

Report on investment marketing; a case study on united leasing co. ltd. assignmen...

[Business](#), [Marketing](#)



Disclaimer The declaration of this report is the submitted document is not published or sent to anywhere or submitted before in any other. This report contains complete information about the concerned company and the sector I have mentioned. This report is user friendly. The title of the report is relevant with objective and methodology. I tried my best despite the time constraint. I have learned a lot when I was preparing this project paper. I am thankful to you, as you have allowed me to conduct the internship & to submit the report.

I hope that the report will meet the standard and will serve its purpose. Farjia Tanjim Date: Certificate of Approval I am pleased to certify that the internship report on “ Review on Investment Marketing: A Case Study of United Leasing Company Limited” conducted by Farjia Tanjim bearing ID No. 052-11-829 of the Department of Business Administration has been approved for presentation and defence/viva-voce. Under my supervision Ms. Farjia Tanjim worked with United Leasing Company Limited as an intern. She completed the work during the Fall-2009 semester.

I am pleased to hereby certify that the data and the findings presented in the report are the authentic work of Farjia Tanjim. I strongly recommend the report presented by Farjia Tanjim for further academic commendations and defence-viva voce. Farjia Tanjim bears a strong moral character and a very pleasing personality. It has indeed been a great pleasure working with her. I wish her all success in life. Mr. Siddiqur Rahman Assistant Professor Faculty of Business & Economics Daffodil

International University Acknowledgement As, always in preparing a report, there are many people to thank.

My gratitude goes to Mr. Siddiqur Rahman, Assistant Professor of Department of Business Administration, Daffodil International University, for preparing this report. In addition to this, I would like to thank Mr. Abu Baset Osmany, Head of Marketing Dept. , Mr. Quazi Nizam Ahmed, Head of Investment Marketing of United Leasing Company Limited, who gave me great support to collect the information. We also thank our families for their love and support, without their help it was impossible for us to complete this project. I would also like to thank Mrs.

Shamima Akhter, Senior Officer of United Leasing Company Limited and all other employees who are involved that department, who gave me their valuable time to collect and analyze this information and also considering me as an important employee. Though, all efforts have been made to make the report reasonably comprehensive and better, there still may some mistakes and way in which the presentation can be further improved, my supervisor may help me in the right way and forgive me for such mistakes. Finally we thank all friend and people who supported us mentally. Executive Summary

My internship report is based on Investment Marketing on United Leasing Company Limited. At first we need to know what investment marketing is. Investment marketing involves personal solutions that integrate investment management. The leasing business is flourishing day by day in Bangladesh. This report is to identify the state of the increment of investment marketing

sector in United Leasing Company Limited and its impacts on the financing sector of Bangladesh especially in Dhaka city. I wanted to further analyze in the report about some financial details in investment marketing sector as well as other sectors.

Leasing at present is working to provide safe and comfortable financing way for people. I have focused on their terms & conditions on their service to customers. Some detailed information about United leasing company is given to get a clear idea about this sector. I cannot gather all necessary data which are required to analyze the situation of this sector because of confidentiality of information due to the policy of the company and Insufficient published information and reluctance about providing those by the companies.

To meet the needs of the increasing financing demand, private and public leasing companies have come forward with their own initiatives. But there is no national policy guideline for this sector. Consequently, haphazard growth of this business is hindering the harmonic growth of the city. Their objectives is to serve not only financing loan, but also deposits, house loan, factoring of accounts receivable which they also provide to customers.

I have surveyed with the people who involved working here in the marketing sector and the clients who keep their deposits in United Leasing and got some information about their present Activities, their future plan, and their further development in this sector. Table of Contents Chapter 1 Introduction
1. 1 Introduction of the report Non-Bank Financial Institutions (NBFIs) were

incorporated in Bangladesh under the Companies Act, 1913 and were regulated by the provision relating to Non-Banking Institutions as contained United Leasing Company was formed four years later in 1989.

Since then the number has been increasing and in December 2006 it reached 29. Of these, one is government owned, 15 are local (private) and the other 13 are established under joint venture with foreign participation. United Leasing Company started its operations from 27th April 1989. Initially, it only provided lease financing facilities for industrial equipments, but slowly new products have been introduced to meet the growing demands of businesses as well as to combat competition from other Financial Institutions.

The internship project focuses on all investment sectors which are involved with deposit department and deposit products that have been introduced and the effect they have had on the company's investment sector. In investment marketing sectors, there is more liquid money in the money market for United Leasing. That is the main reason the rate of deposit scheme is frequently changing. United Leasing has introduced retail marketing in its portfolio earlier this year. They are offering different interest bearing fixed deposit schemes to institution and individual clients. 1. 2

Rationale of the report:

Leasing sector of the world is contributed in the present global economy to establish a strong leasing institution it is required to have good study in some specific operations of leasing company. For that we should do all of

these operations step by step and obviously we must have to know about the detailed idea of activities of leasing sector. Not only this but also evaluation of performance to compare with other financial institution & taking corrective action has become compulsory for any leasing institution. I had been placed at ULX branch of United Leasing Company Limited in order to do my internship.

I have been preparing this report under the guidance of Mr. Siddiquir Rahman, Assistant Professor of Daffodil International University. 1. 3 Origin of the report The report entitled, “ Report on review on Investment Marketing: A case study on United Leasing Company Limited”, is prepared for my internship completion. The report is being submitted to fulfill the partial requirement for the course of BBA. The report will provide a brief perception about the investment marketing sector and the services United Leasing provides to its clients. 1. 4 Objective of the report

The specific objectives aimed for this report are: – To know about the services rendered by investment marketing sector -To analyze the activities of a particular leasing company -To have a clear knowledge about customer accounts with the non bank financial institutions and other facilities offered to a deposit customer. – To measure the performance of investment marketing sector from various angles of United Leasing Company. 1. 5 Scope of the report The proposed report will cover the tools and techniques of investment marketing in the selected leasing industry. . 6 Methodology The study is performed based on the information extracted from different sources collected by using a specific methodology. This report is analytical in

nature. Source of data of this report can be divided into two categories: 1. 6.

1 Primary sources: This is an exploratory research design where I have used qualitative research. 1. Practical experience of Non Banking Financial Institution. 2. Conversation, exchange of ideas & views with senior officials of the company. 3. Training, workshop & seminar. 4.

Related files, books study provided by the officials concerned. 1. 6. 2

Secondary sources: ? Relevant books, research papers, newspapers, and journals. ? Internet. ? Brochure and file study provided by the officers concerned ? Annual Reports. 1. 6. 3 Sampling design specification 1. 6. 3.

1Sample: I have chosen the Noor Tower Branch as a sample in United

Leasing Company Limited. The target population is the collection of depositor Associates and some existing clients who possessed the information and helped to sought the information. 1. 6. 3. Sampling frame:

My sampling frame consists of the list of existing clients and a mailing list of

depositor associates whom I have worked with directly. As I have done a framework of my study with these people within my branch. That means within the sample size of the study, it can be mentioned that the sample frame of my study is sixty. 1. 6. 3. 3Sample Size: Because of exploratory

research, my sample size is considered on United Leasing, Noor Tower Branch. 1. 6. 3. 4Qualifications: Here all depositor associates whom are being

chosen for this research meet the following four criteria: . Most of the depositor associates are involved with Sales and marketing process. 2.

Depositor associates at the entry level are qualified to deal with any level of client. 3. Age 27 or older. 4. Have some training on sales and marketing

promotion. 1. 6. 3. 5 Sampling Technique: • Non probability sampling: o Judgment sampling: I have chosen the sample based on whom depositor associates think would be appropriate for the case study. This is used primarily when there are a limited number of people that has expertise in the area being researched. 1. 7 Significance of the study:

I have selected this topic “ Review on Investment Marketing-A Case Study On United Leasing Company” because now-a-days investments are recognized world wide as engines of economic growth. Investments constitute a potentially huge market in Bangladesh. In terms of Investment the goal is to economic development of our country through meet and exceed customer needs better than competition. In terms of customer orientation, Investment Marketing provides the best facilities to customers regarding their needs. 1. 8 Limitations ? Insufficient knowledge about the Financial Institutions. I am not getting enough time to concentrate on all of the investigation. ? Lack of information due to the policy of the companies keeping all the information confidential. ? I am preparing the report on the activities of all of the branches, but I am not permitted & it is not possible to visit & collect data & information from all of the branches. ? Insufficient published information and reluctance about providing those by the companies. ? Sample size is not reprehensive and too small. ? Data analysis error I have faced to analysis the case study. 1. Time schedule | Duration | Activities | | 1st Week | Started working on Internship report. | | 2nd Week | Approval of topic. | | 3rd Week | Collected data from different primary sources. | | 4th Week | Collected data from different secondary sources. | | 5th Week | Consulted with the advisor

about the data collection. | 6th Week | Worked through the instruction given by the advisor. | 7th Week | Again consulted with the advisor. | 8th Week | Get acquainted with the products offered in Deposits By Bank Asia Ltd. | 9th Week | In depth analysis about the deposit products. | 10th Week | Worked on recommendation. | 11th Week | Consulted with advisor about the report & worked on the modification of the report. | 12th Week | Submitted the report.

Chapter-2 Overview of the Organization

2.0 Company Information

2.1. Name of the Company

The name of the company is United Leasing Company (ULC). It is headquartered at 22, Kazi Nazrul Islam Avenue, Dhaka-1000. The Company has four branch offices in Gazipur, Bogra, Jessore and Chittagong.

2. Historical Background of the Company

United Leasing Company Limited (ULC) is an associate company of Duncan Group and it commenced business in 1989 as a first generation lease financing company in Bangladesh.

The company incorporated as a public limited company under the Companies Act 1913, ULC was also granted license under the Financial Institutions Act, 1993. The shares of the company are quoted on the Dhaka Stock Exchange since 1994. Considering the importance of the venture, organizations like Asian Development Bank (ADB), Commonwealth Development Corporation (CDC) joined Lawrie Group Plc and Duncan Brothers (Bangladesh) Ltd. to participate as sponsor shareholders. The vision was to assist the development of private sector industries by extending equipment lease financing to the industrial and service sectors.

ULC actively participated in the private sector led industrialization drive that the country embarked on in the early 1990s as leasing became popular amongst the entrepreneur as an alternative source of finance. More and more investments in capital items began being made through leasing in view of its flexibility and advantage over traditional finance. Since inception ULC has maintained prudent investment policies and has successfully positioned itself among the frontrunners in an increasingly competitive financial service sector.

Building a diversified pool of assets spread across almost all sectors of the economy and serving a wide spectrum of customers in the process. The Company's customers include most of the top corporate groups in the country including some of the multinationals. However, the Company's major and most profitable business segments are leases to the small and medium enterprises. The Company enjoys a sound reputation for excellent customer service. As an associate of a long established foreign company, it is recognized as a reliable financial partner among the business community.

Its access to multilateral institutions like ADB and The World Bank permits it to arrange funds at competitive rates and get their assistance in areas such as staff training and information technology.

2. 3 Company Information
Registered Office Branches: • Jessore • Gazipur • Bogra • Auditors • Legal Advisor
1. Camellia House 22 Kazi Nazrul Islam Avenue Dhaka – 1000 PABX: (880-2) 9669006 Fax: (880-2) 9662596 Website: www. ulc. com. bd E-mail: com. bd
2. Ispahani Building 31 Sheikh Mujib Road Agrabad Commercial Area PABX: (880-31) 714882 Fax: (880-31) 713729

E-mail:com. bd 3. 41 M. K. Road (2nd Floor) Telephone: (880-421) 68425, 68426 E-mail:com. bd 4. Islam Plaza (3rd Floor) Joydevpur Chowrasta Chandana Telephone: (880-2) 9257255 E-mail: com. bd Saha Complex (2nd Floor), Jhawtola Kabi Nazrul Islam Road Telephone: (880-051) 69873 E-mail:com. bd M. J. Abedin & Co. 2. 4 Names and Characteristics of Founders The history of Duncan Brothers dates back to 1858 when Mr Walter Duncan established Playfair Duncan & Co in Calcutta (now Kolkata), the capital of the undivided British-ruled Indian subcontinent.

Later he was joined by his brother Mr William Duncan and the two brothers set up a company named Duncan Brothers and Company on 1 January 1875 to deal in cotton. Though the Company's involvement in tea came in 1865, its actual stride in tea business began onwards from 1880. By 1923 the Company had a firm grip on tea cultivation by taking in its possession 60 tea estates in Dooars, Assam and Sylhet encompassing nearly 20, 000 hectares of cultivable land and producing a crop of about 14. 50 million kilograms a year.

The partition of the Indian subcontinent in 1947 led to the setting up of Duncan Brothers (Pakistan) Limited on 20 January 1948 with its office in Chittagong. The newly established company in the then Pakistan assumed its Calcutta-based parent company's interests involving its tea estates in the Sylhet region. An assured market in the then West Pakistan helped a steady growth of the tea industry in the eastern part of the country and the Company soon became one of the country's leading producers.

After the emergence of independent Bangladesh, the name of the company was changed to Duncan Brothers (Bangladesh) Limited. The Bangladesh War of Liberation in 1971 left a trail of devastation in the tea industry. The market in West Pakistan was lost and the Company incurred heavy losses from 1971 to 1974. At this juncture, Lawrie Group Plc became involved and assumed a controlling interest in Longbourne Holdings, the holding company for the 5 Duncan-managed UK-registered tea companies operating in Bangladesh. Tea is still the mainstay of Duncan Brothers.

The Group now owns fifteen tea gardens located mainly in the greater Sylhet region and enjoys the distinction of being the largest producer of black tea in the country, producing over 13 million kilograms per annum, which is about one quarter of the country's production. Every season, the Group exports on its own about a million kilograms of tea with Pakistan being the major destination. Besides tea, the Group has also extended its interests in insurance, leasing, rubber, bottled water and warehousing, employing about 24, 000 people and generating a gross annual turnover of about Tk 2. 5 billion.

With a splendid objective of doing business with a human face, the Group spends approximately Tk 85 million yearly towards corporate social responsibility, which includes flagship projects like a well-equipped 50-bed hospital for tea workers and their families and a residential school for workers' children, both located in the tea belt. All the gardens of the Group in Bangladesh, including the corporate office in Dhaka, are ISO-9002 certified for their quality management system. 2. 4. 1 Lawrie Group Plc The Lawrie

Group Plc, which is incorporated in the UK, has interests in a wide range of activities in many countries of the world.

Its major investments are in the UK, India, Bangladesh, East and Central Africa, the USA, Switzerland and Brazil. In India, Bangladesh, Kenya and Malawi the Group's interests are principally in tea with a total cultivated area of 35, 000 hectares. This makes the Group one of the largest producers of tea in the world, with an annual crop of 75 million kilograms. In the UK, the Group owns the private bank Duncan Lawrie Ltd. , which offers banking, investment and other financial services to an international clientele. The Group's portfolio in the UK also includes investments in property, cold storage and distribution.

The Lawrie Group is now entirely (100%) acquired by Camellia Plc. 2. 4. 2 Camellia Plc Camellia Plc is a conglomerate with diversified interests that include tea, coffee, wine, food, beverages, horticultural products, rubber, insurance, investment, banking and financial services. But tea, the original trade of the company, occupies a large share of the business and is located in India and Bangladesh with very large interests in Kenya and Malawi. The Group is the largest non-governmental producer of tea in the world with a crop of 75 million kilograms.

Camellia, the apex body of the Group, was originally set up as a comparatively small business, owned by individual British families who went out to the Middle east in the 19th Century. Its original name was The Sephinjuri Bheel Tea Company Ltd and was set up in India in 1889. Other

companies formed in India and neighbouring countries around the same second half of the century were Alex Lawrie, Duncans and Eastern Produce, which years later merged. The 1967 merger of Alex Lawrie with Walter Duncan and Goodricke marked a major development, which paved the way for further mergers later on. In 1990 Eastern Produce Holdings, whose origins were rooted in 19th century Ceylon, joined the Camellia group, changing their name to Linton Park Plc. Camellia Plc is, in fact, the result of a series of mergers over the years. Camellia is the apex company controlling around 80% of Linton Park Plc, 100% of Lawrie Group, 74% of Goodricke (through either Lawrie or Linton) and 100% of Bangladesh. 2. 5 Mission, Vision and Company Objective 2. 5. 1 Mission The Company has a threefold mission: 1.

Devote continuous effort to improve products and services for sustaining competitive edge. 2. Ensure service excellence by leveraging motivated human resource and technology. 3. Manage risks and costs to ensure sound financial performance and adequate return on all investments. 2. 5. 2 Vision United Leasing Company's vision is to be the leading high quality service provider in the market 2. 5. 3 Company Objective The main objectives of the company are to assist the development of productive private sector industries particularly in their balancing and modernizing programs.

The company mainly extends lease financing for machinery, equipment to the industries & vehicles for commercial purpose. In addition it also provides project finance for expansion of business. The primary activity of the company is to provide leases to different commercial organizations. It provides lease for all sorts of manufacturing equipment and for vehicles. 2.

5. 4 Goals The Company has goals for the following stakeholders: 1.

Customers: Ensure that our service quality exceeds customer expectations in terms of timely delivery, fairness in treatment and value addition. . Risk

Management: Proactively manage risks and adhere to best international practices. 3. Shareholders: Maximize growth in earning per share. 4.

Employees: Provide a stimulating and challenging yet congenial work environment, invest in training to harness full potential and compensate on performance basis. 2. 6 Organization Structure 2. 6. 1 Board of Directors Its

Board of Directors consisting of nine members who are the nominees of the Institutional Shareholders supervises the Company's management. The

Board appoints the Chairman from among the Directors. Name | | Nominated by | | Directors | | Imran Ahmed |: | Duncan Brothers (Bangladesh) Ltd | | P. A.

Laggett, MBE |: | Lawrie Group Plc, U. K | | A. Rouf |: | Malcams Bangladesh Trust | | S.

Aziz Ahmad |: | Surmah Valley Tea Company | | M. M. Alam |: | The

Allynugger Tea Company Limited | | M. A. Azim |: | The Chandpur Teas

Company Limited | | M. Moyeedul Islam |: | United Insurance Company

Limited | | Syed Ehsan Quadir |: | United Insurance

Company Limited | | | | Independent director | Company Secretary | | M.

Abdul Wahed | M. Ataul Hoque | 2. 6. 2 The Executive Committee The Board

of Directors comprising the Managing Director and three other directors

nominated by the Board appoints the Executive Committee.

The Committee is authorized to approve all financing proposals without any limit subject to the exposure limit specified in the policy statement. It also reviews periodical accounts and other administrative matters. The Board has given authority to the Managing Director for approval of lease proposals up to an amount of Taka 1.0 million in the case of new lessees and up to Taka 2.5 million in case of existing lessees. Authority for approval of all agreements, with limits over the above mentioned limits, is given to the Executive Committee.

6.3 The Management Name and designation of the management is given below:

Name	Designation
Syed Ehsan Quadir	Managing director
M. A. Azim	Deputy Managing Director

Ataul Hoque	General Manager
Avijit Bhattacharjee	Head of Accounts
Mahmud Kaiser	Head of Treasury
Sabrina Mehnaz	Head of Human Resource(HR)
Shahidul Islam	

Majumder	Head of Information Technology(IT)
Ashfaquul Haq Chowdhury	Head of Operations
Mohiuddin Rasti Morshed	Head of Corporate
Fahad Rahman	Head of Enterprise Financing
Quazi Nizam Ahmed	Head of Small Enterprise
A N Baset Osmany	Head of Marketing Services
Jamal Mahmud Choudhury	Head of Monitoring
Mohammad Neazur Rahman	Head of Internal Control and Compliance

The following depicts the organization structure for United Leasing Company:

[pic] Key: MIS –Management Information System HR – Human Resources ICT – Information Communication Technology CRA – Credit Risk Administration ICCD – Internal Control and Compliance Department

Structure Authorized Capital of ULC is Tk. 1000 million and issued, subscribed and paid up capital is Tk. 210 million.

The year end composition of shareholding is as follows: | Shareholding Structure | | % | | Sponsors | | | Foreign | | | Lawrie Group Plc, U. K | 20. 00 | | Domestic | | | United Insurance Co. Ltd. | 9. 9 | | National Brokers Ltd | 1. 86 | | Octavious Steel & Co. of Bangladesh Ltd | 0. 71 | | Duncan Brothers (Bangladesh) Ltd | 1. 00 | | Sub total | 33. 26 | | Financial institutions and companies | | | Foreign | 20. 6 | | Domestic | 21. 25 | | Sub total | 41. 31 | | | | General public - Domestic | Sub total | 25. 43 | | | | Total | 100. 00 | 2. 7

Product Description 2. 7. 1 Lease Finance and Hire Purchase 2. 7. 1. 1 Lease

Financing Lease financing is the main product of United Leasing Company.

The company started with this product and with time they have diversified their product range. A lease is a transaction whereby the Owner or Lessor provides the right to use an Asset (lease asset) to the User or Lessee for a specific period (lease period) for consideration of payment of periodic rent (lease rent). Key Features of Lease The following are the key elements in a lease: a) Lessor is the owner of the asset, can be an organization or individual. b) Lessee is merely the user of the asset, can be an organization or individual. To form a valid contract, there must be two parties; therefore the lessor and the lessee form a valid lease contract under the Contract Act.) Lease Asset is any form of tangible asset e. g. machinery, equipment, vehicle, vessel etc. whose possession and right to use (but not ownership) is transferred to the lessee for the lease period only. » What cannot be owned cannot be leased (e. g. human resource). » Intangible assets cannot be

leased (e. g. copyrights, patents) » The lease asset should be durable (should survive at least the lease period), identifiable and severable (from wherever it is installed). d) Lease period is the predetermined period i. e. with a specific termination date, for which the lessee obtains the right to use the leased asset. e) Lease rent is the regular periodic payments e. g. onthly, quarterly, half yearly or yearly made by the lessee to the lessor for the use of the lease asset. The lease rents may cover costs of depreciation of the asset and interest. Lease rents are structured according to the lessee's cash flow. The basic structures are step up, step down, balloon payments or skip payments. f) Transfer price is the pre agreed price at which the lessee can buy the lease asset from the lessor at the expiry of the lease period. To be a legal sale, under the Sale of Goods Act, there must be a consideration or purchase price, even of Tk. 1. g) Residual value is any value of the lease asset not recovered through lease rents.

Types of Lease 1. Finance lease: In a Finance Lease, the role of the lessor is that of a financier – the responsibility of maintaining the lease asset in useful condition including regular repairs, servicing, insurance and other expenses lie with the lease. So in essence, Finance Lease is an alternative to financing. 2. Operating Lease: In an Operating Lease, the lease asset is leased to multiple times to multiple users during its economic life. Meaning, one lease asset can be leased to many users for shorter lease periods. Operating lease therefore, in essence is pure renting of assets. An operating lease is not a full payout lease. 3. Full payout lease:

In a full payout lease, the lessor recovers the full value of the lease asset during its first lease, through rents, which cover the price of the asset and an acceptable return on investment for the lessor. Finance leases are always full payout leases. 4. Non or Partial Payout Lease: In leases where the full value of the asset is not recovered during its first lease is a non or partial payout lease. Operating leases are not full payout. The lease becomes full payout after several leases in succession. 2. 7. 2. 2 Hire Purchase: A Hire Purchase is an agreement under which goods are let on hire and include an agreement under which: a) Possession of goods is delivered by the owner to a client on condition that the client pays an agreed amount in periodical installments.) Ownership of the goods is transferred to the client on the payment of the last installment. c) The client has the right to terminate the agreement at any time before the ownership is transferred. Key Features of Hire Purchase 1. Unlike Lease, which is pure hire contract, a Hire Purchase contract is effectively 2 contracts in succession – a Hire contract followed by a Purchase contract. 2. During a Hire Purchase period, the hire vendor (equivalent to lessor) owns the asset. 3. The hirer has a firm option to purchase and if he decides so, the ownership transfers to him from the hire vendor. The hirer also can opt not to purchase the asset. 2. 7. 2 Loans United Leasing offers two types of loan facilities to their clients: 1.

Term loan Revolving loan 2. 7. 2. 1Term Loan Through term loan, ULC provides cash financing, unlike leasing and hire purchase, to their clients. This is offered mainly to the existing client base that has good payment history and long-term relationship with ULC.

Institutions/companies/corporations can apply for this term loan. Any proposal would be processed within shortest possible time. This will save the client's time and faster service would also be ensured.

2. 7. 2. 2. Revolving Loan

A Revolving Loan also provides cash financing like term loans. In a revolving loan:

- ULC sanctions a certain limit of cash for loan to a single client for a year.
- The client is permitted to drawdown cash of any amount within the limit within the year. Example: CSL withdraws Tk. 4, 000, 000 in order to meet their working capital requirements. As the drawn amount is within the sanctioned maximum limit, the withdrawal is approved.
- After withdrawal, the client must repay the principal borrowed plus interest with 3 to 5 months (the tenure). The client can withdraw more if required during the repayment tenure. Example: CSL has repayment tenure of 3 months, i. e. CSL has to repay the principal borrowed (Tk. 4, 000, 000) at different installments within 120 days of disbursement.
- The maximum outstanding amount at any point in time during the year does not exceed the sanctioned limit.

Example: during the repayment tenure of the 4, 000, 000 borrowed, CSL again borrows 2, 500, 000 and repays 3, 000, 000 of the principal drawn initially. So the principal outstanding for CSL is currently 3, 500, 000, which is within the sanctioned limit of 10, 000, 000.

- When the client repays the principal withdrawn, the maximum limit availed is restored.

2. 7. 3 Factoring of Account Receivables

It is a short-term finance product that allows credit facility to clients against selected receivables for supply of goods and

services to meet the short-term need. The credit facility is extended against Taka receivables only. Any company/institutions/firm can avail this facility.

And the customer that is the companies or firms for whom the client supplies or performs services in the ordinary course of client's business has to be approved by ULC. The minimum loan limit will be Taka 1 million and maximum will be Taka 10 million. And a certain percent of each bills/invoice will be offered in cash to the client. And this percent will also be selected by ULC. Same securities that are provided for lease financing can also be used when clients apply for bill discounting. This facility ranges from 30 to 120 days. It provides liquidity to the client and they are allowed to avail this facility 2 times per month. The mechanism of factoring can be summarized as follows:

After selling the goods on credit, the client (supplier/dealer) invites his customer/debtor with the notification that all monies due on the invoice are assigned to and be paid to ULC, by printing an assignment clause on the invoice. » After entering into the Factoring Agreement with ULC, the client sells the invoice to ULC. » ULC makes prepayment (advances) to client up to a specific percentage of the invoice value in accordance with the approval. » ULC assumes the collection function (obtaining a post-dated cheque) and sends statements and reminders to the customer (debtor). » ULC gets the payment and at periodic intervals the details of unpaid invoices and other control reports are submitted by ULC to the client. After collecting the debt from the debtor/customer, ULC pays the client the remaining percentage of the invoice value, after deducting the service charge, and the discounting

charge. 2. 7. 4 Syndicated Financing Syndicate financing is now a very useful and prospective product for non-banking financial institutes. Large size of financial intermediation is essential for the industrial development of our country. But it is impossible for many NBFIs for the government regulations. As per Bangladesh Bank rule, a financial institute can finance at best 30% of their paid up capital. But a project might require more than their said limit. Here the syndicate finance is fruitful.

In the syndicate financing process- there is a leader lessor who makes all types of negotiations, transactions, documentations, and other formalities. The lessee will contact with only the leader lessor. In exchange of those the leader lessor takes the commission, negotiation charge from the whole financial income out of their portion. The risk of the project will be distributed equally among all the members of the syndicate. 2. 7. 5 Deposits United Leasing has introduced retail marketing in its portfolio earlier this year. They are offering different interest bearing fixed deposit schemes to institution and individual clients. Chapter 3 Project Part 3. 1 Definition of Investment Marketing: There is no indefinite definition of Investment Marketing.

It involves the activities of a company associated with buying and selling a product or service. It includes advertising, selling and delivering products to people. People who work in marketing departments of companies try to get the attention of target audiences by using slogans, packaging design, celebrity endorsements and general media exposure. The four 'Ps' of marketing are product, place, price and promotion. Investopedia Says: Many people believe that marketing is just about advertising or sales. However, in

finance, investment marketing is the purchase of a financial product or other item of value with an expectation of favorable future returns. In general terms, investment means the use money in the hope of making more money.

Investment marketing is everything a company does to acquire customers and maintain a relationship with them. Even the small tasks like writing thank-you letters, playing golf with a prospective client, returning calls promptly and meeting with a past client for coffee can be thought of as marketing. The ultimate goal of marketing is to match a company's products and services to the people who need and want them, thereby ensure profitability.

3. 2 Investment marketing sector in United Leasing Company:

The most valuable natural resources of Bangladesh are its people. As a nation we struggled for our independence and now the attainment of economic uplift is the main goal.

Depositors want to save their money through these financial institutions to increase their income for future earnings, providing small and big size amount and on the other hand financial institutions have been providing bigger amount of interest to the depositors which consists of larger corporate and individual depositor. With this end in view- United Leasing was opened to serve these depositors with double bottom line vision. United Leasing wants to see the emancipation of high and glass roots level to their economic height and also to make profit by serving interest of the investors. United Leasing has introduced investment marketing in its portfolio earlier this year. They are offering different interest bearing fixed deposit schemes to institution and individual clients.

Investment marketing helps the company measure itself about whether its focus is properly placed on the products it is offering and changing rates and activities of deposit products which is completely involved with clients. In fact, a product may not be performing well because it is not competitively priced. ULC has worked hard to improve this sector and has developed over the years and what the conditions are currently. Targeting our specified customer segments trading, marketing the products, service etc. all over Bangladesh through branches, we intend to offer various products to different range of clients. [pic] Figure: Participants involved in the investment marketing process Source: United Leasing Company Limited 3.

The process of Investment Marketing in ULC: The following graph shows the total no. of the persons who are involved in the deposit process and whom importance are emphasized in the whole investment marketing sector. There are two types of clients in United Leasing Company Limited. 1. Existing Clients 2. Walk-in-Clients Normally United Leasing promotes their different types of deposit products through telemarketing. Telemarketing helps to chase the clients. These clients make their investments in ULC through the relationship managers. Relationship Manager can be full timer or part timer. After collect the deposits from clients, relationship manager goes to service department to make their process smooth. To open deposits there are some conditions and requirements which have to be fulfilled by clients.

Service department helps the client to make his investment safer in ULC .

[pic] Figure: Total No. of the participants in Investment marketing Sector

Source: United Leasing Company Limited [pic]Figure: Investment Marketing

Process Components Source: United Leasing Company Limited 3. 4 Deposit products The different schemes being provided are: 3. 4. 1 Cumulative Profit Term Investment: the deposit amount will mature to a lump sum amount on completion of the term. Under this scheme, the interest will be accumulated and thereby will help client to meet your substantial future requirements. • Features of the deposit: Minimum Amount: BDT 20, 000 Minimum term: 1 or 2 Years Interest Rate: 10. 75% I. Required Documents: ULC Deposit Account Opening Form – Duly filled in and signed • A cheque or Pay Order in favor of ULC Limited • Copy of Passport or National ID of the applicant (same required for 2nd applicant, in case of a joint deposit). • One recent color photograph of the applicant • One recent color photograph of nominee, attested by the applicant • Document related to source of fund Account Opening Procedure To drop the application form along with the cheque and necessary documents to your nearest ULC Branch office. The account will be opened as soon the cheque is cleared, and the account certificate will be available within the next day. 3. 4. 2. Annual Profit Term Deposit: Under this scheme, you will receive interest every year your deposit.

This annual distribution of your interest will help you maintain a regular income flow while keeping the deposit amount intact. Features of the deposit Minimum Amount: BDT 20, 000 Minimum term: 12 months Interest Rate: 10. 50% 3 Required Documents 4 ULC Deposit Account Opening Form – Duly filled in and signed 5 A cheque or Pay Order in favor of IDLC Finance Limited 6 Copy of Passport or National ID of the applicant (same required for 2nd applicant, in case of a joint deposit) 7 One recent color photograph of the

applicant 8 One recent color photograph of nominee, attested by the applicant 9 Document related to source of fund 10 Account Opening Procedure To drop the application form along with the cheque and necessary documents to your nearest ULC Branch office.

The account will be opened as soon the cheque is cleared, and the account certificate will be available within the next day. 3. Monthly & Quarterly Earner Investment: offers quarterly or monthly interest income on fixed deposits. 3. 4. 4 Multiple Investment Program: there are two types of investments- 3. 4. 4. 1 Double money program: offers double the amount of initial investment at a fixed maturity. Maturity period of an investment is a total of 6 years. Under this scheme your will double on completion of the term, helping you to meet your substantial future requirements. • Features of the deposit: Minimum Amount: 20000 Minimum Term: 7 Years 6 Months Interest Rate: 10. 0% 2. Triple money program: offers triple the amount of initial investment at a fixed maturity. Maturity period of an investment is a total of 10 years. 4. Sanchay Scheme: Sanchay scheme is for general people who want to deposit small amount such as 1000-5000 for such a small period. Sanchay scheme can be matured for 1 year, 2 years, 3 years, 4 years, 5 years. After completion he or she will get a lumsum amount on his maturity. | Installment Size | Return after year | | | 3 Years | 3. 5 Years | 4 Years | 4. Years | 5 Years | | 1000 | 41, 500 | 49, 500 | 58, 000 | 67, 000 | 76, 000 | | 1500 | 62, 000 | 74, 500 | 87, 000 | 100, 000 | 114, 000 | | 2000 | 83, 000 | 99, 000 | 116, 000 | 134, 000 | 152, 000 | | 2500 | 104, 000 | 124, 000 | 145, 000 | 167, 000 | 190, 000 | | 3000 | 124, 500 | 149, 000 | 174, 000 | 200,

000 | 228, 000 | | | 5. Millionaire Scheme : Under this scheme, client will be able to deposit on monthly basis and on completion of the term, he will get a substantial amount of return with interest. Features of the deposit Minimum Initial Amount: Nil or BDT 50, 000 or any Multiple of BDT 50, 000. 00

Minimum term: 36 months Type | Initial deposit | Installment Size | Principal | | | 3 Years | 5 Years | 7 Years | at Maturity | | Monthly | 50, 000 | 22, 700 | 12, 200 | 7, 700 | 1, 000, 000 | | | 100, 000 | 21, 100 | 11, 100 | 6, 900 | 1, 000, 000 | | | 150, 000 | 19, 500 | 10, 100 | 6, 100 | 1, 000, 000 | | | 200, 000 | 17, 900 9, 100 | 5, 300 | 1, 000, 000 | | | 250, 000 | 16, 300 | 8, 000 | 4, 500 | 1, 000, 000 | | Quarterly | 50, 000 | 68, 700 | 37, 000 | 23, 600 | 1, 000, 000 | | | 100, 000 | 63, 900 | 33, 800 | 21, 100 | 1, 000, 000 | | | 150, 000 | 59, 100 | 30, 700 | 18, 700 | 1, 000, 000 | | | 200, 000 | 54, 300 | 27, 600 | 16, 300 | 1, 000, 000 | | | 250, 000 | 49, 500 | 24, 400 | 13, 800 | 1, 000, 000 | | Semi-annually | 50, 000 | 139, 200 | 75, 000 | 47, 900 | 1, 000, 000 | | | 100, 000 | 129, 500 | 68, 700 | 43, 000 | 1, 000, 000 | | | 150, 000 | 119, 800 | 62, 400 | 38, 100 | 1, 000, 000 | | | 200, 000 | 110, 100 | 56, 100 | 33, 200 | 1, 000, 000 | | | 250, 000 | 100, 400 | 49, 700 | 28, 300 | 1, 000, 000 | Features: Millionaire Scheme rate sheet Source: United Leasing Company 3. 5. 0

Deposit Scheme Rate Sheet: Deposit rate (Effective from August 24, 2009) | Investment Type | Individual | Institutional | | Annual profit (1 Year) | 10. 50% | 9. 00% | | Cumulative (2-3 Year/s) | 10. 60% | 9. 5% | | Earn ahead (1 Year) | 9. 00% |- | Monthly earner (1 Year) | 9. 50% |- | Quarterly earner (1 Year) | 9. 60% |- | Short Term Deposit (6 Months) |- | 7. 50% | | Investment Type | Tenure | | Double Money Return | 7 Years 6 Months | | Triple Money Return | 11 Years 6 Months |

Features: Other deposit schemes rate sheet Source: United Leasing Company Easy Millionaire Scheme | Installment Size | Initial Deposit | Period | Principal | | 5000 | 0 | 123 Months | 1, 000, 000 | Source: United Leasing Company

3. 5. 1 Terms & Conditions: 3. 5. 1. 1 For other deposit products: 1. Minimum deposit amount for quarterly and monthly earner deposit scheme is Tk50, 000/-. In all other schemes, the minimum deposit amount is Tk20, 000/-. 2. The term deposit cannot be encashed before 1 year. 3. The profit is subject to deduction of AIT accordance to the prevailing govt. ules and regulations. 4. Senior citizens (individuals aged 57+) will get 0. 25% higher profit rate under all the deposit schemes other than fixed term investment schemes (Double money, Triple money, and Sanchay and Millionaire schemes.) 5. Earn Ahead, Monthly Earner and Quarterly Earner Term Deposit schemes are applicable for Individuals only. 6. The deposit cannot be encashed before completion of one year for individuals and six months for institution. 7. In case of premature encashment after the tenor stated in clause 1, profit rate will decrease 2% 8. The depositor may nominate one or more persons as his/her nominee of this account.

In case of more than one , he/she should fix their respective share in the nomination 9. Changes should notified to ULC immediately 10. In case of loss or destruction of TDR instrument, the holder should present sufficient proof when needed and all expenses regarding the procedures should be bourn by the holder. Disclaimers: • Profit rates are subject to change at any time without prior notice and are not applicable for Banks or Financial Institutions.

3. 5. 1. 2 For Millionaire Scheme: • The schemes above are for individual

depositors only. • The lump sum amount on maturity will be paid after one month from the date of deposit of the final installment.

The specified amount on maturity is subject to regular installment payment at the specified time. • Cheques will be placed to the bank on 5th, 15th and 25th of each month for deposit schemes made during 1st to 10th, 11th to 20th, and 21st to 31st respectively. • Installment must be deposited within the fixed date of every month. If the depositor cannot deposit the installment within the fixed date, he/she must deposit it within the 25th of that month. If the deadline of submission is a holiday, installment may be deposited on following working day. • Six or more post dated cheques in favor of ULC may be issued during the tenure of the deposit at a time. When a depositor fails to deposit any installment on time, he/she will have to pay a % of the overdue amount payable or tk. 50 whichever is higher, at the time of depositing the next installment. • Advance number of payment is acceptable. • No partial withdrawals shall be allowed. • Loan may be allowed up to 80% of the deposited amount against lien on the same after at least two years of regular payment of installments and minimum limit of the scheme. 3. 6 Process of deposit scheme: 3. 6. 1 What are the required documents? 1. Application form to be filled properly 2. Copy of TIN Certificate, voter ID, Passport, driving license etc. 3. Photograph of depositor and nominee 3. 6. 2 Additional process: • How to apply?

For deposit or inquiry please dial using ULC's hunting numbers. The company's deposit associates will be happy to respond client queries and in touch with client. clients can also visit at its extended office. • Is cash

acceptable? Deposit account is opened by cheque, pay order or bank draft. Cash deposits are not accepted. • What will be the profit rate? The profit rate prevailing at the time of investment or renewal will be applicable for profit calculation. • When can client liquidate my investment? The deposit cannot be encashed before completion of one year for individual(s) and 6 (six) months for institution. In case of premature encashment profit rate will decrease by 2%. • Is transfer allowed?

The deposit is not transferable. • Taxes and levies! Taxes and levies will be deducted from profit earned on the investments as per government rules and regulations prevailing at the time of maturity. 3. 7. 1 Benefits of deposit products: 1. Safe investment: United Leasing is determined to deliver client's profit and investment duly. 2. Attractive profit: United Leasing is providing better profit under various savings scheme which will enhance client's investment at maturity. 3. Best consumer service: To serve client with care is the company's main principal. From opening of client's account, till maturity the company is always ready to support the client. . Loan facility:

Considering the client's necessity United Leasing is providing quick loan facility. Clients can avail loan up to 80%-90% of investment amount. Benefits from our deposit scheme: Benefits from our deposit scheme: 5. Reduced Investment in Receivables: clients receive payments right before or after the delivery therefore your funds are no longer tied up in receivables. 6. Expansion of Business: As cash flows improve, the company can increase business by delivering higher volume to existing customers and also expand

business to new ones. 3. 7. 2 Customer queries: 1. to identify what is the maturity date of the specified deposits 2.

To find out what is the renewal process and to provide him renewal confirmation letter. 3. Customers want to know the due dates of his post dated cheques. 4. to provide customers balance confirmation letter or AIT or tax certificate 5. Customers want to identify the quick loan process and installments of quick loan payments. 6. To find out the interest portion of his deposit scheme as on up to date. 7. to identify the discontinuation process of different scheme 3. 8 Interview process: Here I have chosen some relationship managers and existing clients to make face-to-face conversation to analyze the activities and detailed information about investment marketing process.

I have taken interview process with 50 deposit associates and 10 existing clients to identify the detailed information about this topic. 3. 8. 1 Interview questions: 1. Customer or account name:————— 2. Name of Relationship Manager/officer/deposit associate: ————— 3. Sources of funds and nature of business:..... a) What is the nature of the relationship and sources of funds: *Personal Savings *Remittance *Gift from relatives *Salary *Commission *Others [pic] Figure: Sources of fund b) How the sources of funds have been verified? *Income document scan *Supporting documents scan *others [pic]

Figure: Fund verification 4. Who is the actual owner of the account?

————— *Client *Relationship Manager *Organization [pic] Figure:

Owner of fund 5. What type of products people are interested in? *Short term products *Long term products [pic] Figure: Product category 6. Original

documents *Nationality Certificate *Employer ID *Voter ID *Driving License [pic] Figure: Documents 7. What does the customer do?

..... *Self employed professional *Business *Service [pic]

Figure: Professions 8. What is the net worth/sales turnover of the customer?

..... 1-50 Lacs *50 Lac above *1 Crore and above [pic] Figure:

Sales turnover 8. How will preference be rated? | Amount | Risk Level | Risk rating | Mark | | 1-50 Lacs | Low | 0 | | | 50 Lacs-20 Crores | Medium | 1 | | |

More than 20 crores | High | 2 | | [pic] Figure: Rating of preference 3. 8. 2

Analysis:

On the basis of that interview process that wishes to assess client's and involved relationship manager's views of quality of service over the past year in investment marketing sector. To accomplish the every month's target and chase clients on the above range, we can see the deposits is to be secured by hypothecation on the inventory of client's balance, original documents, quick loan and other market investments third party personal guarantee, partial or full cash cover in the matter of quick loan, fixed deposits over some time period. I have decided on the number of clients I would like to have in the final interview. In analyzing the data and information I have gathered the above few statistical charts and graphs by using Microsoft Excel.

Data has been interpreted and analyzed with concentration and correlation to the main issue. Data and information were collected from different

sources and face to face conversation with the mentioned parties. The analysis has been presented first and then findings have been drawn. 3. 8. 3 Limitations of the interview process: One of the limitations faced in taking interview was the sensitivity of certain data. As it is a highly competitive market, the margin information is tightly kept to prevent it from being released to other competitors and giving them an edge. Resultantly, in some cases management were reluctant to give some specific data.

Confidentiality of data was another important barrier that was confronted during the conduct of this process. Every organization has their own secrecy that is not revealed to others. Extensive financial information of investment marketing sector in United Leasing was not readily available so as to conduct a deep survey of the company. 3. 9 Present state of United Leasing in the investment sector: With emphasis and reliance on the private sector for stimulating investment and growth, the NBFIs sector needs to grow rapidly in the country. It is important, therefore, to set up the required market infrastructure that can create a vibrant NBFIs sector in Bangladesh.

At present, the financial situation of NBFIs is weak having high ratio of non-performing loans along with low total asset position compared with the banking sector. The current measures by the Bangladesh Bank are no doubt important steps for improving the performance of NBFIs and should be taken forward toward creating vibrant NBFIs having diverse products along with efficient management practices that can play a greater role in the country's financial sector and meet the long-term investment demand of the economy. Investment Marketing helps investment firms attract new investors and

increase assets under management in compliance with SEC rules and regulations.

Investment Marketing of United Leasing develops highly specialized marketing programs that help to attract new clients both institutional and individual and increase assets under management. It employs different strategies for each firm it works with to achieve specific revenue targets or to attain classic asset-gathering objectives: \$25 million, \$100 million, \$500 million and above. All it takes is a distinctive and focused story, directed to carefully selected niche markets, and an active, ongoing marketing effort to be truly successful. Normally the client is being chased for its competitive advantages – to construct a strong, positive narrative that establishes it as an expert, differentiates its products and services, and brings in new clients and asset.

It targets those investors who would find the company narrative most attractive and compelling. They frequently include high net-worth individuals, institutional investors, businesses, professional practices, foundations and trusts. It determines both internal and external market segments with the most potential for new business and creates results-driven marketing strategies to reach qualified prospects and convert them to clients. It concentrates on developing niche markets overlooked by others where it has clear competitive advantages. United Leasing follows the strategies that are unique to the company, built on competitive advantages that differentiate the company from others.

It establishes the company as “ brand name” advisor, a specialist in untapped but remunerative niche markets, and builds a compelling narrative to communicate the benefits of its expertise and services to pre-qualified audiences. it establishes step-by-step sales plans, employing comfortable and appropriate marketing methods. The performance of Deposit products have been shown following in graph has been made to impact on investment marketing in ULC over different years. [pic] Figure: Value of deposit products in 2008 Chapter 4 Recommendations 4. 1 Recommendations: From the analysis we can identify that the biggest problem facing ULC is the large fall of investment sector which is 31. 09% in profit after tax in the year 2006. 4. 1. 1 Diversification in Products In order for the other recommendations to work, the first and foremost aspect or ULC to consider is diversifying its product range. This is so because for NBFIs the biggest competition is not other NBFIs, but rather banks. Banks have the upper hand of having cheaper sources of funds, larger retail consumer bases, greater coverage and sheer financial strength. What is worse is the fact that nowadays due to stiff competition in the banking service industry; banks are gradually entering into the market of NBFIs and offering services such as leasing. For this reason ULC also needs to diversify its products to match that of not only other NBFIs, but also banks. ULC has a very limited product range, even by NBFi standards. 4. 1. 2 High Yielding Investments

By introducing new, lucrative deposit products ULC can find cheaper sources of funds and match the asset-liability maturity gap. Also, with the availability of cheaper funds, the Company can invest in high yielding loans and leases

without taking too much of a risk. This will improve the return on equity, return on assets and degree of asset utilization. 4. 1. 3 Introducing Advisory Services Advis