



United International University

Internship Report

On

CREDIT RISK MANAGEMENT PROCESS OF SME
FINANCING & CORPORATE SOCIAL RESPONSIBILITY IN
IDLC FINANCE LIMITED

Submitted by

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Acknowledgement

This temporary job report is the collected co-activity of numerous sort spirits. I might want to express gratitude towards Almighty God for offer his approval to me to compose this report with great wellbeing, and to complete it by given time.

Besides, I offer my thanks to Ishrat Jahan madam as my internship supervisor. She is one of adaptable and helpful teacher. I regard and express gratitude toward her warmly for helping me with respect to setting up this report.

I might want to pass on my most extreme thankfulness to K M Ashraful Hoque, Senior Executive Officer of CONSUMER ASSET department, my monitor in IDLC FINANCE LTD for putting stock in me and giving various assignments on me to develop working capacities and makes me increasingly genuine.

Last however not the least I stretch out my best respects to my folks to deal with me and for legitimate help and to my companions and well-wishers for their persistent support and participation. At long last, I put my best exertion to set up this report precisely and educationally. In my case, I am sorry if any blunder finds because of my restricted information and fitness just as time limitation. In such manner I look for your thoughtful thought since I am in the persistent learning process.

Letter of transmittal

21st may, 2020

Ishrat Jahan

Assistant Professor

School of Business and Economics

United International University

Subject: Submission of Internship Report

Dear Madam,

It is my pleasure to present this report which has been set up according to the prerequisite of the program. I have pursued your rules and guidelines set by the host association of IDLC Finance Limited to set up this report. While doing my three months in internship in the organization, I have found out all aspects of SME finance and CSR (Corporate Social Responsibility). Additionally, I have built up my ability. All in all, my entry level position in this association was an eye opener for me. It was likewise an extraordinary open door for me to tackle my abilities and dispose of my deficiencies.

This report depends on my activities, experience and perceptions during my internship in IDLC Finance Limited. I tried my best to make this report informative. If you need any further elaboration on any issue, I shall be very glad to oblige.

Sincerely Yours

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Abstract

Credit hazard is the likelihood that a borrower or counter gathering will neglect to meet agreed commitments. Along these lines overseeing credit hazard for proficient administration of a FI has slowly become the most vital task. IDLC fund has its own procedure to moderate credit chance. They make an examination report which shows the quality of the borrower and conceivable hazard identified with the advance how the hazard can be relieve. Other than the evaluation report IDLC keep up data about past borrower. So at whatever point these past borrower come to gather renegotiate, IDLC cross check the data. In addition IDLC gives most elevated need to the CIB (Credit data department) report. On the off chance that the report isn't acceptable and doesn't mirror the quality of the business than IDLC doesn't fund in that business. How IDLC is doing corporate social responsibilities (CSR) and assure their sustainability in the market also be described. CSR Activities are one of the unavoidable piece of the association now a days. Practically all the prestigious association perform CSR exercises for society or as a piece of their duty. Nonetheless, IDLC Finance constrained likewise performs CSR exercises and their CSR is additionally lined up with their activity. Their first and principal CSR is Vocational and Skill Development preparing which is making salary wellspring of underprovided ladies and youth individuals. Furthermore, Environment Awareness Program which is making mindfulness among younger students. Followed by, Preventive and corrective health care under which RMG laborers and moms are been prepared So all through the report, I have attempted to center upon the CSR exercises of IDLC and how IDLC manage its credit risk. . This report contains the full capacity of credit hazard the executives in SME financing and toward the end I gave some proposal to better execution of credit chance administration branch of IDLC Finance Department and also some preferable CSR activities should be done by IDLC. The concentrate likewise mirrors the outline of the venture on which I worked. The target of the task, approach and confinements is likewise remembered for this part. I have likewise included various pieces of my work. Simultaneously for simpler comprehension of the report, supporting subjects and terms are clarified in the light of course readings and other valuable records. Most extreme consideration has been given to clarify every single fundamental perspective identified with the topic for simpler and speedy comprehension of the report and I will be thankful to those people who will peruse this report and who will be profited by this report at present and in future.

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Chapter 1

Introduction

Background of the topic

The topic is Credit Risk Management in SME funding and Corporate Social Responsibility. It is necessary to grasp individually what credit risk management is and what is SME funding before explaining the importance of it. Credit Risk is that the uncertainty of not obtaining back the cash that has been given to the shopper or failing to satisfy its obligations on united terms. As we all know SME stands for Small and Medium Enterprise; funding in this sector is being inspired currently everyday attributable to some further benefits like this is often simple to start, simple to finance, simple to focus, giant turnover, giant gross margin. This is often a field wherever improvement can work plenty. There square measure more benefits those should be declared here like during this sector quicker call may be created, fewer staff is required for this operations, higher access of loan is that the tastiest advantage. The individuals of SME take this state as a bonus, the SME team trained the workers as they required and suited separate work. By this, the SME team will create the simplest use of the idle individuals. The aim that SME loan has been demanded may be closely monitored in some cases, for instance the investor will visit their places to appear at however truly they are mistreatment the cash for. In most cases the cash has been given for the getting of raw materials or for establishing a mini business- like grocery look or an eating house or a shop then on. Another factor is SME doesn't require any important business structure to control their business. These square measures the items why this subject is very important and SME is very important for a corporation likewise. This is often a best fitted job for them who doesn't need to figure during a routine job once more doesn't need to be during a business sector which is why this may be a best suited and principally needed field to everyone in close to future. The contribution of SME isn't negligible although. SME provides plenty to the economy. Compare to the massive trade the contribution of tiny isn't that dangerous.

Corporate Social Responsibility (CSR) is designed to meet the huge unmet needs of society to achieve long-term and steady business value. Commercial banks and non-banks in particular play an important role in implementing various social and public welfare programs to help the disadvantaged people of the country. Nowadays corporate strategy planners emphasize their concentration in maximizing assets rather than maximizing profits. The main reason is huge market competition. Thus, they shift the trend from conventional business to social business.

My organization needed me to verify client data and update status. Also I was involved in "Paperless Initiatives". Through working here I came to know how effectively they inquire their clients and the proposed business for SME loan disbursement. My report will ascertain important condition of leasing trade in Bangladesh and the condition of SME funding and therefore the comparison by analyzing some ratios. I even have accepted this subject and understood the importance of this subject and eventually acting on it. The findings of the report could facilitate my organization by providing the required data. Similarly, I will be able to be benefitted by learning the analysis of the organization's performance then on.

1.1 Objective of the study

Primary Objective: The first objective of the project is to finish the partial demand of UIU faculty of Business for finishing the BBA degree.

Secondary Objective: The secondary objective of this study is to search out the realm of investments of IDLC in SME sector and most significantly the secondary objective of this study is to search out the scope wherever IDLC will invest a lot of in SME sector to boost their SME attractiveness and new initiatives for the well-being of the society.

Some other objectives are:

1. To translate the theoretical concept into real life experience
2. Learn to analyze the financial concepts practically
3. To make difference between real life business method and theoretical study
4. Stand in a position by findings the problems of SME sector in terms of investing and how can an organization improve that.

1.2 Scope of the study

Since reasonable practical direction is essential piece of the BBA degree, I used to be deputed by the United International University to IDLC finance. All though my scope at IDLC Finance confined I even have chance upon with very surprising elements of the corporate. From then I even have resolved to figure inside the field of Credit Risk Management (CRM) and Credit Administration Department (CAD) and Credit Information Bureau report is being giving exceptional weight. This report has been started in light of the fact that the course requests of the BBA program.

My Specific job responsibilities

- Search in digital archive for missing NID as per list provided by CIB Team
- If NID is available, input NID in an excel file against respective CIF & A/c No.
- Save a copy of NID (if possible) in a designated folder indexing CIF
- Communicating with client
- Scan and upload the NID in OCAS once received

1.3 Limitation of the study

To make the report successful I have gone up against numerous deterrents. These limits or limitations are:

- a) Problem in going to material on its internal activities.
- b) Non-accessibility of some previous and most forward thinking evidence.
- c) Some data was retained to convey the characterization of the affiliation.

The time length wasn't not too enough to be told every one of the exercises of the association appropriately. Along these lines, it completely was appallingly to hold out the all-out examination.

Chapter 2

Methodology

2.1 Methodology of the study

There are numerous sources those have been utilized. Data has been assembled from the current representatives of IDLC and from the site which is known as online source. I got some printed copies from my association where I got the monetary reports to get the money related investigation all the more precisely. From my University library I have gathered some past temporary job report to have the pragmatic learning of composing the report. In this way, the report has effectively made.

Primary Sources:

The primary data sources are the employees of IDLC and the inside database they use for their day to day purposes.

Secondary Sources:

IDLC Finance Limited respectable website, PDF records, journals, articles, University's library. I interviewed two personnel of IDLC Finance Limited and gathered required information. It was once an unstructured interview for us. I had short dialogue concerning topic associated issues. The peoples of IDLC were very beneficial and friendly to gather authentic information.

Chapter 3

Organizational Background

3.1 Overview of IDLC Finance Limited



IDLC (Industrial Development Leasing Company) Finance Limited was recognized in 1985 as a joint venture public limited company. It has been working in multinational cooperation with global development finance institutions, profitable banks, insurance companies and foreign lease corporations. Korea Development Leasing Corporation (KDLC), the major leasing company in the Republic of South Korea, has provided technical assistance. In 1995, IDLC was perceived as a Financial Institution by the Bangladesh Bank (national bank), following the authorization of the Financial Institution Act 1993. During the last more than two decades, IDLC has developed as Bangladesh's driving multi-item money related foundation with the nation's progress into a creating nation. IDLC has changed its name to IDLC Finance Limited from before Industrial Development Leasing Company of Bangladesh Limited in August 2007, to maintain the advancing idea of the organization. IDLC has assumed a synergist job in giving elective wellspring of term and capital resource financing to the private division during the previous twenty six years of its activity. IDLC's essential center has been in the territory of 3-multi year term money related renting with specific accentuation on adjusting, modernization, substitution and extension of existing units. IDLC has built up rent financing as an effective and quality monetary help and furthermore established the framework for the formation of other renting organizations. IDLC and its institutional investors are in duty towards the improvement of the monetary assistance area by offering top notch administration to nearby business people. The organization has kept on developing as an imaginative money related arrangements supplier Since IDLC was shaped as the spearheading renting organization in Bangladesh. IDLC is currently ready to offer incorporated and modified money related answers for its clients – all under one rooftop. The Company's wide cluster of items and administrations scope of retail items, for example, home and vehicle credits, corporate and SME items including lease and term advances, organized money administrations going from syndications to capital rebuilding and a total set-up of venture banking and capital market administrations has opened another measurement in financing area of Bangladesh.

3.2 History of IDLC Finance Limited

On 23rd May 1985, the IDLC Limited of Bangladesh was combined with the global participation of five remote and three neighborhood cash related foundations, as a joint endeavor open association. Presently, IDLC is one of the principle twenty associations in the country with different assistance contributions. The association has endorsed capital of BDT 1,000,000,000/- and settled up capital of BDT 200,000,000/- (2,000,000 regular portions of BDT 100 each). The association arranged its essential community for organization development in 1994 through propelling its store plans. IDLC introduced Real Estate Financing and Short term Financing In 1997. A mid the hour of 1998 and 2006, the association augmented its activities into the scopes of corporate financing, endorsing, issue the board, syndication and other theory dealing with a record related organizations and progressed as a truly multi thing cash related foundation.

Mission of IDLC:

We will concentrate on quality development, predominant client experience and feasible strategic policies.

Vision of IDLC:

We will be the best money related brand in the nation.

Goals of IDLC:

Long haul augmentation of investors' worth.

Values of IDLC:

IDLC always try to provide the best to the customers. Maintain equality and focus on their customer services is the most valuable thing for IDLC. Their values are:

- ☐ Equal Opportunity
- ☐ Integrity
- ☐ Customer Focus
- ☐ Trust and Respect
- ☐ Passion
- ☐ Eco-friendly
- ☐ Simplicity

3.3 Product and Services

IDLC have a huge assortment of money related keys in answer to the requirements of an expansive size of customer, including of nearby and worldwide corporate houses in Bangladesh.

Corporate Finance

Lease Financing: Resource based financing against assembling hardware, business utensils, office equipment's, generators, cars, compartments, motors, and so on.

Working Capital Financing: IDLC offering capital financing to help organizations in blasting out everyday business activities costs.

Specialized Products: For comparing discharging working capital confines, the installments with incomes, letting some more opportunity for reimbursement.

Term Loan Financing: for meeting different reliable capital or fixed spending like adjusting of creation line, advancement of the assembling procedure, improvement of limit and space and so on.

Project Financing: this advance is for setting up another unit as an adding to the present product offering and volume, another uneasiness of a current gathering, another Joint Venture plan of a current organization, and so forth.

Consumer division

Deposit Schemes: IDLC's various striking Deposit Schemes give chance to consumers to earn more. Deposit interest rate Matrix is given below:

IDLC Regular term Deposits		
Term	Individual (any amount)	Institutional (any amount)
3-15 months	8.25%	8.00%
2 years	8.50%	8.25%
3,4 & 5 years	8.75%	8.50%

IDLC 500 Days Term Deposit		
Term	Individual (Any amount)	Institutional (Any amount)
500 Days	8.25%	8.00%

This deposit interest rate matrix represents mainly large industry such as Transcom and others.

IDLC Monthly earner Deposit (Individual)		IDLC Quarterly Deposit (individual)		
Term	Int. Amnt. Per month/ lac (Any amount)	Term	Int. Amnt. Per quarter/lac (any amount)	Per (any amount)
1 years	BDT 730 (8.76%)	1 years	BDT 2,250 (9.00%)	
2 years	BDT 750 (9.00%)	2 years	BDT 2,350 (9.40%)	
3-5 years	BDT 800 (9.60%)	3-5 years	BDT 2,450 (9.80%)	

IDLC Double money Deposit	IDLC triple Money Deposit
Term	Term
7 years 6 months (9.6825%)	11 years (10.5032%)

For single records, lady customers will have 10% upper loan cost on normal term stores and customary worker items. In the event that the client have e-tin authentication, at that point 10% duty will be deducted from the loan fee else 15% assessment will be deducted from financing cost. In the event that the clients need to draw the cash, at that point he/she need an assent paper from Bangladesh bank. Notwithstanding, loan costs are will in general change whenever denied of

notice. Dispense with obligation and advance personal expense are additionally suitable according to government laws.

Car Loan: Presently, to possess a vehicle isn't thought as an extravagance any more. Or maybe it has been incorporated as an indistinguishable piece of our every day life. These days a vehicle is a favorable speculation assisting with enhancing the nature of our lives. IDLC has ordered their purchasers in various fragments: A,B,C and D.

Segment A & B consumers are:

Salaried officials of huge local/worldwide/global associations, outside nongovernmental associations, UN associations, international safe havens, high commission, banks and budgetary establishments are recorded in this segment just as 3-year tasks of multilateral bodies, nearby Corporates are major non-administrative associations. The official is serving in government and semi government association. Bookkeeping Professionals, Physicians, Dentists, Marine Engineers, Famous Universities/School Faculty, Teachers Professional/Executive NRB, Independent/Salaried Professionals including Professional.

Segment C & D consumers are:

This segment recorded with Salaried officials (other than referenced in fragment A& B) of NGOs having 10 years of activity in the nation. Neighborhood corporate (little section) non-officials, the landowner having rental salary, NRB businesspeople, agents (mid and little portion).

Consumer's interest rate varied based on their segment.

Segments	Interest rate
Segment A	13%
Segment B	13.25%
Segment C	13.75%
Segment D	14%

IDLC gives advances to new vehicles, reconditioned vehicles and vehicle enrollment. They give the majority of the vehicle credits that no model overhead 2010 model, vehicle model IDLC before 2009 didn't finance any sort of reserve. The most extreme term of a pristine vehicle advance will be 6 years and the credit time frame for recovered vehicles will be 5 years. IDLC needs to address 70% of the complete vehicle cost to different clients. Clients need to pay 1.5% handling charge.

Home Loan: IDLC offers the most helpful Home Loan office to suit Consumer's needs, with such a significant number of alluring advantages and open the way to Consumers dream work out as expected at this point. Home credit loan fee grid is given beneath:

	Segment A			Segment B		
Amount	Upto 10 years	10-15 years	Above 15 years	Upto 10 years	10-15 years	Above 15 years
Upto 10 M	11.79%	11.89%	12.25%	11.99%	12.49%	12.79%
10-20 M	11.99%	12.49%	12.79%	12.49%	12.99%	13.25%
20-30 M	12.25%	12.79%	12.99%	12.79%	13.25%	13.49%
Above 30 M	12.79%	13.25%	13.49%	13.25%	13.79%	13.99%

	Segment C			Segment D		
Amount	Upto 10 years	10-15 years	Above 15 years	Upto 10 years	10-15 years	Above 15 years
Upto 10 M	12.49%	12.99%	13.25%	12.79%	13.25%	13.49%
10-20 M	12.99%	13.49%	13.79%	13.25%	13.79%	13.99%
20-30 M	13.25%	13.79%	13.99%	13.49%	13.99%	14.25%
Above 30 M	13.79%	14.25%	14.49%	13.99%	14.49%	14.79%

This is an emblematic rate for loft obtaining. Financing cost will be 0.25% lower than the referenced rate for profiting disaster protection inclusion with home credits in comparing fragments, however this isn't suitable if the client points of interest any special rate. The Supreme expression for variable rate is 20 years. There are some different expenses like: handling expense, documentation charge and other pertinent expenses will be relevant according to timetable of charges.

Personal Loan: IDLC acknowledge purchasers endeavors to advance the greatness of life, however necessities no longer hang tight for investment funds. So IDLC gives individual credit at a relevant loan fee.

RegistraLoan: RegistraLoan is a secured advance office for property buyers and possessionholders for shielding responsibility for, business space and land.

SME

Small Enterprise Finance: IDLC offers financing administrations to little scope undertakings for completing their exchange, assembling or administration business. Further, financing administrations for rising business land likewise be benefited by such originalities.

Medium Enterprise finance: SME, mid fragment offers mid and long haul money related keys to a broad range clients who are in their excursion to show up as promising corporate houses in not so distant future.

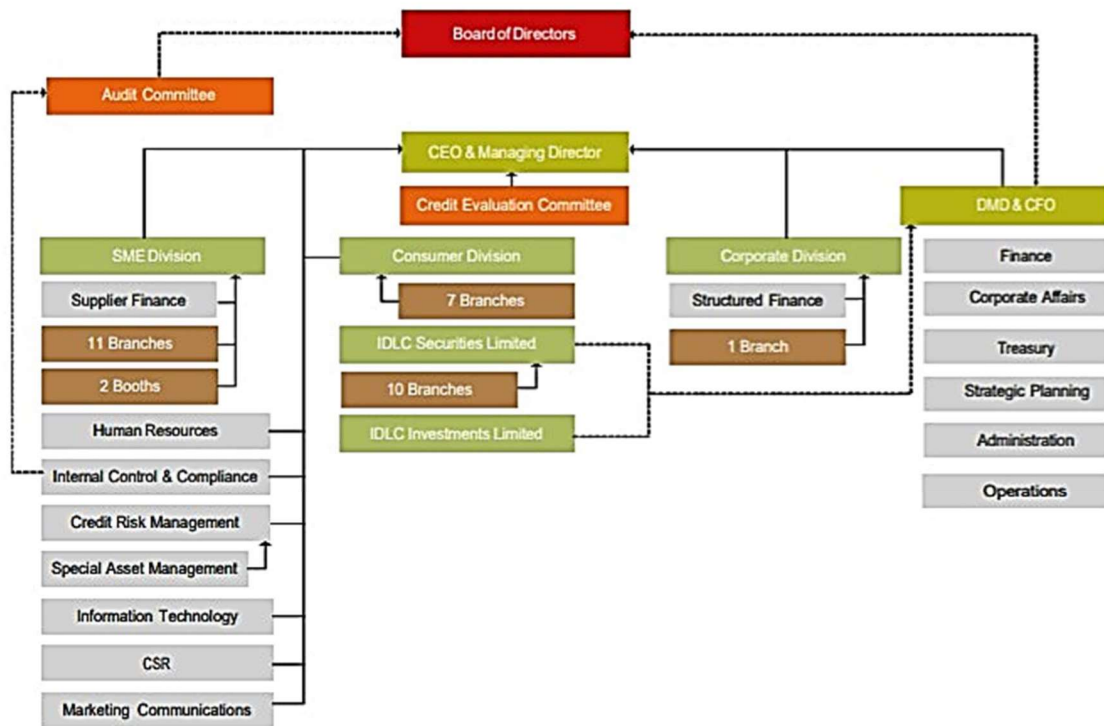
Supplier Finance: Provider account is a rotating financing given against receivables because of the arrangement of products or the arrangement of credit.

Commercial Vehicle Loan: Commercial Vehicles advance is rent office to buy vehicles for business use.

Women Entrepreneur Loan: Women Entrepreneurs have given ladies business offices to little and medium endeavors.

JICA-SME Loan: SME is an office given by JICA under the two-advance reserve that Japan International Cooperation Agency (JICA) gives to little and medium undertakings in Bangladesh.

Organizational Structure:



Chapter 4

The Prerequisite of Loan Issuance

4.1 The Pre-requisite of Loan Issuance

IDLC Finance SME Loan offers advance with no security for up to Taka 15lacs. It offers fractional money verified advance up to Taka 70lacs. It additionally offers credit for working capital account or rent fund for business.

Key product features of a loan:

Following are the basic documents which will be submitted to be approved for getting this loan:

- I. Trade License
- II. Tin Certificate
- III. Bank Statement of 1 year
- IV. Receivable, Payable, Stock, Personal details
- V. Guarantor's Personal Details

1. Loan Application Form: First of all, clients have to fill up a loan application form which includes business name, size, capital, personal information etc. and submitted to IDLC. If the authority of IDLC sign the loan application form, then Credit Risk Management (CRM) will continue the further process.
2. Sanction Letter: Sanction letter is the approval of the loan. Sanction letter includes how much loan is approved for the clients for how many months, the interest rate as well as installment date.
3. Demand Promissory note: On the demand of IDLC, customer have to pay the loan amount.
4. Letter of continuation: If a person takes 500,000 amount of loan for the next five years, after the end of the 1st year he or she need not to register for the 2nd year. It's a continual process for the 5 years.
5. Term Loan Agreement: If a person takes 500,000 amount of loan for the next five years and in the 1st year he wanted to pay Taka 200,000 to reduce his or her EMI date. For this purpose, the loan term agreement is issued.

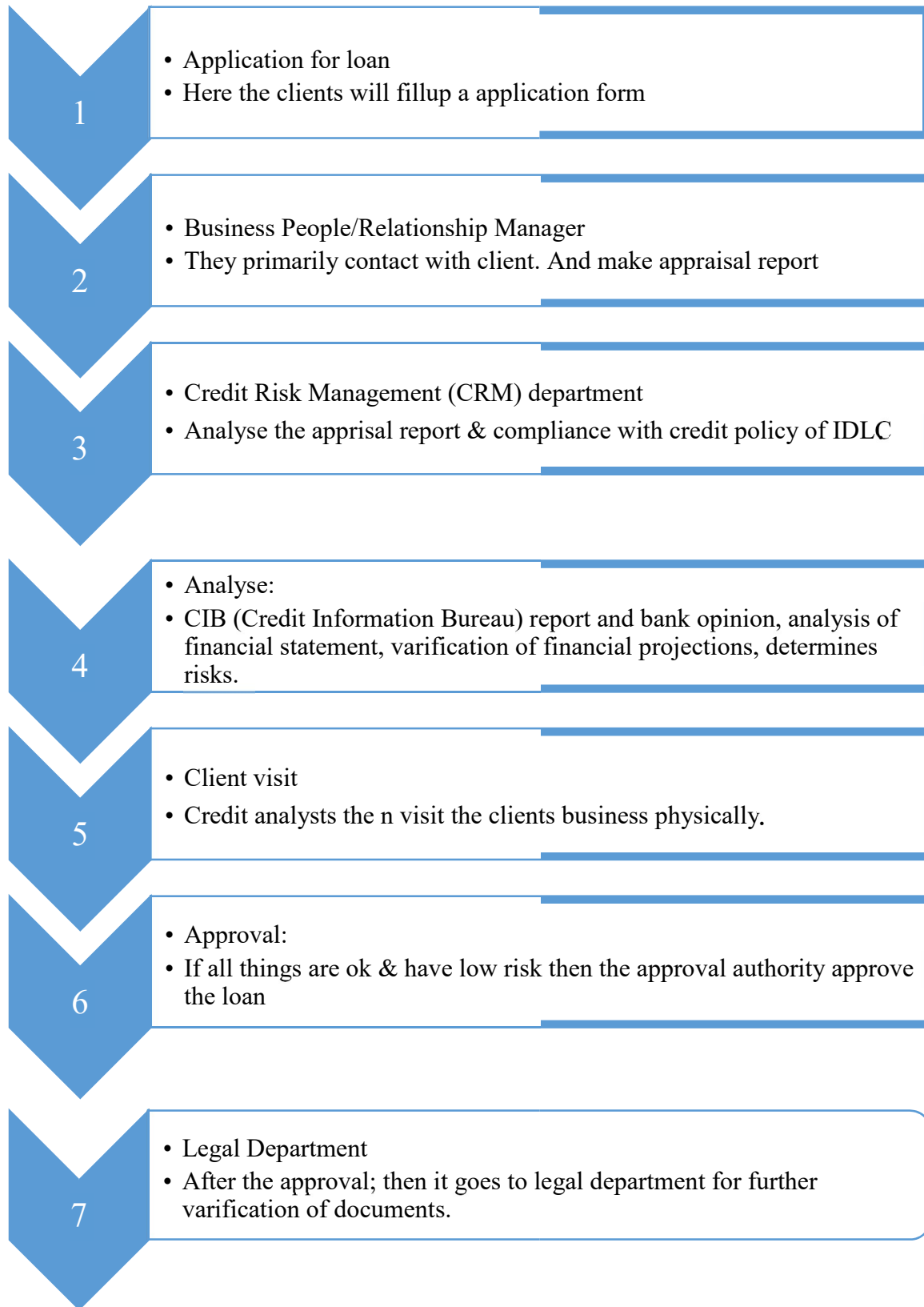
From the Sanction Letter to Term Loan Agreement is called charge document. Because if IDLC want to case against fraud person than these document is very important to submit the court otherwise the case will not proceed.

6. Letter of Hypothecation by the way of Floating Charge: If the client failed to pay the loan then IDLC authority has the power to grab the floating assets (patent, copy right) of business and collect their loan amount.
7. Letter of Hypothecation by the way of Fixed Charge: If the client failed to pay the loan then IDLC authority has the power to grab the fixed assets (equipment, machineries) of business and collect their loan amount.
8. Power of attorney: Power of attorney includes
 - I. Personal Guarantor
 - II. Mortgage-
 - a. Title deed
 - b. Bia deed
 - c. Heba deed
 - III. Rental deed

Clients give the power of attorney to the IDLC and if any case client default to pay the loan then authority use the deeds to recover their loan amount or they directly contact with the personal guarantor.

9. Letter of disbursement: Letter of disbursement issued for the purpose that when customer will take the loan.
10. Letter of Installment: Letter of Installment include amount of EMI, when it starts and the end of the period.
11. Authorization to collect Cheques: It's an authorization that clients give to the IDLC authority, the paid dated cheques (PDC) is legally given from him. No one or third party can make this.
12. Letter of undertaken: For the women entrepreneur or agriculture business IDLC charge 9% interest rate. If the Bangladesh Bank change the rules, then 15% interest rate will be charged.

Loan Process Flow Chart:



Chapter 5

Credit Risk Management in SME Department

Credit Risk Management in SME Dept.



5.1 Introduction

This part subtleties critical store perils the board approaches and procedures that are proposed for assurance through all FIs in Bangladesh. The tips contained in this framework standard rules that are proposed to coordinate the execution of extra trustworthiness crediting approaches and chance investigating structures inside individual FIs. It is the general responsibility of FI's Board to enable FI's credit to risk system and sweeping security procedures worried to hold bolsters hazard and its association which ought to be set up totally on the FI's ordinary undertaking structure. To hold it current, the general consolidation and methodology must be investigated through the Board, ideally reliably.

5.2 Lending Guidelines

All FIs probably introduced "Propelling Guidelines" that if all else fails depict the senior association's perspective on business improvement needs and the explanations and basics that should be clung to with a definitive goal for work environments to be affirmed. The Lending Guidelines must be restored at any rate yearly to reflect changes in the money related edge and the movement of the FI's office portfolio and be directed to all crediting/showing specialists. The Lending Guidelines should be perceived by techniques for the Managing Director/CEO & Board of Directors of the FI essentially dependent on the ensuring of the FI's Head of Credit Risk Management and the Head of Business Units.

Any flight or deviation from the Lending Guidelines should be unequivocally seen accessible for later finances purposes and a legitimization for help gave. Endorsing of working environments that don't agree to Lending Guidelines should be kept to the FI's Head of Credit or Managing Director/CEO or Board of Directors. The Lending Guidelines need to give the key establishments to record specialists'/relationship chief (RM) to ascertain their measures for endorsing, and ought to merge the going with:

Industry and Business Segment Focus

The Lending Guidelines should obviously perceive the business/business divisions that need to contain most by far of the FI's office portfolio. For each domain, an unquestionable sign of the FI's inclination for food for progression should be represented (for instance, Textiles: Grow, Cement: Maintain, Construction: Shrink). This will outfit key course to the FI's propelling staff.

Sorts of Facilities

The kind of workplaces that are permitted should be evidently appeared, for instance, Lease, Term Loan, Home Loan, and Working Capital, etc.

Single Borrower/Group Limits/Syndication

Subtleties of the FI's Single Borrower/Group limits should be consolidated by Bangladesh Bank rules. FIs may wish to develop progressively conventionalist rules in such way.

Division Lending Caps

A critical segment of credit perils the barricade is to fabricate introduction limits for single while remaining inside beyond what many would consider possible set by Bangladesh Bank. The size of the limits should be established on the credit nature of the obligor, authentic essential of credit, money related conditions and the association's peril obstruction. Appropriate purposes of control should be set for independent things and activities. FIs may develop limits for industry, monetary division or geographic regions to keep up a vital good ways from center possibility.

Item Lending Caps

FIs ought to set up the presentation top to maintain a strategic distance from over fixation in any one item.

Debilitated Business Types

FIs should plot organizations or advancing activities that are crippled. The FI may have secluded portions to be crippled reliant on the going with:

Government Specified

- a) Military Equipment/Weapons Finance
- b) Lending to organizations recorded on CIB boycott Best Practice
- c) Highly Leveraged Transactions

Organization Specific

- a) Finance of Speculative Investments
- b) Share Lending
- c) Taking an Equity Stake in Borrowers
- d) Lending to Holding Companies

5.3 Credit Assessment

A mindful hypothesis resources and danger assessment must be performed going before the giving of an office and at any rate yearly beginning there for all work environments. The outcomes of this assessment should be in a Credit Application that begins from the relationship chief/account official ("RM") and is inquired about by strategies for Credit Risk Management (CRM) for perceiving proof and most likely parity of dangers. The RM must be the owner of the client relationship and should be seen as trustworthy to make certain the exactness of the entire theory bolsters utility submitted for guaranteeing. RMs should be familiar with the FI's Lending Guidelines and need to tendencies due dauntlessness on new borrowers, principals, and agents.

It is basic that RMs consider their clients and affinities due profitability on new borrowers, principals, and underwriters to guarantee such occasions are in truth who they represent themselves to be. All FIs probably created Know Your Customer (KYC) and Money Laundering tips which ought to be clung to dependably. Credit Application should summations the results of the RMs danger assessment and merge, least, the going with subtleties:

- ☐ Amount and sort of facility(s) proposed
- ☐ Purpose of offices
- ☐ Office Structure (Tenor, Covenants, Repayment Schedule, Interest)
- ☐ Security Arrangements
- ☐ Government and Regulatory Policies
- ☐ Economic Risk

Also, the accompanying danger regions must be tended to:

- a) **Borrower Analysis:** The larger part speculators, association assembling, and gathering or accomplice affiliations must be assessed. Any issues related to nonappearance of association significance, tangled having a place structures or between social event trades be tended to, and risks directed.
- b) **Industry Analysis:** The key risk portions of the borrower's undertaking must be checked on. Any issues with respect to the borrower's situation in the business, regular industry concerns or instructing powers be tended to and the qualities and shortcomings of the borrower as to its hindrance should be seen
- c) **Supplier/Buyer Analysis:** Any supporter or supplier fixation should be tended to, as these shouldn't impact the future reasonableness of the borrower.
- d) **Historical Financial Analysis:** Preferably an assessment of in any event three years chronicled money related announcements of the borrower must be presented. Where reliance is determined to a corporate financier, guarantor cash related explanations should in like manner be poor down. The assessment should address the average and sensibility of pay, money drift and the influence of the borrower's security sheet. Specifically, pay, impact and efficiency ought to separate.
- e) **Projected Financial Performance:** Where term improvements (tenor &get; 1 year) are being proposed, a projection of the borrower's future monetary when all is said in done execution ought to be given, exhibiting an appraisal of the ampleness of money buoy to help commitment repayments. Workplaces need to not be permitted at whatever point foreseen money float is deficient to repay commitments.
- f) **Credit Background:** Credit application should country the inescapability of the borrower in the CIB (Credit Information Bureau) report. The thing ought to in like way contain genuine commitment regularity with different Banks and FI's and besides should gather their assessment of past credit direct.
- g) **Account Conduct:** For existing borrowers, the out of date appear in get together repayment duties (exchange partitions, check, intrigue and basic bits, and so on.) Be evaluated.
- h) **Adherence to Lending Guidelines:** Credit Applications evidently state whether or not, at this point the proposed composing PC programs is in consistence with the FI's Loaning Guidelines. The FI's Head of Credit or Managing Director/CEO or Board need to help Credit Applications that do now not hold brisk to the FI's Lending Guidelines.
- i) **Mitigating Factors:** Mitigating factors for threats saw in the hypothesis funds appraisal ought to be perceived. Potential threats unite, regardless are eventually not obliged to:

- edge feasibility and moreover shakiness, pointless duty load (sway/outfitting), overtroubling or committed individual issues; smart improvement, acquisition or development; new advancement attempt line/thing growth; the authorities' progressions or development issues; supporter or provider fixations; and nonattendance of straightforwardness or industry issues.
- j) **Facility Structure:** The wholes and tenors of financing proposed should be defended base totally on the anticipated repayment breaking point and office reason. Crazy tenor or whole with respect to business needs broadens the danger of hold interruption and may furthermore unjustifiably impact the borrower's reimbursement limit.
 - k) **Purpose of Credit:** if there should rise an occasion of an immense improvement, which develops experience of over 30% of complete capital of an endeavor or for a characteristic field experience, challenge utilize chance be totally reviewed. Experience use chance may in like way contain movement hazard (Gestation period, administrative and explicit clearances, and progression to be gotten, accessibility of foundation working environments) supporting danger, and submit task business, cash related, and affiliation dangers.
 - l) **Project Implementation:** if there ought to emerge an event of a huge improvement, which builds up adventure of over 30% of complete capital of an undertaking or for a natural field adventure, challenge use chance be completely overviewed. Adventure utilization chance may in like manner contain progression peril (Gestation period, regulatory and specific clearances, and advancement to be gotten, availability of establishment workplaces) sponsoring risk, and submit task business, money related, and association threats.
 - m) **Foreign Currency Fluctuation:** Credit application truly communicates the evaluation of outside for hazard of the competitor and sees the reducing factors for its introduction to abroad money.
 - n) **Security:** A contemporary valuation of assurance should be gained and the unbelievable and need of security being proposed must be assessed inside and ideally by methods for a third celebration cost Facilities should not be surrendered assembled totally as for security. Adequacy and the level of the assurance be assessed.

5.4 Approval Authority

Every single mechanical turn of events, which submitted to the FI to pass on chance delicate things, which requires earlier help with the guide of endorsed sheets/people. A FI may other than have the Board, Management/Executive Committee, and Credit Committees for watching out for and support in financing recommendation. The FI can in like manner have edge reliant on degree of tolerability those unit limits for audit and support of save finances suggestion in stand apart sheets of trustees. The Board should support beyond what many would consider possible. What's more, support master may in like manner be assigned further to man or woman official reliant on security, the authority fathoms and ride to guarantee obligation and quick assurance in the underwriting strategy. The ace to grasp/reinforces work environments must be most likely doled out through the Managing Director/CEO & Board to the Corporate Center and further down to the Business

Units. Quality Units are self-administering and responsible for dealing with all undertaking rehearses inside past what many would think about conceivable. In any case, the focused on RM of the compensation group/branch work power accountable for office bargains is the owner of the client relationship and ought to be viewed as capable to ensure the precision of the workplace application submitted for support. They should be alright with the FI's Lending Guidelines and should conduct due tirelessness on new borrowers, thought process of the offices and underwriters.

The FI may furthermore have edge principally dependent on extent of decency that sets limit for assess and endorsement of credit recommendations in phenomenal councils. The Board needs to endorse as far as possible. Moreover, endorsement authority may furthermore be appointed notwithstanding singular officials essentially dependent on security, the official's information and voyage to make certain responsibility and quick choice in the endorsement procedure.

5.5 Procedural Guidelines

This zone layouts of the significant methodologies that are wished to make certain consistence with the protection arrangements contained in Section 4.1 to 4.7 of these rules.

Approval Process

The underwriting strategy should update the seclusion of Relationship Management/Marketing from the supporting force. The obligation in regards to setting up the Credit Application should rest with the RM inside the business undertaking unit. Credit Applications must be invigorated for support by using the RM assembling and sent to CRM for their assessment and evaluation. The credit along these lines be approving by strategies for fit underwriting board.

The support procedure may likewise stretch out among FI's relying upon the sorts of things and presentation. For example, advancing to Corporate and SME's is customarily unstructured due to contrasting nature of chance introduction. On the unmistakable hand, client crediting is routinely composed by methods for regulating the thing and threat segments of individuals. In like manner purposes for customer advancing should moreover be possible inside the head of purchaser unit challenge to task of capacity to do all things considered. Credit Administration.

The Credit Administration trademark is fundamental in guaranteeing that relevant documentation and supports are in zone before the apportioning of money related workplaces. In this manner, it is essential that the components of Credit Administration be painstakingly secluded from

Relationship Management/Marketing to stay away from the believability of controls being subverted or issues never again being highlighted at the best possible level.

Advancing association of the FICO rating portfolio is a quintessential bit of the credit method. Credit association incorporate is basically a back-office undertaking that guide and control extension and upkeep of credit. A run of the mill FICO appraisal association unit performs following limits:

Documentation

It is the commitment of store association to make certain zenith of documentation (office understandings, guarantees, move of title of protections, etc.) according to endorsed articulations and conditions. Noteworthy reports ought to be followed. Security chronicles are set up according to support terms and are legally enforceable. Standard office documentation that has been kept an eye on by legal direction should be used in all cases. Exceptions should be implied real guidance for appeal subject to endorsement from an appropriate authority in CRM.

Disbursement

Dispersions under workplaces ought to potentially be made when all security documentation is set up. CIB report should reflect/fuse the name of the significant number of credit authorities with office, limit and remarkable. All shows concerning huge workplaces and workplaces to Directors guided by Bangladesh Bank booklets and related section of money related Institutions Act should be consented to. All Credit Approval terms must be met before installment.

5.6 PV (Customer Point Verification)

IN CRM-CD this check stage is performed by method of two other 1/3 gathering organizations, they are

- ☐ Brisk
- ☐ CBC

These two 0.33 social event ventures fundamentally do the Customer Verification Point (CPV) and a short time later send the check reports to IDLC.

After all kind of checks is done specialists go for the FICO rating assessment the spot, they ensure that the purchaser has the ability to meet the assignments of IDLC. It requires protection or affirmations from a customer to confine the danger. The assessment isn't solely made on security; it besides relies upon the measure of credit, the stock of repayment, the specific endeavor from where the purchaser has come. What's more, CRM division besides look at the past archives of the advocate if he/she has assumed any acknowledgment from some other money related sense or not. If there is any first credit record, examiners will likewise look onto the records.

On the off chance that there ought to be an event of delegate and corporate individuals CRM wishes to look at the endeavor fitness, history data of the financial specialists and companions.

Credit Evaluation

This is the shrouded time of a home credit assent or ejection. In this development IDLC increment all require information of a buyer and after that screen these all around cautiously. For instance,

- ☐ Address Verification
- ☐ Bank Statement Verification
- ☐ NID/Passport/Certificates Verification
- ☐ Rent Verification if there should be an occurrence of landowners
- ☐ Salary Certificates
- ☐ Verification of Co-candidate, Personal Guarantor

5.7 Credit Monitoring

To limit FICO rating fiascos, checking strategies and structures must be in zone that offers an early trace of the falling to pieces cash related flourishing of a borrower. At any rate, structures should be in area to record the going with special cases to critical experts in CRM and RM pack Past due major or distraction divides, past due change charges, account bounties, and break of office contracts Non-receipts of money related reports on a run of the mill reason and any getting blasts or prohibitions made. Move now not made on arrangement for divulgements of any inside, outside or controller appraisal/review all borrower affiliations/working environments are disapproved and avowed by techniques for the settlement of a Credit Report in any event yearly. PC structures ought to have the decision to make the above data for focal/head working condition comparatively as neighborhood outline. Where redone frameworks are infrequently again open, a manual procedure must have the support to present precise one of a kind defense reports. Special cases must be followed up and accommodating advancement taken in a worthwhile way before the record isolates further.

5.8 Credit Sanction and Disbursement

In the wake of confirming the entirety of the reports, the investigators either endorsement or reject the record for credit. Most of the cases if the customer's money related foundation order is never again beguiling kept up or benefits source isn't safe then the home credit is dismissed or kept up.

Now and again, even the customer's disposition and lead likewise can be an explanation behind removal. After the endorsement the record will be sent to the Customer Service Department and beginning there the purchaser will be told basically the entirety of the terms and conditions about the credit. On the off chance that the advertiser is k with all the time portion and conditions, by then he will sign the endorsement letter furthermore fill the charges. By then the record is submitted to the Head of offers and publicizing gathering. After the last certification the record goes for the home credit portion division. Resulting to asserting the entirety of the reports, the monitors either assent or reject the record for credit. Most of the cases if the customer's money related establishment articulation is never again charming kept up or benefits source isn't invulnerable then the home development is ousted or bolstered. Every so often, even the customer's mentality and lead also can be an explanation behind dismissal. After the support the record will be sent to the Customer Service Department and beginning there the buyer will be told essentially the entirety of the terms and conditions about the turn of events. In the event that the supporter is k with all the time length and conditions, by then he will sign the underwriting letter what's more fill the charges. By then the record is submitted to the Head of offers and publicizing gathering. After the last check the chronicle goes for the home development distributing office.

5.9 Early Alert Process

An Early Alert Account is one that has dangers or attainable inadequacies of a surface sort requiring checking, management, or shut idea by techniques for the board. Early indisputable affirmation, brief specifying and proactive association of Early Alert Accounts are high spare sponsors obligations of all Relationship Managers and should be gotten a handle on a resolute explanation. An Early Alert report must be done by strategies for the RM and dispatched to the preferring expert in CRM for any record that is exhibiting indications of decay inside seven days from the particular confirmation of deficiencies. The Risk Grade must be restored as brisk as could reasonably be ordinary, and no extend should be taken in recommending issue bills to the CRM office for help with recuperation.

Despite a reasonable spare accounts endorsing process, work environments may likewise in any case become tormented. In this way, it is quintessential that early ID and, on the spot, announcing of disintegrating store side effects be done to guarantee smart advancement to watch the FI's great position. Also, typical contact with customers will improve the probability of making systems together faultless to both the client.

A record can likewise be renamed as a Regular Account from Early Alert Account status when the manifestation, or responses, causing the Early Alert intend to have been regularized or never again exist. The synchronization of the CRM endorsing expert is required for change from Early Alert Account ubiquity to Regular Account status.

Credit Recovery

The Recovery Unit (RU) of CRM should expeditiously control cash owed with continued with weakening (a Risk Rating of Sub Standard in any event 6 tragic). FIs may in like way wish to move EXIT cash owed kept an eye on 45 to the RU for condition satisfying way out subject to understanding of CRM and Corporate FI. At whatever point a record is outflanked over from Relationship Management to RU a Handover/Downgrade Checklist should be finished.

The RU's significant features are:

- ☐ Decide Account Action Plan/Recovery Strategy
- ☐ Seek after all inclinations to help recuperation, including setting customers into receivership or liquidation as proper
- ☐ Guarantee rich and perfect home credit difficulty strategies are made basically dependent upon veritable and anticipated catastrophes
- ☐ Ordinary evaluation of appraisal in any event 6 shocking records

The relationship of issue associations (NPLs) ought to be an astounding method, and the related strategy all around with the adequacy of blueprints should be normally analyzed. A procedure is caught to share the arranging got from the outing of adventure accounts hardships to uproot the propelling standards.

Chapter 6

Corporate Social Responsibility of IDLC Finance Ltd

6.1 Introduction

It is well known that corporate social responsibility is the key to sustainability. The slogan is: "Give back to the community". A responsible and sustainable business organization not only shares profits with its stakeholders, but also ensures minimal negative impacts on its surroundings, both environmental and social, through its environment, policies and practices. This is IDLC's commitment to a better future. IDLC seeks their commitment to their partners, the environment and the community are reflected in their day-to-day decisions and activities. Thus corporate social responsibility (CSR) has been closely integrated with their business strategies to maximize the resources of the organization.

6.2 Global CSR Principles and Guidelines for Bangladesh

CSR and its practice in Bangladesh have a long history of public welfare activities. Owned by a large number of business families and also of the first generation. Their involvement in community development is present in the form of charities without any specific policy regarding expenditure.

The status of UNGC includes existing laws, policies and guidelines. In addition, most small and medium enterprises fall under the informal sector with limited management structure and resources to address social and environmental issues. These limitations make top administration of neighborhood organizations ponder augmenting benefits than doing capable business. Preceding 2007, there was no reasonable arrangement on CSR in Bangladesh. In 2006, Bangladesh Bank took suitable activities to formalize CSR in the Bangladesh banking division.

Mainstreaming Corporate Social Responsibility (CSR) in Banks and Financial Institutions in Bangladesh

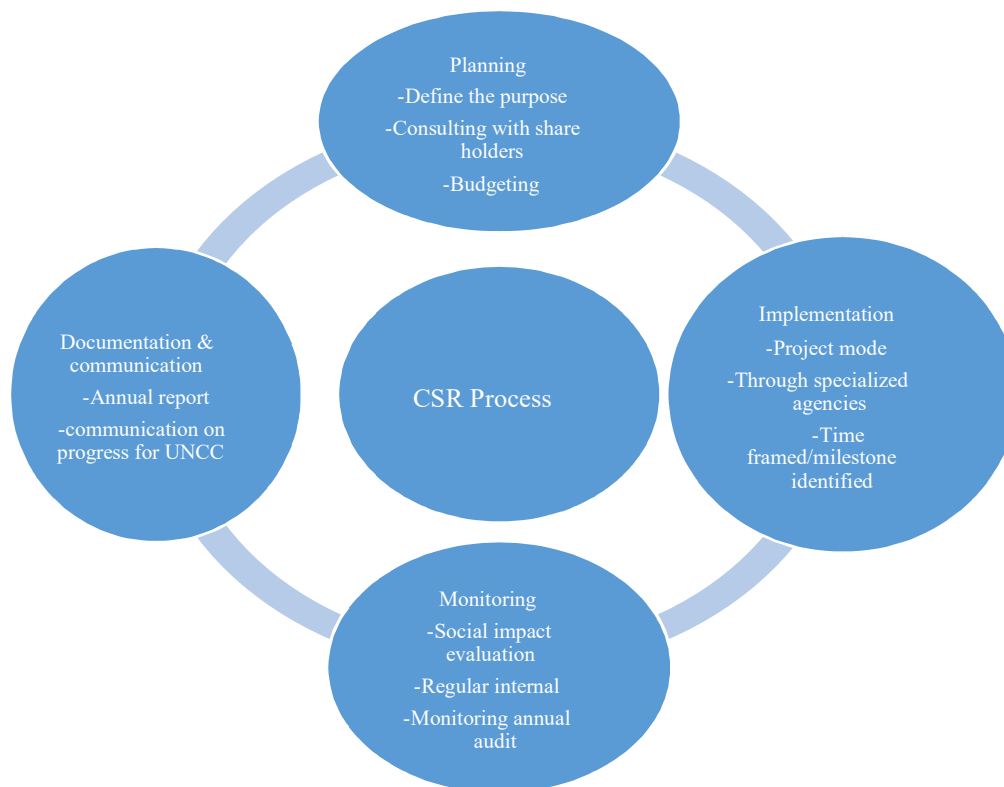
There are some particular zones that are being organized as shown by BB in the field of CSR include:

- Self-work, monetary incorporation, and SME credits intended to make profitable new business.
- Financing of biomass preparing plants, sun powered boards, squander reusing plants, gushing treatment plants.
- relief and credit projects to the individuals misrepresented in characteristic catastrophes
- Credit programs for spread creation of yields.
- Financing projects to support inner the travel industry and markets in social items/occasions.

Every single monetary organization are approached to build up their own CSR strategies and fuse CSR programs into their standard financing exercises rather than momentary social work, for example, awards, help and awards. What's more, in an ongoing notice, BB has requested that they spend in any event 30% of their CSR expenditure. The motivators offered by the Government of Bangladesh to animate CSR exercises include: 10 per cent tax release for business firms on their real CSR spending in 22 sectors;

- 10 percent charge discharge for business firms on their genuine CSR spending in 22 parts;
- Tax exclusion for poor ranchers on pay from store balance up to Tk 100 thousand (one lakh) on their '10 Taka Farmer Account'.
- CSR rehearsing budgetary foundations will savor a few allures as uncommon medicines like giving focuses on the executives part while deciding on its CAMELS (capital, resource, the executives, gaining, liquidity and affectability) rating;
- Identification top ten banks for their entire shows in CSR;
- Taking CSR exercises into account in offering agree to developed new branches.

6.3 Analysis of Corporate Social Responsibility of IDLC



Planning: at the planning process CSR managers of IDLC why should they do it, what they want to get out of it and how does it fit the business model

Implementation: managers try to find out what type of resources, time and money are needed. The measuring procedures and standards are also determined.

Monitoring: evaluation of social impact because of the CSR initiative done by the area manager. They also ensure stakeholder and employee involvement in the initiative.

Documentation & communication: how does the CSR project influence the annual return of the company is reported and communicate on progress for UNGC.

6.4 Focused Areas of doing Corporate Social Responsibility by IDLC

The projects and initiatives adopted by IDLC are designed for marginalized and accessible communities who generally do not have access to quality education. Their CSR initiative aims to improve the lives of marginalized people through education and social and economic development. The goal is to support multiple programs and activities:

- Increase adult education, educate demoted communities, □
Increase income range and progress livelihood.
- Safeguard clean water and sanitation

IDLC works with a number of local, private and non-governmental organizations, their projects and initiatives support local management and promote partnerships between local organizations. such as: Prothom Alo Trust.

Some of the CSR initiatives of IDLC are described below:

6.4.1 Green Finance

Tunnel Kiln

Country-based brick projects are the largest contributor of greenhouse gases (GHGs) to our country - about 38% of Bangladesh's air pollution each year. The Government of Bangladesh and advancement organizations unequivocally bolster the rebuilding of the Bangladesh block division through the advancement of new Energy Efficient Brick Kilon (EEK) innovation.

As a component of IDLC Finance Limited's 'Green Financing' activity, a BDT 390.51 million syndication credit office has been masterminded setting up a force productive 'Passage Kill' block venture in Gazipur. This sum has been brought up in organization with different banks and monetary establishments where the investment of IDLC is 100 million (barring IDCP). The venture will deliver 30 million blocks a year Tunnel furnace innovation is one of the most productive advances accessible in the division that will guarantee low carbon discharges and qualify the undertaking for carbon credit. IDLC Finance Limited is keen on putting resources into CDM ventures that have made a positive commitment to the earth.

Zigzag Brick Kiln

Nature's IDLC has subsidized 15.21 million to create a cutting edge and earth well disposed block. The complete expense of the venture is BDT 130 million. The processing plant has a creation limit of around 60,000 blocks for every day. Utilizing ecologically neighborly innovation in the manufacturing plant will spare a great deal of carbon emanations. In this circumstance, the customer has marked an outflow decrease move concurrence with IIDFC for the offer of carbon credit through UNDP.

Effluent Treatment Plant

IDLC has concentrated on financing the Flovent Treatment Plant (ETP). Fluid waste antagonistic impacts from colors and synthetic compounds, can be totally expelled through ETSPV produced by numerous manufacturing plants. In three RMG processing plants in Narayanganj and Narsingdi, IDLC has dispensed an aggregate of Tk 226 crore for setting up fluorite treatment plants.

Waste Recycling plant

In Narayanganj, IDLC has distributed & 5 million worth of disks to a plastic recycling factory. The factory uses plastic to produce accessories for school bags

Biogas Plant

A natural fertilizer undertaking of Bogra IDLC has cost 3 million. The undertaking produces two natural manures, vermin fertilizer and tricho fertilizer. Tricho litter is a side-effect of Tricho manure, which is additionally an ecologically cordial natural compost. With the subsidizing of IDLC, a research facility for derma nursing has been set up, the most essential element for making tricho fertilizer.

Solar Home System

IDLC has dispensed a sum of BDT 4.5 million in credits to two Dhaka-based organizations. The two organizations import sun based boards and extras expected to introduce sun oriented boards. Organization that sell sunlight based vitality proficient table fans additionally sells items affirmed by IDCL and provided generally to IDCL's essential vendors and accomplice organizations.

6.4.2 Free Eye-Camp organized by IDLC at Kushtia on Jan 20, 2020

A free eye care program was organized on February 29 at Mir Abu Abdullah Memorial Junior School in Kushtia, courtesy of IDLC Finance Limited, the country's largest financial institution. In the first phase of screening of the Eye Camp, 300 patients from that region were provided free medical treatment by the specialist doctors from Ad Din hospitals and necessary medicines were provided.



In the next phase, 50 cataract patients among the 300 patients were identified, given pre-operative check-up, lab tests were done and medical procedure was acted in Ad Din Hospital Khulna alongside 24 hour clinic remain. Under the activity of the "Khushir Kheya", IDLC fund Limited has financed the entire venture while "Spreeha Bangladesh establishment" guaranteed the fruitful activity of the activity.

6.4.3 Boat Ambulance Launched by IDLC for Water Dependent Rangabati Upazila on Jan 13, 2020

Multiple Chor areas of Bangladesh depend on engine and manual boats for communication. In the case of health emergencies, the people of these areas have to go through different risks including the risk of life for lack of proper transportation. Empathizing with this, IDLC Finance Limited have funded a boat ambulance with the supervision of Obhizatrik foundation, to help and serve the people of all connecting chors of Rangabali Upazilla at Patuakhali district.



It will serve about one and a half lakh people of Rangabali upazila of Patuakhali. As there is no health complex in this upazila, locals have to go by boat to the Galachipa Health Complex which is 20 km away from the chor and it takes two to three hours to reach Patuakhali district health complex, that is 40 km away. Mostly mothers in pre-mature labor and with postpartum complicacies put their lives at serious risk and some patients died of not reach the hospital on time.

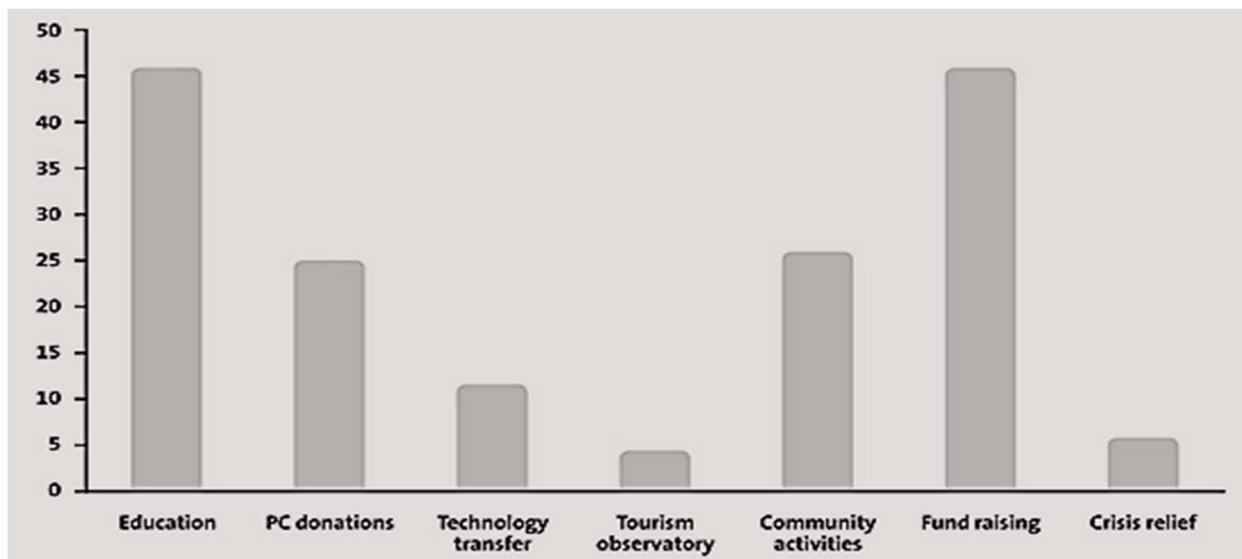
In this way, IDLC Finance Limited have propelled a vessel rescue vehicle, for improved social insurance and crisis fast hospitalization to the individuals of Rangabali Upazila, with a limit of ten individuals. The rescue vehicle is 20 ft. long, with 120 drive and can convey patients to the emergency clinic inside 20 to 25 minutes with a base lease. The pontoon rescue vehicle is furnished with oxygen and crisis medications, just as full-time wellbeing laborers and different offices.

Corporate social responsibility can be categorized into four categories: environmental, human rights, environmental and economic. IDLC finance limited is doing their CSR activities keeping in mind to contribute in all these four categories. Their recent CSR activities (2019) are categorized bellow

- Corporate Educational Responsibility : Renovating and Expanding a Local Cultural Hub at Noakhali, Enhancing Access to Education in Rangpore remote Areas, Supporting Females to Pursue Higher Education, First-Ever Online Finance Olympiad, Enhancing Access to Primary Education in Remote Locations, Upholding the Dreams of Those Excluded, Ensuring Education For The Farthest Corners Of Bangladesh, First-ever Primary School established in Latarchar - A Remote Village in Patuakhali, Building a Library for Gerda School Bookworms, Renovation and Extension of School Building at Gazipur.

- Corporate Human Rights Responsibility: Enhancing Medical Facilities for the Mother and the Child, A humble Effort to Make Everyone Smile Breaking Boundaries, Helping the Underprivileged Gain Back Clear Vision, Enjoying Eid Festivities with the Little Warriors, Fulfilling Their Dreams on the Cricket Field, crisis relief activities.
- Corporate Environmental Responsibility: Teaching Children to Conserve and Protect the Environment by a session conducting in school, Helping the Grief-Stricken Survive the Difficult Winter, Environment-Friendly Technologies
- Corporate Economic Responsibility: Taxes to Government, Employment Generation, Focus on SME Financing, Supporting Community through Various CSR Activities

During 2019 IDLC contributed most in Educational sector. By using a graph % in each sector has shown bellow:



6.5 Statement of Green Banking

IDLC Finance Limited

Statement on green banking as of 31/12/2017

Allocation of fund in the budget for green finance	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Green Finance	BDT 250 million	BDT 250 million	BDT 250 million	-	BDT 750 Million
Climate Risk Fund	-	BDT 1.0 Million	BDT 1.0 Million	BDT 1.0 Million	BDT 3.0 Million
Marketing, Training and Capacity Building	-	-	-	-	-

Utilization of Funds (in million taka)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Green Finance	BDT 154.73 million	BDT 124.00 million	BDT 88.15 million	-	BDT 366.88 Million
Climate Risk Fund		BDT 0.5815 Million	BDT 0.653 Million	BDT 0.87 Million	BDT 2.1045 Million
Marketing, Training and Capacity Building	-	-	-	-	-

Chapter 7

Conclusion & Recommendation

7.1 Conclusion

Organizations worked by methods for taking large measure of advance from banks or from family members. Before setting up the advance contraption of SME, individuals who didn't decide to run tremendous organizations; used to run associations fit as a fiddle for the need of cash. After the foundation of SME advance individuals are increasingly intrigued to run organizations and the astounding organizations began running in an awesome manner. On the off chance that the technique for loaning cash can be hold, there are parcel more prominent mind blowing what might be on the horizon. To look after this, first the renting organizations or the related offices need to mindful the borrower about the focused difficulties they need to confront. Furthermore, the organizations can help SMEs to address difficulties by utilizing handle the vitality and shortcomings and help them to beat the difficulties. They have to get familiar with certain contributions to update themselves. Data sources like market data, money, training foundation improvement, R&D, specialized capacities just as skills and hyperlinks with establishments for help administrations.

At present, CSR is significant as a method of working together in Bangladesh. Still CSR is seen as generosity to numerous organizations. Others putting resources into the network in economical manners see it as normal augmentation of the customary act of offering back to neighborhood networks instead of the better approaches for working together. The private area in Bangladesh are affected by the worldwide CSR development. Organizations are beginning to coordinate capable strategic policies into their center activities and procedures and spotlight on economical tasks just as estimating execution against the triple main concern: People, Profit and Planet. Charity remains the most widely recognized manner by which CSR is drilled in Bangladesh. For organizations rehearsing Responsible Business in Bangladesh, CSR is tied in with addressing the requirements of the network by making open doors for work and training, improving ways of life and giving medicinal services administrations. In spite of the fact that the importance of CSR is distinctive by organizations, the normal observation that CSR implies generosity in Bangladesh is gradually evolving.

7.2 Recommendation

To develop the strategy of SME as well as CSR and to fulfill the objective of this study there are some recommendations which mentions where SME can invest more/ what are the scopes to make improvement in this field and CSR activities can be done effectively. Here are some recommendations which may follow the leasing companies.

- ☐ Hire skilled personnel to avoid the risk factors and make the ground more profitable.
- ☐ Bangladesh Bank should continue the refinancing system to encourage the entrepreneur in the business field.
- ☐ If the system of getting trade license, registration of enterprises, getting patents or trademark become easier than the number of taking loan will increase which will eventually help SME to reach into a standard level.
- ☐ A separate organization can be built by the participation of public and private banking industries for small business investment and lending money in SME field.
- ☐ Another amazing work can be done to encourage and improve the SME sector. Public fund can be made under some regulations from where businesses will get money directly and the further formalities will be done accordingly.
- ☐ Disaster or seasonal loans can be provided.
- ☐ BB should emphasis more on CSR policy and guideline.
- ☐ To learn deeply about CSR, IDLC can arrange training program and learning session/workshop in foreign countries.
- ☐ IDLC could have done CSR that are needed on country's emergency situation, such as: temporary hospital for "Corona infected patients". Whereas Akij Group and square group took this great initiative.

7.3 Reference

I collect all of those information from below sources:

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