

Report on

“SME financing, function, and process involved in the SME division of
IDLC Finance Limited“

By

Ishmam Anushka
ID: 20164039

An internship report submitted to BRAC Business School in partial fulfilment of the
requirements for the degree of

Masters of Business Administration

BRAC Business School
BRAC University

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Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing my degree at BRAC University.
2. The paper does not include anything that was previously released or composed by someone else unless it is properly referenced in the form of a complete and correct citation.
3. Nothing in the paper has been approved or presented for consideration for an additional diploma or degree at an academic or other educational institution.
4. I must have felicitated my primary sources of assistance.

Student's Full Name Signature:

Ishmam Anushka

Student Full Name: Ishmam Anushka

Student ID: 20164039

Supervisor's Full Name Signature:

Suman Paul Chowdhury, PhD

Supervisor Full Name: Suman Paul Chowdhury, PhD

Designation, Department: Associate Professor

Institution: BRAC University

Acknowledgment

I want to express my gratitude and appreciation to my esteemed instructors for their tremendous assistance and for responding to emails right away when I had issues. My professors have been supportive of my circumstance and have helped me the entire semester. I am extremely appreciative that I completed yet another course with Suman Paul Sir last year. This report would not have been possible without his assistance, from choosing the topic to submitting it.

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Ms. Sazia Sultana and Ms. Moriam Akter taught and helped me with the duties, which allowed me to learn a lot about the operation of the department and do the duties which were given to me.

It was one of the most exciting periods of my life, and none of it would have been possible without my coworkers. During my three months here, I learned a lot and got a taste of corporate life. I would like to acknowledge IDLC and my line supervisors for giving me the opportunity to serve them as a trainee.

Executive Summary

IDLC Finance Ltd. is a significant Non-Banking Financial Institution (NBFI). The company offers a wide range of products and services, including consumer goods like house and auto loans, corporate and SME products like lease and term loans, deposit schemes, structured financial services, and others. I've attempted to describe IDLC Finance Limited's SME department in this paper to the best of my limited ability.

Small and medium-sized businesses (SMEs) are crucial to the overall economic development of a nation, particularly in developing nations like Bangladesh. Achieving the goals set by the Millennium Development Goals (MDGs), particularly the eradication of extreme poverty and hunger, gender equality, and women's empowerment, could be done quickly thanks to this sector's labor-intensive nature and short gestation period. Many of Asia's wealthiest nations' economic success has depended heavily on the SME sector. A similar value is placed on small and medium-sized businesses (SMEs) in our neighbors' nations. They emphasized the creation of small and medium-sized enterprises (SMEs) for improved economic growth, bridging the gap between income disparity and poverty alleviation, and referring to SMEs as machines that create jobs. The present administration has also placed a priority on the growth of the SME industry, which it sees as the engine driving industrialization.

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Abbreviations

IDLC – Industrial Development Leasing Company of Bangladesh Limited

SME – Small Medium Enterprise

NBFI – Non-Banking Financial Institution

MDG – Millennium Development Goals

IFC - International Finance Corporation

DEG - German Investment and Development Company

GRI - Global Reporting Initiative

NPL - Nonperforming Loan

Chapter 1: Overview of Internship

An internship is a part of my degree requirement and I was engaged with IDLC and got a chance to do the internship in the headquarter of IDLC.

IDLC Finance Ltd is a major Non-Banking Financial Institution (Non-Banking Financial Institution) (NBFI) Retail products such as home and vehicle loans, corporate and SME products such as lease and term loans, deposit schemes, structured financial services, and so on are among the company's many products and services. With my limited understanding, I have described IDLC Finance Limited's SME division as thoroughly as possible in this report.

Small and medium enterprises (SMEs) play an important part in a country's overall economic development, particularly in developing countries like Bangladesh. Because this sector is labor-intensive and has a short gestation period, it has the potential to boost national income and create jobs quickly, thereby achieving the Millennium Development Goals (MDGs), particularly the eradication of extreme poverty and hunger, gender equality, and women empowerment. The SME sector has been essential to the economic development of several of Asia's most wealthy countries. Small and medium-sized enterprises (SMEs) are likewise valued in our neighboring countries. They highlighted SME development for better economic growth, decreasing the gap between income inequality and poverty alleviation, and referring to SMEs as "job-producing machines." The current government has also placed a strong emphasis on the development of the SME sector, which it views as "the propeller of industrialization."

1.1 Student Information: Name, ID, Program, and Major/Specialization

Name: Ishmam Anushka

ID: 20164039

Program and Major: MBA, Human Resource and Management

1.2 Internship Information:

1.2.1 Period, Company Name, Department/Division, Address

Period: April 17, 2022 – July 17, 2022

Company Name: IDLC Finance Limited

Department/Division: Business and Product, SME Division

Address: Bay's Galleria, 57 Gulshan Avenue, Dhaka 1212.

1.2.2 Internship Company Supervisor's Information: Name and Position

Name and Position: Sushmita Saha, Manager, Head of Product, SME, IDLC Finance Limited

1.2.3 Job Scope – Job Description/Duties/Responsibilities

My duties were :

Before providing customer documentation to Bangladesh Bank for funding, we examine, gather, and validate everything.

Monthly updating of loan disbursement figures via the Bangladesh Bank Dashboard website.

obtaining, inspecting, and entering small and medium enterprises invoices from every department before submitting them to administration.

Make bills for any other payment and keep updating to administration.

Calling other branches for updating the documents which will disburse to Bangladesh Bank and update them to printing and sending to Bangladesh Bank within the given deadline.

These were my regular job responsibility. Assisting officials with the refinance documentation for multiple kinds of debts that went out to Bangladesh Bank in the second week of a given month was my main duty at work. The materials were double-checked by our team to see if there were any errors or omissions, I contacted the branches and make sure they submit them again so that we can send them to Bangladesh Bank.

Also, there are 28 branches that frequently sends the bill for their office work, like meeting, late office dinner, snacks bill, and car rental bills. They send it to the Gulshan branch, then I verify if they are giving it in the right way then send them to Admin for their payment.

1.3 Internship Outcomes:

1.3.1 Contribution to the company

I began my journey with a very welcoming team of IDLC Finance Limited, which is the Product and Business, SME Division. I enjoyed every moment I worked with them and learned how a financing company work, especially what an SME division work for. Also, the team was especially for Refinancing and I learned about it. I created a good bond that I will forever cherish.

1.3.2 Benefits

Basically, the above responsibilities are the tasks that I had to complete while working as an intern. I was exposed to a few other things, albeit they are too insignificant to discuss here. They first demonstrated how to complete the work, then they would ask me to complete it on my own the next time. Therefore, during this process, I learned how to complete the jobs faster and more effectively. In addition, I encountered a variety of challenges and issues while I carried out my assigned duties. I received a lot of help in this circumstance from my supervisor, my coworkers, and the other co-interns.

1.3.3 Problems/Difficulties (faced during the internship period)

With all the positive parts of my employment, I was able to learn a lot, but there were also certain obstacles that prevented me from presenting all the data I had planned to include in the report. As a result, it is impossible to include all the internal information that has been revealed here; instead, this report was created primarily on the assumption that details are accessible on the organization's website and the yearly report. It is important to manage mistakes made by people when writing this internship report.

- Because there wasn't enough time to fully understand all of the organization's operations, it was challenging to complete the entire analysis.
- Due to the confidentiality the company has imposed, the information that could have enhanced this report was unable to be provided.

1.3.4 Recommendations (to the company on future internships)

Following the conclusion of my work experience with IDLC Finance Ltd., I'm happy to report that I spent the entire time working for the Gulshan Branch. I have gathered a ton of helpful knowledge from the award-winning NBF Institute of Bangladesh, their organized activities, and their various attempted strategies. The new information will make precise value in the past, present, and aggregate. I have made an effort to increase my personal knowledge in order to best serve the branch.

IDLC primarily handles issue management, underwriting, portfolio oversight, and corporate consulting from a Bangladeshi viewpoint. The SME section needed my assistance during the internship. Additionally, I worked closely with several departments to understand how they operated and to try and compile pertinent data. Prior to the audit, I also assisted with the primary operational tasks and supported other interns with indexing, auditing, and customer relationship management.

Given these elements, this branch of IDLC is a respectable venue for graduates in Finance, Accounting, and Economics, as well as HR, to complete their undergrad. By accepting an entry-level position here, one will have a wonderful opportunity to see how real problems are handled by a budgeting firm. Additionally, this presents a respectable chance for systems administration. In this manner, I advise graduates to complete their internship program at IDLC Finance Limited.

Chapter 2:

2.1 Introduction :

The greatest multi-product, a multi-segment non-banking financial institution in the nation came into existence 35 years after it was established as a single-product rental financing business with just five staff members. IDLC Finance Limited, among the oldest and most well-known financial companies in the sector, enjoys an established and diversified presence in the Corporate, small and medium-sized the retail sector, and financial market sectors.

2.2 Overview of the Company:

IDLC Finance Limited is currently the country's largest non-bank financial firm. Being the largest is not simple, and IDLC had to overcome numerous obstacles, the trip has a rich past.

In the year 1985, IDLC started off as one lease financing firm with just five employees. Jump forward to the present day, and IDLC has been supporting the nation for 35 years as the largest multi-product, multi-segment non-banking financial institution in the nation. Presently, IDLC employs over 1500 staff members across 28 offices in 20 metropolitan areas, providing services for more than 45,000 customers.

The industrial development leasing company of Bangladesh (IDLC), formerly known as IDLC Finance Limited (IDLCFL), is a non-banking commercial firm with operations in Gulshan-1, Dhaka. It is a firm with numerous offerings. Financial services including SME financial matters, vendor finance, and reseller finance are available to small and medium-sized businesses. Finance, corporate finance, structured finance, retail finance, deposits, and treasury financing products are a few of the types of financial services provided. The three distinct businesses that make up the IDLC group, IDLC Asset Administration Limited, IDLC Securities Limited, and IDLC Investments Limited, are also contributing to the company's success.

The year was 1985, and the collaboration took place. Following the passing of the Financial Institution Act of 1993, IDLC was licensed as a financial institution by Bangladesh's central bank. IDLC has expanded in line with Bangladesh's transformation into a developing country over the previous two and a half decades, becoming the country's leading multi-product financial institution. The International Finance Corporation (IFC) of the World Bank, the German Investment and Development Company (DEG), the

Korean Development Leasing Corporation and Kookmin Bank of South Korea, the Aga Khan Fund for Economic Development, the City Bank Limited, IPDC of Bangladesh Limited, and Sadharan Bima Corporation combined their shares to form IDLC Finance Limited.

Mission :

Each organization and company aim to operate for a target market and fulfill the end objective. They function according to their mission, which is the reason why they are in business for a certain demographic or target market. A mission, however, explains whom the organization serves and how it operates fixed its reason. The Mission Statement of IDLC-

“We want to be the most preferred destination for investment knowledge, investment products, and investment return in Bangladesh for both individuals and institutions.”

Vision :

Every business operates and battles constantly to reach a higher goal and perform a factor extraordinary to attain the highest level of expansion and client response. One logical goal motivates all of the company's management and staff to a high level of commitment and inspires them to carry out their respective missions. One line has the power to convey so much meaning that inspires the business and enables it to appreciate the wider vision. The vision of IDLC-

“We want to be Bangladesh’s no. 1 asset management company in terms of investors’ trust and Asset Under Management.”

The IDLC has been selecting choices and taking actions as the inception of its journey to achieve its vision.

2.3 Management Practices :

They opened many branches across the nation in 2021 as part of their business expansion, which will, in our opinion, considerably aid management's efforts to mobilize more SME clients in that region and grow their business, and offer better services to their SME clients there. Additionally, they intend to open more Branches in various parts of the nation in 2021. They think that opening these branches will enable them to expand into SME markets that are mostly untouched by them, establish a stable presence in various locations, provide speedier service delivery, and create cross-selling opportunities for all of their other

financial goods and services. They think that opening these branches will also increase the scope of their deposit mobilization efforts.

2.4 Marketing Practices

This department, one of the organization's most important and lucrative divisions, is in charge of carrying out IDLC Finance Limited's advertising activities and hitting its sales goals. Five significant retail items of the corporation are the focus of the department's strategy and efforts to promote and sell them.

The four items that fall under the purview of the Marketing and Sales/Business Department are:

1. One of the most well-liked products is the home loan, which IDLC Finance Limited concentrates on offering as a means of assisting consumers amid Bangladesh's severe real estate boom. Depending on how their clientele is divided, they sell house loans at competitive rates and with attractive packages.
2. Car Loan - The IDLC Finance Limited Car Loan is another significant retail product in addition to Home Loans. A loan from the business can be used to finance a sizable percentage of a new car.
3. Loan for Commercial Spaces - IDLC Finance Limited also offers finance for buying property or spaces for use in businesses, from modest vendor shops to substantial supermarkets.
4. Personal Loans - Customers may obtain Personal Loans from the business to cover unforeseen, urgent needs that are difficult to define or do not fall into a specific category.

2.5 Financial Performance and Accounting Practices

To strengthen its asset-liability profile and strengthen the sustainability of its balance sheet, IDLC invests in government securities. In terms of the government, it helps them meet their own funding needs. The collective IDLC grew its investment in government securities by 121% in 2020, from BDT 1,380.72 million to BDT 3,044.78 million.

2.5.1 Tax to Government :

In 2020, IDLC paid BDT 1,119 million in corporate income tax and BDT 50 million in VAT on fee income to the government exchequer, for an overall amount of BDT 1,169 million in taxes and VAT paid

against IDLC's income. Additionally, BDT 1,176 million in withholding tax (BDT 1,035 million), withholding VAT (BDT 54 million), and tax on excise (BDT 87 million) were gathered and submitted to the government exchequer. Notably, the amount of tax and VAT deducted from IDLC's income increased by 8.78%, principally as a result of higher advance income taxes deducted from higher taxable revenue. The increase in corporate tax of 10.59% has more than compensated for the VAT's dramatic drop of 20.23%. Due to the pandemic-related economic downturn, reduced fee income from fewer disbursements has naturally led to a decline in VAT. The source of tax, VAT, and excise duty deductions and collections has increased by 1.89% while the contribution's composition has stayed largely constant. The tendency is consistent with how the business operates.

2.6 Operations Management and Information System Practices

Full risk and sustainability management integration at the strategy level not only helps to reduce potential losses but also helps to take advantage of new opportunities brought about by sustainability agendas. The strategy used by IDLC Finance Limited to manage operational risk (OpRisk) entails controlling the risk of financial loss associated with people, systems, processes, and outside events. The activity By identifying and controlling any social, environmental, or ethical issues that could have a negative impact on the business line, IDLC's risk management process also emphasizes the Social, Environmental, and Ethical (SEE) impacts of its business processes and practices. To further IDLC's environmental goals and establish an entity that is sustainable, the company is making sure that sustainability reporting and procedures follow The Global Reporting Initiative (GRI) standards. An efficient operational risk management framework is built on a solid risk management culture with open communication about operational risk issues across the entire business.

Transparent OpRisk management functions are growing as a result of understanding the importance of danger progression and embracing separate risks of risk mitigation decisions taking into consideration the degrees of exposure and vulnerability.

2.7 Industry and Competitive Analysis

Due to its superior portfolio, IDLC Finance Limited is without a doubt the top financial institution in Bangladesh's NBFIs sector. The second and most significant goal of this research was to provide a detailed history of IDLC Finance Limited and all of its many concerns. This report also included a narrative and graphical presentation of their five-year performance evaluation and an interpreted comparison with LankaBangla. The SME sector is hugely significant and contributes significantly to the expansion and

development of our economy. However, it has a great deal of ability to alter the direction of our nation's economy. As a consequence, this sector's need is expanding significantly. Since Bangladesh's economy is labor-intensive, SMEs can significantly contribute to the development of our economy in the future. Additionally, expanding employment prospects in small and medium-sized businesses, lowers the unemployment rate.

The fastest-growing and top financial institution in the NBFIs sector is IDLC Finance Limited. The nation's financial development is being dramatically impacted by IDLC Finance Limited, which currently holds the top spot in the NBFIs industry. Consistent growth is being seen in the company's industry.

2.8 Summary and Conclusions

The necessity of maintaining and enhancing performance is expanding daily, especially in a setting marked by great rivalry, product innovation, a change in advertising techniques, deregulation, and worldwide on one hand, and an expansion in bank failures linked with mergers and megamergers on the other. A complete performance evaluation system must be developed in order to keep up with the latest market conditions. All kinds of banks, as well as non-banking financial institutions, should step up and increase their attempts for the effective formation of the SME sector in our country, given the importance of this sector. The regulatory bodies and policymakers should assess the entire process with a holistic perspective before making any significant decisions pertaining to the SME sector. The SME sector builds a solid foundation for large industries, enhancing the strength, activity, and competitiveness of the industrial sector.

The objective of the current research was to evaluate a private financial institution's performance critically. This report's primary goal was to assess IDLC Finance Ltd.'s financial analysis and the effectiveness of its customer service operations. Financial analysis has shown that IDLC Finance Ltd.'s performance is more than satisfactory.

2.9 Recommendations/Implications

In every way, IDLC Finance Limited is a remarkable organization in the banking sector. Associations are the greatest in the industry thanks to their workplace, the top level of corporate management, ethics, unity practices, responsibility to clients, and robust consistency with arrangements. Despite the fact that IDLC leads the finance sector in performance—I worked there as an intern—I believe there are still a few opportunities for growth in some regions.

1. Because IDLC has a significant quantity of liquid funds that no one can earn, it is able to lower interest rates on various forms of loans. If IDLC Finance cuts interest rates in this case, it will be able to keep more current clients and draw in new ones. If interest rates decline, IDPL's NPL may also decrease since consumers will be less burdened and hence more devoted to IDLC.
2. In order to provide efficient credit risk management, IDLC must collaborate with other financial institutions to create a suitable credit risk environment.
3. The IDLC must implement a procedure for managing non-performing loans that take into account setting appropriate thresholds, minimizing animosity toward certain industries, loan securitization, and maintaining a transparent framework for evaluating lending facilities.
4. Oracle BL Publisher's servers and systems frequently experience outages during busy times, which doesn't promote maximum efficiency. This needs to alter, and the server operation must be expedited.
5. Due to errors made by the officers or the use of incorrect information in the KYC form by 3,178 account holders, officers should exercise greater caution when granting loans to new customers. National accounts are the primary source of IDLC NPLs. Customers must assess physical precise information by physical designation in credit risk management to resolve issues.
6. Identifying the portfolio's particularly risk-sensitive borrowers. Before making a loan, IDLC should gather information about its clients. To find dangerous Oro borrowers, they can go to Bangladesh Bank and thoroughly review the financial statements from reputable sources.
7. Determining risk sensitivity depending on location. Customers should be aware that there are, on average, not many locations in Bangladesh where the growth rate is low or the repayment is low, according to the sector of the banks.

Chapter 3: SME Financing, function, and process involved in the SME Division of IDLC Finance Limited

3.1 Introduction

In 2006, IDLC's SME Division began its journey by creating a separate SME branch in Bogura's Northern area. IDLC-SME has evolved into one of the organization's major business sectors, determined to play a significant part in the development of Bangladesh's SME sector. In 2022 they are still doing their best and growing fast in this sector smoothly.

SME Division provides a comprehensive range of customer-centric, timely, and innovative goods to meet the demands of its clients. SME Division has made considerable investments in human resources and infrastructure - the two most important building blocks - throughout the years, resulting in the development of a solid structure that has helped our expansion.

The SME sector of IDLC's financial services for small and medium-sized firms places an important focus on empowering people and women. The IDLC has been selecting choices and taking action since the inception of its journey to achieve its vision. They additionally offer middle and long-term funding options to a number of businesses that want to soon transform into potential companies through Medium Enterprise Financing. Additionally, IDLC conducts Supplier Finance, which finances collections brought on by the provision of supplies or the provision of services on credit. They offer an opportunity in which you can acquire a loan to buy a car for use in your company's operations. Last but not least, IDLC promotes empowering women and offers a Women Entrepreneurship Loan as a result. Through this program, women-owned small and medium-sized companies have access to capital.

3.1.1 Background

Non-performing Loan (NPL) is a term used to describe money that borrows money from a bank or other financial institution but is unable to repay the loan within the agreed-upon time frame. A timetable exists that can be categorized as either a payable or non-performing customer. The timeframe for non-performing loans is 90 days. Very efficient cash flow and domestic productivity are necessary for very seamless logistics. When it comes to safeguarding the economy of a growing nation like Bangladesh, commercial banks play a significant role. Other industries, outside commercial banks, and the financial sector, have an impact on the national economy. Looking at the erratic loans over the years will show us how much of a hardship changing the economy is for us. Bangladesh's economy has recently started to grow at a faster rate than the average developing nation in Asia. In addition, both NBFIs and commercial banking sectors operate closely together and are directly related to risk management. Banks normally offer short-term loans, while NBFIs typically offer long-term loans. Saleuddin Ahmed, a former governor of the Bangladesh Bank, stated (Dhaka Tribune, December 2017), that financial institutions like banks frequently need to file lawsuits against irate clients. The rate of non-performing loans is rising daily since the administration doesn't seem to be particularly concerned.

3.1.2 Objective(s)

The major goal of this study is to have a clear understanding of the significant role that SMEs play in each of IDLC Finance Limited's products and services. Orientation is a great tool for determining how well theoretical knowledge applies to practical situations. Although the field is rather extensive and is labeled "SME financing, function, and procedure engaged in SME division of IDLC Finance Limited," the particular goals are as follows:

1. Recognizing the necessity of SME financing.
2. To learn more about the entire SME procedure.
3. Acknowledge the fundamental SME process.
4. Understanding how the SME division operates
5. To consider potential changes that could be made to the entire SME process.

3.2 Methodology

I followed two kinds of methodology to arrange this report. The two ways I've used to obtain data are primary data and secondary data.

Primary data: I gathered this information with the assistance of the organization's (IDLC) administration, as well as myself by speaking openly with my coworkers and drawing on my personal experiences as this organization's student.

Secondary data: I have gathered some original information from the internet, as well as participated in papers and social conflicts. My sources, which are becoming more specific, are: the IDLC website, IDLC Finance Limited's annual reports, social networking, newspapers, journals, books, personal interviews, and observations.

3.3 Findings

As this department is committed to offering specialized financing to small and medium-sized firms in a variety of sectors, including Bangladesh's steel, cement, light engineering, plastics, and textile industries, among others. To meet the varied needs of its customers, this division offers a wide range of services, including term loans, working capital loans, and lease finance. Also, if necessary, this section can tailor its services. Also, the division promotes and supports female entrepreneurs by offering them loans with beneficial covenants, IDLC Finance Limited is the most successful and most rapidly expanding financial institution in the NBFIs sector. Hence, as a part of the organization as an intern, there are a few findings to look at:

1. In order for the SME division's loan guidelines and marketing team to understand their lending policy enough, the Consumer Division can cooperate effectively with them.

Bangladesh Bank has released general guidelines on consumer finance and Small Business Funding, which comprises the bare minimum of rules. For improved handling of credit in those two sectors, the NBFIs have been given two separate sets of criteria, under which loans must be divided into 8 (eight) sections. This is mainly a result of recent promising loans in the small business credit industry and a considerable surge in credit disbursement in the general financing industry. The Bangladesh Bank's on-site inspection teams conduct routine inspections to track the execution of these regulations and guidelines to IDLC and other NBFIs too.

This is mainly a result of recent promising loans in the small business credit industry and a considerable surge in credit disbursement in the general financing industry, in order to achieve the necessary economic growth.

Accounting Function: The main value and advantage of accounting tasks have been in creating fresh and innovative ways to provide services to SME divisions in the present. Suppliers are bringing their services

to SME owners' front doors. One of the main draws of outsourcing is the emphasis on core capabilities. From the researchers' point of view, about 70% of the selected SMEs looked to have established some kind of accounting function outsourcing. The degree of satisfaction among SMEs with their experience of outsourcing accounting tasks, however, is really encouraging. The accounting function is very important for the SME division. In order to reach new markets and increase their profitability in the corporate sector, SMEs must be aware of and persuaded of the value of accounting information for improved management control and decision-making objectives.

Operation Function: In SMEs, the operations role is crucial. The majority of the processes that take place both inside and outside IDLC are controlled by it. Additionally, they are in charge of preserving capacity, effectiveness, and quality. They have a strong distribution network, and as a result, they do not fail to attend to any client in any branch. IDLC has a total of 28 branches all over Bangladesh. Therefore if clients face any problem they can go to any nearest branch to solve it. Even if IDLC need any further documents they can get them easily by sending their people to the client as they have branches in 28 districts.

2. SME department can be more serious about maintaining the timeline and requirements and gathering the documents before disbursement so that the efficiency can be increased towards the upper slope.

An organization's cash flow includes disbursement. It acts as a record of everyday expenses. When costs surpass receipts, there is a negative cash flow, which could indicate impending collapse.

An expenditure's record includes the day it was made, the beneficiary's name, what was debited or credited, the mode of settlement, and the repayment's objective. The payment is then reflected in the company's overall cash balance.

The financing agreements of public sector loans state that the payments under such loans are to be made in line with the Disbursement Procedures, and these financing agreements are subject to the underlying Disbursement Procedures. The financing arrangement itself or the general terms that apply to it will make this obligation obvious. Legal documents like loan agreements always serve as the fundamental building blocks of any transaction. The terms of the loan-specific legal papers will take precedence if there is a conflict between the Disbursement Procedures and those documents.

The following chapters provide an overview of the disbursement procedures:

- 1) Introduction
 - 2) Definition of Terms
 - 5) Fundamental Ideas and Overarching Principles
 - 4) Requirements that apply to all withdrawal requests
 - 5) Particular specifications for each payment method
 - 6) Managing financial accounts
3. Each group must have an observer who can oversee every player and provide feedback on actions and procedures.

Financial leasing businesses work with movable property. Although the lessee technically owns the asset, the leasing firm is the actual owner. Small and medium-sized enterprises, or SMEs, are important players in the modern corporate world. Leasing businesses enjoy providing financing for SMEs, and entrepreneurs benefit from this as well. Within 7 to 10 days, loans are offered by IDLC. Credit risk management is present in every branch. So they are analyzing the credit risk of the files from their own branches. They are independent of the central department responsible for managing credit risk. When necessary, the CRM department completes its information intake, trade visit, and analysis quickly. However, the process slows down a little bit when it reaches the Credit Administration Department, which is where the distribution process is eventually completed. mainly due to the single Credit Administration Department. Another factor contributing to the length of the process is the necessity to send the documents to the main office.

The SME division is dedicated to providing small and medium-sized businesses in Bangladesh with specialized financing for manufacturing and processing materials such as steel, cement, light technology, polymers, clothes, and a variety of other sectors. To satisfy the various demands of its clients, this division of IDLC provides a broad range of services, including term loans, working capital loans, and lease financing. Additionally, this area can adjust its products as necessary. Additionally, the division supports and encourages female-owned enterprises by offering them credit with favorable terms.

SME stands for small and medium-sized firms in their full form. A specific number of employees within the company defines these businesses. SME Finance was developed to finance and advance these businesses. The contributions of small and medium-sized businesses have decreased to the growth of the broader economy. They are contributing significantly to economic expansion, job creation, and social cohesion. SME participation is increasing across a range of industrial sectors. Enterprises are contributing

a significant amount of capital to the financial market by way of SMEs. Now, various banks and financial organizations are concentrating on the industry. They are also actively focusing.

3.4 Summary and Conclusions

One of the nicest things that have ever happened in my life was working for IDLC Finance Limited. During my internship, several significant campaigns and a shift in marketing tactics were launched, and I feel really fortunate to have been a part of such a trailblazing effort. Although it's difficult, attempting to be the best is not impossible. The twenty-first century offers many opportunities and problems. To be successful, businesses must comprehend society and trends and take appropriate action based on strategy and market research. Being the top financial brand in the nation is not unrealistic given the direction IDLC is going.

The financial development of the nation has been significantly influenced by IDLC Finance Limited, the largest NBFIs in the nation. The business is constantly expanding. Rental requests for financing from the retail and retail sectors are one of many causes driving this surge. The Operations and Credit Risk Management Department of the Consumer Division ensure that the administration is dispersed swiftly and effectively thanks to its extraordinarily talented, skilled, and experienced workforce. Additionally, this section adheres very closely to the rules and regulations established by Bangladesh Bank. The financial and social dedication of IDLC Finance Limited is evident in its ongoing assessments of the political, social, economic, and cultural contexts. For these reasons, IDLC Finance Limited is an excellent venue for students of banking, accounting, and economics. A financial institution's internship here will provide important opportunities for real problems. Additionally, it offers a great chance for systems administration. I, therefore, advise recent grads to complete their internship at IDLC Finance Limited.

3.5 Recommendations/Implications

I would recommend IDLC finance limited to use a significant and easier method to work in more convenient ways so that employees can reach their goals effectively way. Time is always important while working at the office. One may have efficiency however he doesn't have much time to pull it. Therefore IDLC Finance should take care of its information technologies department so that they can work easily. Also, they need to improve a few working methods to change the organization's working process. For example, paperwork like signing into the bill, and signing into the disbursement papers.

Every paper needs to sign and deliver to the head or deliver to the Bangladesh Bank. After checking the papers they also need to double-check and send them for disbursement. This paper's works are mostly done by checking in computers by the officers, therefore they don't need to print and sign again by officers. They can make it online and send it to the designated person via email. After that checking them, they can also send them to the person who needs to check again. Therefore paper became new method can be applied in various sections.

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