Internship Report

On

Short-Term Management Performance of ACI Logistics Limited

Submitted to:

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Program: BBA

ID: 111 201 231

Major in Finance

Date of Submission

29th June, 2024

Letter of Transmittal

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United City, Madani Ave, Dhaka 1212

Subject: ***"Internship report on ACI Logistics Limited".***

Dear Sir,

I am glad to present my internship report on "Short-Term Management Performance of ACI Logistics Limited". The fact that you authorized me to do this study is of great significance to me and I am thrilled to investigate into such a well-reputed company. All through the internship, I had given all my efforts towards a successful report. It makes me happy that I'm presenting it under your guidance. Your invaluable suggestions, guidelines and instructions are highly appreciated by me.

I would also like to point out that in as much as I might have tried to put all my best, there is still room for more feedbacks or suggestions that can make it better than it already is. Making sure that it remains original and clear has been a priority for me.

Yours Truly,

Sakib Khan

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BBA Program

School of Business and Economics

Acknowledgement

I like to express my inner thanks to all those who contributed to the completion of my internship report at ACI Logistics Limited.

First of all, I am profoundly grateful to Mr. Muhammad Enamul Haque, Assistant Professor, UIU, for his valuable guidance, continuous support and insights throughout the internship. His knowledge, encouragement, and constructive criticism played a key role in the preparation of this report and deepened my understanding of business principles.

I am grateful to Mr. Mahadi Faisal, Head of Marketing, ACI Logistics Limited, for giving me the opportunity to work in the company. His guidance, leadership and willingness to share knowledge has enriched my learning experience and provided me with useful insights into business and entrepreneurship

ACI Logistics Ltd. the entire team thank you also for their cooperation, support and willingness to impart knowledge in my training. Their professionalism, enthusiasm and commitment to excellence has inspired me to strive for continuous growth and professional development.

Also, I am grateful for the unwavering support, encouragement and understanding of my family and during this journey.

Declaration

Here with it is stated that:

1. The report here in delivered represents my individual effort in the pursuit of the degree conferred by United International University.

2. Within this report, there is an absence of content published or authored by external entities, barring instances where such content is properly attributed by means of comprehensive and precise referencing.

3. I have fully recognized all principal sources of assistance.

Student’s Full Name & Signature:

Sakib Khan

ID- 111 201 231

Executive Summary

This report analyzes the short-term management performance of ACI Logistics Limited using data for periods of 2019-2023. Using financial metrics calculated from the company's financial statements, the analysis examines important factors such as inventory turnover, cost recovery efficiency, and cost structure the analysis reveals progress identifies its areas for improvement, and provides valuable insights to guide future investment planning. Encouragingly, the study found improvements in inventory management. The sharp decrease in inventory turnaround time (ICP) from 2019 to 2021 reflects improved inventory conversion to sales, which could raise holding costs reduced and improved cash flow. However, the report also highlights challenges in the collections sector. The worrying increase in collections (DSOs) between 2022 and 2023 indicates a delay in collections from customers. This calls for stronger credit management systems, improved credit facilities for consumers, and possibly early payment discounts to encourage early payments. Liquidity management also emerged as an area of focus. Consistently low amounts throughout the period indicate potential fiscal constraints. The sharp increase in delayed payment terms (DPOs) between 2022 and 2023 again implies a reliance on extended payments with suppliers, which could damage relationships in the long term. To solve these cash flow problems, ACI needs to explore strategies such as better payment management negotiation with suppliers, inventory optimization to free up cash , and the ability to maintain a high level of investment.

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Chapter 01:
Introduction

1.0 Origin of the Report

The report describes my participation in the internship program at ACI Logistics Limited (Tejgaon Novo Tower Head Office). It is a mandatory report, which each student of a faculty is to submit. I prepared this report under supervision of Muhammad Enamul Haque, Assistant Professor at UIU on "Short Term Management Performance of ACI Logistics Limited", which highlights the immediate actions and initiatives aimed at achieving quick wins ".

This report shows the three months of my internship at ACI Logistics Limited (Tejgaon Novo Tower Head Office). I was gathering primary data available in, ACI Logistics Limited and browsing through other relevant documents while analyzing them I found many interesting factors related to ACI Logistics short term management and came to know some interesting strategies of ACI Logistics Limited while doing my internship in ACI Logistics Short Term management topic.

1.1 Limitations of this Report

I have encounter few limitations during mine internship program. The major limitations I have encountered are given below:

- Lack of information regarding the Short Term Management of ACI Logistics Ltd.
- Limited Time and Resources.
- Confidentiality.

1.2 Methodology

This analysis of ACI Logistics Ltd.'s short-term financial management relied on two primary data collection methods:

- **Secondary Data:** The core data for this analysis came from ACI Logistics Ltd.'s financial statements for the years 2019 to 2023. These financial statements provided the necessary figures to calculate key financial ratios like inventory turnover, credit collection efficiency, and debt structure.
- **Primary Data:** While not explicitly mentioned, the report could potentially be strengthened by incorporating supplementary primary data sources if available. This could include internal reports, interviews with relevant personnel within ACI Logistics, or industry benchmarks for comparison.
- **Data analysis:** We gathered the data, applied ratio analysis to the data, and presented the results in a report and Excel

Following data collection, the analysis employed various financial ratios to assess ACI's short-term financial health. These ratios included metrics like Inventory Conversion Period (ICP), Receivables Collection Period (DSO), Current Ratio, and Debt-to-Total-Assets Ratio. By calculating and analyzing these ratios, the report gained insights into areas like inventory management, credit collection practices, liquidity, and debt financing strategies.

Chapter 02:

Overview of ACI Logistics LTD

3.0 Introduction

Advanced industries of the Advance worthy Chemical Industry ACI LOGISTIC, Bangladesh, is the main pace of the country's largest Shwapno, essential commodities, household goods. The best products carry a variety of products like this. The business is well known for its emphasis on customer service and customer-centric design. In addition to prioritizing sustainability and social responsibility through various community activities, ACI Logistics uses state-of-the-art technology to improve efficiency and improve customer experience. The company’s future goals include developing its retail portfolio and implementing innovative strategies to meet the changing needs of Bangladeshi customers

3.1 Overview and History of ACI Logistics Ltd

ACI Logistics Ltd. operating under the trade name "Shwapno" is a subsidiary of Advanced Chemical Industries (ACI) Ltd., one of the largest companies in Bangladesh other products and services offered the brand is quality, convenience and service of consumers is the same. ACI Logistics Limited was established in 2008 with the objective of transforming the retail sector of Bangladesh. The company aims to provide quality products and an enhanced shopping experience to Bangladeshi consumers. Retail brand Shwapno was launched as part of ACI Logistics’ vision to create a modern retail experience. The brand quickly gained a reputation for its commitment to quality, competitive pricing and exceptional customer service. Over the years, Shwapno has expanded its footprint in Bangladesh, opening several outlets in cities and towns. This expansion is driven by a program that focuses on availability, convenience and meeting customer needs. To improve operational efficiency and customer experience, ACI Logistics integrated advanced technologies such as modern warehouse management systems, e-commerce platforms and logistics management solutions and this enabled Shwapno to optimize its supply chain and improved and streamlined the warehouse management process through product development. ACI Logistics has always prioritized sustainability and social responsibility. The company is involved in projects aimed at supporting local communities, promoting sustainable agricultural practices and reducing environmental impact. These efforts reflect ACI’s broader commitment to corporate social responsibility.

Today, Shwapno is the market leader in retail in Bangladesh, known for its wide range of products, high service standards and customer-first approach The brand remains adaptable to the ACI Logistics Ltd has made great strides to better serve its customers by transforming the retail experience in Bangladesh through Shwapno through a blend of quality, technology and sustainability the forward looking company aims to expand and in further communications to enhance its service offerings and to meet the growing demands that exist.

ACI Limited

Chapter 03:

Analysis and Findings

3.0 Introduction

In the short-term, ACI Logistics Ltd. posted a 1.3%. Focuses on increasing operational efficiency and service quality through intensive customer service training, real-time feedback systems and optimizing existing technology The Company maintains service standards in immediate implementation of improvements and initiatives to increase employee morale and engagement. These strategies are aimed at rapidly increasing customer satisfaction and strengthening the market position of Shwapno in the Bangladeshi retail market.

3.1 Short Term Management Ratios

By examining a range of key ratios, stakeholders gain details of the institutions liquidity, efficiency, and risk management strategies. These ratios serve as valuable tools for decision-makers, investors, and creditors seeking to make informed judgments about Aziz Pipe Limited's current financial position and its potential to weather short-term challenges while maintaining a stable financial outlook. In this report, we explain a selection eighteen short-term ratios

1	Operating Cycle
2	Current ratio
3	Quick Ratio
4	Cash Ratio
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6	Inventory-to-Liabilities Ratio
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12	Inventory-to-Current Assets Ratio
13	Current assets to total Debt
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3.3 Cash Conversion Cycle

The amount of time (measured in days) that a business has to invest in inventory and other resources before it can turn those expenditures into cash flows from sales is called the cash conversion cycle (CCC).

Components of the Cash Cycle

The cash cycle comprises three main components:

1. **Inventory Conversion Period (ICP):** It refers to the length of time to convert

   It can be calculated as:

   - ICP= Average Inventory Cost of Goods Sold (COGS)×365

2. **Receivables Collection Period (RCP):**

   It can be calculated as:

   - RCP= Average Accounts Receivable ÷ Total Credit Sales×365

3. **Payables Deferral Period (PDP):**

   It can be calculated as:

   - PDP= Average Accounts Payable ÷ COGS×365

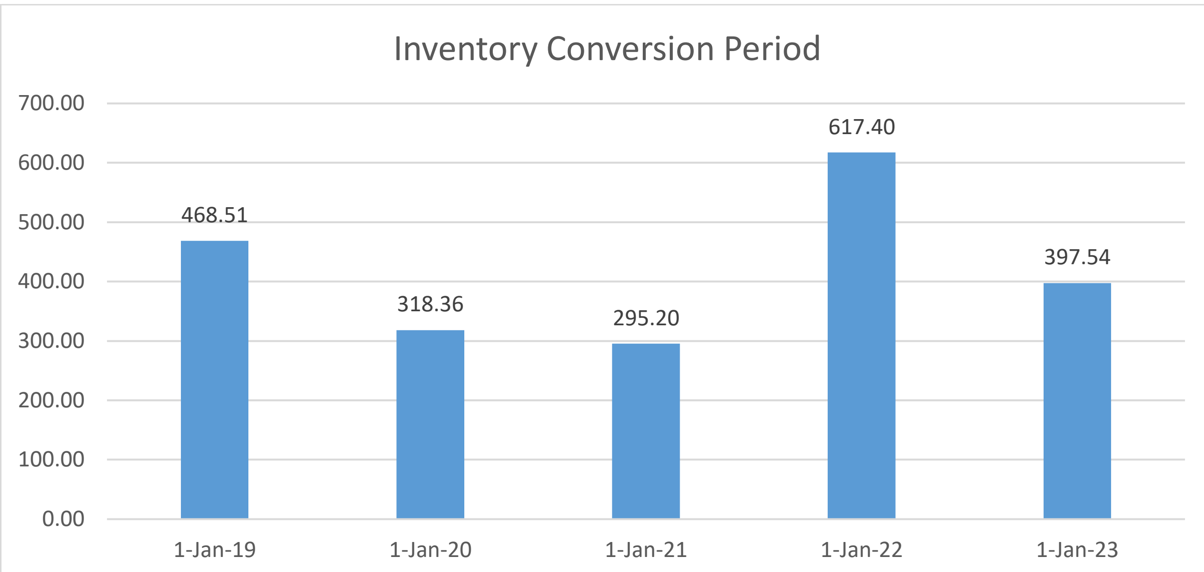
Cash Cycle Formulae

Cash Cycle = **(Inventory Conversion Period + Receivables Collection Period)-Payables Deferral Period**

3.4 Inventory Conversion Period

The Inventory Conversion Period (ICP) means the average timeline it need for an institution to turn its inventory into revenue. This metric is critical for assessing a company's efficiency in managing its inventory. A shorter ICP indicates quicker inventory turnover and often reflects better inventory management and operational efficiency

Inventory Conversion Days	**2019**	**2020**	**2021**	**2022**	**2023**
	468.51	318.36	295.20	617.40	397.54

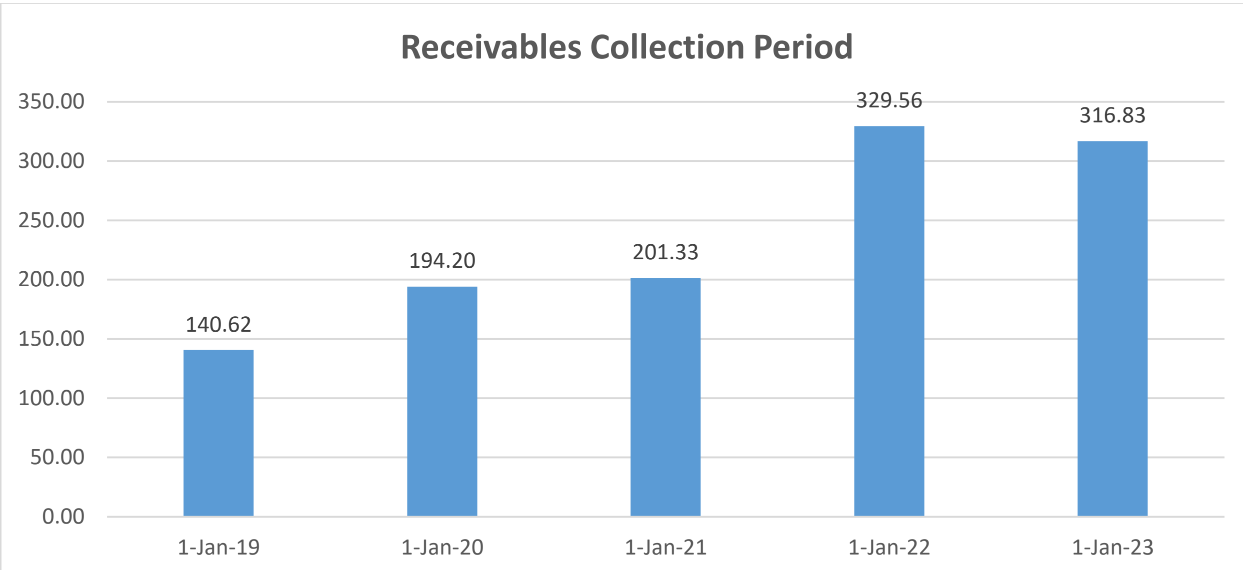


Between 2019 and 2023, ACI Logistics Company experienced significant changes during inventory turnover. Originally, the period was 468.51 days in 2019, reflecting the length of time inventory was converted into sales. This significantly improved over the next two years, decreasing to 318.36 days in 2020 and 295.20 days in 2021 showing increased efficiency but increasing significantly to 617.40 days in 2022, and it indicates serious challenges such as overuse of resources or supply chain issues. By 2023, the duration had decreased to 397.54 days, indicating a partial recovery, although it had not yet returned to a lower level, performing better in 2020 and 2021. Overall together, although there was growth, the company faced major obstacles to maintaining success.

3.5 Receivables Collection Period (DSO)

Receivables Collection Period (RCP) that count the number of days a institution spends collecting money from a customer after a sale this metric is important to understand the ability of a company's credit system and how well it is perform on accounts receivable management

Receivables Collection Period	**2019**	**2020**	**2021**	**2022**	**2023**
	140.62	194.20	201.33	329.56	316.83



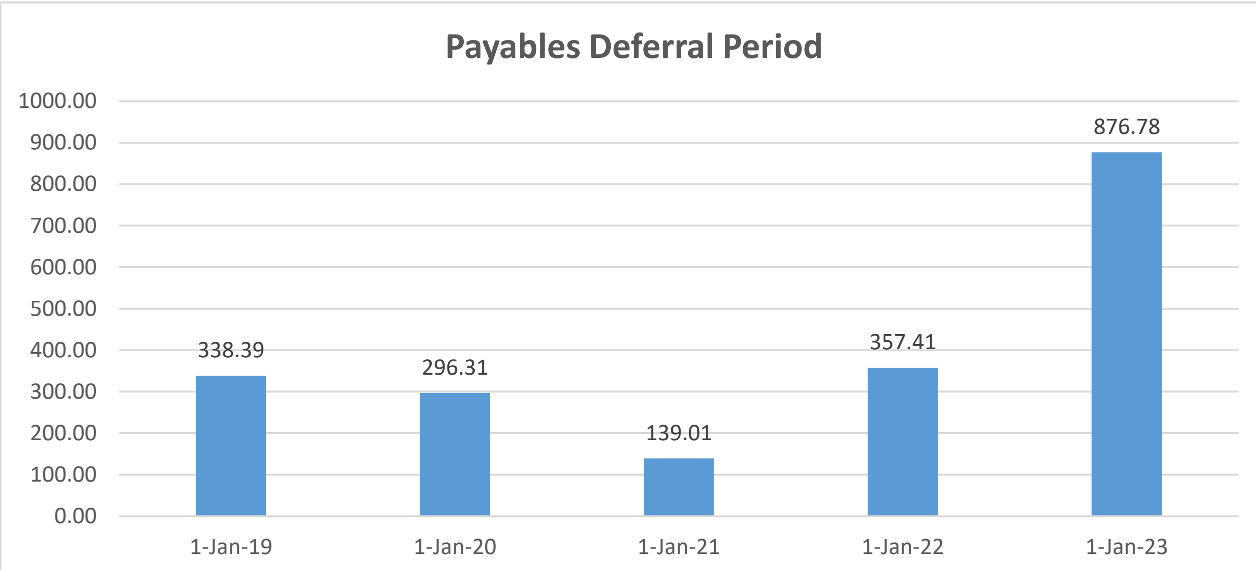
Between 2019 and 2023, ACI Logistics Company experienced a significant change in its receivables period. From 140.62 days in 2019 indicating credit management efficiency, this period increased from 194.20 days in 2020 to 201.33 days in 2021, indicating decreased efficiency in 2022, period receivables increased sharply to 329.56 days, causing major credit difficulties they show. In 2023, it improved slightly to 316.83 days but remained significant, indicating continued challenges. Overall, the company's ability to collect receivables decreases, especially in later years.

3.6 Payables Deferral Period (DPO)

The Payables Deferral Period (PDP) is a financial metric that measures the average number of days a company takes to pay its suppliers. It indicates how long a company can defer payments to its suppliers without jeopardizing its relationship with them. Managing this period effectively can help a company optimize its cash flow.

Payables Deferral	**2019**	**2020**	**2021**	**2022**	**2023**
	338.39	296.31	139.01	357.41	876.78

Period					

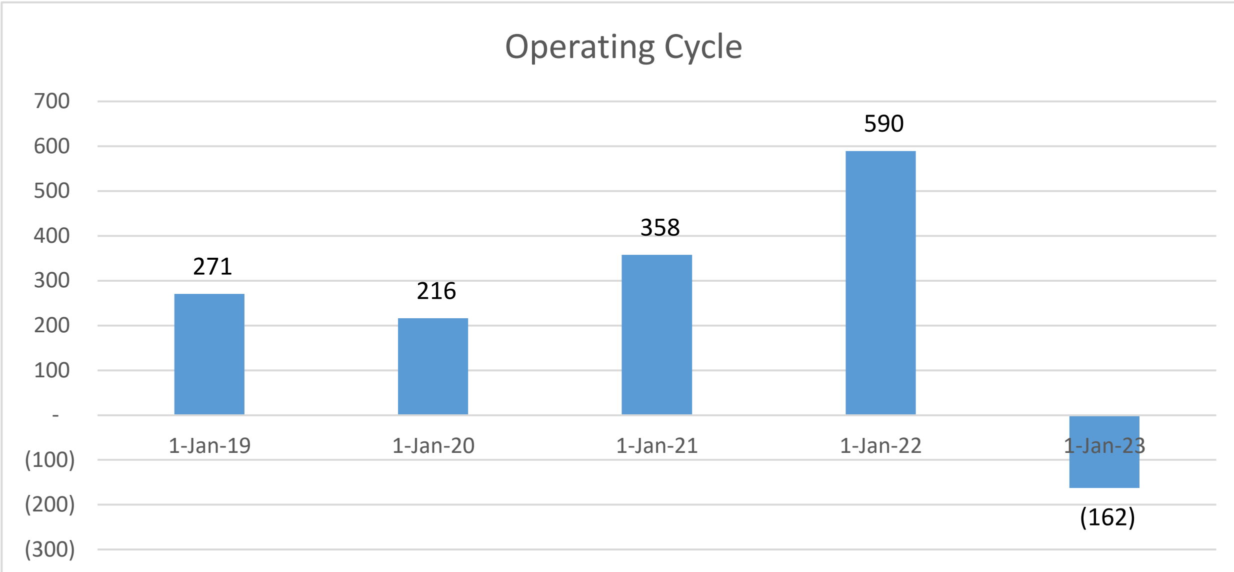


Between 2019 and 2023, ACI Logistics Company saw a significant change in the latency period of payment. It started at 338.39 days in 2019, dropped to 296.31 days in 2020, and dropped again to 139.01 days in 2021, indicating faster payments to suppliers but a significant increase to 357.41 days in 2022, to 876 in 2023. And jumped to 78 days, resulting in significant payment delays this may reflect potential financial issues or a strategic decision to significantly extend the payment period. Overall, ACI Logistics exhibited inconsistent payment methods with significant delays in subsequent years.

3.7 Operating Cycle

The operating cycle count average number of days the times it takes for a company to transform its inventory into cash through sales. A lowest operating cycle signifies that a company is ability to efficiently manage its inventory and collect cash from customers, which can be seen as positive.

Operating Cycle	**2019**	**2020**	**2021**	**2022**	**2023**
	271	216	358	590	(162)

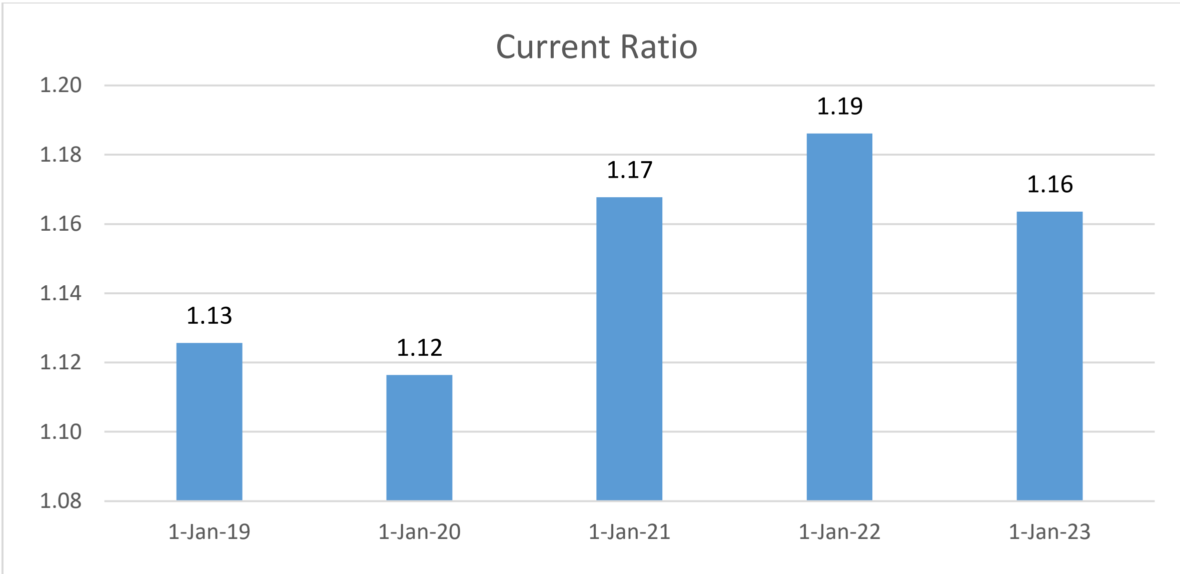


Based on the above computation and table, there exist changes within the operating cycle for the company. For instance, the shorter cycle of 2020 implies improved efficiency and liquidity, while the longer cycle of 2022 shows difficulty in managing inventory items or collections. However, the negative value for 2023 depicts a reversal, but does it imply increased efficiency or terms change in business? It is advisable to conduct an analysis to determine what is behind the changes in ACI Logistics Ltd.'s financial records.

3.8 Current Ratio

The current ratio is a financial metric used to evaluate a company's ability to pay off its short- This means the company has $1.67 in current assets for every $1.00 of current liabilities, suggesting a healthy liquidity position.

Current Ratio	**2019**	**2020**	**2021**	**2022**	**2023**
	1.13	1.12	1.17	1.19	1.16

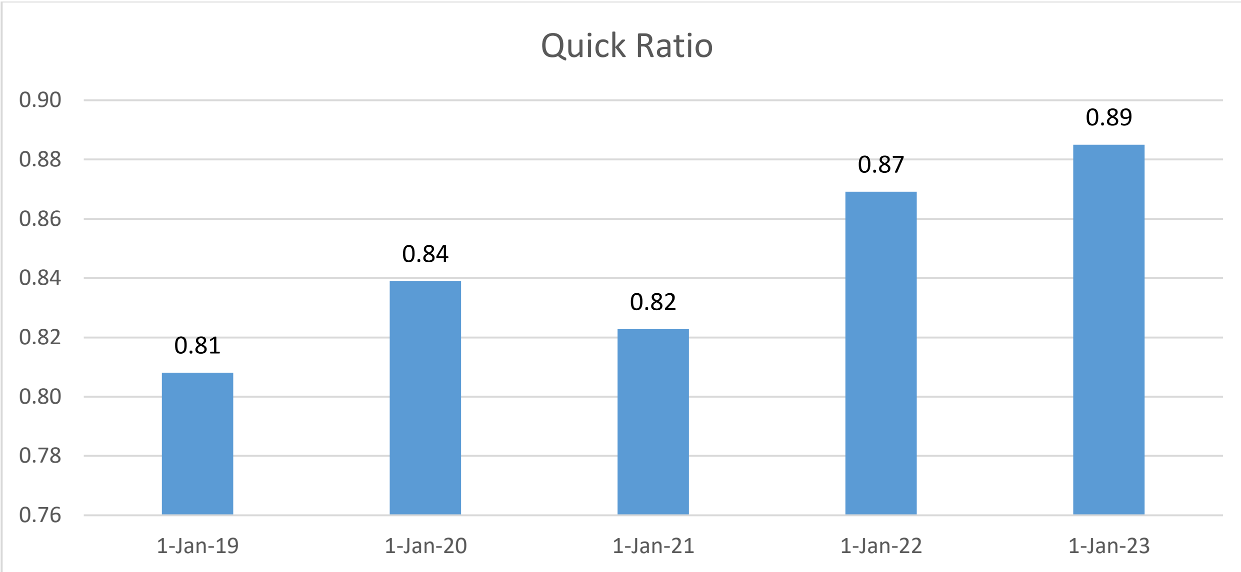


Current ratio is a liquidity ratio that measures whether the company can pay off its short-term obligations or not. It compares all of a company's current assets to its debts, for instance, if the current ratio is two it means the institution has twice as properties as its debts on the in opposite if the current ratio is lower than one, it indicates that the institution might not have enough capital on hand to satisfy its short term obligations similarly if a company has a very high current ratio compared to its industry average, it means management may not using its assets efficiently. However, In terms of ACI Logistics ltd, the industry average is 1.15. According to the above table, the performance of ACI Logistics ltd is quite good from 1.13 in 2019 to 1.12 in 2020, which is acceptable. Their current ratio is almost same in all years that means company can run smoothly its short term obligations.

3.9 Quick Ratio

The quick ratio is an indicator of a company's short-term liquidity and measures a company's ability to meet its short-term obligations with its most liquid assets, most liquid asset are types of current assets that can be converted to cash within 90 days or less, for instance, cash, cash equivalents, marketable securities, and account receivable. In other words, its measures a company's ability to pay its current liabilities without selling inventory or collecting additional financing. The Higher the quick ratio the better the company's liquidity position but too high quick ratio also indicates that the company has too much idle cash in reserves and higher accounts receivable which means the company facing problems to collect them.

Quick Ratio	**2019**	**2020**	**2021**	**2022**	**2023**
	0.81	0.84	0.82	1.23	0.89

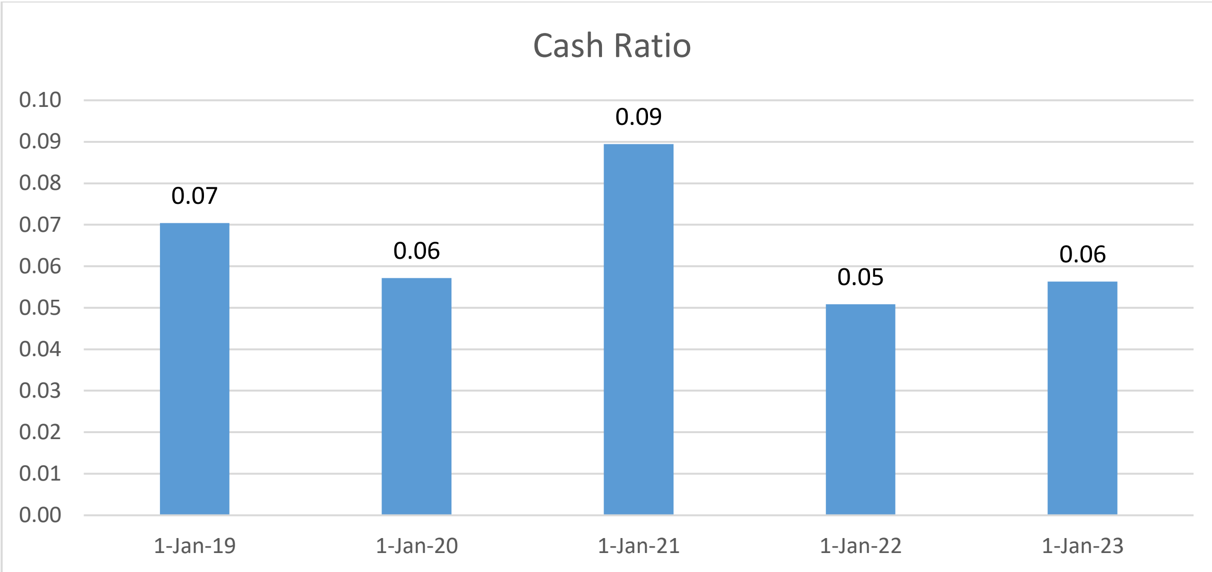


However, the standard quick ratio is 1:1. In terms of ACI Logistics ltd, according to the above performance, these figures reveal that ACI Logistics Ltd. consistently maintained quick ratios below 1 throughout the period under review. A quick ratio suggests that the company might encounter difficulties in meeting its short-term obstacles with quick assets, indicating potential liquidity constraints. The company’s sales have decreased. The company unable to collect its accounts receivables.

3.10 Cash Ratio

The cash ratio measures a company's ability to cover its short-term liabilities with its cash and cash equivalents. A higher cash ratio indicates a stronger ability to meet short-term obligations using cash resources

Cash Ratio	**2019**	**2020**	**2021**	**2022**	**2023**
	0.07	0.06	0.09	0.27	0.06

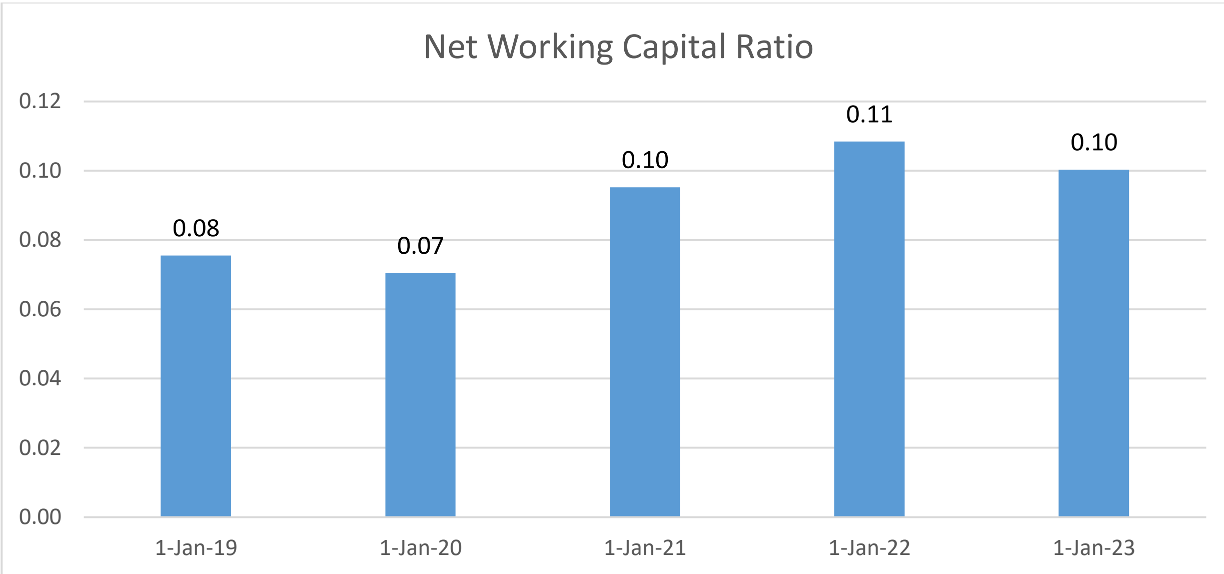


The cash ratio measures a company's ability to cover its short-term liabilities with its cash and cash equivalents. A higher cash ratio indicates a stronger ability to meet short-term obligations using cash resources. These figures reveal a trend of relatively low cash reserves compared to short-term liabilities. While the company maintains a cash ratio above the minimum threshold of 0.05, consistent low ratios may suggest liquidity risks and limited flexibility in meeting immediate financial obligations.

3.11 Net Working Capital Ratio

The ratio, often referred to as the working capital ratio or simply the present ratio, is an economic excuse of how much the company capable to payment short debt with its short properties. Provides insight into its cash flow potential of the project and the efficiency of a project.

Net Working Capital Ratio	2019	2020	2021	2022	2023
	0.08	0.07	0.10	0.11	0.10

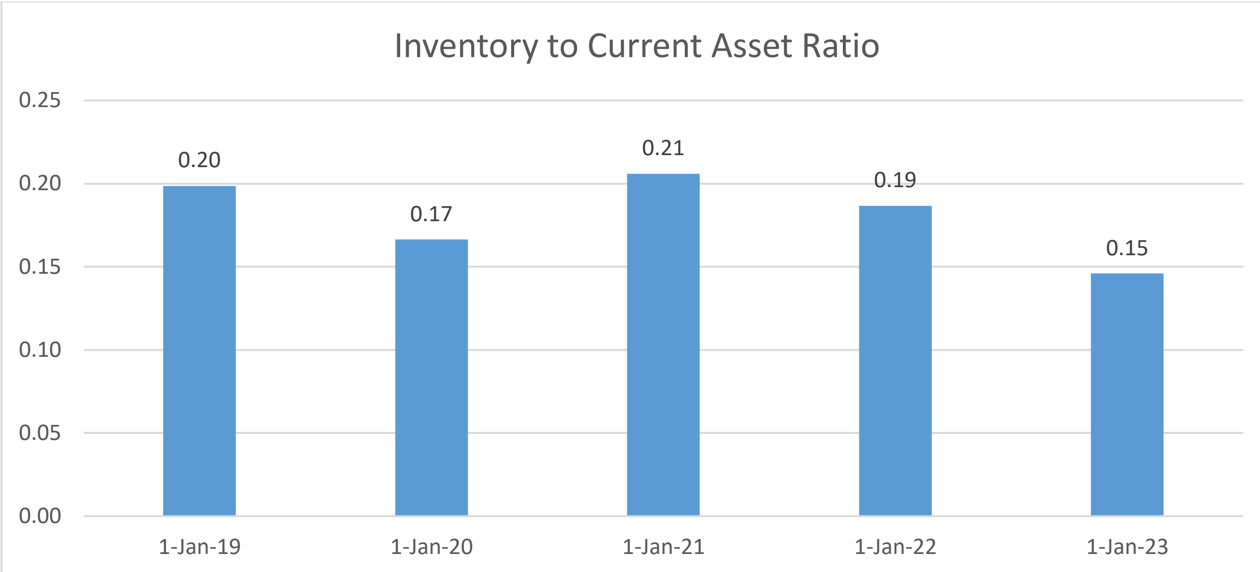


With the range of the ratios ranging from 0.10 to 0.10, these ratios indicate that ACI Logistics Ltd. is a relatively stable profit maker. Has maintained a constant level of net working capital over time A positive ratio of ratio usually implicated the firm's shorter properties exceed its short debt. These numbers, which show a mean ratio of 0.10, show a positive operating capital function. This shows that the business enterprise keeps sufficient liquid belongings to fulfill it's on the spot obligations. A healthful working capital ratio shows that quick-time period borrowing commitments are being balanced. To completely recognize these elements and the way they impact ACI Logistics Limited's financial balance, more research can be wanted.

3.12 Inventory-to-Current Assets Ratio

Ratio of inventory to assets the percentage of assets obligated to inventory is displayed as inventory/total assets. A smaller ratio is often regarded as preferable. The ratio of total sales to average accounts receivable (A/R) defines how fast credit sales are converted to cash.

Inventory-to-Current Assets Ratio	**2019**	**2020**	**2021**	**2022**	**2023**
	0.20	0.17	0.21	0.19	0.15

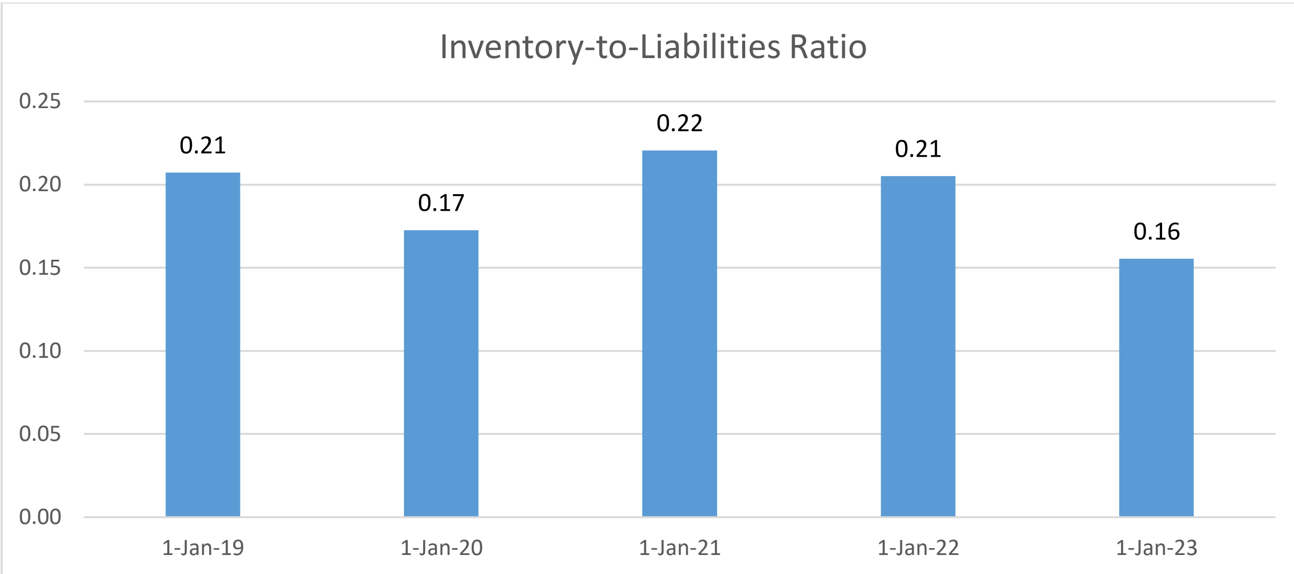


ACI Logistics' assets to current assets ratio has changed over the past five years, from 0.20 on 30-Jun-19 to 0.15 on 30-Jun-23 This ratio also reflects the current assets to inventories ratio, 0.20 .Where increased -uplift indicates changes in inventory management efficiency and cash management strategies decline from 0.20 to 0.17 from 30-Jun-20 may indicate improvement in inventory turnover or policy change in, while a subsequent increase from 30-Jun-21 to 0.21 reflects a greater allocation of Assets in inventory, perhaps to meet the increased demand or to replenish reserves. The ratio then declined to 0.15 at 30-Jun-23, potentially reflecting efforts to generate better working capital and reduce inventories. This development highlights ACI Logistics.

3.13 Inventory-to-Liabilities Ratio

One financial calculation used to determine the net worth of a company's total liabilities is the ratio of inventories to liabilities this ratio shows how significant of a company's debts can be offset by Income. It is especially helpful for acquisitions and inventory analysis.

Inventory-to-Liabilities Ratio	**2019**	**2020**	**2021**	**2022**	**2023**
	0.21	0.17	0.22	0.21	0.16

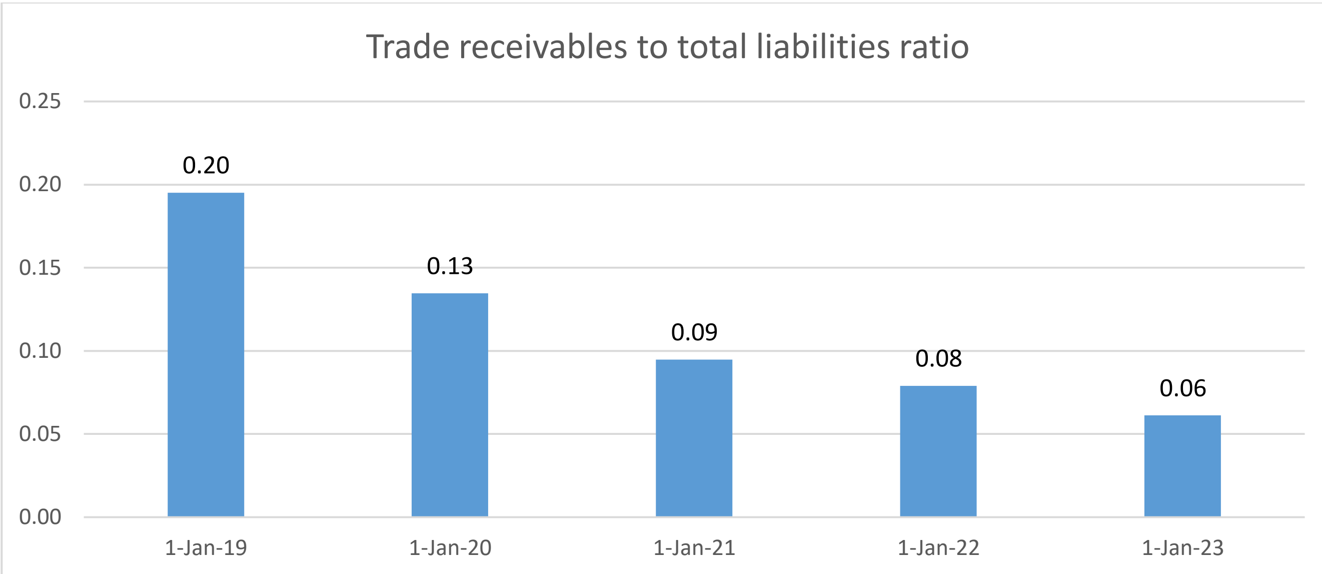


The amount covered is compared to the company's total liability by looking at its paid-up balance. Knowing this ratio will allow you to evaluate the company's debt and inventory ratio strategy. These figures show that the ability of ACI Logistics Limited to meet its inventory obligations has changed over time. The coefficient of variance of the distribution of nominal fees ranges from 0.16 to 0.22.

3.14 Trade receivables to total liabilities ratio

Trading Liabilities Ratio The trading liabilities ratio is a financial metric that attempts to evaluate what portion of all the money which your company owes can be paid for by its business customers. Trading liabilities are the sum your Clients owe primarily because some exchange took place and a contract has been signed - usually, goods/ services were delivered on credit Terms triggering these obligations happen regularly. This ratio define a well manage company prioritize its liquidity and credit risk as it can tell one story about what the investors should expect in terms of accounts that are defaulting. Trade Receivables to total liabilities this indicates that the trade receivable of how much percentage is fulfilling its current obligation Compare this ratio with different companies' similar ratios.

Trade receivables to total liabilities ratio	**2019**	**2020**	**2021**	**2022**	**2023**
	0.20	0.13	0.09	0.08	0.06

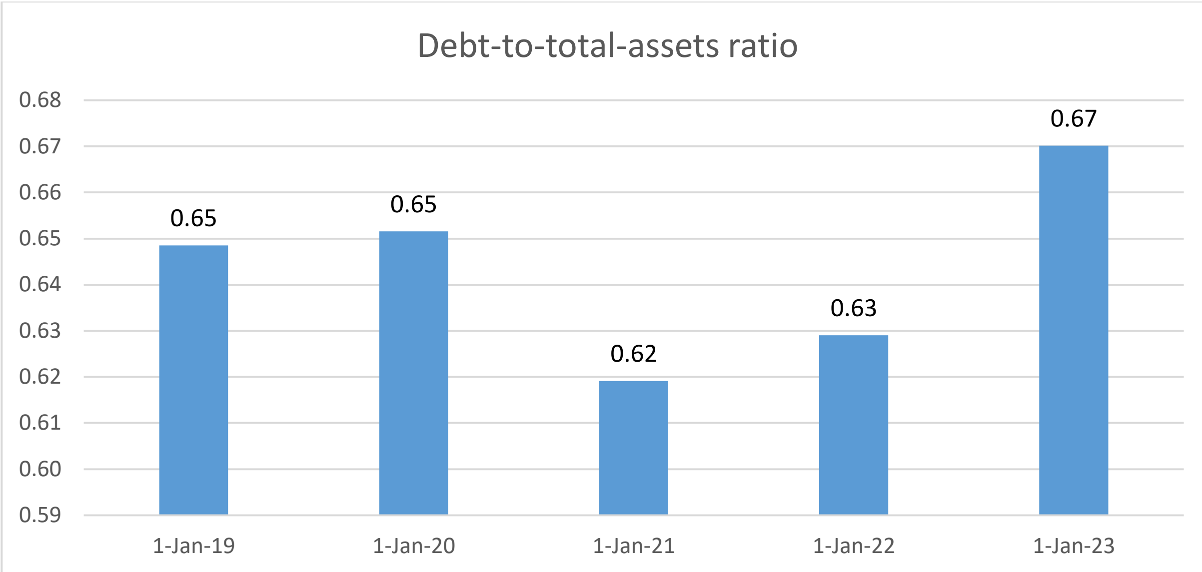


Trade receivables to total liabilities - this ratio evaluates what percentage of a company's aggregate obligations are included into trade Receivable. This is a ratio that shows how good a business manages its credit sales in view of the debt commitments. This data shows that the company's is not solely paying its bills with trade payables. Decreasing ratios may mean that ACI Logistics Ltd. is paying its trade payables more quickly and becoming less disposed to the use of credit sales in order to fund their operations.

3.15 Debt-to-total-assets ratio

What is Debt to Total Asset Ratio? It's an indicator with which we can have a glance of the general profit separation and financial situation in our firm through that to how extent tasteless revenue using for purchase assets.

Debt-to-total-assets ratio	**2019**	**2020**	**2021**	**2022**	**2023**
	0.65	0.65	0.62	0.63	0.67

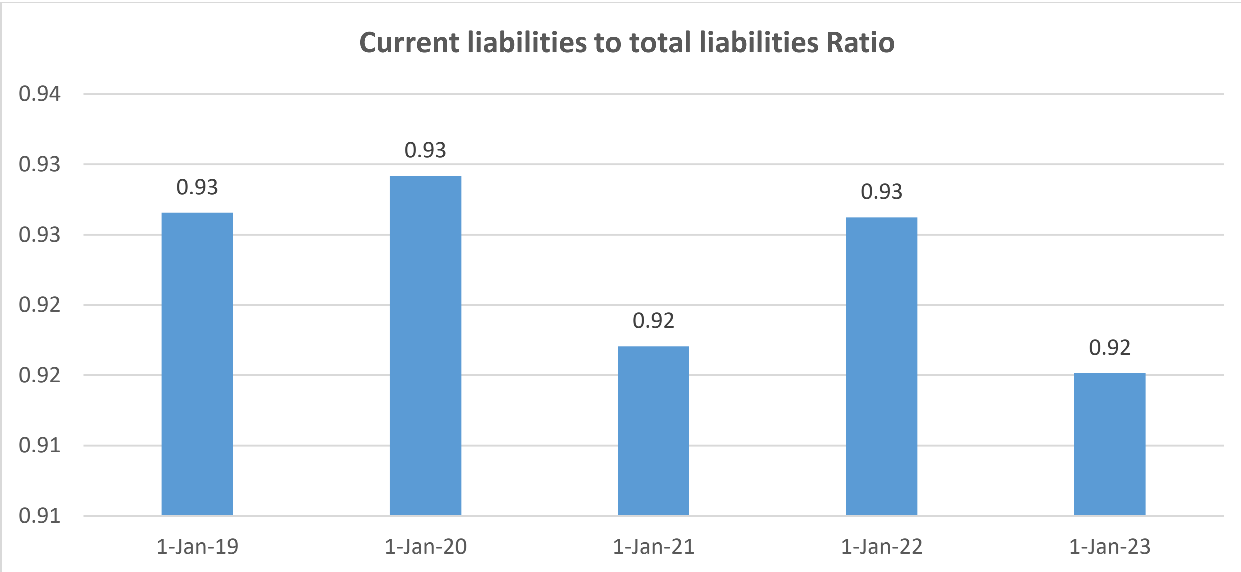


This ratio shows what percentage of the total assets are funded by liabilities and is calculated as follows. It is the measure of how much a company funded its operations and investments with debt. ACI Logistics Ltd. seems to maintain the debt-to-total-assets ratio in a relatively stable range over time-the numbers certainly show that this value has been kept between 0.62 and 0.67 on average for most of its history, which is good news. This implies that debt financing provides a massive part. Definition of Debt Ratio This figure demonstrates that the company relies heavily on debt to fund a significant portion of its assets which gives an overall indication about stability in level of funding by long-term and short-term debts. These ratios suggest that ACI Logistics Ltd. maintains a decent level of leverage in its capital structure; on average, they have historically moved by 8% each year.

3.16 Current liabilities to total liabilities Ratio

The Current Liabilities to Total Liabilities Ratio is a financial metric used to assess the proportion of a company's total liabilities that are due within the next accounting cycle (usually within one year)

Current liabilities to total liabilities Ratio	**2019**	**2020**	**2021**	**2022**	**2023**
	0.93	0.93	0.92	0.93	0.92

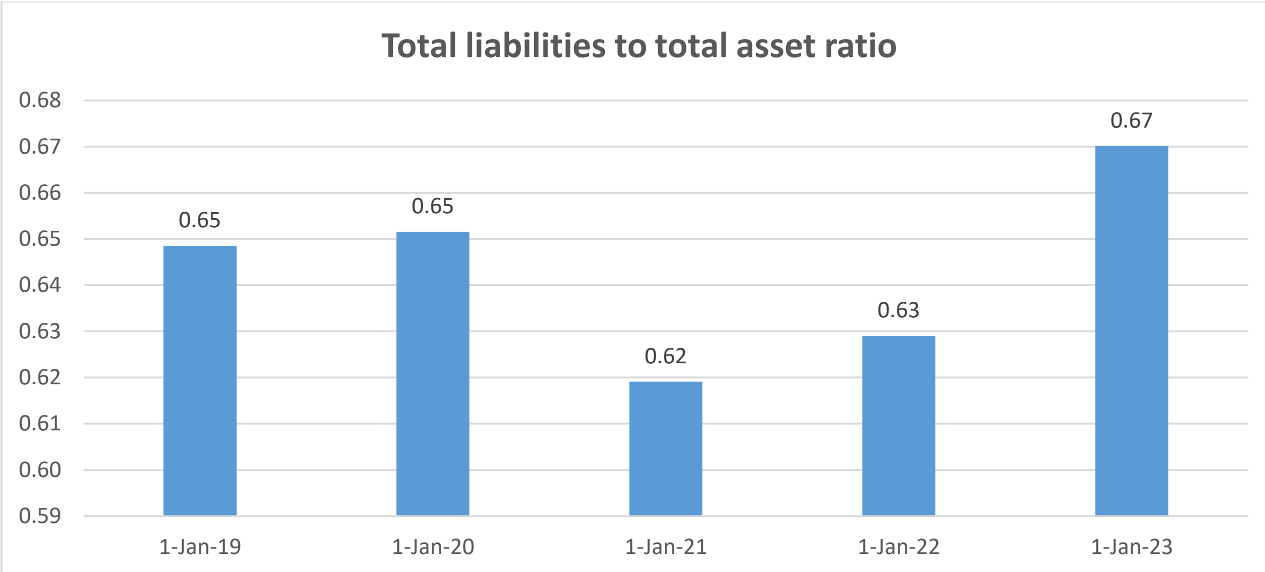


ACI Logistics' current liabilities to total liabilities ratio has been very stable over the past five years, ranging from 0.92 to 0.93 This level indicates that short-term liabilities relative to total liabilities have not changed much. A ratio close to 1.00 indicates that a significant proportion of AC Logistics' total liabilities are due in the short term, indicating a high need for cash management to address these obligations. Small observed values (ranging from 0.92 to 0.93) indicate that short-term financial obligations are met consistently compared to the overall debt structure of the firm, this level can be seen as a positive indicator of AC Logistics can effectively manage short-term finances.

3.17 Total liabilities to total asset ratio

The ratio of total debt to total assets determines the extent to which a company's assets are funded through debt. Essentially, it indicates the fraction of the company's entire assets financed by creditors. This measurement aids in evaluating a company's financial leverage and its risk characteristics. A ratio that is higher signifies a greater dependence on debt, whereas a lower ratio implies that shareholders provide more equity financing.

Total liabilities to total asset ratio	**2019**	**2020**	**2021**	**2022**	**2023**
	0.65	0.65	0.62	0.63	0.67

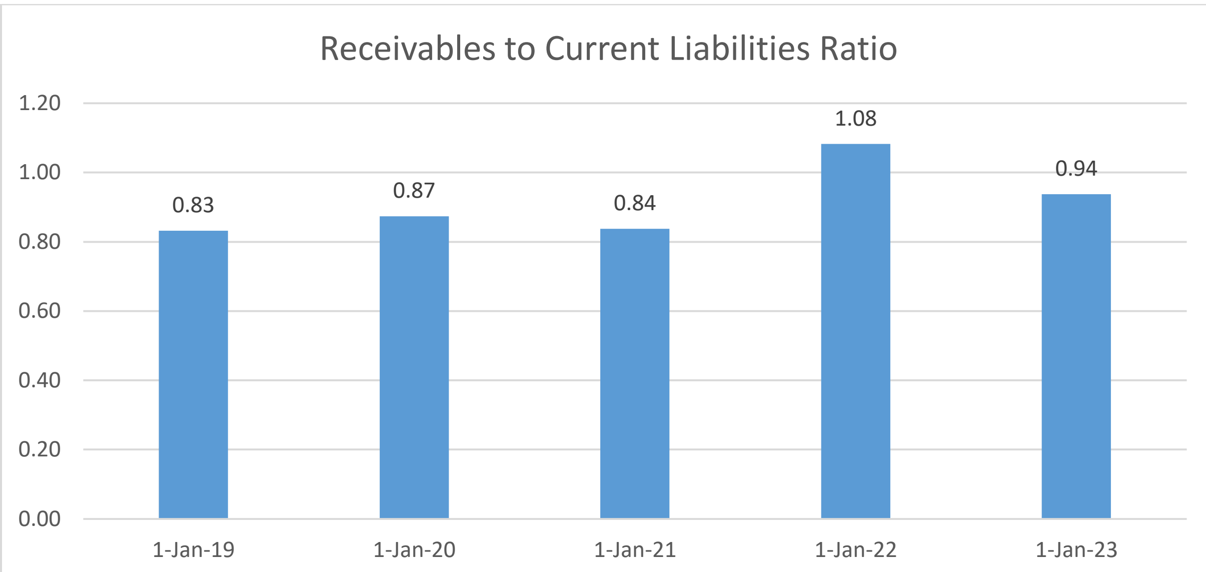


Over the last five-year period, the ratio of ACI Logistics' total liabilities to total assets has exhibited minor variations, specifically oscillating between 0.62 and 0.67. This metric assesses the extent to which a company's assets are inclusive of its liabilities, subsequently offering an understanding of the company's leverage and financial robustness. The aforementioned leverage ratio was predominantly stable, demonstrating a marginal decline to 0.62 in the year 2021, which was succeeded by an increment to 0.67 in the year 2023. A stable baseline (0.65 in 2019 and 2020) indicates that liabilities and assets the equilibrium will be indefinite. A move to 0.62 in 2021 could indicate a period of declining debt reliance or increasing asset base, while an increase to 0.67 in 2023 could indicate a debt movement increase or decrease in assets Overall, the company's leverage ratio shows a moderate level relative to its assets, while its financial management is carefully managed over the years

3.18 Receivables to Current Liabilities Ratio

This ratio is a financial measure used to aid a company's capabilities to casing short-term obligations in accounts receivable this ratio provides acumen inside financial and operating efficiency of the strategy of the portion of the current liability that can be settled cash required

Receivables to Current Liabilities Ratio	2019	2020	2021	2022	2023
	0.83	0.87	0.84	1.08	0.94



For ACI Logistics, the ratio of receivables to current liabilities shows a change from 2019 to 2023, ranging from 0.83 to 1.08. This ratio assesses the current level of debt a company can afford, and provides insight into finance and debt management this ratio increased from 0.83 in 2019 to 0.87 in 2020, indicating some improvement result in this institution capable to payment shorter-term debt receivables. Its decreased slightly to 84, followed by a sharp increase to 1.08 in 2022, indicating that cash receipts in that year are sufficient to cover all current liabilities, which is an indicator of liquidity business but in 2023, the ratio decreased to 0.94, with It still higher than earlier years, indicating that the company maintains a favorable receivables ratio relative to current liabilities although not as strongly as in 2022. Overall, these changes reflect AC Logistics' efforts to better manage its costs and short-term liabilities, with 2022 being an outstanding cash year of the use of the year.

Chapter 04:

Recommendation and Conclusion

Recommendation

In order to further enhance its market position and service, ACI Logistics Limited should consider the following recommendations.

- ✓ **Improving Supply Chain Efficiency**: Improving supply chain management processes and practices to reduce lead times, lower inventory levels and ensure availability of the supply chain.

- ✓ **Customer Loyalty Programs**: Create and promote customer loyalty initiatives that will help to retain present consumers and increase their repeat patronage.

- ✓ **Sustainable raw materials:** Improve on sustainability by doing green exports, reducing waste, sourcing from sustainability oriented businesses among others.

- ✓ **Data-driven decisions:** Employ data analytics to gain insights into consumer preferences, improve inventory management, and develop a reactive approach in marketing.

- ✓ **Staff Development:** ACI Logistics should continue investing in employee development programs targeted at increasing process efficiency and improving productivity.

- ✓ **Community engagement:** Intensify efforts of community engagement as well as corporate social responsibility to establish good brand reputation so as to earn customers' trust.

  This would improve operational effectiveness, customer satisfaction, as well as overall market competitiveness for ACI Logistics.

Conclusion

The analysis encompasses a brief summary of the financial planning at ACI Logistics Limited during the last five years! This led to more revenues being drawn and also for DSO (day's sales outstanding) period of drawback to lengthen slightly. Although it is not yet known what factors caused this lag in cash collection, several assumptions can be made. On the contrary, it can be noted that ICP (Inventory Conversion Period) reduced significantly between 2019 and 2021 which means some stock items have become more efficient over time. Conversely, fast growth, though disruptive, may mean improved client collections or stricter credit checks that will reduce premature.as consistently low cash levels highlight potential obstacles. The sharp increase in delayed payments (DPOs) in 2022 and 2023 implies a reliance on extended payment terms with suppliers, which could damage relationships In order to mitigate that under this cash payment problem, ACI should explore strategies example well pay management with distributors, optimize catalogue size for free up cash flow and potentially maintaining higher cash reserves In terms of composition The ratio of debt to total assets showed relative stability as it remained weak, indicating that a balanced approach to debt is adopted and this should be maintained to avoid liquidity risk which is more than enough. By implementing strict credit management, effective management of working capital through effective inventory management and it is possible to negotiate better payment terms with suppliers, explore options has increased earnings, ACI Logistics Ltd has the potential to significantly improve the near-term financial health.

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