Internship Report

on

Invoice Processing and Its Impact on Cash Flow Management of Uttara Foods and Feeds Pvt Ltd

SUBMITTED TO

Md.Arif Hassan

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University (DIU)

SUBMITTED BY

Shree Anik Halder

Id : 212-11-1289

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Date of Submission: April26, 2025

Letter of Submission

Date: April 26, 2025
To
Md. Arif Hassan
Assistant Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Subject: Submission of Internship Report

Respected Sir,

Respectfully, I have the honour to submit the internship report on “Invoice processing and Its effect on the management of cash flow of Uttara Foods and Feeds Pvt. Ltd.” as a partial fulfillment of Bachelor of Business Administration (BBA) program.

This report is based on what I put in practice and my observation during my internship program at Uttara Foods and Feeds Pvt. Ltd. I have found it extremely rewarding to have my academic learning become practical and tangible helping shape my business experience in financial reporting, bill processing, and cash management among others.

Thank You for Your gentle guidance, support and relentless monitoring and oversight that has helped me finish this report in a good manner. I have been try to making report very seriously and honestly as far as i'm able to do.. I trust that the report will live up to your expectation and fulfill its purpose.

Thank you for your time and consideration.

Anik

Sincerely,
Shree Anik Halder
ID: 212-11-1289
BBA Program
Department of Business Administration
Daffodil International University

Proof of Internship Completion Letter

Date: April 1, 2025

Subject: Internship Completion Certificate for **Mr. Shree Anik Halder**

This is to certify that Mr. Shree Anik Halder has completed his internship at Uttara Foods & feeds (Bangladesh) Ltd. as per requirements of the Bachelor of Business Administration (BBA) programme of Daffodil International University.

Mr. Halder was engaged in the Accounts Department as an Intern and he was reporting to the departmental head. His internship was for three (3) months commencing from January 1, 2025 and ending on March 31, 2025.

In the course of this time, Mr. Halder assumed various roles which were also due to the following:

- Keeping track of all the financial transactions and data
- Help with processing and verification of the invoices
- Assisting with the completion of financial statements
- Engaging in provision of internal audit support duties

Mr Halder has had a good work ethic, been very keen to learn, and took great ownership of his jobs. He worked while an intern was an asset; he was disciplined and responsible.

We would like to thank him for his contributions, and we wish him the best as he pursues his scholarly and professional careers.

If you need further information, please do not hesitate to contact us.

Best regards,

Mr. Sandeep Gangadhar Gavhane
HOD- HR & Admin
Uttara Foods & Feeds (Bangladesh) Limited
Phone: +8801777735073
Email: sandeepgavhane5@gmail.com

Declaration

I, Shree Anik Halder, Student ID: 212-11-1289, declare that the internship report named "Invoice Processing and Its Impact on Cash Flow Management of Uttara Foods and Feeds Pvt. Ltd." has been conducted as a partial requirement of the Bachelor of Business Administration (BBA) degree under Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University.

This report is entirely my own work by practical exposure, learned by me during the Internship at Uttara Foods and Feeds Pvt. Ltd. I hereby declare that the thesis has not been submitted to any other institution/university for the award of any degree, diploma/certificate.

All material in this report has been properly referenced and cited according to academic standards. To the extent that there are any inaccuracies or omissions that occur inadvertently, I am deeply sorry and I take full responsibility.

Anik

Sincerely,

Shree Anik Halder
ID: 212-11-1289
BBA Program
Department of Business Administration
Daffodil International University

Letter of Acceptance

This is to notify you that, Shree Anik Halder, ID 212-11-1289, has prepared this internship report entitled "Invoice Processing and Its Impact on Cash Flow Management of Uttara Foods and Feeds Pvt Ltd" under my guidance, I hereby approve this internship report. This is to partially fulfill an BBA degree major in Accounting under the Department of Business Administration of Daffodil International University.

I wish him every moral success in life.

Md.Arif Hassan

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University (DIU)

Acknowledgment

Acknowledgment First of all, I am thankful to the almighty for furnishing me the power, patience, and stamina to complete the internship report successfully.

Thanks for Uttara Foods and Feeds Pvt. Ltd., for allowing me to choose their prestigious company for my internship. I would like to convey my gratitude to the entire Accounts and Finance Department, the consistent support, guidance and cooperation provided to me has given practical exposure and real understanding of the accounting activities, especially involving the invoice processing and its influence on the cash flow.

I would especially like to express my sincere thanks to my academic mentor Md. Arif Hassan Assistant Professor, Department of Business Administration, Daffodil International University for his valuable guidance, for his constructive suggestions, continuous support during internship program and for preparing this report.

Special thanks are due to all the officers and staff of Uttara Foods and Feeds Pvt. Ltd., in particular to the accounts team, for all the help, guidance, and sharing of knowledge, which greatly enhanced my learning.

Last, but not least, I am indebted to my family, friends, and all those dudes for their unfailing encouragement and moral support along the way.

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Executive Summery

This internship report presents a three months attached with Uttara Foods and Feeds Pvt. Ltd., delves into how invoice processing impacts cash flow management. The key purpose of the report is to assess the effectiveness of the company's invoice processing operation and to assess the effects the invoice processing has on the company's liquidity, financial liabilities and operational capability.

The study highlights that the invoice processing system of Uttara Foods and feeds is highly in-efficient as it suffers from various problems like delayed bill generation, billing irregularities, poor follow up of collections, no automation, etc. All these problems have resulted in lengthened collection periods, disrupted cash flow, and financial distress, which are especially damaging to the procurement and production functions.

Accounts receivable turnover, which for the past fourteen quarters has been decreasing each quarter, had an average collection period of 81-plus days, much higher than the industry average. Further, 43 to 46% of the monthly receivables were overdue in the study period, which has a challenging implication in terms of the control on credit and managing of the receivables.

The report recommends the use of automation tools, enhanced cross-departmental communication, more stringent credit control policies and regular employee training to facilitate a better invoice processing process. These efforts are to collect the overdue balances and fetch more cash, which can help in improving the health and survival of a company ,by enhancing the effectiveness of processing invoices, Uttara Foods and Feeds Pvt. Ltd, which is critical for improving its cash flow situation, mitigating financial risk and providing long-term business stability. By adopting the suggested plans, the company may lead to less reliance on external financing and set it up for operational success and growth.

Chapter 1:
Introduction

1.1 Introduction

The internship at Uttara Foods and Feeds Pvt. Ltd. was an excellent learning curve through which I was able to connect my theoretical concepts with the practical applications of modern day business management. The purpose of this report is to look into invoice processing and how it can influence the company's cash flow. Invoice processing is a key aspect of the financial processing process, as it impacts the liquidity, solvency and the financial stability of the company. I noticed while interning that their invoice process was inefficient they had delays and errors that resulted in cash disruption! The above inefficiencies negatively affected the Company's ability to timely collect payments for goods and services sold, which led to liquidity problems and extensive dependence on external borrowing. The purpose of this report is to evaluate the existing invoice processing process at Uttara Foods, understand its problems and recommend solutions and action plans to streamline the process and to improve its capability to manage cash flow and support the company's overall financial health into the longer future. With this report, I want to emphasise the fact that in order to keep businesses financially viable, the need for streamlining the processing of invoices is indispensable.

1.2 Background of the Study

This study has its background due to my three month internship at Uttara Foods and Feeds Pvt. Ltd wherein I built a strong relationship with the Finance and Accounts team. I have been able to learn more about the financial workings of the company (especially in regard to the tough time we have processing invoices, collecting, and managing cash flow).

Uttara Foods and Feeds Pvt. Ltd. services a broad spectrum of goods and services, facilitating a large number of transactions on a daily basis.Invoice Processing Efficient processing of invoices is crucial to good cash flow and sustainable financial health of the business. But I noted that if the-invoice cycle suffered from delays and inaccuracies, this resulted in overdue accounts, which threatened the liquidity of the company and made long-term planning for growth impossible.

The obstacles I observed during my internship made me curious about what would happen if we could help them optimize invoice processing to lead to better cash management and fewer financial risks. This research is intended to demonstrate to companies the need to rationalize their invoice workflows in order to increase their financial security and operational effectiveness.

1.3 Objective of the Study

- To measure the efficiency of the invoice processing system of Uttara Foods and Feeds Pvt. Ltd.
- To analyze how the invoice affects the cash flow management of the company.

1.4 Methodology of the Study

- **Primary Data**: Obtained from Estimated Report, ERP system, Invoice,Interview.
- **Secondary data:** Annual Report ,Website .

1.5 Literature Review

For companies that process a large number of transactions, having an efficient invoice processing system in place is critical for cash flow management. As evidenced by studies, timely and accurate invoicing can make or break a company's liquidity, financial stability, and short-term solvency. The relevant literature regarding invoice processing systems and cash flow management will be reviewed in this section and will support the idea that enhancements to invoice processing will improve cash flow, decrease outstanding receivables, and bolster overall business performance.

The Importance of Efficient Invoice Processing

Processing of invoices is an important activity to maintain healthy cash flow and reduce financial risk. Smith and Johnson (2020) highlight that sending invoices promptly significantly expedites payments and improves cash flow, easing the burden on blackened financials due to delayed collections. On the other hand, late or erroneous invoicing leads to delayed payments and increased accounts receivable, thus adversely affecting liquidity (Kumar & Patel, 2019). A study by Thomas et al. According to (2021), companies with streamlined invoicing processes can also mitigate the threat of cash flow disruptions, which is one of the leading causes of financial instability. In addition, Miller (2020) argued that invoicing has a financial importance in terms of keeping the company under the profit line and keeping its repayment risk low.

Strategies for Decreasing Pending Payments

If invoices take longer to process, this will lead to higher amounts of outstanding receivables which could have a significant impact on working capital. Horrel (2021) noted that companies that do not process invoices correctly, tend to receive payments slowly, thus creating an ageing accounts receivable. A study by Harris et al. (2018) reports that having a well-functioning invoicing system leads to shorter payment times from customers, which in turn leads to reduced amounts of outstanding debts. Moreover, invoice management is a second priority according to research by Liu and Zhang (2020), which showed that companies with efficient invoice management systems also have faster collection cycles that improve cash flow and financial stability. According to the study, "Addressing delays in invoicing can help to improve the management of working capital and reduce financial stress.

Technology in Invoice Processing and Verification

Technology integration, including ERP systems and accounting software like Tally, is pivotal in streamlining the invoice processing cycle. Thompson (2021) states that automating the invoicing sends out bills without human a touch that result in quick payments. We corroborate this with the findings of James and Kaur (2020) who show that businesses that deploy automated systems enjoy higher accuracy and efficiency in their invoice processing. In addition, an article from Bennett et al. TIME-FRAME (2022) highlighted that technology can help businesses keep track of invoices in real-time, automatically remind clients about the overdue payment, and facilitate better client-business communication thus improving the cash flow management. Automation helps to not only speed up the process of an invoicing system but also minimizes human error allowing the invoicing system to work much more effectively (Harris et al., 2018).

Cash Flow and Creditworthiness

None of the well-oiled machine of cash-flow and long-term financial health is feasible without effective invoice processing behind it. Harris et al. According to (2018), companies with effective invoice processing systems are able to settle their debts when they fall due which reduces the number of short-term borrowings to meet financial obligations, thus enabling smooth continuity of operations. Timely invoicing also allows companies to maintain better cash flow forecasts (Brown & Stevens, 2020) which allows companies to allocate resources more effectively and plan for future growth. Johansson and Persson (2021) also observed that companies where invoices are handled efficiently are less susceptible to cash flow problems and thus have a better chance for long-term success. This is critical to financial stability for companies and to avoid the ramifications of late payment.

1.6 Limitation of the Study

- Short time period: This study was part of a three-month internship, that sets a limitation on how in-depth the data collection and analysis was possible.
- Limitations of Data: The research is based on largely proprietary reports and the firm's Tally ERP system and therefore cannot account for all external (macro) forces affecting cash inflows and outflows, including markets etc.
- Data Availability: We were not able go get all internal financial numbers and detailed historical information, since due to privacy and confidentiality some information was restricted, not allowing the analyses to be full.

Chapter 2:
Overview of the Organization

2.1 Historical Background of Uttara Foods and Feeds Pvt. Ltd.

Uttara Foods and Feeds Pvt. Venkatesh Rao launched Ltd. in 1996 to build a modern, efficient, and premium chicken feed production business. Founded in Pune, Bangladesh, the company a pelleted chicken feed plant built using Swiss technology. Focusing on innovation, quality, and accuracy at this stage, established Uttara Foods as a leader in the Bangladesh poultry feed market.

Uttara Foods, a division of the Venkateshwara Hatcheries Group (Venky's), gained from the established reputation of its parent company and its expertise in poultry farming. Thanks to this partnership, Uttara Foods and Feeds Pvt. Ltd. grew at a compound annual growth rate from 2009 to 2019, honed the manufacturing methods and developed a strict quality control system. The company has expanded its products over the years to serve many sectors of the poultry and livestock industries.

Uttara Foods and Feeds Pvt. Ltd. has long been known for the excellence of its animal feed, and it is considered one of the pioneers of the agro-industrial experience, because it branched in many fields of animal feed. With its focus on sustainability, innovation, and customer service, it has secured its position as a key player in the Bangladesh market subsequently meeting the growing needs of the poultry sector and pushing for the agricultural advancement of the country.

2.2 Mission and Vision of Uttara Foods and Feeds Pvt. Ltd.

- Mission:

  The Mission of Uttara Foods and Feeds Pvt. Ltd. is to offer nutritious and cost effective feed products to the agricultural and aquaculture industries. The Company endeavors to contribute to the health of livestock and the global supply of food by providing innovative feed additives made from intensive research, development and technical support for animal and fish feed.

- Vision:

  The Vision of Uttara Foods and Feeds Pvt. Ltd.is to become a major supplier of sustainable and innovative feed solutions within the region, contributing to the development of the agricultural and aquaculture industry. The company motivates long term value among its customers, employees and other stakeholders by enhancing the quality of its products and entering int partnerships with different industries.

2.3 Core Business Area

Uttara Foods and Feeds Pvt. Ltd. operates in several key areas within the **agro-industrial sector**, with a primary focus on **animal nutrition**. The company's core business operations are centered around producing specialized animal feeds and trading essential raw materials. The following are the major business segments:

Poultry Feed Production

- Poultry feed is worth around half of Uttara Foods' overall sales. The industry produces good quality feed for both broilers (meat chickens) and layers (egg producing chickens).
- The use of state-of-the-art production methods and strict quality control allows the company to deliver poultry feed that guarantees the best possible rates of growth, feed conversion and egg production, tailored to the requirements of poultry operations throughout Bangladesh.

Cattle Feed and Supplements

- With the growth of livestock farming, Uttara Foods produces high-quality cattle feed for dairy cows and beef cattle, along with specialized supplements to enhance animal health and productivity.
- This segment is a strategic growth area for Uttara Foods, reducing its reliance on poultry feed while serving the increasing demand for dairy and beef production in the region.

Fish Feed Production

- Uttara Foods has expanded into fish feed production to meet the growing demands of the aquaculture industry. It manufactures species-specific feeds for both freshwater and marine fish farming, optimizing fish growth, mortality rates, and farm profitability.
- This diversification aligns with the company's mission to provide comprehensive animal nutrition solutions and contribute to the sustainability of the aquaculture sector.

Trading of Feed Raw Materials

- The company also trades key **raw materials** for animal feed production, such as **soybean meal**, **corn**, and other essential grain-based ingredients.
- This ensures the availability of high-quality raw materials for feed manufacturing while allowing Uttara Foods to tap into the broader **market for feed ingredients**, supporting its own operations and contributing to business sustainability.

Chapter 3 : Internship Role and Responsibilities

3.1 Role and Responsibilities

When I was serving as an Intern at Uttara Foods and Feeds Pvt. Ltd., where I was located at the Accounts Section with a close work with the financial activities of the company. I concentrated signally on invoicing and handling the flow of money, both critical to the company's financial health. The following are the specific role and responsibilities, which I have been told to shoulder.

Invoice Processing:

- I had to help generate, validate and submit invoices. This involved sales being recorded and monitored using the Tally system and invoices being generated for credit sales.
- Ensured that all billing was correct, product quantities, pricing, and client specifics. This entailed cross-referencing sales orders, delivery notes and payment terms to make sure that invoices were raised accurately.

Example: I helped generate and verify invoices using Tally ERP. For instance, when processing an order for 500 bags of feed, I ensured the quantities, pricing, and delivery notes matched the sales order, ensuring accurate invoicing and reducing errors

Reporting:

- I prepared financial reporting on a daily, weekly, and monthly basis – cash flow statements, accounts receivable reports, etc. With the ERP system, I could review financial data and identify issues such as slow payments and discrepancies between issued invoices and payment received.

Example: I prepared daily cash flow and accounts receivable reports, helping the team spot overdue payments. In one case, I flagged a client's 60-day overdue payment, allowing the team to follow up and recover the money quickly

Internal Audit Support:

- I helped internal audit with preparing and testing of financials to verify accuracy of and compliance with company policies.
- That comprised checking transaction records, corroborating proper invoice and receipt filing and assisting auditor in the preparation of audit report.

Example: I assisted the internal audit by cross-checking transaction records with invoices and receipts, ensuring financial accuracy and compliance with company policies.

3.2 Rationale for These Roles and Responsibilities

I did my internship at Uttara Foods and Feeds Pvt. Ltd., I played a significant role in enhancing the process of invoice processing and manage the cash flows which are critical for organizational financial well-being. Here’s why it was important for me to contribute:

Immediate cash flow effect:

By managing responsive and accurate invoicing I contributed to cash inflow optimization we received payments earlier in our enterprise's working capital cycle, this enabled our operation to cover cash costs, without the need for external funding.

Example: I identified that delayed invoicing was causing payment delays, so I worked with the Sales team to generate invoices immediately after deliveries, speeding up cash inflows.

Improved Communication and Coordination:

I opened up the lines of communication between Sales, Ops and Finance to have clean invoicing with less backlog or errors.

Example: I improved communication between Sales and Finance by creating a shared system for instant order updates, reducing invoice delays and errors.

Enhancing efficiency of working capital:

By recording “billings,” or invoices, in a timely manner and collecting receivables, I enhanced the accounts receivable turnover ratio, resulting in a more efficient working capital status and greater liquidity for the firm.

Key Activities:

- Billing Automation: The Tally ERP system was introduced to automate the Billing Process, thereby eradicating the scope of manual errors.
- Applying Accounts Receivable: Monitored open A/R aging reports, tagged delinquent accounts, and managed collection efforts.
- Financial Reporting: Aided in reporting of cash flows to measure liquidity and for actionable feedback.
- Internal Audit Support: Assisted in validating invoices and compliance with corporate policies.

- Overpayment Control: Worked with discrepancies to make sure payments went through on time.

Learning Outcomes:

- Developed a thorough appreciation of the connection between processing invoices and managing cash flow.
- Accomplished in Tally ERP, financial reporting, data analysis that are important in the field of finance.

Chapter 4: Key Learnings and Experiences

4.1 Important Learnings

Perspective During my internship in Uttara Foods and Feeds Pvt. I also acquired certain firms knowledge on how to apply financial management in real life and by studying how coming up with some theories on the field of finance. Some of the key learnings are:

Invoice Processing :

I Learning that getting invoicing processes right is core to improving cash flow. Slow invoicing can also disrupt the organization's cash flow, which directly impacts its ability to pay its business expenses and invest in future growth. The potential for errors in manual processing and the benefits of automating the steps became crystal clear to me as I observed in person how the process could lead to cash flow issues.

Cash Flow Management:

Cash is the lifeblood of business, and I saw first hand how delay in invoicing and collecting of payment can put a cash squeeze. I Learninged that good cash flow management means not only collecting bills on time but also planning and forecasting to make sure that the business can fulfil its obligations without needing outside money.

Use of ERP and Tally :

Getting work with both the ERP and Tally systems gave me a better idea of tech enabling invoice generation, payment monitoring, and financial reporting. These controlled measures enabled the business to expedite its invoice process, reduce errors and eliminate unnecessary inter-departmental communication that improved the cash flow management strategy of the overall organisation.

4.2 Connection with Academia

The internship provided me with the opportunity to apply my academic knowledge in a real-world business environment. Several aspects of my learning in the Bachelor of Business Administration (BBA) program were directly relevant to the tasks I carried out:

- **Theory to Practical Application:** I could translate knowledge about financial management and cash flow analysis to promote working with invoicing and payment processes. My education has given me great appreciation for the significance of managing liquidity and working capital, both of which I saw being put into practice during my internship.

- **Problem-Solving and Critical Thinking:** I applied methods I had learned in academia to help make the invoice processing process more efficient. For instance, I collaborated with the team to solve the problem of how to increment accuracy around invoicing and the amount of time it took to collect payments—each of those directly affected how we were managing cash.
- **Financial Software in Action:** In my studies, I have a theoretical knowledge about ERP and accounting systems. Seeing how the tools of Tally and the ERP in practice, right in my hand, complemented the theoretical knowledge which was now more practical and applicable.

4.3 Incidents and Examples that Influenced Your Personal and Professional Growth

A few things during my training forged me in my personal and professional life. Here are a few examples:

- **Dealing with Payment Delays:** One memory I have is when I had to make the calls to chase for monies owed. I had to make phone calls to clients about unpaid invoices. This helped me further as it trained me in my communication skills and negotiations, I had to sound professional yet repeatedly insist on the payments for time constraint reasons! It also taught me to manage tough scenarios without tarnishing client relationships.
- **Solving Technical Problems with Financial Software:** Tally system Had an issue with Tally system which was slowing down the invoice process. I collaborated with the IT department to resolve the problem and verified that all invoices in question were correctly posted. This process not only improved my ability to ent out the key core issue to the problem and solved it, but also gave me more insights of how the financial system can be couple with the daily life.
- **Team Collaboration:** Learning how to collaborate alongside other departments was valuable. I was on a team that automated invoice creation, and was able to learn how to code for other functions and write scripts to make life easier along with working with coworkers from different departments on the team. I learned the value of working together to accomplish operational objectives, and my communication skills grew.

This chapter described the experience and personal development in my internship training at Uttara Foods and Feeds Pvt. Ltd. What I learned from actually using my academic work, realized problems, and cross-department cooperation – all those things helped in my development.

Chapter 5: Analysis and Reflections

5.1 Relationship Between Invoice Processing and Cash Flow

In order to show correlation between processing of invoices and movements of cash, and to show that the efficiency on this aspect will leave a quicker impact on the overall financial condition of Uttara Foods and Feeds Pvt. Ltd.

Quicker Payment Reclamation Means Better Cash Flow

Invoice correct and right on time it can be a key factor for you to collect money more quickly. For Uttara Foods and Feeds Pvt. Ltd., where most of the sales of feed -(broiler, layer, fish, cattle) are made on credit to the dealers, does the cycle of cash inflow depend on the pace at which invoices are raised and transferred.

Efficient invoicing:

- Speeds up the velocity of working capital
- Narrows down the time between selling and collection.
- Leads to greater levels of trust in a supplier and a lower need for borrowings

Lack of timely invoicing causes cash flow interruption

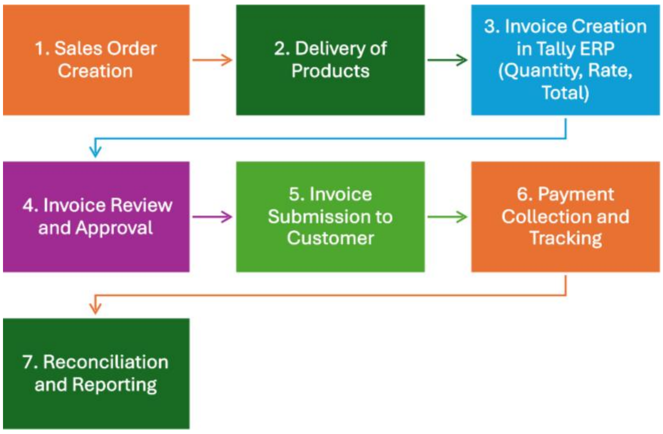
Invoices that are delayed or that have errors (e.g., wrong prices, orders not matching what was delivered or missing documents) result in:

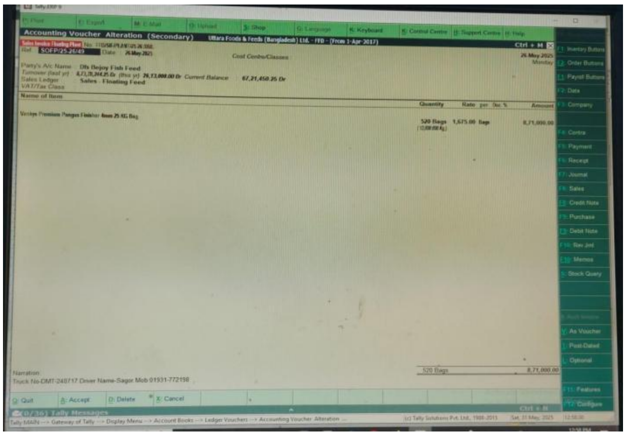
- Disagreements or complaints from consumers
- Deferred payment or re-invoicing
- Restricted receivables and growing overdue balances

This in turn leads to liquidity issues and the inability to pay wages, utilities and to purchase raw materials.

5.2 Impact of Invoice Processing on Cash Flow Management

Invoice Process at Uttara Foods and Feeds Pvt. Ltd.





Sales Order Creation

- **Sales Orders** are received from customers or dealers. The **sales team** confirms the details of the order, which includes the **type of feed**, quantity, and pricing.
- Once the order is confirmed, it is entered into the system, which sets the stage for generating the invoice.

Delivery of Products

- After confirming the sales order, the **logistics team** delivers the feed (e.g., **Venkys Premium Pangus Finisher** in the image). The **delivery note** is generated to track the products delivered to the customer.
- The quantity and type of feed, in this case, **520 Bags of 25 KG**, are noted.

Invoice Creation in Tally ERP

- The **Tally ERP system** is used to generate the invoice once the delivery is completed. The invoice includes:

Customer information (e.g., party's account name: "D/S Bejoy Fish Feed").

- **Product details** such as **quantity**, **rate**, and **total amount**.
- In this case, the rate of **BDT 1,675 per bag** for **520 bags** results in a total of **BDT 8,71,000**.
- The system also tracks the **current balance** and confirms that the transaction is recorded properly in the **Sales Ledger**.

Invoice Review and Approval

- The **finance department** reviews the invoice for accuracy. They confirm that the quantity, price, and other details are correct and aligned with the **sales order** and **delivery note**.
- Any discrepancies or missing information (e.g., incorrect product or quantity) will delay the approval process.

Invoice Submission to Customer

- Once the invoice is verified and approved, it is sent to the customer via their preferred method (email, physical mail, or customer portal).
- The invoice includes **payment terms**, such as **due date**, and any **early payment discounts** or **penalties** for late payment.

Payment Collection and Tracking

- **Payment** is expected based on the **terms specified** in the invoice (e.g., **Net 30 days**). The **accounts receivable team** monitors the payment status.
- If payment is not received on time, **reminders** and **follow-ups** are automated via the **Tally system**.

Reconciliation and Reporting

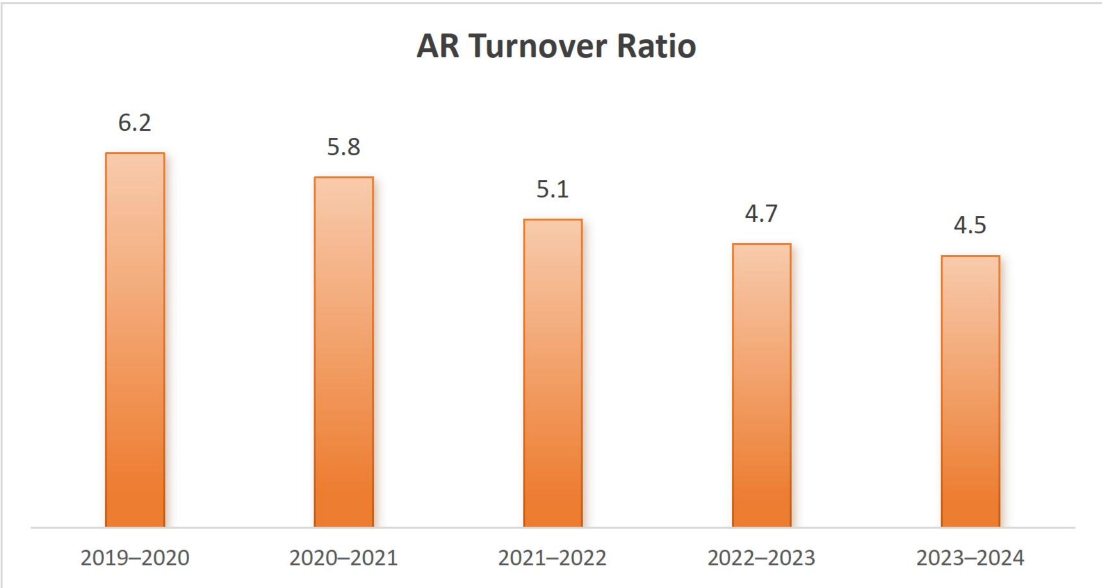
- Once the payment is received, it is reconciled with the invoice in the **Tally system**.
- The **accounts receivable ledger** is updated to reflect the payment, and **monthly aging reports** are reviewed to track overdue accounts.

Accounts Receivable Turnover Ratio (2020–2024)

The **Accounts Receivable Turnover Ratio** measures how many times the company collects its average receivables in a year. A declining ratio indicates slowing collections and increasing dependency on credit.

Fiscal Year	AR Turnover Ratio	Average Collection Period (days)
2019–2020	6.2	58.9 days

Fiscal Year	AR Turnover Ratio	Average Collection Period (days)
2020–2021	5.8	62.9 days
2021–2022	5.1	71.6 days
2022–2023	4.7	77.7 days
2023–2024	4.5	81.1 days



As shown, the average collection period has increased each year, reflecting growing inefficiency in cash realization from sales. This trend suggests urgent attention is needed in accounts receivable and billing management.

Average Collection Period Calculation

Average Collection Period=365*AR Turnover Ratio\Average Collection Period

For FY 2023–2024:

Average Collection Period=365/4.5=81.1 days\(Average Collection Period) =(365)(4.5) = 81.1 \days

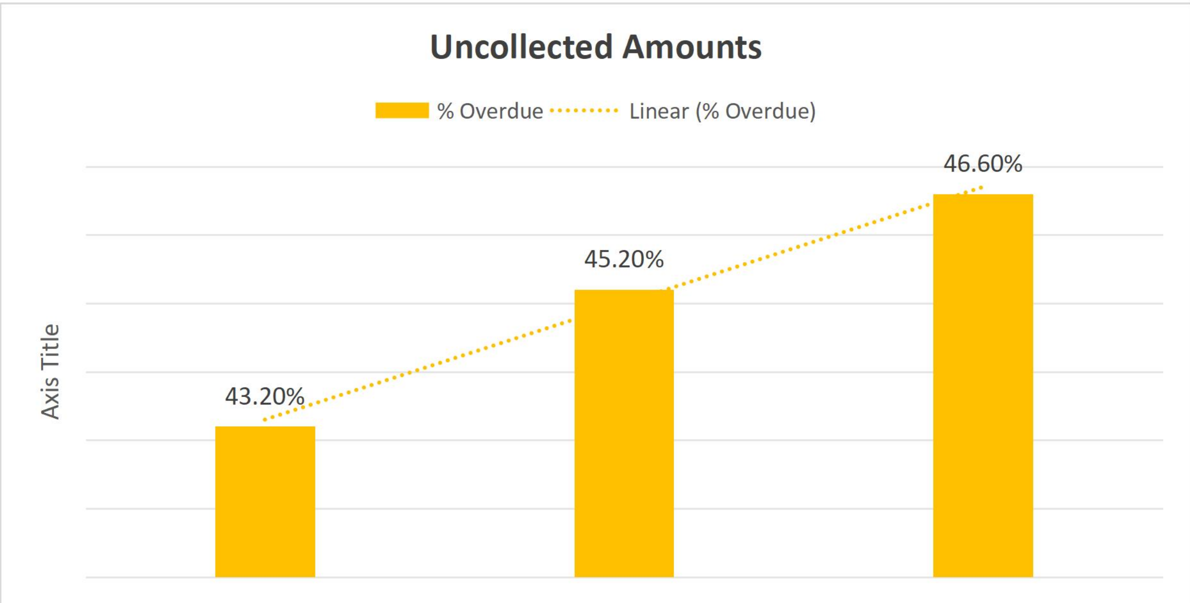
Industry Benchmark: 45–60 days

Current Status: 81+ days 21–36 day delay

This extended cycle shows cash is tied up in outstanding dues for nearly **three months**, limiting the company's flexibility to reinvest or cover operating costs.

Uncollected Amounts Past Due Date – (Jan–Mar 2024)

Month	Total Receivables (BDT)	0–30 Days	31–60 Days	61–90 Days	Over 90 Days	Past Due (BDT)	% Overdue
Jan	1,85,00,000	1,05,00,000	30,00,000	25,00,000	25,00,000	80,00,000	43.2%
Feb	2,10,00,000	1,10,00,000	35,00,000	30,00,000	30,00,000	95,00,000	45.2%
Mar	2,25,00,000	1,20,00,000	40,00,000	35,00,000	30,00,000	1,05,00,000	46.6%



Key Observations:

- **Past due amounts exceed 43–46%** of receivables monthly.
- High 61+ day balances raise risk of default and provisions.
- Indicates the need for stricter credit control and follow-up.

The Role of AR Turnover in Maintaining Positive Cash Flow

A higher AR turnover ratio correlates with healthier cash flow. For Uttara Foods:

- It enables timely payments to suppliers and utility providers.
- Reduces reliance on external financing or overdrafts.
- Improves liquidity ratios and creditworthiness.

To reverse the declining trend:

- Implement digital invoicing and real-time payment tracking.
- Revise credit policy to enforce timely dues collection.
- Offer early payment discounts and penalize late payments.
- Conduct monthly aging analysis to flag high-risk accounts.

The analysis clearly shows that **invoice processing efficiency has a significant impact on the cash flow** of Uttara Foods and Feeds Pvt. Ltd. With a **declining AR turnover ratio (from 6.2 in 2020 to 4.5 in 2024)** and an **average collection period exceeding 81 days**, the company faces consistent delays in cash recovery. These issues, compounded by over **45% of receivables overdue**, threaten liquidity and financial sustainability. Strengthening invoice workflows, credit policies, and receivables follow-up is crucial for restoring optimal cash flow performance.

5.3 Case Analysis: Cash Flow Challenges at Uttara Foods and Feeds Pvt. Ltd.

I worked as intern in Uttara Foods and Feeds Pvt. Ltd., I found a lot of inefficiencies in the processing of invoices which was immediately impacting the company's cash flow. That inefficiency resulted in continued late payments from clients, late billing, and a failure to pay short term payables. Below are actual instances from my experience depicting the financial impact of such obstacles:

Example 1: Late Invoicing Causes Delayed Client Payments For example: You've executed a project and haven't yet invoiced for the work, and it's already September.

In Februray 2025, BDT 3,00,000 in invoices were sent 10 days late to three major customers in the broiler feed category. Delay in invoicing resulted in a considerably longer collection cycle.

- Late payments: The late bills caused the payments to be 25 days late, causing the company to run a temporary cash shortage of 3,00,000 BDT.
- Impact on Cash Flow: It led to cash crisis, where the factory was unable to pay the purchase price to suppliers in a timely manner; purchase of raw materials such as maize and soya bean meal was delayed by 3 days only, resulting in penalties for the company amounting to BDT 15,000for default in payment to suppliers.
- Production Downtime: The supply chain delay interrupted production, which drove lost sales and missed customer bookings.

Financial Impact:

- as delayed payment has created cash deficit which would amount to BDT 3,00,000.
- BDT 15,000 as fine for delayed payment to suppliers.
- A loss of BDT 2,00,000 was incurred during this period due to delay in production.

Example 2: Late Billing That Undermines the Company's Ability to Pay Short-Term Debts

The fish feed invoices of BDT 2,50,000 in March 2025 were 5 days late because the orders processing department committed an internal error.

- Supplier Past Due: Since the invoicing was late, clients were past due by 10 days, and this in turn forced the company to pay its suppliers of raw material past due as well.
- Production Stop: Production stopped for 48 hours due to supplier payment delay. As a result company lost cash sale / direct sale of BDT 3,00,000.
- Extra Cost: The company also faced extra labor cost of BDT 1,00,000 in recovery for overtime shifts required to cover up the production.

Financial Impact:

- Loss of BDT 3,00,000 in revenue after customer orders were delayed.

- Additional cost of labor of Tk 1,00,000 for overtime.
- PKS charges BDT 10,000 as penalties for late payment to suppliers.

Example 3: Wasteful Invoice Follow-Up for Unpaid Receivables

During April 2025, the accounts receivable missed earning BDT 4,00,000 for the sales of layer feed, which remained unpaid for 60 days, as there was no immediate follow up with the accounts receivable team.

- Delayed Tracking: No follow-up was conducted before 90 days after the deadline. Nonetheless, failure of appropriate action, the remaining idling was prolonged actually growing overdue receivables to Tk 4,50,000.
- Lack of Liquidity :The delay in the collection of receivables led to a time mismatch and a significant lack of liquidity due to necessity for short term borrowing for payments to suppliers.
- Bad Debt Provisioning: With the prolonged overdue the company had to make a provision of BDT 25,000 for bad debt provisioning.

Financial Impact:

- BDT 4,50,000 being A liquidity gap and B reliance on short term loans.
- Bad debt provisioning of BDT 25,000k affecting profitability.
- Annual interest expense of BDT 12,000 for borrowing for 90 days.
- Whereas claim for late payment would be BDT 8000 for making the payment to the supplier.

5.4 Challenges Faced During the Internship Period

While I was in my Internship at Uttara Foods and Feeds Pvt. Ltd., I faced some difficulties which contributed a lot to my personal and professional growth. These fumbles were learning experiences that guided my work in the corporate world.

Integration with Financial Software Suites

The most significant task for me was the handling of Tally and ERP and specially when the internship started off. I had learned about these systems theoretically, but their practice was much different. There were instances where data didn't match and the systems didn't sync the way we thought they would, delaying invoice processing and report generation. Over time, I learned to fix these issues, and also realized the software's limitations – it made me tech savvy, and very detail oriented.

Balancing Manifold Tasks

I had to do a wide range of tasks concurrently- processing invoices, doing data entry, accounts, chasing up overdue accounts. Somehow managing all that was stressful – deadlines were short at times. I had to put in motion a method that taught me to prioritize my to-do list according to what was most urgent to least urgent, most important to least important, and all while still being thorough in what I was doing. Having to deal with schedules and deadlines the way I did in this process was already an experience that I hadn't really embraced and was a challenge to me due to my time management skills and capacity to deal with stress.

Challenges in Collecting Financial Data

The inability to obtain accurate and complete information was one of the most challenging aspects of my internship. Occasionally I would run into issues where the various departments had yet to provide comparable data, particularly in the review of sales orders and payment status. The data errors such as the missing and outdated records frequently caused delays of invoice processing and financial reporting. I wasted time in testing and double-checking the data to be sure it was correct, and it slowed preparation of financial statements, and reports. The challenge emphasized the need for current, synchronized records across the organization to enable the smooth operation of financial services. In clearing this obstacle, I learnt the importance of effective data management and communication in an organisation.

Miscommunication Between Departments

At times, the Sales and Finance and Operations teams were not in sync which caused confusion or delays in the Invoice process. "One reason is incomplete or conflicting information, at times leading to delays in invoicing. This was also a case of miscommunication and we ended up doing more follow-ups than necessary, which delayed the entire process. These were the challenges that displayed the necessity of good communication among departments in order to have smooth process executions.

5.5 Learning from the Challenges

Each of the challenges I faced during my internship provided an opportunity to learn and improve my skills in various areas:

1. Flexibility in the Workplace

I learned to be adaptable when facing unexpected issues, particularly when working with financial software. There were moments when systems were down or data was missing, and I had to find alternative solutions to keep the work going. This flexibility allowed me to stay calm under pressure and find ways to continue with the tasks at hand, ensuring minimal disruption to the workflow.

2. Time Management and Ranking of Importance

The challenge of balancing multiple tasks taught me the importance of prioritizing my responsibilities. I learned to manage my time effectively by creating daily to-do lists and breaking down larger tasks into smaller, manageable steps. By ranking tasks based on their urgency and impact on the company's financial operations, I became more efficient in meeting deadlines and managing my workload.

3. Effective Communication

The communication gaps between departments taught me how crucial it is to maintain clear and timely communication. I learned to ask the right questions and confirm details before proceeding with tasks, which minimized misunderstandings and errors. I also became more proactive in following up with colleagues to ensure that all necessary information was received, which improved the overall efficiency of the invoice processing system.

5.6 Positive Aspects of the Internship

Despite the challenges, my internship experience at Uttara Foods and Feeds Pvt. Ltd. had numerous positive aspects that contributed to my professional development:

1. Hands-on Experience

Hands-on experience working with Tally and ERP system, dealing with live data, and being responsible for financials was very insightful. This practical exposure enabled me to translate the theoretical concepts that I have learnt in the course of my studies into practice, greatly improving my technical know-how and insight into financial transactions.

2. Learning from the Business World

The internship provided a clear understanding of how a business operates, particularly in terms of financial management and cash flow. I learned how important it is to streamline processes, eliminate inefficiencies, and use technology to enhance productivity. It gave me a deeper insight into the real-world challenges companies face, beyond the theoretical aspects covered in academia.

3. Mentoring and Teamwork

I did get a similar exposure to the same while working in Finance and Accounts dept while my internship. They gave me lots of good advice and feedback: They made me feel like I owned what I was working on. I also got a lot of insight in teamwork while working with different departments. From team working I have recognised the importance of team spirt and the joint contribution of employees to business objectives.

4. Professional Development

The internship gave me many opportunities to grow professionally as well, such as improving my communication, problem solving, and organizational abilities. Additionally I have learned professionalism, or how to behave in an office, and the significance of being detail-oriented. I have gained experience that prepares me to take on roles in the corporate world.

5.7 Overall Reflection

Reflecting on my time at **Uttara Foods and Feeds Pvt. Ltd.**, I can confidently say that the internship had a profound impact on both my personal and professional growth.

Skills Development

Throughout my internship, I gained these valuable technical skills, particularly related to financial programs, data manipulation, and financial analysis. I learned to problem-solve and manage my time better, both of which are essential in any career. I developed good capability in juggling multiple tasks, deadlines and using my time wisely.

Work Habits

The internship experience taught me the importance of being proactive, organized, and detail-oriented. I learned to take initiative in identifying issues and resolving them before they escalated. My work habits became more structured, and I developed a stronger sense of accountability for my responsibilities.

Self-awareness

I took the challenges as opportunities for growth and I learned to see more clearly potential aspects that needed strengthening. I felt that I was able to manage the stress and handle multiple tasks but identified where there were needs in terms of communicating and being a team player. This self-awareness has proved to make me more confident of myself and more diligent on self-improving.

This internship was a highly rewarding experience that allowed me to bridge the gap between academic learning and real-world application. It provided me with invaluable skills and insights that will be beneficial as I continue my academic journey and transition into the professional world.

Chapter 6:
Findings,Recommendations, Conclusion

6.1Findings

Delay in Raising and Submission of Invoices:

- Manual processes and a lack of coordination among sales, procurement, and finance also lead to delays in the creation of invoices, which can slow the flow of cash, causing delinquent payments.

Invoice Accuracy Issues:

- Inaccuracies in data entry or incorrect PO numbers or pricing will cause invoice mismatches. These problems lead to customer disputes, payment delays, and re-invoicing.

Lack of Automation:

- Lack of automation introduces human errors and frictions. The fact that the process is slow and error-prone reflects on the lack of proper financial control as a result.

Deficiencies in Cross-Department Cmmmunications:

- Poor communication across departments that include finance and sales cause billing inaccuracies, and slow approval processes that restrict cash to flow.

Not Tracking Outstanding Invoices:

- In the absence of an effective tracking mechanism, the defaults are not immediately chased. The delay or defaults in payments result in crises of liquidity and cash flow.

Delayed Invoicing and Extended Collection Periods:

- A significant finding from the financial data was that delayed invoicing contributed to extended accounts receivable turnover. For example, the average collection period over the study period increased year on year, peaking at 81.1 days for FY 2023–2024, far exceeding the industry benchmark of 45-60 days. This delay in invoicing resulted in a cash flow shortage, where the company was unable to meet its operational expenses without relying on external financing.

High Percentage of Overdue Receivables:

- The aging reports revealed that 43-46% of receivables were overdue, leading to liquidity constraints. The high volume of overdue accounts signaled inadequate follow-up on outstanding invoices, which worsened the company's cash flow position. For instance, in March 2024, BDT

1,05,00,000 was past due for more than 90 days, which caused a severe cash flow gap, affecting the company's ability to meet short-term obligations.

6.2 Recommendations

Use Automation for Processing Invoices:

- Automate invoicing Think of integrating invoicing software with your Tally and ERP for efficient invoicing and to create and verify an invoice and dispatch it auto, cutting down on time lags and errors.

Offer Employee Training on a Regular Basis:

- Continued training for the finance, sales, or operations departments in best practices for entering data into the systems and, when appropriate, for communicating internally across departments.

Some Other Suggestions to Streamline Communication Across the Board:

- Enable real-time collaboration across departments with shared platforms for more responsive approvals and handovers.

Shorten Payment Terms:

- Change payment period to “Net 30” from “Net 60”, and to provide cash discount if customer pay earlier as incentive for faster collection and better liquidity.

Use Invoice Factoring:

- Collaborate with financial service providers to purchase outstanding invoices at a discount for the required liquidity.

No, Strengthen Guideline for Credit Control :

- Establish customer credit limits, publish unambiguous payment terms and use aging reports to minimize overdue receivables and enhance your cash flow control.

6.3 Conclusion

This Report has brought out the importance of smooth processing and timely payment of invoices in the cash flow management of the Uttara Foods and Feeds Pvt. Ltd. Analysis showed inefficiencies in the company's existing system including delayed creation of invoices, billing inaccuracies, lack of automation and poor communication between department. Such matters have caused delays in receiving payments, dependence on short term borrowing, and general disturbance of financial activities.

The report proposes some of the following, automated billing processes, regular training of staff, better communication among departments and efficient credit control procedures to tackle the problem. With these solutions, Uttara Foods is able to automate its invoicing process, optimize cash management, minimize financial risks, while ensuring business continuity. Managing invoices is also very important for businesses and has a direct bearing on the overall bottom line of the company.

Chapter 7: Implications

7.1 Impact on Future Career Choices and Academic Pursuits

Internship at Uttara Foods and Feeds Pvt. Ltd and the experience has influenced my career plans and academic experience. Apart from this, I have also developed a strong comprehension of the financial role and know the practical aspects of financial management, working on invoice processing and cash analysis. This has exposed me to the realities of what my future career in finance or business management will be like.

1. Career Choices:

I was now able to see firsthand, as I worked in the accounts department, how crucial financial management is to the success of any business. This experience has made me interested in getting a job in financial analysis, accounting and business consulting. I am now more confident in the fact that I can look into careers where my financial reporting, cash management and data analytics skills can be used. It has also shown me value of ERP systems and other automation tools and I plan to keep learning to be ahead in this fast changing business world.

2. Academic Pursuits:

On the educational front, my internship has me to decide to concentrate on studies on financial management especially on corporate finance, financial institutions and services, working capital management. These days I am more eager to learn courses and get certificates in financial software and automation systems rather than in generalized ERP's and accounting software like Tally. I would be able to use this knowledge and apply it to research opportunities to refocus on the difficulties businesses have with managing cash flow and utilizing invoicing.

7.2 Impact on Professional Identity and Job Prospects

This internship has had a profound effect on shaping my professional identity and future job prospects. It has provided me with a concrete understanding of the professional world and has helped me develop key skills that are highly valued by employers.

1. Professional Identity:

My internship has contributed to making my personal professional identity in the field of finance through fostering a sense of myself as a competent financial professional. I was responsible for handling the finances, preparing reports, and communicating with various departments and this maintained me a sense of duty of my work and showed that I could contribute in a significant way for the business. Now I can picture myself as a person who is able to use analytical skills to solve business issues and deliver monetary value to a company.

2. Job Prospects:

From this internship, I learned some real world skills that I can potentially use to set myself apart from the other job seekers. I have been working extensively with walkthrough videos and interactive animations and feel like I am best candidate for an employer looking to balance both technical and business management skills. What is more, the time-management, cross-departmental communication, problem solving, etc. are skills transfer across industries, thus will increase the possibility of finding a job.

Internship also got me exposure about how companies struggle in invoice processing and managing their cash flow, now I am interested in consultancy jobs or positions where I can help the company ease their process I feel like this is where I can add value in a company. Utilizing my experience, i know I will be able to add value by making business more efficient and profitable at my next jobs.

7.3 Long-term Impact on Career Growth

More importantly into the future, this internship has provided the baseline for my future career. It has enabled me to apply to more senior positions in areas of finance and management (i.e., financial reporting, corporate finance, business process improvement).

With the background that I have acquired, particularly my ability to use financial software, working with data, and my process improvement skills, I am much more prepared to lead and make strategic decisions within an organization. In addition, my experience has highlighted for me the significance of lifelong learning and growth and has inspired me to pursue additional training and certification in financial management systems, data analytics, and project management.

In short, this intern has been transformative for my career path and studies. Ita has given me invaluable perspectives, lessons, and experiences that will allow me to excel in future professional opportunities and to make more thoughtful decisions about my future in business and finance.

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