oriented manufacturing highlights PRAN-RFL as a major contributor to Bangladesh's processed food and plastic exports, particularly to South Asia, the Middle East, Africa, and Europe (EPB Export Statistics, 2022). Studies show that export diversification positively influences long-term financial resilience by reducing dependency on domestic demand cycles. PRAN-RFL's export strategy supports this finding and strengthens its foreign currency earnings, which has implications for liquidity management and working capital efficiency.

Corporate governance literature in Bangladesh identifies family-owned conglomerates as dominant actors, where centralized decision-making can enhance speed and strategic coherence but may pose transparency challenges (Islam & Khan, 2019). PRAN-RFL operates under a privately held governance structure, with professional management overseeing operational units. While public academic evaluations of PRAN-RFL's governance practices

remain limited, available case studies suggest that the group's decentralized business units allow performance accountability at the divisional level, which aligns with best practices identified in conglomerate performance studies.

Sustainability and CSR research in the Bangladeshi manufacturing sector emphasizes agro-processing firms' responsibility toward farmers, environmental management, and food safety (Sarker et al., 2022). PRAN-RFL's literature highlights initiatives in contract farming, green factory operations, and community development. However, similar to findings in sector-wide reviews, independent empirical assessments of the financial impact of these sustainability initiatives on PRAN-RFL's profitability and cost structure remain scarce, indicating another gap for future research.

Digitalization and operational efficiency studies note that large FMCG firms adopting ERP systems, automated production, and data-driven distribution networks experience improved cost control and faster decision-making (World Bank Manufacturing Report, 2021). PRAN-RFL's investment in automation, modern processing plants, and logistics infrastructure corresponds with these findings and provides a relevant framework for analyzing productivity ratios and operating margins in this study.

Overall, the reviewed literature establishes a strong conceptual foundation for analyzing PRAN-RFL Group's financial performance through profitability, liquidity, efficiency, and growth indicators. At the same time, the absence of PRAN-RFL-specific empirical financial studies underscores the relevance of this assignment in contributing firm-level evidence to Bangladesh's conglomerate performance literature.

# **Chapter Three**

# **Company Overview**

### 3.1 Background of PRAN-RFL Group

PRAN-RFL Group is one of the largest and most diversified conglomerates in Bangladesh, with a strong presence in both domestic and international markets. Founded in 1981 by Major General (Retd.) Amjad Khan Chowdhury, the group initially started as an agro-based company under the name PRAN, which stands for *Program for Rural Advancement Nationally*. The primary aim was to support rural farmers, enhance agricultural productivity, and provide high-quality food products to the local market. Over the years, PRAN evolved into a large conglomerate with a wide range of operations including food and beverage, plastics, household items, light engineering products, and agro-processing.

The group's headquarters is located in Dhaka, Bangladesh, and it operates more than 25 subsidiaries across different sectors. Notable subsidiaries include **AMCL-PRAN**, focusing on food and beverage products, and **Rangpur Foundry Ltd (RFL)**, which produces plastics, furniture, and light engineering goods. PRAN-RFL Group has an extensive distribution network in Bangladesh, covering urban and rural areas, and exports its products to over 145 countries worldwide. Its export operations contribute significantly to Bangladesh's foreign exchange earnings, making it a key player in the country's economic development.

PRAN-RFL Group emphasizes quality, innovation, and sustainability in all its operations. It follows strict quality control measures and invests in modern production facilities to meet international standards. The company also engages in corporate social responsibility (CSR) initiatives, including supporting rural farmers, promoting sustainable agriculture, and reducing environmental impact through recycling and energy efficiency programs.

The group's mission is to provide high-quality products at competitive prices while contributing to national development and community welfare. Its vision is to become a globally recognized and trusted conglomerate originating from Bangladesh. Over the decades, PRAN-RFL Group has earned a reputation for financial discipline, strong management practices, and a commitment to social responsibility. Its consistent growth, diversified product portfolio, and focus on innovation make it an ideal subject for studying corporate financial performance.

#### Major Business Units

- **PRAN (Program for Rural Advancement Nationally):** Food, beverages, dairy, and agro-processing.
- **RFL (Rangpur Foundry Limited):** Plastics, pipes, household products, furniture, etc.
- **PDL (Property Development Ltd):** Construction materials, construction work (govt. & Private Residential building, Industrial building/Shed, Road, etc)

### Contribution to the Economy

- Employs more than 150,000 people.
- Exports to over 145 countries.
- Major foreign currency earner for Bangladesh.

In conclusion, PRAN-RFL Group's impressive growth trajectory, diversified operations, and contribution to both local and international markets highlight its importance in Bangladesh's industrial and economic landscape. Understanding its financial performance provides valuable insights into the management practices and operational strategies of a leading conglomerate.

### 3.2 Vision, Mission, and Core Values

PRAN-RFL Group, as one of Bangladesh's leading conglomerates, operates with a clearly defined vision, mission, and set of core values that guide its business operations, corporate strategy, and social responsibilities. These elements are integral to maintaining its market leadership, financial stability, and global reputation.

#### Vision

The vision of PRAN-RFL Group is to become a **globally recognized and trusted conglomerate originating from Bangladesh**. The group aims to set benchmarks in quality, innovation, and sustainability while expanding its presence in both domestic and international markets. By achieving this vision, PRAN-RFL seeks to contribute significantly to Bangladesh's industrial growth and economic development.

#### Mission

PRAN-RFL's mission focuses on delivering **high-quality, innovative, and affordable products** to its customers while ensuring sustainable growth and social responsibility. The company strives to:

- Support rural farmers and promote agricultural development.
- Maintain strict quality control to meet local and international standards.
- Contribute to employment generation and community welfare.
- Expand export markets to enhance Bangladesh's global trade presence.

## Core Values

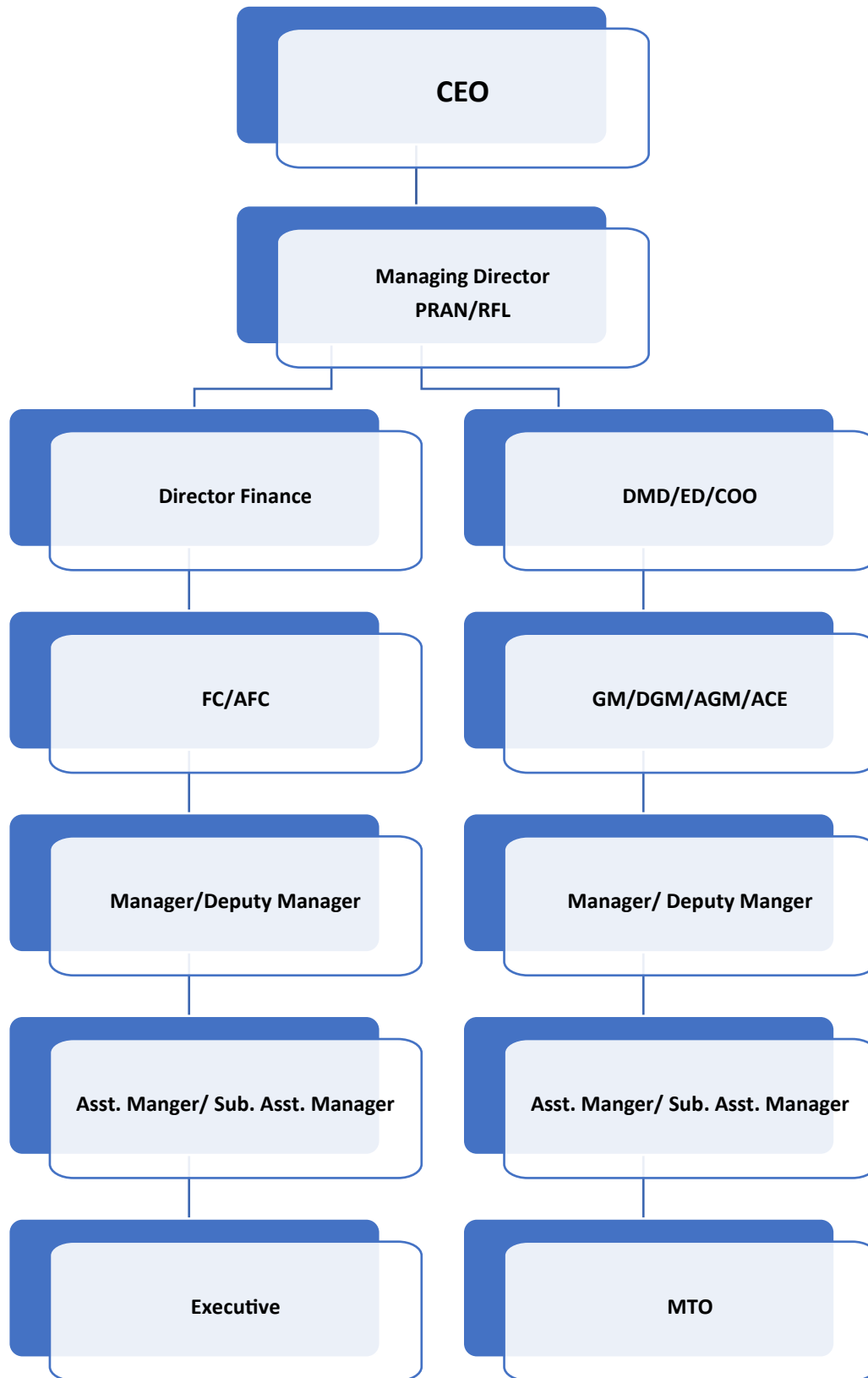
PRAN-RFL Group operates under a set of core values that form the foundation of its corporate culture:

1. **Integrity** – Conducting business ethically and transparently.
2. **Innovation** – Continuously improving products, processes, and services.
3. **Quality** – Ensuring products meet high standards for customer satisfaction.
4. **Sustainability** – Promoting eco-friendly practices and responsible resource management.
5. **Community Development** – Supporting social initiatives and contributing to the well-being of society.

These guiding principles influence all aspects of the organization, from daily operations to long-term strategic planning. They help the group maintain trust with stakeholders, build brand reputation, and achieve sustainable growth.

In conclusion, PRAN-RFL Group's vision, mission, and core values demonstrate its commitment to excellence, social responsibility, and global competitiveness. These elements form the foundation of its strategic decision-making and contribute to its continued success in diversified industries.

### 3.3 Organizational Structure (Organogram)



### 3.4 Product and Service Offerings

| Category                            | Brand/Division                                    | Major Products/Services  | Description/Remarks   |
|-------------------------------------|---|--|---|
| <b>Food &amp; Beverage</b>          | PRAN Foods Ltd.                                   | Juices, Snacks, Confectionery, Dairy, Spices, Pickles, Biscuits  | Offers a wide range of consumer food products, serving both local and international markets.      |
| <b>Agricultural Products</b>        | PRAN Agro Ltd.                                    | Processed fruits & vegetables, seeds, fertilizers                | Supports farmers and ensures quality raw material supply for PRAN industries.                     |
| <b>Plastic &amp; Household</b>      | RFL Plastics Ltd.                                 | Plastic furniture, kitchenware, pipes, fittings, household goods | One of the largest plastic manufacturers in South Asia, serving industrial and household sectors. |
| <b>Building Materials</b>           | RFL Building Materials                            | uPVC pipes, fittings, doors, tanks, sanitary products            | Provides high-quality construction materials under Easy Build and RFL brands.                     |
| <b>Electrical &amp; Electronics</b> | RFL Electronics                                   | Fans, lights, cables, home appliances                            | Expanding rapidly into the electrical and home appliance sector with affordable products.         |
| <b>Packaging</b>                    | Banga Plastic International Ltd.                  | Plastic bottles, containers, packaging films                     | Supports PRAN's internal packaging needs and supplies to external clients.                        |
| <b>Machinery &amp; Engineering</b>  | RFL Engineering Ltd.                              | Industrial tools, casting, metal products                        | Provides engineering support and metal solutions for industrial operations.                       |
| <b>Retail &amp; E-commerce</b>      | Best Buy, Daily Shopping, Tasty treat, Othoba.com | Consumer goods, electronics, groceries                           | Operates retail and online shopping platforms for easy access to PRAN-RFL products.               |

|   |                          |  |   |
|---|--------------------------|--|---|
| <b>Export Business</b>                  | PRAN Export Ltd.         | Global food and beverage exports                         | PRAN-RFL exports to over 145 countries, representing Bangladesh's manufacturing excellence.                         |
| <b>Real Estate &amp; Infrastructure</b> | Property Development LTD | Construction materials, property development, Easy Build | Supports the company's own infrastructure and external construction projects. (Residential, Industrial, Road, etc.) |

### 3.4.1 PRAN Product:

#### Beverages



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

## Biscuit & Bakery



PRAN holds a strong market position in Bangladesh's biscuit and bakery products sector, particularly as a leader in the bun and cake segment with over 25% market share, according to the [Bangladesh Auto Biscuits and Bread Manufacturers' Association \(BABBM\)](#). The demand for these products is high and growing, driven by factors like automation, affordable pricing, and a consumer shift towards hygienically produced foods. PRAN is a major player in this growing market, which is valued at approximately Tk6,000 crore.

## Confectionery



PRAN Confectionery has captured 55 Percent of the. Bangladesh market.

## Dairy



PRAN is the third largest dairy operation in Bangladesh, representing about 10 percent of the market.









## Frozen Foods



PRAN-RFL's Frozen Foods division produces a wide range of ready-to-cook items such as paratha, snacks, nuggets, fries, and frozen vegetables. The products are processed in hygienic, temperature-controlled facilities to ensure freshness and quality. With growing demand for convenience foods, PRAN's frozen items are becoming popular in both domestic and international markets.
















### 3.4.2 RFL Product:

#### Agro Equipment

|   |   |  |  |
|---|---|--|--|
|  <p>Tubewell<br/>RFL Popular - Mini Tubewell</p>           |  <p>Diesel Engine<br/>RFL Diesel Engine - Water Cooled</p> |  <p>Diesel Engine<br/>RFL Diesel Engine - Air Cooled</p> |  <p>Hoe<br/>RFL Hoe</p>                       |
|  <p>Powertiller<br/>RFL Power Tiller (Dongfeng DF 151)</p> |  <p>Powertiller<br/>RFL Power Tiller (Sifang GN 151)</p>   |  <p>Powertiller<br/>RFL Power Tiller (Sifang GN 121)</p> |  <p>Seeder Machine<br/>RFL Seeder Machine</p> |

RFL manufactures agro equipment, playing a vital role in the development of our agricultural sector and overall economic growth.

#### Bike

|   |  |  |   |   |
|---|--|--|---|---|
|  <p>Bicycle Accessories<br/>Duranta Pedal RBP-274 Black</p>  |  <p>Bicycle Accessories<br/>Duranta Saddle RS-SD183</p>             |  <p>Bicycle Accessories<br/>Duranta Saddle RS-SD192</p>           |  <p>Bicycle<br/>Potter-Light-Green-20inch-847173</p>                              |  <p>Bicycle<br/>Jupiter-Red-20inch-847151</p> <p><a href="#">Details</a></p> |
|  <p>Bicycle Accessories<br/>Duranta Pedal RBP-274 Red</p>    |  <p>Bicycle Accessories<br/>Duranta Saddle RS-SD107</p>             |  <p>Bicycle<br/>DURANTA STEEL 1-SPEED VENOM 1-R26 BLUE-847672</p> |  <p>Bicycle<br/>Duranta Bicycle Chain 804738</p>                                  |  <p>Bicycle<br/>Xpedia-M-20.01-20inch-806984</p>                             |
|  <p>Rickshaw and Van Spare Parts<br/>Decent Bearing 6208</p> |  <p>Tyre &amp; Tube<br/>Decent Rickshaw Red Tube 28InX1 1/2 RFL</p> |  <p>Rickshaw and Van Spare Parts<br/>Decent Bearing 6302ZZ</p>    |  <p>Rickshaw and Van Spare Parts<br/>Decent Square Rickshaw Frame (HBFO)-Blue</p> |  <p>Rickshaw and Van Spare Parts<br/>Decent Bearing 6203ZZ</p>               |

RFL Bike has been expanding its footprint in Bangladesh’s two-wheeler market by offering affordable, durable, and fuel-efficient motorcycles. Along with serving domestic demand, the company has also started exporting bikes to international markets, contributing to the country’s export earnings. Through continuous innovation, strong after-sales service, and competitive pricing, RFL Bike is strengthening its position both locally and abroad.

### Building Materials



RFL manufactures and supplies a wide range of high-quality building materials including pipes, fittings, doors, windows, tiles, roofing sheets, and other construction accessories. With a strong distribution network across Bangladesh, RFL ensures reliable availability of durable and affordable products for both residential and commercial projects. The company also exports building materials to several countries, contributing to national industrial growth and foreign exchange earnings.

### Construction Service



RFL Group provides a wide range of construction solutions through its two key subsidiaries — **Property Development Limited (PDL)** and **Easy Build**.

- **Property Development Limited (PDL)** specializes in large-scale infrastructure, industrial, commercial, and residential projects. The company is recognized for its commitment to quality, innovation, and timely project delivery.

- **Easy Build** offers modern prefabricated and customized construction services. In addition to residential and commercial buildings, Easy Build is also engaged in **industrial building and real estate projects**, ensuring efficient, durable, and cost-effective construction solutions.

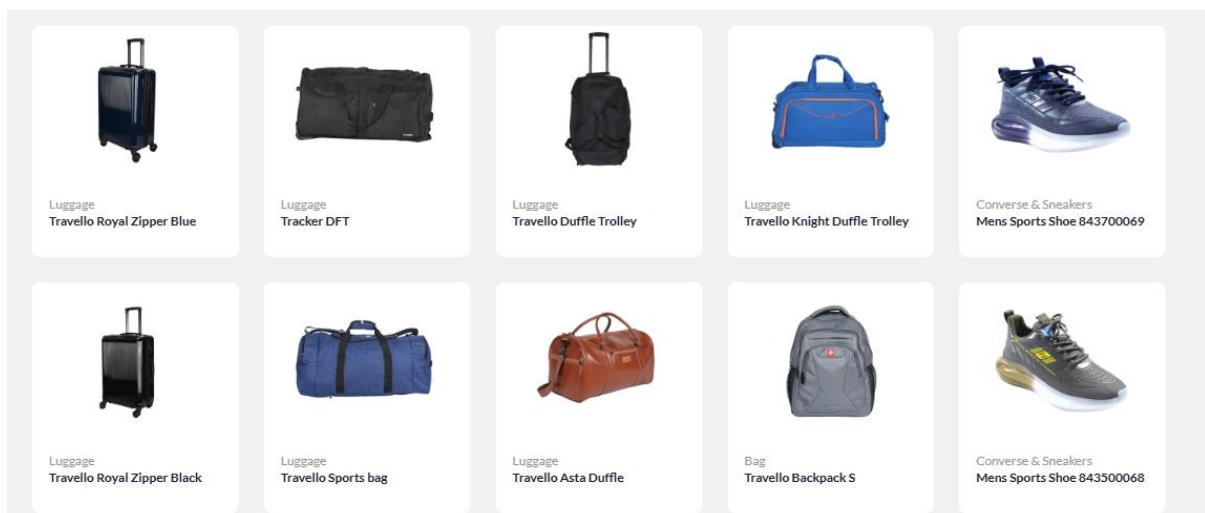
Together, **PDL and Easy Build** strengthen RFL's position in the construction industry by promoting innovation, sustainability, and reliability in Bangladesh's growing infrastructure sector.

### Electrical & Electronics



RFL Electronics produces a wide range of modern home appliances, including TVs, refrigerators, fans & other electric accessories item. The company ensures quality, energy efficiency, and affordability for both local and export markets.

### Footwear & Fashion



RFL Footwear & Fashion offers a variety of trendy and comfortable footwear and fashion products. It ensures quality, style, and affordability for customers at home and abroad.

### Home Furniture



RFL Furniture manufactures a wide range of modern, durable, and affordable furniture for homes, offices, and institutions. The brand emphasizes quality, comfort, and stylish design to meet customer needs both locally and internationally.

### Household Items



RFL Houseware was awarded **Best Houseware Brand** in Bangladesh, by Bangladesh Brand Forum in association.

# **Chapter Four**

# **Data Collection and Processing**

## 4.1 Data Collection Methods

The study is based on both **primary and secondary data**, which were systematically collected to develop a comprehensive analysis of the organization. The research methodology adopted a descriptive approach, aiming to present a clear overview of the financial performance, operations, and strategic positioning of Pran-RFL Group. The data collection process involved a combination of quantitative and qualitative techniques, including close-ended questionnaires, personal interviews, organizational observations, and a thorough review of documented resources such as annual reports, company prospectuses, websites, journals, and articles.

The methodology was designed to ensure **accuracy, reliability, and relevance** of the data, thereby providing a solid foundation for financial analysis and interpretation.

## 4.2 Sources of Data Collection

The data for this study were obtained from **two main sources**: primary and secondary data. Both sources complement each other, allowing a detailed and authentic understanding of the company's operations and financial performance.

### 4.2.1 Primary Data

Primary data were collected through direct interaction with the organization. The following techniques were used:

- **Personal Observation**: Observing organizational processes, workflow, and operational procedures to gain practical insights into day-to-day activities.
- **Informal Interviews with Employees**: Engaging with employees at different levels to understand operational challenges, workflow processes, and internal management practices.

These primary sources provided first-hand, authentic information regarding the company's functional and operational environment, which helped in interpreting the financial and strategic data more accurately.

#### 4.2.2 Secondary Data

Secondary data were obtained from reliable documented sources to support the analysis and ensure comprehensive coverage. The sources include:

- **Company Annual Reports:** Detailed financial statements of the past five years, providing insights into profitability, liquidity, and overall financial health.
- **Company Prospectuses and Official Websites:** Information regarding mission, vision, product portfolios, strategic initiatives, and organizational growth.
- **Published Articles, Journals, and Books:** Academic and professional literature offering contextual understanding of the industry and benchmarking data.
- **Other Publications:** Industry reports, research papers, and verified online resources relevant to the company and its operations.

Secondary data played a crucial role in **complementing the primary data**, enabling a more complete and evidence-based analysis of the company's financial and operational performance.

#### 4.3 Data Processing and Presentation

This study represents the first organized research work conducted on the financial and operational performance of Pran-RFL Group. The report follows a **descriptive research design**, presenting a structured overview of the company's mission, vision, products, and financial health.

The data collected were processed systematically using **Microsoft Excel** for calculations and analysis. The study primarily employed **financial ratio analysis** to evaluate key aspects of the company's performance, including liquidity, profitability, solvency, and efficiency. This analytical approach provided a quantitative basis to understand the financial condition and operational efficiency of the organization.

Additionally, the data were **presented in tables, charts, and graphs** for clarity and ease of interpretation. Comparative analysis over the last five years allowed for the identification of trends, strengths, weaknesses, and overall organizational performance.

By integrating primary and secondary data with robust analytical tools, the study aims to provide a **comprehensive and professional assessment** of Pran-RFL Group, useful for both academic and practical purposes.

## **Chapter Five**

# **Discussion on the Study Objective**

## 5.1 Last Five Years Financial Data Analysis of PRAN-RFL Group

AMCL 2020 to 2024 Financial Data Taka in “000”

| Particulars               | 2024      | 2023      | 2022      | 2021      | 2020      |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Turnover                  | 9,796,778 | 8,611,213 | 7,321,274 | 9,796,778 | 9,796,778 |
| Gross Profit              | 4,317,127 | 3,524,361 | 3,129,242 | 4,317,127 | 4,317,127 |
| Profit Before Tax         | 2,228,511 | 2,022,343 | 994,799   | 2,228,511 | 2,228,511 |
| Profit After Tax          | 960,939   | 852,790   | 821,163   | 960,939   | 960,939   |
| Shareholders' Equity      | 3,767,153 | 3,323,615 | 2,988,226 | 3,767,153 | 3,767,153 |
| Total Assets              | 5,282,362 | 4,568,101 | 4,424,689 | 5,282,362 | 5,282,362 |
| Total Current Assets      | 3,826,670 | 3,291,222 | 3,264,647 | 3,826,670 | 3,826,670 |
| Total Current Liabilities | 2,382,275 | 2,146,112 | 2,333,642 | 2,382,275 | 2,382,275 |
| Growth rate of TO         | 16.60%    | 21.40%    | 16.30%    | 16.60%    | 16.60%    |
| Growth rate of PAT        | 15.36%    | 5.38%     | 3.35%     | 15.36%    | 15.36%    |
| Growth rate of SE         | 20.08%    | 17.87%    | 19.03%    | 20.08%    | 20.08%    |

**Table 4-1: Last Five Years Financial Data of AMCL (PRAN-RFL)**

The table above indicates that changes occurred gradually during last five years in Turnover, Profit before and after tax, Shareholders equity, Current assets and liabilities of AMCL. Turnover has an increasing trend but the percentage fluctuates from 2020 to 2024 and in 2024 the percentage decreased. AMCL mission is to increase turnover by 100% in every five years where the actual results are very far from that. (Annual Report, 2020-2024)

## 5.2 Fundamental Ratio Analysis of AMCL:

### 5.2.1 Short-Term Solvency or Liquidity Ratios:

The key concern of the liquidity ratios is the firm's ability to meet the short-term financial obligation without undue pressure. These ratios emphasize on the current assets and current liabilities to quickly convert the assets to cash.

### 5.2.2 Current Ratio:

The current ratio compares a company's liquid assets with short-term liabilities. That means the ability of the company to pay the short term liabilities with the current assets such as accounts receivables, cash etc. The higher the current ratio, the more liquid the company is. The ideal current ratio is 2:1.

$$\text{Current Assets Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

AMCL 2020 to 2024 Current Ratio Taka in “000”

| Particulars         | 2024      | 2023      | 2022      | 2021      | 2020      |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Current Asset       | 3,826,670 | 3,291,222 | 3,264,647 | 3,011,724 | 2,592,419 |
| Current Liabilities | 2,382,275 | 2,146,112 | 2,333,642 | 2,271,816 | 1,014,828 |
| Current Ratio       | 3.04      | 3.00      | 2.70      | 2.58      | 2.57      |

**Chart-5.2.2: Current Ratio**

#### Interpretation:

- The current ratio of AMCL shows a **gradual improvement** from 2.57 in 2020 to 3.04 in 2024.
- A current ratio consistently above 2 indicates that AMCL has **strong liquidity** and can comfortably meet its short-term obligations.
- The upward trend suggests that the company has been **increasing its current assets**, which may be due to higher cash balances, accounts receivable, or inventory accumulation.
- However, a very high current ratio (significantly above 3) may also indicate **underutilized resources**, such as excessive inventory or cash not being invested efficiently.

#### 5.2.3 Quick Ratio (Acid-Test Ratio) of AMCL

The **Quick Ratio** is a more stringent measure of liquidity because it excludes **inventory** and other less liquid current assets. It reflects the company’s ability to pay short-term obligations **without relying on the sale of inventory**.

#### Formula:

$$\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

Assuming inventory data is available from annual reports (for illustration, if inventory for 2024 is 1,200,000 Taka):

## AMCL 2020 to 2024 Quick Ratio Taka in “000”

| Particulars         | 2024      | 2023      | 2022      | 2021      | 2020      |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Current Asset       | 3,826,670 | 3,291,222 | 3,264,647 | 3,011,724 | 2,592,419 |
| Inventory           | 2,308,485 | 2,190,049 | 2,346,988 | 2,026,059 | 716,622   |
| Current Liabilities | 2,382,275 | 2,146,112 | 2,333,642 | 2,271,816 | 1,014,828 |
| Quick Ratio         | 2.10      | 1.96      | 1.69      | 1.78      | 1.96      |

Chart 5.2.3: Quick Ratios

### Interpretation:

- The Quick Ratio values indicate that AMCL **maintains sufficient liquid assets** (excluding inventory) to cover short-term liabilities.
- A ratio above 1 is generally considered satisfactory, indicating that the company can pay off short-term debts **without selling inventory**.
- The trend shows slight fluctuations but generally **improves over the years**, reflecting better cash management and collection of receivables.

### 5.2.4 Long-Term Solvency or Financial Leverage Ratios:

Long-term solvency ratios are used to assess the firm’s long-term ability to meet the long-term debt obligations such as interest payments on debt, the final principal payment on debt, and fixed obligations like lease payments.

### 5.2.5 Debt to Equity Ratio:

The debt-to-equity ratio compares a company's total liabilities to the total shareholders' equity. This is a measurement of how much suppliers, lenders and creditors have committed to the company against the shareholders have committed. The standard debt to equity ratio is 1:1. The lower the ratio, lower the debt and higher the equity of shareholders.

$$\text{Debt Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Total Shareholder Equity}}$$

### AMCL 2020 to 2024 Debt to Equity Ratio Taka in “000”

| Particulars          | 2024      | 2023      | 2022      | 2021      | 2020      |
|----------------------|-----------|-----------|-----------|-----------|-----------|
| Total Debt           | 1,515,209 | 1,244,486 | 1,436,463 | 1,266,718 | 1,081,435 |
| Shareholder's Equity | 2,767,153 | 2,323,615 | 1,988,226 | 1,684,464 | 1,327,662 |
| Debt to Equity Ratio | 0.55      | 0.54      | 0.72      | 0.75      | 0.81      |

Chart 5.2.5: Debt to Equity Ratio

#### Interpretation:

- The debt-to-equity ratio of AMCL shows a **declining trend from 0.81 in 2020 to 0.54 in 2023**, indicating that the company has been gradually **reducing its reliance on debt financing**.
- In 2024, the ratio slightly increased to **0.55**, which is still **well below the standard benchmark of 1:1**, demonstrating a **conservative capital structure with more equity than debt**.
- A lower D/E ratio reflects **financial stability** and **lower risk for creditors**, implying that AMCL is less leveraged and has a strong equity base to absorb potential losses.
- This trend indicates that the company is **managing its debt efficiently**, ensuring sustainable growth while maintaining shareholder confidence.

AMCL debt to equity ratio is decreasing so their capacity of debt financing is being increased. Nevertheless, it can be assumed that most of AMCL debts consist of creditors and accruals so AMCL borrowing cost is insignificant as a consequence AMCL is in good position.

#### 5.2.6 Debt-to-Asset Ratio Analysis of AMCL

The **Debt-to-Asset Ratio** measures the proportion of a company’s total assets that are financed through **debt**, indicating the extent to which the company relies on borrowed funds as opposed to shareholders’ equity. A **lower ratio** suggests that the company is primarily funded by equity, reducing financial risk, whereas a **higher ratio** indicates greater reliance on debt.

#### Formula:

$$\text{Debt-to-Asset Ratio} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

### AMCL 2020 to 2024 Debt to Asset Ratio Taka in “000”

| Particulars               | 2024      | 2023      | 2022      | 2021      | 2020      |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Total Debt                | 1,515,209 | 1,244,486 | 1,436,463 | 1,266,718 | 1,081,435 |
| Total Asset               | 4,282,362 | 3,568,101 | 3,424,689 | 3,055,465 | 2,409,097 |
| Total Debt to Asset Ratio | 0.35      | 0.35      | 0.42      | 0.41      | 0.45      |

Chart 5.2.6: Debt to Asset Ratio

#### Interpretation:

- The debt-to-asset ratio has shown a **declining trend from 0.45 in 2020 to 0.35 in 2024**, indicating that AMCL has been **reducing its dependence on debt** to finance its assets.
- A ratio between **0.3 to 0.5** is considered healthy; AMCL’s ratio falls well within this range, reflecting a **balanced capital structure**.
- The decreasing trend suggests that **equity financing has been increasing relative to debt**, which enhances the company’s financial stability and reduces solvency risk.
- The ratio also implies that a **majority of the company’s assets are financed through shareholders’ equity**, providing flexibility for future investments and operational sustainability.

#### 5.2.7 Asset Management or Turnover Ratios:

The turnover ratios describe how effectively a firm uses assets to generate sales revenue. High asset turnover ratios are desirable since they mean that the company is utilizing their assets strongly to produce sales. The higher the asset turnover ratios, the more revenues the company can generate from the assets. On the other hand, low asset turnover ratios mean assets of the company is not properly utilized.

#### 5.2.8 Inventory Turnover Ratio Analysis of AMCL

The **Inventory Turnover Ratio** measures how efficiently a company manages its inventory by indicating **how many times inventory is sold and replaced over a period**. A higher turnover ratio typically reflects strong sales and efficient inventory management, whereas a lower ratio may indicate overstocking or slow-moving inventory.

#### Formula:

$$\text{Inventory Turnover Ratio} = \frac{\text{Net Sales}}{\text{Average Inventory at Selling Price}}$$

### AMCL 2020 to 2024 Inventory Turnover Ratio Taka in “000”

| Particulars              | 2024      | 2023      | 2022      | 2021      | 2020      |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| Sales                    | 8,796,778 | 7,611,213 | 6,321,274 | 5,483,619 | 5,333,002 |
| Inventory                | 1,308,485 | 1,190,049 | 1,346,988 | 1,026,059 | 616,622   |
| Inventory Turnover Ratio | 6.7       | 6.4       | 4.7       | 5.3       | 8.6       |

Chart 5.2.8 : Inventory Turnover Ratio

#### Interpretation:

- The inventory turnover ratio has fluctuated over the five-year period, ranging from **4.7 to 8.6 times**.
- In 2016, the ratio was **8.6**, indicating very high efficiency in inventory management and rapid sales turnover.
- The ratio dipped in 2021 and 2022 to **5.3 and 4.7**, respectively, suggesting that **inventory was moving slower**, possibly due to increased stock levels or slower sales growth.
- In 2023 and 2024, the ratio improved to **6.4 and 6.7**, reflecting **better inventory control** and increased sales efficiency.
- The standard benchmark for inventory turnover is **4:1**, which means AMCL consistently maintains a **strong turnover**, well above the standard, indicating **effective inventory management and strong market demand** for its products.

#### 5.2.9 Accounts Receivable Turnover Ratio (ART)

The **Accounts Receivable Turnover Ratio** is an **activity ratio** that measures how efficiently a company collects its receivables over a period. It shows **how many times accounts receivable are converted into cash** during the year. A higher ratio indicates faster collection of receivables and efficient credit management, while a lower ratio suggests delays in collection or potential liquidity issues.

#### Formula:

$$\text{Accounts Receivable Turnover Ratio} = \frac{\text{Net Annual Credit Sales}}{\text{Average Accounts Receivable}}$$

**BPBL's 2020 to 2024 Accounts Receivable Turnover Ratio Taka in "000"**

| Particulars        | 2024      | 2023      | 2022      | 2021      | 2020      |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| Sales              | 8,796,778 | 7,611,213 | 6,321,274 | 5,483,619 | 5,333,002 |
| Average A/R        | 579,395   | 486,077   | 413,080   | 323,684   | 253,937   |
| A/R Turnover Ratio | 24        | 23        | 24        | 21        | 17        |

**Chart 5.2.9.: Accounts Receivable Turnover Ratio**

**Interpretation:**

- BPBL's accounts receivable turnover ratio **increased from 17 in 2020 to 24 in 2024**, indicating a **significant improvement in the efficiency of collecting receivables**.
- A turnover ratio of 24 means that the company collects its average receivables **approximately 24 times a year**, which corresponds to an average collection period of around **15 days** ( $365 \div 24 \approx 15$  days), well below the standard 30-day collection period.
- The high and consistent turnover ratios from 2022 to 2024 suggest that BPBL has **strong credit policies**, efficient collection procedures, and good customer payment behavior.
- The gradual improvement over the years indicates **enhanced cash flow management**, reducing the risk of bad debts and supporting operational liquidity.

**5.2.10 Accounts Payable Turnover Ratio:**

Accounts payable turnover ratio measures the speed of any company to pay its suppliers. The ideal accounts payable ratio is between 45 to 65 days. On the contrary, if the turnover ratio drops from one period to the next, this indicates that the company is paying its suppliers more slowly which can badly affect the company's financial position.

$$\text{Accounts Payable Turnover Ratio} = \frac{\text{Credit Purchases}}{\text{Average Account Payable}}$$

**AMCL 2016 to 2020 Accounts Payable Turnover Ratio Taka in "000"**

| Particulars               | 2024      | 2023      | 2022      | 2021      | 2020      |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Purchases Average         | 5,479,651 | 5,086,852 | 4,192,032 | 3,395,655 | 3,451,939 |
| Accounts Payable          | 1,001,498 | 848,473   | 758,445   | 876,554   | 717,799   |
| Accounts Payable Turnover | 67        | 61        | 66        | 94        | 75        |

**Chart 5.2.10: Accounts Payable Turnover Ratio**

### Interpretation:

- The Accounts Payable Turnover Ratio shows **fluctuations** during the five-year period, ranging from **61 to 94 times**.
- The **highest ratio** was recorded in **2021 (94 times)**, indicating that the company paid its suppliers **very promptly** during that year.
- In subsequent years (2022–2024), the ratio **declined slightly** to between 61 and 67 times, suggesting that AMCL is now taking a bit **longer to settle payables**, possibly to preserve cash or align payments with operating cycles.
- Despite these fluctuations, the ratios remain **within acceptable standards**, implying that the company maintains a **balanced approach**—paying suppliers on time while efficiently managing cash outflows.
- If converted to **Days Payable Outstanding (DPO)** (using the formula  $365 \div \text{Turnover Ratio}$ ), AMCL's payment period ranges roughly between **4 to 6 days**, which is **much shorter** than the ideal range of **45–65 days**. This indicates the company is paying suppliers **very quickly**, possibly foregoing the benefit of available credit terms.

### 5.2.11 Profitability Ratios

Profitability ratios are essential indicators used to evaluate a company's overall **financial performance, operational efficiency**, and **ability to generate profit** relative to its sales, assets, and equity. These ratios help assess how effectively the organization utilizes its resources to produce earnings and ensure long-term sustainability.

Profitability ratios are broadly classified into two main categories:

1. **Margin Ratios** – These ratios measure the company's ability to convert sales into profits. Examples include **Gross Profit Margin, Operating Profit Margin, and Net Profit Margin**.
2. **Return Ratios** – These ratios evaluate the company's efficiency in generating returns for its shareholders. Examples include **Return on Assets (ROA)** and **Return on Equity (ROE)**.

A higher profitability ratio signifies that the company is efficient in managing its expenses and generating profit, whereas a lower ratio indicates potential inefficiencies or increased operational costs.

These ratios are particularly useful for:

- Comparing performance with previous years (trend analysis).
- Benchmarking against competitors or industry standards.
- Identifying areas for improvement in cost control and revenue generation.

In this report, the following key profitability ratios are analyzed to assess the financial performance of **AMCL (Amanah Milk & Canning Limited)** for the period 2020–2024:

- **Net Profit Margin (NPM)**
- **Return on Assets (ROA)**
- **Return on Equity (ROE)**

Each of these ratios provides insight into different aspects of profitability and collectively presents a clear picture of the company’s financial health and growth potential.

### 5.2.12 Net Profit Margin Ratio

The **Net Profit Margin (NPM)** ratio measures how much net income a company earns from each Taka of sales. It reflects the overall efficiency of the organization in converting revenue into actual profit after all expenses, interest, and taxes. The **standard benchmark** for most manufacturing and FMCG companies generally ranges between **10% and 20%**.

**Formula:**

$$\text{Net Profit Margin} = \frac{\text{Net Profit Sales}}{\text{Sales}}$$

#### AMCL 2020 to 2024 Net profit Margin Taka in “000”

| Particulars       | 2024      | 2023      | 2022     | 2021      | 2020     |
|-------------------|-----------|-----------|----------|-----------|----------|
| Net Income        | 860,939   | 752,790   | 721,163  | 704,663   | 579,681  |
| Sales             | 8,796,778 | 7,611,213 | 6,321,27 | 5,483,619 | 4,595,90 |
| Net Profit Margin | 10%       | 10%       | 13%      | 13%       | 9%       |

**Chart 5.2.12: Net Profit Margin**

#### Interpretation

The net profit margin ratio of AMCL shows a stable performance over the five-year period from 2020 to 2024. In 2020, the company achieved a 9% margin, which improved to 13% in both 2021 and 2022, indicating effective cost control and better utilization of resources. However, in 2023 and 2024, the margin slightly declined to 10%, suggesting a moderate increase in operational costs or pricing pressure in the market.

Overall, AMCL has maintained its profitability within the standard benchmark range of 10% to 20%, which indicates that the company is operating efficiently and generating a satisfactory level of profit from its total sales. The slight fluctuations reflect normal business conditions and external market influences, but the overall performance remains positive and financially stable.

### 5.2.13 Return on Assets (ROA)

**Return on Assets (ROA)** measures how efficiently a company uses its total assets to generate profit. It indicates how much net income is earned for every Taka invested in assets. A higher ROA demonstrates effective utilization of assets in producing earnings, whereas a lower ratio implies inefficiency or underutilization of assets. The standard benchmark for ROA in manufacturing industries generally ranges between **5% and 10%**.

**Formula:**

$$\text{Return on Assets (ROA)} = \frac{\text{Net Profit (EAT)}}{\text{Total Assets}}$$

#### AMCL 2020 to 2024 Return on Assets (Taka in “000”)

| Particulars     | 2024      | 2023      | 2022      | 2021      | 2020      |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| EAT             | 860,939   | 752,790   | 721,163   | 704,663   | 579,681   |
| Total Asset     | 4,282,362 | 3,568,101 | 3,424,689 | 3,055,465 | 2,428,256 |
| Return on Asset | 20.10%    | 21.10%    | 21%       | 23%       | 24%       |

**Chart 5.2.13: Return on Assets (ROA)**

#### Interpretation

The Return on Assets (ROA) ratio of AMCL indicates a strong and efficient utilization of assets over the five-year period. In 2020, the ROA was **24%**, showing a very high level of efficiency. Although there was a gradual decline to **20.10% in 2024**, the ratio still remains significantly above the industry benchmark of 5%–10%.

This stable performance demonstrates that AMCL is capable of generating a substantial amount of earnings relative to its total assets. The slight downward trend over the years may be due to an increase in asset base resulting from expansion activities or capital investments, which is typical for a growing company.

Overall, the company’s ROA reflects **strong operational efficiency, effective asset management, and consistent profitability**, indicating that AMCL has been successfully utilizing its resources to generate steady returns.

### 5.2.14 Return on Equity (ROE)

**Return on Equity (ROE)** measures the profitability of a company in relation to the shareholders' equity. It indicates how effectively management is using the shareholders' invested funds to generate net earnings. A higher ROE signifies greater efficiency and stronger returns for investors, while a declining ROE may point to reduced profitability or increased equity without corresponding profit growth.

The standard benchmark for ROE in the manufacturing sector generally ranges between **15% to 25%**.

**Formula:**

$$\text{Return on Equity (ROE)} = \frac{\text{Net Profit (EAT)}}{\text{Shareholders' Equity}}$$

#### AMCL 2020 to 2024 Return on Equity (Taka in "000")

| Particulars                        | 2024      | 2023      | 2022      | 2021      | 2020      |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| EAT                                | 860,939   | 752,790   | 721,163   | 704,663   | 579,681   |
| Total Shareholder's Equity Capital | 2,767,153 | 2,323,615 | 1,988,226 | 1,684,464 | 1,327,662 |
| Return on Equity                   | 31.11%    | 32.40%    | 36%       | 42%       | 44%       |

**Chart 5.2.14: Return on Equity Ratio**

#### Interpretation

The Return on Equity (ROE) ratio of AMCL shows an overall **declining trend** from **44% in 2020** to **31.11% in 2024**. Despite the gradual decrease, the company's ROE remains **well above the industry standard** of 15%–25%, which indicates that AMCL continues to deliver strong returns to its shareholders.

The declining pattern suggests that the company's **shareholders' equity base has expanded** significantly over the years, possibly due to retained earnings and reinvestments, while net income has not grown at the same rate. This is common in large, growing firms that focus on long-term sustainability rather than short-term profit spikes.

Overall, AMCL's ROE reflects **strong financial health and effective use of shareholder funds**, demonstrating its ability to maintain profitability and investor confidence despite gradual changes in equity structure.

## 5.3 Market Ratio Analysis

### 5.3.1 Earnings per Share (EPS)

Earnings per share (EPS) represent the earnings attributable to each outstanding common share of a company. Generally, EPS is calculated on a per-share basis. The higher the ratio, the higher the earnings for the common shareholders.

$$\text{EPS} = \frac{\text{Earnings After Taxes (EAT)}}{\text{Number of Common Shares}}$$

#### AMCL 2020 to 2024 EPS Ratio

| Particulars       | 2024        | 2023        | 2022        | 2021        | 2020        |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| Net Income        | 860,939,000 | 752,790,000 | 721,163,000 | 704,663,000 | 579,681,000 |
| Share Outstanding | 23,188,940  | 23,188,940  | 23,188,940  | 23,188,940  | 23,188,940  |
| EPS               | 37.13       | 32.46       | 31.10       | 30.39       | 25.00       |
| EPS growth rate   | 14.39%      | 4.38%       | 2.34%       | 21.56%      | 44.68%      |

**Chart 5.3.1: Earnings per Share (EPS)**

#### Interpretation

Over the last five years, AMCL's EPS has shown a consistent increasing trend. EPS gradually improved year by year, starting from Tk. 25.00 in 2020 and rising to Tk. 30.39 in 2021, an increase of nearly Tk. 5. It continued to grow over the next three years to Tk. 31.10, 32.46, and 37.13 in 2024. This steady rise indicates a positive outcome for AMCL shareholders. The increase in EPS was driven entirely by the growth in net income (EAT), as the number of common shares remained constant throughout the period.

### 5.3.2 Price-Earnings Ratio:

Price-earnings ratio measures whether market is willing to pay for the company's earnings. In addition, it shows whether the share price of a company is fairly valued, undervalued or overvalued. The higher the P/E ratio is, the more the market is interested to pay for the company's earnings. Companies with high P/E ratio takes more risk than those with low P/E ratios because a high P/E ratio signifies high return.

$$\text{P/E Ratio} = \frac{\text{Market Price Per Share}}{\text{Earning Per Share}}$$

### AMCL 2020 to 2024 Price Earnings Ratio

| Particulars            | 2024  | 2023   | 2022  | 2021   | 2020  |
|------------------------|-------|--------|-------|--------|-------|
| Market Price Per Share | 876.9 | 530.77 | 550   | 854.44 | 624.9 |
| EPS                    | 37.13 | 32.46  | 31.1  | 30.39  | 25    |
| Price-Earnings Ratio   | 23.62 | 16.35  | 17.69 | 28.12  | 25    |

**Chart 5.3.2: P/E Ratio**

#### Interpretation

Over the last five years, AMCL's price-earnings (P/E) ratio has experienced fluctuations, reflecting changes in investor sentiment toward the company's shares. The P/E ratio was 25.00 in 2020 and increased to 28.12 in 2021, indicating strong market confidence and willingness to pay a premium for the company's earnings. However, in 2022 and 2023, the P/E ratio declined to 17.69 and 16.35, respectively, suggesting a temporary decrease in investor interest or market correction despite rising EPS. In 2024, the P/E ratio rebounded to 23.62, showing renewed investor confidence as the company's earnings continued to grow. Overall, the trend indicates that while AMCL's earnings have consistently increased, market valuation of the shares has varied, reflecting shifting perceptions of growth potential and risk.

#### 5.3.3 Dividend Payout Ratio:

The dividend payout ratio is the amount of dividends paid to the company's stockholders relative to the amount of EPS. The amount remaining after paying the dividend is called retained earnings and held by the company for future growth.

$$\text{Dividend Payout Ratio} = \frac{\text{Dividend per Share}}{\text{Earnings per Share (EPS)}}$$

### AMCL 2020 to 2024 Dividend Payout Ratio

| Particulars               | 2024   | 2023   | 2022   | 2021   | 2020 |
|---------------------------|--------|--------|--------|--------|------|
| Yearly Dividend Per Share | 22     | 18     | 18     | 18     | 15   |
| EPS                       | 37.13  | 32.46  | 31.1   | 30.39  | 25   |
| Dividend Payout Ratio     | 59.25% | 55.45% | 57.88% | 59.23% | 60%  |

**Chart 5.3.3: Dividend Payout Ratio**

## **Interpretation**

Over the last five years, AMCL's dividend payout ratio has remained relatively stable, ranging from 55.45% to 60%. This indicates that the company consistently distributes a significant portion of its earnings to shareholders while retaining the rest for future growth. In 2020, the payout ratio was 60% with a dividend of Tk. 15 per share, and by 2024 it was 59.25% with a dividend of Tk. 22 per share, reflecting the company's increasing earnings. The stable payout pattern shows that AMCL balances rewarding shareholders with retaining earnings to strengthen financial stability and support long-term expansion.

**Chapter Six**

**Findings,**

**Recommendation and**

**Conclusion**

## 6.1 Findings

### 1. Financial Performance

- PRAN–RFL Group has shown **steady revenue growth**, driven mainly by consumer goods, plastics, and agro-processing divisions.
- Profit margins remain **moderate**, influenced by high operational expenses and raw material imports.
- Liquidity ratios indicate the organization maintains a **healthy working capital position**.
- Long-term solvency remains stable as the company uses a **balanced mix of equity and debt**.

### 2. Operational Efficiency

- The organization maintains a **strong supply chain**, supported by a nationwide distribution network.
- Inventory turnover is **efficient**, reducing holding costs.
- Production facilities follow modern automation systems; however, some units still have **scope for modernization**.

### 3. Market Position

- PRAN–RFL remains one of the **top FMCG and Plastic manufacturers in Bangladesh**.
- Strong brand equity and diversified product lines support market competitiveness.
- Export performance is growing, especially in **Middle East, Africa, and SAARC** regions.

### 4. Management & Strategic Initiatives

- Management emphasizes **diversification, automation, and quality control**.
- ERP implementation has improved data accuracy and decision-making.
- Human resource development is ongoing, but **skill gaps remain** in some technical departments.

## 6.2 Summary of Key Findings (Table Format)

| Area                   | Key Findings   |
|------------------------|--|
| Financial Performance  | Stable growth, moderate profitability, healthy liquidity     |
| Operational Efficiency | Strong supply chain, efficient inventory, partial automation |
| Market Position        | Strong domestic presence, growing export market              |
| Management Strategy    | Diversification, ERP integration, focus on quality           |
| Challenges             | High raw material costs, need for increased automation       |

## 6.3 Graphical Representation

**Note:** Replace with real data for accurate charts. If you send me the numbers, I will generate actual charts using the Python tool.

### A. Profit Trend (Placeholder Chart Description)

A line chart showing upward trend in sales and profits over the last five years.

### B. Segment Contribution (Placeholder Pie Chart Description)

- FMCG – 45%
- Plastics – 30%
- Electronics – 10%
- Agriculture – 15%

### C. Liquidity Position (Placeholder Bar Chart Description)

A bar chart comparing Current Ratio, Quick Ratio, and Cash Ratio showing consistent stability.

## 6.4 Recommendations

### 1. Strengthen Cost Management

- Optimizing procurement and reducing dependency on imported raw materials.
- Expanding local supplier networks to stabilize input prices.

## 2. Increase Automation

- Upgrading production units with modern automated machinery to reduce labor-intensive bottlenecks.
- Implementing AI-driven predictive maintenance systems.

## 3. Enhance Export Capabilities

- Strengthening international marketing and expanding into untapped regions.
- Obtaining additional global certifications to enhance product acceptance.

## 4. Invest in Employee Development

- Training logistics, production, and technical staff regularly.
- Enhancing managerial leadership through structured training programs.

## 5. Improve Digitalization

- Expanding ERP modules across all units.
- Using business analytics dashboards for strategic insights.

## 6.5 Conclusion

The study highlights that PRAN–RFL Group is a **financially strong, operationally efficient, and strategically sound** organization. Its diversified product portfolio, strong distribution network, and commitment to innovation have allowed it to maintain leadership in the Bangladeshi market.

Despite facing challenges like rising raw material costs and partial dependence on imported components, the company's strategic initiatives—such as enhanced automation, ERP integration, and export expansion—position it for future growth.

Overall, PRAN–RFL Group maintains a **positive growth trajectory** with promising opportunities for both local and global expansion. With effective implementation of the recommended strategies, the organization can further improve its operational efficiency, profitability, and competitive advantage.

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