

"DANA"- Bangladesh's Sole Retailer Financing Platform Through IPDC Finance Ltd.



Submitted to

Islamic University of Technology

In partial fulfillment of the requirements for the degree of
BBA in Business and Technology Management (BTM)

Submitted by:

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Business and Technology Management

Session 2020-2021

I understand that my final report will become part of the permanent collection of the Islamic University of Technology BBA in Business and Technology Management Program. My signature below authorizes release of my final report to any reader upon request.

Approved by:

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Assistant Professor

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25th April 2022

Letter of Transmittal

25th April 2022

Md. Abdullah Al Mamun

Assistant Professor

Business and Technology Management Department

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Islamic University of Technology

Subject: Internship report submission on IPDC Finance Limited.

Sir,

I am elated to deliver the exposition of my internship at IPDC Finance Limited, which I have completed as a prerequisite of Islamic University of Technology's BTM 4800 program. Along with academic knowledge, this report helped me to gain insight into corporate culture via my work at IPDC Finance Limited. I am confident that the knowledge obtained during this internship will be a valuable advantage in my life and will be incredibly useful in my forthcoming career.

I extend my gratitude for providing me with the supervision and assistance necessary to complete my internship at IPDC Finance Limited. Regardless of certain hurdles, I worked diligently to gather important information from a variety of sources. I hope you are appreciative of my hard work and enjoy the testimony in the format of a report.

Sincerely,

Nafisa Ahmad

ID: 170061042

Acknowledgement

The report would not have been possible if it weren't for the unwavering time, encouragement, and guidance I received from a number of individuals throughout my internship.

I want to convey my appreciation those individuals for their everlasting patience, assistance, and advice throughout this journey, without which it would be impossible to complete the report.

To begin, I would like to convey my appreciativeness to Md. Abdullah Al Mamun, Assistant Professor at the Business and Technology Management Department, Faculty of Science and Technical Education, Islamic University of Technology, for his constant guidance, reassurance, and suggestions during the course of the process of preparing my internship report. Due to my supervisor's consistent support, I was able to experiment with fresh ideas for enhancing my report.

It was an implausible scope for me to conclude my internship at IPDC Finance Limited, and I want to convey my thankfulness to a large number of IPDC coworkers for their ongoing support and administration. I want to show my thanks to M Solaiman Sarwar (Head of Strategic Initiatives) for giving me the opportunity to work with his team. Additionally, I would like to extend my appreciation to Israt Jahan (Strategic Initiative Officer) for her steadfast support and aid in resolving any challenges that arose.

Finally, I want to convey my gratitude to Team DANA's personnel and employees, as well as to my fellow interns, for their help all through my internship and report groundwork.

Declaration of the Student

I Nafisa Ahmad, student of Business and Technology Management, Islamic University of Technology, hereby declare that the Internship Report on **"DANA"- Bangladesh's Sole Retailer Financing Platform by IPDC Finance Ltd.** is an original work done by me under the supervision of Md. Abdullah Al Mamun, Assistant Professor, Department of Business and Technology Management, Islamic University of Technology.

A handwritten signature in black ink, appearing to read 'Nafisa Ahmad', with a stylized flourish at the end.

Sincerely yours,

Nafisa Ahmad

ID: 170061042

Department of Business and Technology Management

Islamic University of Technology

Executive Summary

IPDC Finance Limited is the first private sector financial institution of Bangladesh. Since its establishment, the company has played a crucial part in evolving the country's industrial landscape. The company has made headlines consecutively as the super brand in the financial sector. The mission of IPDC is to be the most treasured and groundbreaking financial institution in the country. IPDC is a rapid growing NBFi which has been serving its customers across the country with loans and deposit options.

I was recruited as an intern for the Corporate Business Department's Dana Project team under Business Finance at IPDC Finance Limited. Dana is a wing of Corporate Business which is the exclusive retailer financing platform in Bangladesh. My core responsibilities were to ensure successful onboarding process. This included checking that the customers fulfilled all the basic onboarding criteria. Further down the road I worked with the project associates as I was becoming an expert in this field.

In this research I have outlined how IPDC's DANA, a sole retailer financing platform in the country provided hope to capital constrained MSME retailers during covid-19 pandemic stricken economy. Many firms have previously tried this approach but couldn't make a sustainable approach to such a project. DANA provides collateral free funding services to MSME retailer by being directly involved in the manufacturer's supply chain. They ensure products to loan applicants against the loan amount demanded by using the distribution system of the manufacturer.

In this research I have put forward an extensive study of the NBFi industry, followed by a thorough company profile which really helped setup the research. I then proceeded on to explain historical existing literature on retailer financing. This would create any previous knowledge required for review of this study. Finally the operational structure of DANA is very well explained with proper research finding and analysis were carried out to support my theory. This research proves that DANA is successful in reaching the most underserved individuals of the nation and is also successful in diversifying IPDC's overall market portfolio.

Keyword: Supply Chain Financing, Fintech, DANA, IPDC Finance Ltd.

Table of Contents

Letter of Transmittal	ii
Acknowledgement	iii
Declaration of the Student	iv
Executive Summary	v
List of Tables	ix
Table of Figures	x
Chapter – 1: Introduction	1
1.1 Origin and Scope of Research.....	2
1.2 Research Objective	2
1.2.1 Broad Objective	2
1.2.2 Specific Objective	2
1.3 Methodology	3
1.3.1 Research design	3
1.3.2 Data collection method	3
1.3.3 Data processing and analysis:	3
1.4 Limitations	4
Chapter – 2: Company Overview	5
2.1 Company Profile	6
2.1.1 Company History	6
2.1.2 Vision.....	6
2.1.3 Mission.....	7
2.1.4 Strategic Objectives	7
2.1.5 Core Strengths.....	7
2.1.6 Core Values.....	8
2.1.7 SWOT Analysis:	9
2.2 Business Overview.....	10
2.2.1 Business Nature	10
2.2.2 Corporate Information	10
2.3 IPDC’s Services & Products	11
2.3.1 Corporate Finance and Advisory Services.....	12
2.3.2 Small and Medium Enterprise	12
2.3.3 Loan Products	12
2.3.4 Deposit Products	13

2.3.5 Deposit Schemes	13
2.3.6 Retail Finance	13
2.3.7 Saving Schemes	13
2.3.8 Club Royal	14
2.4 Corporate Governance of IPDC	14
2.5 Organizational Structure of IPDC	15
2.6 Structure of Shareholding	16
2.6.1 Founding Shareholders	16
2.6.2 Current Shareholders	17
2.7 Milestone Investment	18
Chapter – 3: Industry Analysis of NBFIs	19
3.1 Industry Overview	20
3.1.1 Specification of Industry	20
3.1.2 Industry Size, Trend & Maturity	21
3.1.3 Historic Economic Factor of NBFIs in Bangladesh	23
3.1.4 Regulatory, Political, and Legal Concerns of NBFIs	23
3.1.5 Earnings and Profitability	24
3.2 Strategic Analysis of Industry	25
3.2.1 Rivalry within Existing Firms	25
3.2.2 Threats to New Entries	26
3.2.3 Power of Buyers’ Bargaining	26
3.2.4 Power of Suppliers’ Bargaining	27
3.2.5 Threat from Substitutes	27
3.3 Present Market Scenario	27
3.3.1 Deposits & Advances Review	27
3.4 Summary of Challenges and Opportunities	28
Chapter - 4: Description of Main Duties/Job activities	29
4.1 Strategic Initiatives and “DANA”	30
4.2 Operational Structure of DANA	30
4.2.1 Preliminary Steps	30
4.2.2 Onboarding Process	31
4.2.3 Process Flow – Loan Disbursement and Collections	32
4.3 Benefits of DANA	34
4.3.1 Benefits for Manufacturer	34
4.3.2 Benefits for Distributors/Agencies	34

4.3.3 Benefits for Retailers/Traders	34
4.4 Briefing of Duties	35
4.5 Daily Tasks/Responsibilities.....	35
4.6 Working Conditions.....	37
4.7 Difficulties & Challenges	37
4.8 Work Tools	37
4.9 Workplace Safety Protocols.....	37
Chapter – 5: Findings and Analysis	39
5.1 Internship Outcome.....	40
5.2 Company Level Analysis.....	40
5.2.1 Efficient Findings.....	40
5.2.2 Inefficient Findings	42
5.2 Market Level Analysis	42
5.3 Professional Level Analysis.....	43
Chapter – 6: Conclusion & Recommendations.....	45
6.1 Recommendation	46
6.2 Conclusion	46
References.....	48
Appendix.....	49
Abbreviation	49
Token of Happiness	49
Team Photoshoot	50

List of Tables

Table 1: SWOT Analysis of IPDC.....	9
Table 2: Founding Shareholders of IPDC.....	16
Table 3: Current Shareholding Structure	17
Table 4: IPDC's Milestone Investments.....	18
Table 5: Comparative Financial Position of NBFIs.....	23
Table 6: EPS of NBFIs Adapted from Dhaka Stock Exchange (DSE)	24
Table 7: No. of PDs onboard for Unilever (as of Oct 2021).....	40
Table 8: Total Loan Disbursement amount under Unilever	41

Table of Figures

Fig 1: IPDC's Strategic Objectives	7
Fig 2: IPDC's Core Values	8
Fig 3: Products and Services Range Offered by IPDC	11
Fig 4: Organizational Structure of IPDC	15
Fig 5: Current Shareholder's Percentage.....	17
Fig 6: Trends in Assets, Liabilities & Deposits of NBFIs and their Ratios (as of June 2020) 22	
Fig 7: Investment Pattern of NBFIs (as of June 2020)	22
Fig 8: Porter's 5 Forces	25
Fig 9: Loan Disbursement Process of Unilever	32
Fig 10: Loan Disbursement Process of BATB	33
Fig 11: Percentage of number of onboard PDs under Unilever (as of Oct 2021).....	40
Fig 12: Graphical Representation of the Total Disbursement amount for Unilever PDs	41
Fig 13: Dashboard of Unnoti website (as of 9th February 2022)	41



Chapter – 1: Introduction

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1.1 Origin and Scope of Research

As a mandatory part of my BBA Program, under the Department of Business & Technology Management all students were required to complete a three month internship program with the objective of gaining practical knowledge about current business practices along with technological enhancement. This report was completed as part of my internship at IPDC Finance Limited to meet credit requirements under the direction of Md. Abdullah Al Mamun.

For a student of technology management with a thirst to explore the world of finance, it is essential to apprehend the operational structure of an organization and apprehend the real world insinuations of investment models and learned concepts. I found myself blessed to have completed my internship from Corporate Business department's Strategic Initiatives "Project DANA" at IPDC Finance Limited. This project has brought IPDC Finance Limited the Bangladesh Fintech award 2021. I have prepared this report on the foundation of IPDC's current engrossment on their retailer financing approaches and how they have come to become a super-brand in the non-banking financial industry. The title of the report is **"DANA"- Bangladesh's Sole Retailer Financing Platform by IPDC Finance Ltd.**

1.2 Research Objective

1.2.1 Broad Objective

The broad objective, otherwise known as the purpose, for which the research is being conducted is, to get an inclusive idea about the award winning strategy of this exceptional and only retailer financing platform in the country. This results to form IPDC Finance Limited one of the transformational pioneers of the non-banking financial industry.

1.2.2 Specific Objective

The study is decomposed into a few very specific objectives for creating an appropriate track to the research, and they are-

- To be familiar with retailer financing and its importance
- To identify the causes and overall strategies opted by DANA project.
- To know the impact of the project on the customers and partner company's supply chain process.

- To know the impact of this platform on IPDC and make recommendations for improvement of a more viable model for unswerving retailer onboarding process.

1.3 Methodology

Selecting an operational and competent methodology is a significant part of conducting a successful research. With the intention of conducting a successful research I have gathered various facts and information from a plethora of sources. I have used both primary and secondary data for analyzing and scrutinizing which led me to this research. The research is both exploratory and analytical.

1.3.1 Research design

To conduct this study, which means to analyze retailer financing onboarding and collection process, both exploratory and descriptive types of research have been used.

1.3.2 Data collection method

I have collected information in the following manner:

- **Primary Data:** My primary data collection is from the direct help of the Strategic Initiative Officer who helped me understand the collection process with necessary data. I have also discussed with my supervisor and the Head of Strategic Initiatives and Head of MNC & High Value Relationship. Although I wasn't able to directly communicate with the customers, I was able to conduct a small qualitative analysis based on the data from one of DANA's customer website.
- **Secondary Data:** Data has been collected from numerous sources including:
 1. Annual reports of IPDC Finance Limited (Year 2019-2020),
 2. Quarterly Financial Statements (Q3 2021, Q2 2021, Q1 2021),
 3. Official website of IPDC Finance Limited.
 4. Various books, reports, journals and newspapers.

1.3.3 Data processing and analysis:

The research uses Microsoft Word, Excel & PowerPoint to deliver facts wherever necessary after thorough analysis of primary and secondary data.

1.4 Limitations

The research is subjected to the following limitations:

- Time constraint of three months is not enough to conduct an extensive research.
- Lack of enough documents, data and articles on the recent information.
- For security purposes, the company's policy restricts access of majority of confidential data and information that may be far more valuable.
- The study is limited to the company's head office and doesn't include information from the branch offices.
- Lack of information on managerial level tasks which aren't disclosed to interns.

Regardless of the aforementioned restrictions, I have tried my level best to provide relevant information wherever possible to make this research as much informative and analytical as possible. I am certain of the contents of my research will be of assistance to any supplementary study regarding this topic.

IPDC
FINANCE



Chapter – 2: Company Overview

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2.1 Company Profile

2.1.1 Company History

IPDC Finance Limited, formerly recognized as the Industrial Promotion and Development Organization of Bangladesh Limited (IPDC), was created in 1981 as Bangladesh's first private sector finance company. The founding group of distinguished shareholders comprises of the Commonwealth Development Corporation (CDC) of the United Kingdom, International Finance Corporation (IFC) of the United States of America, the Government of People's Republic of Bangladesh, the Aga Khan Fund for Economic Development (AKFED) of Switzerland, and the German Investment and Development Company (DEG) of Germany. IPDC Finance Limited, henceforth denoted to as "IPDC" or the "Company," was formed in 1981 in Bangladesh as the country's leading private sector long-term loaning institute with the Registrar of Joint Stock Companies and Firms in Dhaka. On 7th February 1995, the firm was legally enumerated as a financial institution under the Financial Institutions Act, 1993, with the goal of promoting economic progress in the country.

IPDC Finance Limited is Bangladesh's first non-banking financial institution (NBFI). It is a public limited company with dual listing on DSE as well as CSE. IPDC concentrates in long and short term funding, project funding, lease bankrolling, equity sponsoring, supply chain funding, syndication sponsoring, work order investment, mortgage loaning, channel loan, SME & MME finance, asset-backed securities are securitized by issuing zero-coupon bonds, and related consulting to both domestic investments and private investments from abroad in Bangladesh.

According to IPDC Finance Limited: *“it is more critical than ever to reaffirm our mission, what we stand for, and what we aim to be in a time of industry transition. Our vision, mission, and values are anticipated to inspire our judgements and accomplishments in order to position the financial institution to thrive in a changing world”*.

2.1.2 Vision

“To become the most passionate financial brand in the country with special focus on youth, women and underserved areas.”

2.1.3 Mission

“To enable our customers and communities to rise unbound, to live up to their fullest potential by extending innovative financial solutions in a friendly, timely, transparent and cost-effective manner.”

2.1.4 Strategic Objectives



Fig 1: IPDC's Strategic Objectives

2.1.5 Core Strengths

- Formidable and Diverse Directors' Committee
- Management with Experience
- Effective governance and compliance with regulatory requirements
- A strong asset base
- A solid financial foundation
- Client service and satisfaction that are out of this world
- Corporate culture that is unique

2.1.6 Core Values

IPDC's core values lie in creating extra ordinary customer experience with a vision to revolutionize the financial sector of the country.

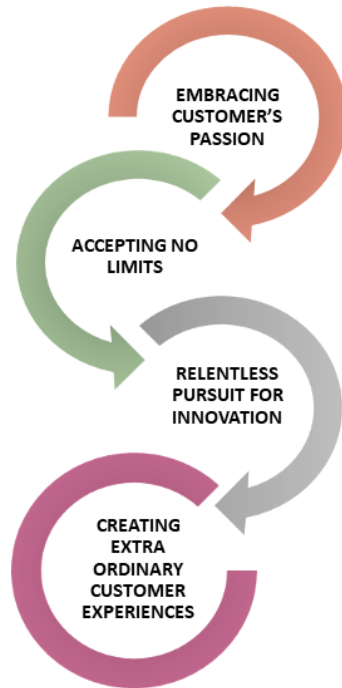


Fig 2: IPDC's Core Values

2.1.7 SWOT Analysis:

Table 1: SWOT Analysis of IPDC

STRENGTH	WEAKNESS	OPPORTUNITIES	THREATS
1. Unique shareholding structure.	1. For retail financing and SME business there is a room for improvement in case of brand recognition and internal capacity.	1. Regulatory advantage in retail lending.	1. Other NBFIs are becoming powerful competitors.
2. Relationship with corporate houses.	2. Distribution network is very narrow.	2. Middle income people is rising.	2. Restrictions on low cost deposit by the regulatory
3. Risk management framework.		3. Women entrepreneurs are increasing day by day.	4. Product limitation
		4. Growing services sector.	
		5. Young people is becoming more active in the workforce.	
		6. Mobile and internet uses are rising.	

2.2 Business Overview

The primary trade of the IPDC lies in financing and finance associated activities. These include deposit mobilization; retail and SMEs factoring finance; advisory services, capital investments, project financing, lease, credit to corporate organizations and hire purchase finance. The company operates from 12 branches together with the Head Office situated in Gulshan. There are three branches in Dhaka including Uttara, Dhanmondi and Motijheel. Apart from this there are eight branches in big cities around the country located in Chattogram, Sylhet, Jashore, Bogura, Gazipur, Mymensingh, Narayanganj, and Cumilla.

2.2.1 Business Nature

IPDC focusses in long- and short-term lending, lease funding, equity sponsoring, syndication sponsoring, work order financing, mortgage loaning, channel financing, small and medium-sized business financing, retail financing, receivables securitization, preference share investments, and venture capital investment to domestic investments as well as foreign private investors in Bangladesh. Additionally, the firm offers a virtually computerized supply chain financing platform called "Project Orjon" and consumer white goods funding called "Project EZ."

2.2.2 Corporate Information

Registered Name

IPDC Finance Limited

Previously enumerated as Industrial Promotion and Development Company of Bangladesh Limited.

Legal Form

IPDC is a public limited company formed in Bangladesh according to the Company Act 1913 (present day Companies Act 1994), and listed on the Dhaka Stock Exchange and Chittagong Stock Exchange Limited on 02 December 2006 with the trade code IPDC. On 07 February 1995, the Financial Institutions Act authorized the license and establishment of a financial institution.

Incorporation Date

28th November 1981

Head Office

Hosna Centre (4th floor)

106 Gulshan Avenue, Dhaka 1212

Fax: + (88-02) 55068930, + (88-02) 55068928

Tel: + (88) 09612885533, + (88-02) 55068931-36, + (88) 09612316519

Email: email@ipdcbd.com

Website: www.ipdcbd.com

2.3 IPDC's Services & Products

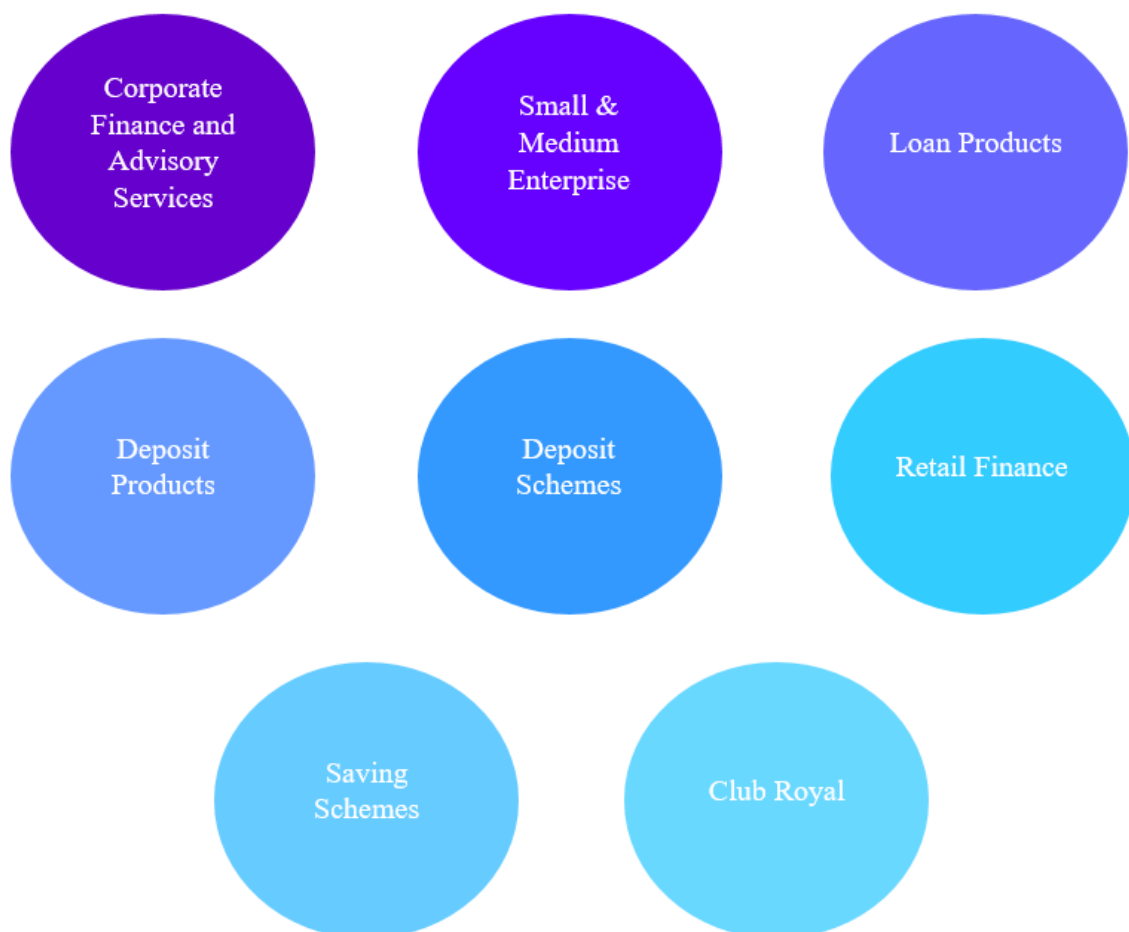


Fig 3: Products and Services Range Offered by IPDC

2.3.1 Corporate Finance and Advisory Services

- **Lease Financing:** IPDC offers financing for industrial and commercial engines, equipment, and other assets.
- **Long term:** Long term loans are provided to meet business purposes such as capital and operating expenditure requirements of the customers, e.g. matching the production line, modernizing manufacturing processes, expanding production capability or space etc.
- **Syndication & Project Financing:** Financing large-scale investments via the formation of consortiums involving banks and financial organizations. IPDC serves as the main finance arranger in this instance. This is true for both Greenfield and brownfield expansion projects.
- **Short-term:** Short-term financing assists businesses to fulfill their day-to-day operating expenses by assisting them in meeting their short-term liquidity needs.

2.3.2 Small and Medium Enterprise

- **Term Loans:** Long- and short-term loans are required for capital and operating expenditures, such as production balancing.
- **Factoring:** IPDC provides factoring loans to companies in order to enable them to obtain cash rapidly on their receivables in exchange for alleviating the first party of a due for less than the entire sum owed, therefore giving them working capital to remain operating.
- **Women Entrepreneur Loan:** Joyee loan is for women entrepreneurs with an all year long 8% interest rate. This includes both long-term and short-term loans.
- **Supply Chain Finance:** Financing the supply chain process of cottage, small and medium size business industries.
- **Lease Financing:** IPDC offers lease financing for industrial and commercial engines, equipment, and other items to small and medium-sized businesses.

2.3.3 Loan Products

- IPDC provides loan products with the intention to fulfill customer's long-prized dreams to meet the essential of life.

2.3.4 Deposit Products

- Depositors are at ease to either invest in IPDC's deposit or saving arrangements.

2.3.5 Deposit Schemes

- This type of strategy offers a diverse selection of items. Annual profit, quarterly profit schemes, cumulative profit, general monthly profit, double money deposit, and fixed deposit are some examples.

2.3.6 Retail Finance

- **Home Loan:** IPDC offers home loans options, the home and mortgage sectors in the company targets to meet the requirement of creating one's own house that is at the top of everyone's wish list.
- **Auto Loan:** This sector concentrates in catering car funding products and solutions or both people and organizations.
- **Personal Loan:** This unit caters loans to fulfill an extensive range of individual necessities and requests.
- **Bhalo Basha Home Loan:** This provides house financing to the growing middle-income base outside metropolitan areas.

2.3.7 Saving Schemes

- **Annual Profit Schemes:** Interest is paid annually on a fixed amount of no less than BDT 10,000.
- **Cumulative Profit Schemes:** This scheme provides interest at maturity on a fixed amount of no less than BDT 10,000.
- **Fixed Deposit General:** Interest is paid at maturity with a minimum tenure of three months on a fixed amount of no less than BDT 10,000.
- **Monthly Profit Scheme:** Interest is paid on a monthly basis with a minimum tenure of three months on a fixed amount of no less than BDT 50,000.
- **Double Monetary Deposit Scheme:** Deposited sum is doubled after a certain period on a fixed sum of no less than BDT 50,000.
- **Quarterly Profit Schemes:** Interest is paid on a quarterly base with a minimum tenure one year on a fixed amount of no less than BDT 50,000.

2.3.8 Club Royal

- This delivers exclusive and priority services to its high-value clients, comprising personal financial advising. IPDC is one of the only companies in Bangladesh's non-bank financial services business to provide its top clients this special ease and meeting platform.

2.4 Corporate Governance of IPDC

Just like the human body is useless without its central nervous system, similarly a corporation without a proper governing system is useless. IPDC Finance Limited presents forefront leaders, who occupy a vital position in the company's success.

The Board of Directors at IPDC Finance comprises of the Chairman, Independent Director, BRAC Nominated Director, Ayesha Abed Foundation Nominated Director, GOB Nominated Director, Bluechip Securities Limited Nominated Director, RSA Capital Limited Nominated Director, and Managing Director and CEO.

The Managing Director & CEO leads the Management Team, which also includes the DMD & Head of Business Finance, the Head of Retail Business, the Chief Financial Officer, the Company Secretary & Head of Legal Affairs, the Head of Internal Audit & Compliance, the Chief Human Resource Officer, the Head of Operations, the Head of Credit Risk Management, the Head of IT & Business Transformation, and the Head of Strategy, Brand, and Corporate Communication (Limited, 2020).

2.5 Organizational Structure of IPDC

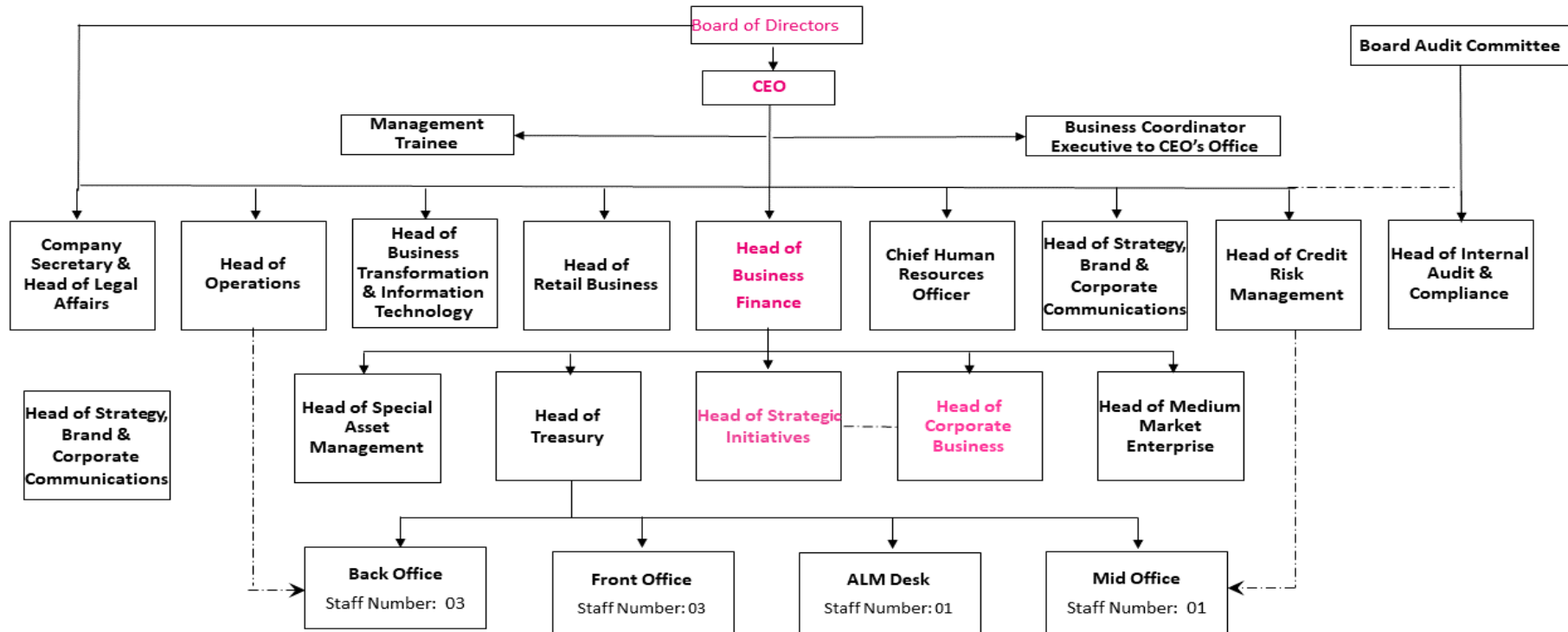


Fig 4: Organizational Structure of IPDC

2.6 Structure of Shareholding

2.6.1 Founding Shareholders

Table 2: Founding Shareholders of IPDC

The Government of the Peoples Republic of Bangladesh (GOB)	
The Aga Khan Fund for Economic Development (AKFED), Switzerland	 Aga Khan Fund for Economic Development
International Finance Corporation (IFC) an affiliate of the World Bank	
German Investment and Development Company (DEG), Germany	
Commonwealth Development Corporation (CDC), United Kingdom	

2.6.2 Current Shareholders

IPDC's Board of Directors now consists of ten members: two from the GOB, three from BRAC, one from Ayesha Abed Foundation, one from Bluechip Securities Limited, and one from RSA Capital Limited, including two sovereign and Managing Directors (Ex-Officio).



Fig 5: Current Shareholder's Percentage

As of 31st December 2021 the shareholding structure is shown below:

Table 3: Current Shareholding Structure

Authorized Capital (Tk.)	8,000,000,000
Total Paid-up Capital (Tk.)	3,710,915,470
Total Number of Shares	371,091,547

Sponsors	No. of Shares	% of paid-up capital
The Government of the Peoples' Republic of Bangladesh (GOB)	81,193,210	21.8796%
BRAC	92,772,883	25.0000%
Ayesha Abed Foundation	37,109,152	10.0000%
RSA Capital Limited	18,554,574	5.0000%
Bluechip Securities Limited	29,831,193	8.0388%
Institutions	55,141,715	14.8593%
Foreign	318,093	0.0857%
General Public	56,170,727	15.1366%
Total Shares	371,091,547	100.000%

2.7 Milestone Investment

IPDC has collaborated on a number of significant projects around Bangladesh. The organization has one of the most robust and varied corporate client bases of any other NBFIs currently in operation. Among many others, long-standing clients include IDLC Finance Limited, DBH, Apollo Hospitals Dhaka, Westin, National Housing, Fantasy Kingdom Theme Park, Holcim, Scholastica, and Summit.

Unlike any other financial institution in the nation, IPDC was instrumental in transforming Bangladesh's industrial environment. The firm has partnered with several well-known commercial companies in Bangladesh throughout their growth stages and has donated significantly to the advancement of the country's private sector. The list of IPDC-partnered landmark projects that were firsts of their type in the nation is lengthy, but the most notable from each area are highlighted here (Limited, 2021).

Table 4: IPDC's Milestone Investments

Company Chronicle	
IDLC Finance Limited	First Leasing Company
Fantasy Kingdom	First Theme Park
LafargeHolcim Bangladesh Limited	First Preference Share Investment
Summit	First Independent Power Producer
DBH Finance Corporation Ltd.	First Housing Finance Company
Apollo Hospitals Dhaka	First International Standard Private Hospital
Westin Hotels & Resorts	First Private Sector 5 Star Hotel
National Housing	Second Finance Company
Ekushey Television Limited	First Private Sector TV Channel
Scholastica	First Institutional Investment in Private Sector Education



Chapter – 3: Industry Analysis of NBFI

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3.1 Industry Overview

3.1.1 Specification of Industry

The Financial Institutions Act of 1993 regulates and licenses non-banking financial institutions. NBFIs make loans and advances for industry, agriculture, commerce, and housing, and invest or reinvest in debentures, shares, bonds, stocks, or government/local authority issued debentures. NBFIs also participate in hire-purchase transactions, such as leasing machines or equipment, and invest in fund venture capital, businesses, and provide loans for house construction and property acquisitions. The main distinction among NBFIs and commercial banks is that commercial banks may take any deposit that is receivable on demand by the depositor's cheques, drafts, or orders, but NBFIs cannot. Bangladesh currently has 35 NBFIs (including People's Leasing & Financial Services Limited, that is under liquidation). Three NBFIs are government-run, 13 are joint ventures with international partners, along with 19 privately held (Bank, 2019-2020). Bangladesh Bank has two core departments that regulate and supervise NBFIs: (a) Department of Financial Institutions and Markets (DFIM) and (b) Financial Institutions Inspection Department (FIID).

Financial system of Bangladesh is separated into three categories based on their regulation.

- 1. Formal:** All regulated institutions, such as commercial banks, non-banking financial institutions (NBFIs), insurance firms and capital market intermediaries such as brokerage houses and merchant banks are included in this category.
- 2. Semi-formal:** Institutions that are controlled in some form but does not come under the authority of the Central Bank, Securities and Exchange Commission, Insurance Authority, or any other financial regulator fall under this category. Specialized Financial Institutions (SFIs) like as Grameen Bank, Samabay Bank, House Building Finance Corporation (HBFC), Palli Karma Sahayak Foundation (PKSF), and other government and non-governmental organizations (NGOs) dominate this sector.
- 3. Informal:** Private intermediates, which are completely loose, are encompassed in this industry.

The key sources of funds for NBFIs includes term deposits (minimum of 6 months term), call money, credit from banks and other NBFIs and bond and securitization. However, there are certain limitations when it comes to distinguishing between banks and NBFIs.

- NBFIs are not allowed to pay orders, issue checks or demand drafts.
- NBFIs do not accept demand deposits.
- NBFIs are not permitted to engage in foreign exchange financing.
- NBFIs may employ a range of funding methods, including bridge financing, syndicated finance, securitization instruments, lease financing, and private equity placement, among others.

Assisting in resource rotation, income management, and asset distribution. NBFIs have a significant influence on economic development. Although NBFIs are unable to accept deposits from the general public, they may convert savings into investments, which helps the economy mobilize funds and resources. Alternate financial services such as group and individual investment, risk sharing, financial counselling, money transportation, brokering, and check cashing may all be enabled by them. NBFIs are a source of consumer financing in addition to banks, and they contest with banks to provide services that aren't always satisfactory to banks. Insurance companies, venture capital firms, currency exchanges, pawn shops, and some microloan organizations are examples of NBFIs.

3.1.2 Industry Size, Trend & Maturity

NBFIs are fairly new in Bangladeshi Financial Sector (BFIs) in comparison to banking financial institutions. Bangladesh today structures a total of 25 NBFIs. On June 30, 2001, 24 NBFIs had an overall paid-up capital reserve of Taka 6901.8 million (Bank, 2002).

Long-term financing modalities utilized by NBFIs are crucial to the economy since they ensure the flow of term loans while also filling the credit deficit. The country's financial institutions have long been engaged in term loan operations, which are relatively new to them. The inadequacies of BFIs in managing long-term loans have already resulted in a large number of overdue loans in our nation. NBFIs have always been vital in developing the financial infrastructure necessary for the country's fast economic growth, since they improve long-term savings mobilization and offer capital market support services.

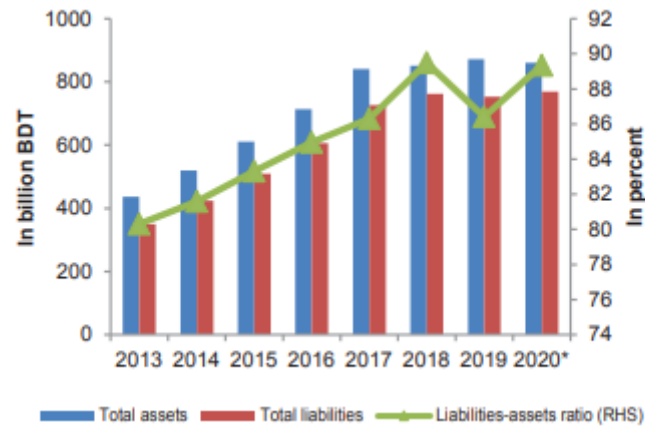


Fig 6: Trends in Assets, Liabilities & Deposits of NBFIs and their Ratios (as of June 2020)

As of June 2020, the following graph depicts the current trajectory of NBFIs assets, liabilities, and deposits. NBFIs' total asset decreased from \$871.50 billion at the end of 2019 to \$860.33 billion by the end of June 2020. The industry's overall liability seems to have climbed as well, from \$739.69 billion in December 2018 to \$753.12 billion in December 2019. (Bank, 2019-2020).

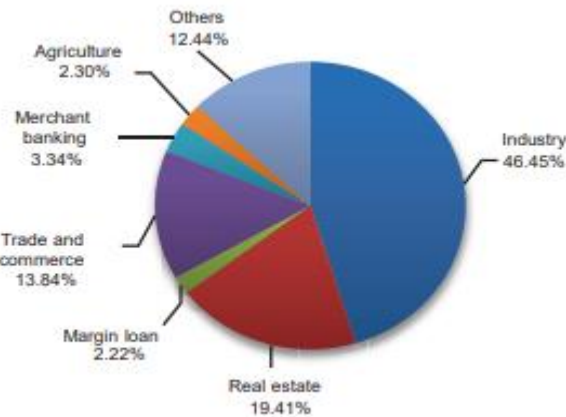


Fig 7: Investment Pattern of NBFIs (as of June 2020)

NBFI investments are typically focused in the industrial sector, as seen in the graph above. Section 16 of the Financial Institutions Act of 1993 allows NBFIs to invest up to 25% of their paid-up capital and reserve in the capital market. As of 30 June 2020, NBFIs have invested BDT 17.98 billion in the capital market, accounting for 2.09% of the total assets of all NBFIs.

3.1.3 Historic Economic Factor of NBFIs in Bangladesh

Table 5: Comparative Financial Position of NBFIs

	2014	2015	2016	2017	2018	2019	2020(till June)
Deposit (% of Total Liabilities)	56.2	62.5	63.1	64.4	63.0	60.0	57.4
Loan/Lease (billion BDT)	372.8	448.5	530.7	580.4	641.9	678.1	669.5
Total Asset (billion BDT)	520.1	611.0	713.9	839.9	851.6	871.5	860.3
Total Liabilities (billion BDT)	424.2	509.0	606.5	726.0	739.6	753.1	768.7
ROE (%)	9.9	9.9	6.9	8.3	7.5	7.6	2.2
ROA (%)	1.8	1.8	1.0	1.1	1.0	1.0	0.2

Without a banking license, non-banking financial institutions (NBFIs) offer financial services such as banking. Certain institutions, however, do not take deposits from the general public. In Bangladesh, NBFIs have gained popularity as financial intermediaries to support commercial banks.

Since 1981, IPDC Finance Limited has been the first non-banking financial institution. In both absolute and relative dimensions, the industry has expanded. However, research in the sector is mostly negligible, with a notable lack in the literature on non-banking company growth and contribution to economic development. The goal of this study is to look at how the industry has grown and changed over time utilizing growth metrics like as assets, loans, liabilities, ROE, and ROA. This research demonstrates how NBFIs have developed in a beneficial way throughout time, contributing significantly to Bangladesh's GDP development.

3.1.4 Regulatory, Political, and Legal Concerns of NBFIs

The business, which plays an essential role in Bangladesh's financial system, has risen in importance as the requirement for long-term financing and equity-type facilities has increased dramatically. In an oversaturated banking sector, NBFIs provided diversity to the country's financial market, ushering in a new age of economic system strengthening. By offering a diverse variation of risk pooling services and investment products, the sector contributes considerably to closing the gap in financial intermediation.

NBFIs were created under the Companies Act of 1913 and were controlled by the Bangladesh Bank Order of 1972's Chapter 5 guidelines (Ministry of Law, 1972). Later, in 1993, the

"Financial Institution Act, 1993" was passed, tailed by the "Financial Institution Regulation, 1994," to solve the governing gap and outline a comprehensive range of functions that NBFIs must cover (Ministry of Law, 1993). NBFIs are licensed and regulated under the Financial Organization Act of 1993. This law authorizes 31 nonbank financial institutions to operate. According to the Financial Organization Regulation, 1994, the minimum paid-up capital for NBFIs is currently Taka 1.0 billion.

3.1.5 Earnings and Profitability

Data was gathered from 12 distinct NBFIs over a nine-year period to identify and examine the important financial elements that determine the profitability of Bangladesh's NBFIs industry (2012-2020).

Table 6: EPS of NBFIs Adapted from Dhaka Stock Exchange (DSE)

EPS of NBFIs (Jan-Sep, 2019)					
Company	Jan-Sept, 2019	Jan-Sept, 2018	Company	Jan-Sept, 2019	Jan-Sept, 2018
Bay Leasing	0.26	(0.21)	IPDC	1.52	1.01
BD Finance	0.14	0.17	Islamic Finance	0.94	0.75
BIFC	(4.79)	(5.53)	LankaBangla	0.52	0.26
DBH	6.12	6.05	Midas Financing	(1.14)	0.24
Fareast Finance	(6.08)	(1.30)	NHFL	1.45	1.42
FAS Finance	0.15	0.35	Phoenix Finance	0.89	1.25
First Finance	(3.29)	(3.16)	Premier Leasing	0.09	0.04
GSP Finance	1.27	1.40	Prime Finance	0.07	(1.70)
ICB	0.86	5.97	Union Capital	(1.31)	0.10
IDLC	3.47	4.83	United Finance	0.95	1.12
ILFSL	0.11	0.57	Uttara Finance	8.33	8.04

Source: DSE (EPS in Tk)

Among the numerous methods of earnings and profitability, the paramount and extensively used indicator is the return on assets (ROA) which is complemented by return on equity (ROE). ROA and ROE of all NBFIs in June 2020 were 0.24 and 2.21 correspondingly (Table 4).

To help businesses remain buoyant during the pandemic, the Bangladesh Bank in recent times allowed banks and non-bank financial institutions to reform loans and keep classification unharmed until December 2021, which helped NBFIs increase their revenues. The Table 6 depicts the Earnings per Share (EPS) of a few of the biggest nonbank financial institutions from January to September of 2019.

3.2 Strategic Analysis of Industry

IPDC functions in a high comparative setting in the economic area. According to Porter's Five Forces Model, the five forces define a company's average profitability in a business setting (Dobbs, 2014).



Fig 8: Porter's 5 Forces

The main competitors of IPDC Finance:

1. UTTARA FINANCE & Investments Limited
2. IDLC Finance Ltd
3. LANKABANGLA Finance
4. UNITED Finance
5. PHOENIX Finance
6. RELIANCE Finance Limited
7. PRIME Finance & Investment Limited

3.2.1 Rivalry within Existing Firms

The financial services of Bangladesh is subjected to characterization of high level of competition with more than 50 banks and 35 NBFIs.

- **Switching costs:** These are nominal due to high level of service suppliers.
- **Service quality discrepancy:** When it comes to service quality, IPDC is a high-grade supplier but there are very small number of similar banks.
- **Customer loyalty:** With IPDC's re-branding strategies, customer loyalty has increased and with its recent programs people from all walks of life responded very positively (G. M. T. Islam, 2019).

Taking these into account, it is successfully established that although IPDC has an upper hand, there still exists significant intra-industry rivalry. There are 34 direct rivals and 50+ indirect rivals. Among these, there are some dominant competitors with strong customer base and product range (Limited, 2018).

3.2.2 Threats to New Entries

- **First mover advantage:** It is safe to say that new entrants pose little risk as the banking industry advantages from being the first in market. Therefore, IPDC being the first NBFIs have an unequalled competitive advantage to the new ones.
- **Legal Impediments:** The threat of new entrants is restricted thanks to legislative restrictions.
- **Large economic scale:** The threat of any new competitors is low, the scale-economic sector is very efficient at a larger scale.

Due to strict control and rigidity by the regulatory bodies on approving and operating these kind of organizations, the threat to new entrants for NBFIs in Bangladesh is very low.

3.2.3 Power of Buyers' Bargaining

- **Production cost:** There is a negotiating leverage of customers.
- **Product differentiation:** The competitors have a majority of identical products which gives buyers a negotiating leverage.

With more than 30 NBFIs and 50+ banks, potential buyers have too many choices. However, with interest rates falling in a narrow range the power of buyers' bargaining is medium.

3.2.4 Power of Suppliers' Bargaining

- **Provider enterprise percentage:** Suppliers have a lot negotiation power as the substantial depositors are few in number.
- **Concentration level:** Businesses have a lot of intervention leverage as the suppliers are specialized.
- **Cost of switching suppliers:** Switching between suppliers in the market is tough and costly which gives them a lot of bargaining leverage.

Due to the reliance on financial institutions who may also be opponents as well as the high number of choices amongst institutional investors, makes the bargaining power of suppliers very high.

3.2.5 Threat from Substitutes

- Additional goods can be profitable in both NBFIs as well as commercial banking industry.
- In both the service sectors, alternative products and economic institutions, as well as price performance connection of substitutes seems to improve.

The new low cost sources of funds (MFS) emerging as well as new small scale loan options (P2P) emerging provides threats from substitutes as a very low scale (Kabir, 2018-2019).

3.3 Present Market Scenario

Currently the total number of branches of NBFIs stand at 276 as of 30 June 2020. Out of these, 94 are set inside Dhaka district, the rest 182 are scattered around 36 districts nationwide (Bank, 2019-2020).

3.3.1 Deposits & Advances Review

Deposits:

Total deposits liabilities of the NBFIs (except for inter NBFIs) deteriorated by Tk. 29840 lac (0.67 percent) to Tk. 4393451 lac in the April-June 2021 quarter, paralleled to the preceding

quarter Jan-Mar 2021. Total deposits fell by Tk. 28245 lac (0.66 percent) and Tk. 2122 lac (1.81 percent) in the April-June 2021 quarter, owing to declines of Tk. 4275339 lac and Tk. 114964 lac in private NBFIs and Non-scheduled Banks, respectively. At the conclusion of the April-June 2021 quarter, private NBFIs investigated for 97.3 percent of total deposits, matched to 97.29 percent at the end of the January-March 2021 quarter (M. H. R. M. E. Islam, 2021).

Advances:

NBFI advances grew by Tk. 25449 lac (0.36 %) to Tk. 7116870 lac in the April-June 2021 quarter, compared to the former quarter of Jan.-Mar. 2021. Advances in public NBFIs grew by Tk. 3745 lac (0.37 %) to Tk. 1007432 lac in the first quarter of 2021, while developments in private NBFIs rose up from Tk. 195 lac to Tk. 5695313 crores (M. H. R. M. E. Islam, 2021).

3.4 Summary of Challenges and Opportunities

For a developing country like Bangladesh, catering financial services to all levels of entrepreneurialism, individuals and industries should be the top priority. NBFIs were established with the aim of developing a reliable financial system to satisfy the nation's unique and expanding financial necessities. Many NBFIs are already at a risk of liquidation such as People's Leasing due to downfall of financial status throughout the last several years. In addition to that, some NBFIs also have a negative interest rate spreads (IRS). Since the banks have entered leasing business, they pose a direct competition to NBFIs. Although the total asset as compared to GDP was also diminished from 3% to 2.75% in the period of 2017 to 2018, the sector has shown significant improvement in EPS due to government support.



Chapter - 4: Description of Main Duties/Job activities

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4.1 Strategic Initiatives and “DANA”

IPDC Finance Limited's Strategic Initiatives division is part of the Department of Corporate Business. As part of my internship, I am fortunate to work with this excellent team, which is responsible for the company's groundbreaking Fintech initiatives. "Orjon" is one of its successful initiatives. Orjon is a virtual supply chain financing podium created by IPDC in collaboration with IBM and based on block chain technology. Every other player, including a supplier (MSME) and buyer (anchor), will only update their portions of the transaction, allowing efficiency and an unparalleled degree of trust and transparency on an immutable ledger record. The team is now working on project "DANA," which offers shops with transaction-based working capital. As a result, I was able to contribute to this award-winning effort.

“DANA” otherwise known as “Project DANA” is a strategic initiative project by IPDC Finance Ltd. It is the country's first retailer financing platform, with the goal of reaching underserved client demographics. DANA offers no-collateral short-term loans tailored specifically for merchants. Retailers in rural regions that are not financially included are provided access to funding via the DANA platform, allowing them to expand their company.

Dana is a structured retailer financing solution for small retailers and micro merchants which allows them to access collateral free, fast and easy financing regardless of their size. With a vision to reach every business with potential in all regions within the nation irrespective of transaction volume, DANA was launched. This project allows IPDC to achieve a sustainable and well diversified portfolio.

4.2 Operational Structure of DANA

DANA initially enters in a contract with the manufacturer and then the onboarding process of the retailers registered under the manufacturer starts. The two largest manufacturing firm clients of DANA are Unilever and British American Tobacco Bangladesh (BATB).

4.2.1 Preliminary Steps

The manufacturer, its distributors (for Unilever, the supply chain is outsourced to two agencies, Pixel Search and IMS) and IPDC enters into a tripartite agreement to provide financing facility to the retailers/traders of the manufacturer.

IPDC in conjunction with BATB has developed an online system to support the overall credit process integration with a system called Unnoti. This system has a separate interface for IPDC, BATB, distributors and its representatives. IPDC receives the transaction history of retailers/traders through Unnoti. This allows IPDC to filter eligible retailers based on the transaction history and communicate the list of eligible retailers to BATB and/or distributors.

4.2.2 Onboarding Process

Unilever

In case of Unilever the whole supply chain process is outsourced to two agencies namely Pixel Search and IMS. Instead of distributors the agencies enter into the agreement to provide financing facility to the retailers also known as Polli Dut (PD) of Unilever. Since the agreement of Unilever doesn't cover creating an online interface, therefore information is provided directly from the company. The criteria for each PD to be successfully selected for onboarding process are:

- PDs must have an uninterrupted transaction record of the last 12 months with Unilever.
- PDs must have a minimum average transaction rate of Tk. 50,000 each month.
- PDs must provide a copy of valid NID.
- PDs must be eligible to open a bank account.
- PDs must be at least legal age of 18.
- Each PD will get a maximum funding of double the amount of their sales record.

After fulfilling these criteria each PD are required to fill-up the loan application form, provide an offer letter for the loan and a consent letter verifying that agents from Pixel Search and IMS can make transactions on behalf of the PDs. The consent letter is specially designed for PDs in remote areas who have little to no access of bank and mobile banking transactions. After completion of all these process, the next stage is the disbursement process.

BATB

IPDC and BATB trains the representatives of the distributor on retailer onboarding, loan disbursement and collection process. IPDC provides DANA application forms and bank account opening forms to the distributors. With the help of BATB, IPDC opens bank accounts

of distributors under NRBC Bank so that disbursement is hassle free. Representatives of the distributors then collect the following documents with signatures of the retailers (as per NID) and send it to IPDC:

- Signed DANA application form.
- Signed bank account opening form (for applicants without a bank account).
- Two copies of NID (each for DANA application and bank account).
- Three copies of recent passport size photo of applicant, 1 for DANA and 2 for bank account opening.
- A copy of nominee's NID for bank account opening along with a recent passport size photo attested by the applicant.

Apart from this distributor uploads and sends the digital copies of NID cards of retailers to IPDC through Unnoti which in turn speeds up the onboarding and credit processing. IPDC facilitates bank account opening for those retailers that don't have any existing bank account. IPDC carries out the assessment of the retailers and sets a credit limit via system and notifies the approved retailers through SMS.

4.2.3 Process Flow – Loan Disbursement and Collections

Unilever

The Unilever disbursement process is illustrated below:

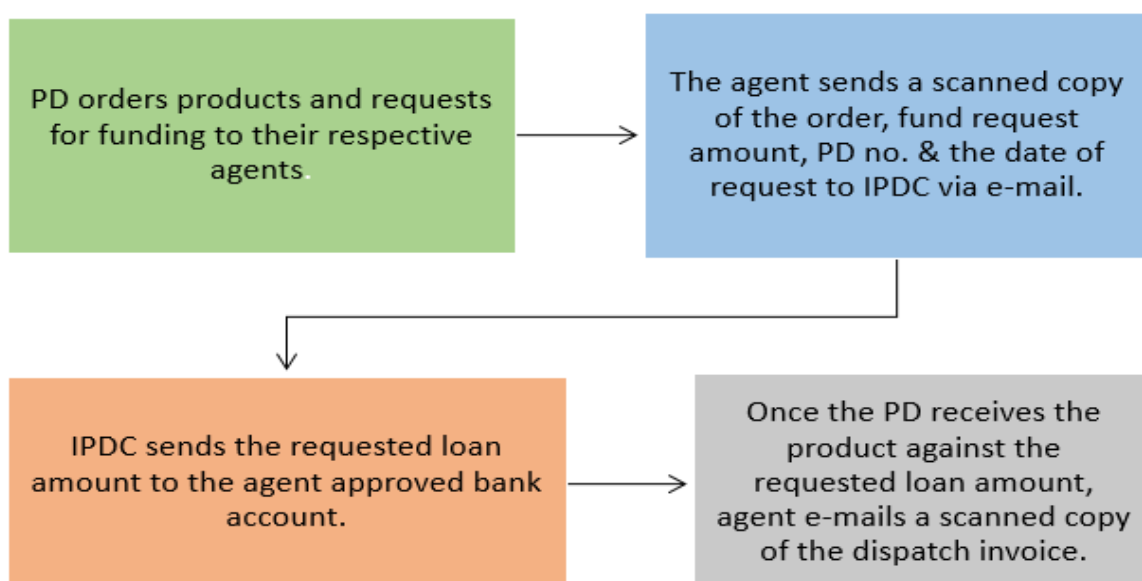


Fig 9: Loan Disbursement Process of Unilever

There are two options for the collection of loan once the PD is able to successfully sell of the products. The PD can repay the loan by directly sending the money to IPDC's bank account or the PD can repay the loan through their respective agent.

BATB

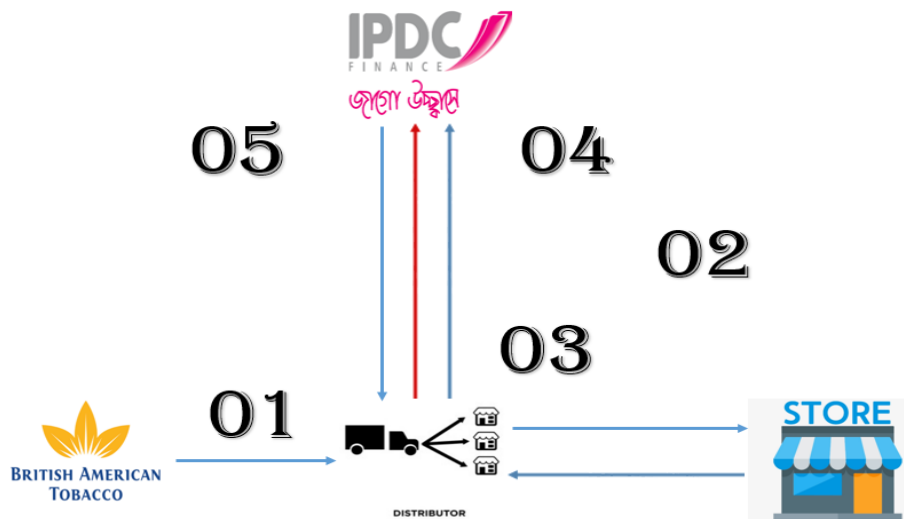


Fig 10: Loan Disbursement Process of BATB

The disbursement and collection process of BATB occurs in five steps:

- 1) BATB delivers goods to distributors.
- 2) At the distribution house three processes takes place.
 - a) Distributor sales representative visits retail stores, takes orders, and collects previous due amounts (if any) from the retailers.
 - b) Retailers specify the amount of goods to be purchased on credit and the repayment amount.
 - c) Sales representatives confirm the order, deliver the goods on credit, and collect the repayment amount upon successful OTP verification.
- 3) Distributor reconciles the total collection amount and transfers/deposits the same to IPDC's bank account on behalf of the retailers.
- 4) Distributor sends IPDC a consolidated credit request and collection report with breakdown against each retailer.
- 5) IPDC transfers the requested credit amount to distributor's bank account on behalf of retailer and makes necessary reconciliation of collection amount.

4.3 Benefits of DANA

4.3.1 Benefits for Manufacturer

- **Distribution transaction through formal banking channel** - All transactions under the distribution channel is conducted through formal banking channel thus enabling better visibility and business insights and digitization of the process.
- **Financial inclusion of retailers** – By bringing the retailers under formal banking channel, manufacturer can contribute to the Sustainable Development Goal (SDG) 1, 2, 3, 4, 8 and 10 as well as promote financial inclusion.
- **No credit risk** – Manufacturer and their distributor/agencies does not have to bear financial liability of the credit disbursed to the retailers.
- **High revenue and increased market share** – Retailers are be able to lift more of the manufacturer’s products from the distributors which results in higher sales and increased market share.
- **Increased transparency and visibility** – All the stakeholders are on one single ecosystem thus ensuring better visibility of the business for all stakeholders.
- **Credit process integrated with the existing distribution modality** – Opportunity to increase revenue by utilizing existing distribution modality and automate business process.

4.3.2 Benefits for Distributors/Agencies

- **High sales and commission** – Retailers are able to lift more of the manufacturer’s products from distributors/agencies which means higher sales and commission for them.
- **Credit process integrated with the existing distribution modality** - Opportunity to increase revenue by utilizing existing distribution modality and automate business process.
- **No credit risk** –Distributors/agencies does not have to bear financial liability of the credit disbursed to the retailers.

4.3.3 Benefits for Retailers/Traders

- **High sales and business growth** – Retailers are able to lift more of the manufacturer’s products from distributors/agencies which means higher sales and business growth.

- **Affordable financing without collateral** – DANA offers low-cost credit without the need of any collateral. Therefore, retailers/traders doesn't have to avail loans from loan sharks with high interest.
- **Simple and hassle free registration process** – Onboarding requires minimal documents and signing, and the entire process will be facilitated by the distributor representatives while visiting the retail outlets.
- **Credit facility delivered to retail outlets** – Retailers/Traders are able to avail the credit facility in their respective outlets through the distributor representatives.
- **Financial inclusion and financial literacy** - Retailers/Traders are introduced to formal banking products which eventually increases the financial literacy and builds their credit history.
- **High standard of living** – Increased income as a result of DANA credit facility will improve retailer/trader's quality of life and standard of living.

4.4 Briefing of Duties

During my three months internship time period, I was assigned to assist with managing the loan application documents in the department's DANA Project. My main task was to determine retailers of BATB who were eligible for onboarding. I closely worked with applications from six registered distributors of BATB namely:

- Azahar Trading Limited in Tongi
- Agrani Traders Limited in Tangail
- M/S Moulavi Brothers in Dinajpur
- Daffodils in Ishwardi
- M/S Arafa Store in Sitakunda
- M/S Rupali Traders in Cumilla

4.5 Daily Tasks/Responsibilities

Since my main task involved determining the eligibility of retailers for loan onboarding process, therefore, I had to maintain and lookout for the tiniest details that may be the reason for MCC (Mortgage Credit Certificate) approval rejection. My daily works included:

- Receiving loan application forms from distribution houses.
- Tracking the total application count for the number of applications from each

distribution house.

- Cross-checking retailer outlet code with “Unnoti” to ensure applicant is a listed retailer of BATB.
- Cross-checking the trade license and chemical trade license of traders listed under Syngenta Bangladesh.
- Creating excel workbook for eligible candidates for MCC approval.
- Creating excel worksheet for the rejected candidates with proper reasoning and sending it to supervisor for notifying the manufacturer.
- Checking for any classified credit history of eligible candidates from Bangladesh Bank’s Credit Information Bureau (CIB) report.
- Printing the CIB report of eligible candidates from Bangladesh Bank website and attaching it to the loan application file for auditors.
- Opening customer accounts (CIF ID) in the companies cloud based server T24 after successful MCC approval.
- Checking previous credit history with IPDC for existing customers with CIF ID to decide whether loan sanction is permissible for the applicant.
- Fill-up the application forms on behalf of the retailers who are in the remote areas and can somewhat write their name. In this case all the information are filled up according to the documents provided by the applicants.
- Scanning the application documents of the approved candidates after successful customer account creation for virtual documentation.
- Dispatching empty DANA application forms, NRBC bank forms and IPDC pocket file folders to distribution houses of different regions.
- **Special task** – During the end of my internship I was assigned to train the representatives from Syngenta’s stockiest M/S Mokhlesur Rahman in Jhenaidah. Things emphasized on were:
 - Ensuring proper signature of applicants.
 - Fingerprints were unaccepted for either NID or application form.
 - Ensuring recent and clear photocopies of Valid NID.
 - Proper trade license and chemical/pesticides selling permit document.

4.6 Working Conditions

A typical office day starts at 10:00am in the morning and ends at 6:00pm in the evening. However, the company is usually hustling and bustling till 8:00pm at night. Working overtime is seen as a very normal activity. Due to the fact that NBFIs are mostly dependent on commercial banks for any type of transactions, most departments have to stay and work overtime. Most of the inside office events are usually held around 6:00pm and extends till 7:00pm. One of the downside of the company is that there is no specified lunch or prayer break. However the lunch room is always open for employees to have their lunch or for any kind of team gathering. There are two prayer rooms, the female prayer room is on the fourth floor and the male prayer room is on the fifth floor. The company provided me with a laptop and a separate number-pad along with necessary stationery and a proper desk.

4.7 Difficulties & Challenges

In terms of adjustment, IPDC has a very individualistic approach towards each employee and their interns, therefore, adjusting was no problem for me. One of the main challenges is the immense work pressure in strategic initiatives which made it harder to communicate with other departments. At IPDC, interns usually stick to their respective departments so exposure to a variety of work is very scarce. However due to the individualistic working culture, interns are always welcome to ask about any department's work. Employees are keen to share about their work to anyone who has a thirst for knowledge.

4.8 Work Tools

IPDC is long known for its technological involvement as a financial institution. Most of my work required me to work with multiple workbooks using Microsoft Excel, which are recorded in the company's **T24** cloud server. Apart from that I spent most of my working hours on "Unnoti". "Unnoti" is an online system developed by IPDC in conjunction with BATB to support the overall credit process integration.

4.9 Workplace Safety Protocols

When it comes to safety IPDC will always be my first choice. During my internship time period, I was always required to maintain covid-19 safety protocol such as wearing masks at

all times, sanitizing the hands and special mats to sanitize the shoe sole of the employees are available at the premises. Mandatory temperature checks and ensuring all employees are vaccinated are one of the many first priority of safety.

Apart from this there are regular medical checkups in collaboration with Lab-aid for all the employees. During the month of December, the company carried out an annual fire-drill making it compulsory for all the employees, interns, staff members to participate as we were taught about emergency protocols in case of a mishap.



Chapter – 5: Findings and Analysis

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5.1 Internship Outcome

After completion of three month time period of internship, I was able to acquire information on why the project was so successful to have achieved **Bangladesh Fintech award 2021**.

After consistent hard work and a drive to achieve its goal, DANA finally was able to onboard a total of three crore retailers from all over Bangladesh which led it to achieve Bangladesh Fintech Award 2021 on 27th November 2021.

5.2 Company Level Analysis

5.2.1 Efficient Findings

DANA has always been cautious when handling each of their clients individually. This means each client information are separated for different manufacturers. Comparison between the two largest customers of DANA shows that, even though the COVID-19 global pandemic may have taken a toll on nationwide NBFIs, the project has been a huge success in keeping the company afloat and also contributing to the economy of Bangladesh in these desperate times.

Evidence from Unilever

Table 7: No. of PDs onboard for Unilever (as of Oct 2021)

Area	Number Of PD
Barishal	15
Bogra	24
Central.North	35
Central.South	17
Chittagong	10
Comilla	31
Khulna	30
Kushtia	8
Rajshahi	16
Rangpur	69
Sylhet	28
Total	283

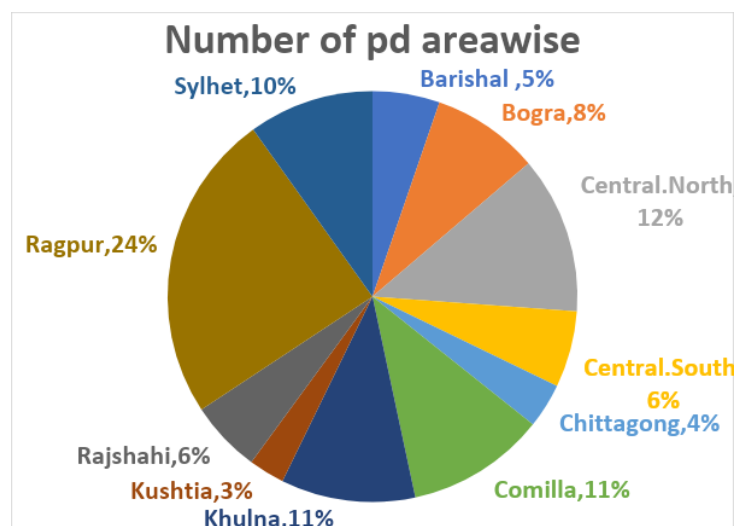


Fig 11: Percentage of number of onboard PDs under Unilever (as of Oct 2021)

Since DANA works with the agencies IMS & Pixel Search which look after the supply chain process, therefore the PDs are divided under area supervisors who are responsible for onboarding of PDs, as well as, sanction request on behalf of the PDs and collection after successful sale of the products. Table 6 and Fig 12 successfully illustrate the total number of PDs on boarded as of October 2021.

Table 8: Total Loan Disbursement amount under Unilever

<u>Year</u>	<u>Total Disbursement (Tk.)</u>
2019 (from November)	2,816,000
2020	99,322,200
2021(till mid-October)	195,799,970
total	297,938,170

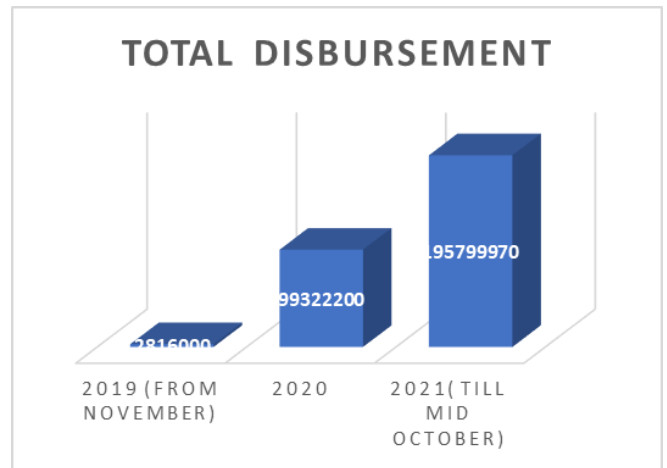


Fig 12: Graphical Representation of the Total Disbursement amount for Unilever PDs

Table 7 and Fig 13 represents the total number of loan disbursement amount in Tk. 297,938,170 as of mid-October 2021. The total number of disbursed loan has seen an increase from Tk. 2,816,000 (November 2019) to Tk. 99,322,200 (2020).

Evidence from BATB



Fig 13: Dashboard of Unnoti website (as of 9th February 2022)

Fig 14 shows a snapshot of Unnoti website briefing the details of DANA's work with their retailers. As of 9th February 2022, average disbursement per outlet is Tk. 2,400 amounting a total of till date disbursement to be Tk. 120.1 million (no. of loans disbursed is 50,099). As of 9th February 2022, there are a total of 23,640 outlets registered under IPDC's DANA.

5.2.2 Inefficient Findings

Although IPDC has been bringing revolutionary changes as a local private sector company in the financial industry, there are a few things which I found not so efficient while my time as an intern.

1. Compared to overall organizational culture, Strategic Initiatives had a more casual bonding between the members which led workplace reluctance when it came to focusing on the details. One such example is the reluctance of my supervisor to apply for stationery requisition of the interns, even though one of my main responsibility was to fill-up the application form on behalf of the applicants.
2. The team is clearly detached from its leader and more attached to the project managers due to the casual relationship. This as a result takes a toll on the micromanagement part as one of the project manager seems to overlook.
3. The company doesn't allow email access to the interns from the company device as a result I had to work on excel sheet which needed to be shared to a common folder and then copied to a drive shared "Master File". This process is extremely slow and leads to a lot of mistakes while copying a sheet of 900+ entries to an existing workbook of 5000+ entries.
4. Although the number of on boarded clients for DANA already exceeded 30,000,000+ the team still doesn't have dedicated teams for their two largest clients. This often creates confusion and delays the task of individual members.

5.2 Market Level Analysis

Amid the COVID-19 global epidemic, like any other sector NBFIs have suffered immensely. The Managing Director and CEO of IPDC, Mominul Islam spoke in the "Investors Meet" assuring that good corporate governance and proactive planning helped the company's deposits increase by 20.5% in the first year of pandemic.

IPDC has shown steady growth throughout the COVID pandemic compared to other NBFIs in this sector.

- There is a strong year to year growth in revenue from 2017 to 2021 of 21.7% (BDT 3445 million).
- The company was quick to digitalize and transform all of its initiatives and operations to fight back the hurdles that rose due to the pandemic.
- Compared to its previous projects IPDC is now leaning toward humanitarian initiatives. This is a witty and timely initiative considering the huge market scope that the pandemic brought in the CMSMEs.
- During my time at the company, IPDC was rigorously training their employees to adapt to post pandemic working culture. Many teams have a hybrid working culture, comprising of at office and work from home facilities.
- Compared to other local companies across the nation, IPDC have shown insane amount of adaptation to the new normal combating the economic crisis in the pandemic stricken developing nation.

These information came forward during the various events and ceremonies that took place while my internship time period. One of the traits I personally appreciate is the organization's constant aim to celebrate the success of individual teams and their outcomes. IPDC had organized various events celebrating the success of individuals and teams who brought glory to the company, making sure that their work and efforts are known amongst the other employees which also acts as a motivation for others.

5.3 Professional Level Analysis

This opportunity has been undoubtedly a key driver in shaping my career further. I was able to acquire practical knowledge in the fields of gathering experience and behavioral aptitude.

Adaptability: This is one of the notable interpersonal development I had in DANA. Since the whole project is constantly evolving and adapting to new technology, during this course of training I have developed professional adaptability in terms of working pace changes.

Communication: Although IPDC is a huge company and most departments who collaborate to work together be constantly communicating, strategic initiatives seems to lack behind in this. Only the leader and the managers are effectively communicate with other departments. Although this didn't provide me enough space for first-hand inter-departmental communication, however I was able to effectively understand corporate communication from my observations.

Teamwork: I find myself blessed to have witnessed a very intricate team. All of the eight members had their unique way of work ethics and working capabilities. This gave me a chance to work under various discipline and understand which type of teamwork best suits Team DANA and the style I would like to adapt in my future career.

Leadership: I have come to admire the skills of the leader of Team DANA. I was able to work for this self-made person who can successfully handle such a dynamic team. I was able to observe some of the conflict resolving decisions made by the leader himself and was fascinated by the complicated situations which were successfully mitigated.

Time Management: If I have to pick one particular interpersonal attribute of myself that I was able to upgrade, it has to be the time management skill. With more than 1700 files arriving from each region and a minimum of 552 approved clients each week, I have been on my toes throughout this three month journey. Although I believe the number of approvals can easily be increased but witnessing an authoritarian project leadership style was intriguing.

IPDC

F I N A N C E



Chapter – 6: Conclusion & Recommendations

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6.1 Recommendation

In today's Bangladesh, DANA is essential for encouraging entrepreneurship of MSME. It is also important for financial inclusion and financial mobilization throughout the nation. Due to the immense competition in the financial institution industry, DANA provides a refreshing strategy for IPDC to diversify its portfolio.

As a NBF, IPDC's DANA has provided a significant growth and development towards its market portfolio. However, there are still some limitations and areas that need improvement.

- Since DANA has a large number of retailers from the country's remote areas, it is important to monitor them from time to time. IPDC can set up small customer offices in remote locations which will help the company's vision of serving the underserved people.
- IPDC's DANA should introduce a mobile payment interface which will help retailers make payment directly instead of always relying on agents and distribution house representatives. In this case, collaborating with mobile banking services can be of great help.
- IPDC's DANA's popularity although immense but however limited to only megacities. Customers at district level are unaware of the company's products and services. This can be done by conducting seminars, workshops and orientation programs.

These initiative will provide a more tailored and operative financing solution to the very valued customers and make this project more sustainable in the long run.

6.2 Conclusion

The significance of retailer financing in a capital constraint situation is immense. This not only has benefits for the financial intermediaries involved but also takes into consideration of the overall economic growth in the long run. IPDC's DANA being the sole retailer financing platform has helped MSME retailers all around the nation a hope start afresh after the covid-19 pandemic economy.

From my study it is clear that effective retailer financing strategies has made IPDC a successful NBFIs with a huge number of clients and a highly diversified portfolio. The level of success DANA has brought for IPDC is beyond the traditional form of financing activities commonly seen in the country. Moreover, the findings from this study shows that DANA as a retailer financing platform is highly sustainable and also creates a positive image of the company for other types of clients. The company's current shareholding structure is more remarkable than that of the previous one. Currently the company's loan portfolio is of Tk. 61.4 billion and deposit portfolio amounts to Tk. 57.7 billion.

IPDC also holds one of the major SME financing portfolios all over nation, so it is apparent that the company has had a huge influence in the enlargement and progression of this sector. Comparing loan portfolios also show outstanding performance of the company in comparison to other NBFIs. So they should continue their efforts to achieve the number one influencing post in terms of a financial intermediary throughout the nation

Lastly, it is needless to say that the readers of this report will have a wonderful experience learning not only about the first of its kind institution but also about the overall financial industry of Bangladesh.

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Appendix

Abbreviation

IPDC – Industrial Promotion and Development Company of Bangladesh Limited

NBFI – Non-Banking Financial Institution

BATB – British American Tobacco Bangladesh

CIB – Credit Information Bureau

SME – Small and Medium Enterprises

MSME – Medium, Small and Micro Enterprises

CMSME – Cottage, Micro, Small and Medium Enterprises

PD – Polli Dut

CIF ID – Customer Information Identity

NID – National Identity Card

MCC – Mortgage Credit Certificate

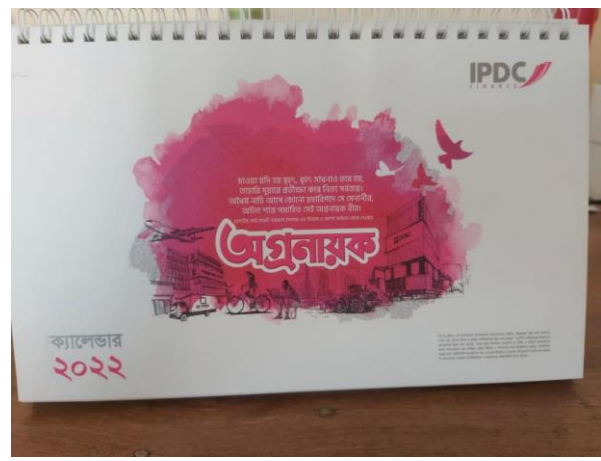
SDG – Sustainable Development Goal

GDP – Gross Domestic Product

Token of Happiness



New Year's Greeting Card



IPDC 2022 Desk Calendar

Team Photoshoot



With Head of Strategic Initiatives



With Managing Director of IPDC
Along with my co-intern



Team DANA – Strategic Initiatives with MD of IPDC