

MICROFINANCE OPERATIONS AND ITS FINANCIAL SUSTAINABILITY: A STUDY ON PADAKHEP MANABIK UNNAYAN KENDRA

Padakhep Manabik Unnayan Kendra

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Submitted in Partial Fulfillment of the Requirements for the Degree
Bachelor of Business Administration



14th December 2025

Internship/Project Report Approval Form

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Organization Padakhep Manabik Unnayan Kendra

Internship /project report topic: microfinance operations and its financial sustainability: a study on padakhep manabik unnayan kendra

Term (Tick one): ☐ Spring 2025 ☐ Summer 2025 ☒ Fall 2025

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Plagiarism Declaration

I, Masnoor Binta Monir, hereby declare that the presented report of internship titled “Microfinance Operations and its financial sustainability: A study on Padakhep Manabik Unnayan Kendra” is uniquely prepared by me after the completion of three months’ work. I also confirm that the report is only prepared for my academic requirement, not for any other purpose. It might not be used with the interest of the opposite party of the corporation.

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Letter of Transmittal

December 15, 2025

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Subject: Submission of Internship Proposal.

Dear Ma'am,

Please find attached herewith the proposal for an internship in partial fulfillment of the requirement for a Bachelor's of Business Administration (BBA) at Padakhep Manabik Unnayan Kendra, Head Office Kawran Bazar from October 05, 2025. If you have any questions, please call me at +8801648897409, you can reach me most easily at the following times: Available hours, 10:00am to 05:00 p.m. workdays Sunday to Thursday.

Sincerely yours,

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Letter of Certificate

I am very pleased to declare that, Masnoor Binta Monir ID: 221011074, Department School of Business University of Liberal Arts Bangladesh, has been assigned with the topic “Microfinance Operations and its Financial Sustainability: A Study on Padakhep Manabik Unnayan Kendra at Head Office, Dhaka” for researching and writing an internship report on the subject.

She has reviewed all the relevant literature and has been surveyed practically in Padakhep Manabik Unnayan Kendra for three months to collect both of primary and secondary data. I have supervised throughout the preparation of the internship report.

I also certify that the internship paper is an original one has not been submitted elsewhere previously for publication in any form.

She is wished all the best in his effort.

Naima Khatun

Lecturer

School of Business

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Acknowledgement

Firstly, I want to express my gratitude to Almighty Allah for his blessings, which have allowed me to successfully complete my report and further my education.

I'm very grateful to my supervisor, Mrs. Naima Khatun, Lecturer at the School of Business, University of Liberal Arts Bangladesh, for her kind support and guidance throughout this report.

I also want to thank all the staff at Padakhep Manabik Unnayan Kendra, especially those at the Kawran Bazar Head Office and the Finance and Accounts Department. They helped me understand many things and supported me during my internship.

Finally, I thank all the teachers of the BBA Department, especially those in the Finance Department, whose teaching helped me prepare this report. I also thank my classmates for their support and cooperation.

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Meaning of Abbreviation Acronyms

PMUK: Padakhep Manabik Unnayan Kendra

NGO: Non-government Organization

LRL: Livelihood Restoration Loan

MFIs: Microfinance Institutions

HAD: Holistic Development Approach

SDGs: Sustainable Development Goals

GB: General Body

EC: Executive Committee

SVSP: Special Voluntary Savings Program

DSW: Department of Social Welfare

RJSC: Registered Joint Stock Companies

MRA: Microcredit Regulatory Authority

NBFIs: Non-Banking Financial Institutions

PKSF: Palli Karma-Sahayak Foundation

ADB: Asian Development Bank

WFP: World Food Programme

JICA: Japan International Cooperation Agency

RSL: Refinancing Scheme Loan

CAR: Capital Adequacy Ratio

DSCR: Debt Service Coverage Ratio

ROC: Return on Capital

ROA: Return on Assets

OTR: On Time Recovery Ratio

CRR: Cumulative Recovery Rate

PAR: Portfolio at Risk

Executive Summary

University of Liberal Arts Bangladesh as a premier private university of Bangladesh gives deep concentration to acquire higher specialized knowledge of financial sector through its BBA program under the Department School of Business. In Bangladesh financial sector is growing its hand special events every day. At the same time the financing/financial process is becoming faster, easier and it's coming wider. As the customer demand better service day by day increasing and they are produce different new idea and products.

This internship report is prepared based on the study of Padakhep Manabik Unnayan Kendra. The topic of this report is "Microfinance Operations and its financial sustainability: A study on Padakhep Manabik Unnayan Kendra at Kawran Bazar Head office" this report contains total seven chapters:

In The first chapter is introduction it includes: Background of the study, Problem of the study, Objective of the study, Research question of the study, Limitation of the study, Scope of the study. In The Second chapter is Literature review, in this chapter I want to discuss the Microfinance. In The Third chapter I have discussed the historical background of Padakhep Manabik Unnayan Kendra, mission, vision, micro finance and last five years financial highlights. In The fourth chapter I have discuss the research methodology of the study they include the choice of the study, Perspectives, Preconceptions, Relationship between theory and empirical observations, Nature of the study, Research design, Research method, Data collection and Sampling of the study. In The fifth chapter I have discuss the findings and analysis it includes: overall Microfinance operations, loan management, and financial sustainability of Padakhep and I want to discuss the financial performance of Padakhep Manabik Unnayan Kendra. In The Six and seven chapters I have discuss the recommendations and conclusion of the report.

The overall objective and mission of my research was to represent the Padakhep Manabik Unnayan Kendra and to have a clear conception about all essential parts of the internship program. I hope this report, despite its many limitations, will be a gateway to have a clear concept about the Microfinance Operations and financial sustainability of Padakhep Manabik Unnayan Kendra.

INTERNSHIP REPORT ON
MICROFINANCE OPERATIONS AND ITS FINANCIAL SUSTAINABILITY: A
STUDY ON PADAKHEP MANABIK UNNAYAN KENDRA

PART - A

CHAPTER ONE

INTRODUCTION

1.0 Introduction:

NGO is an important financial sector of any country for poor people. Without NGO financial support rural area people can't survive. NGO has a remarkable contribution as whole world from the beginning of any financial activity in human civilization. The economy of country totally depends on NGO. The main objectives of the any NGO industry to collect deposit and loan from public, bank and non-government financial institutions and to reinvest in the form of loans and advances to rural people to do business. The essential function of a NGO economic development, disaster relief, education, health, community mobilization and empowerment, sustainability, poverty alleviation, human and child rights, hygiene sanitation, environmental protection, research and development etc. In my country there are many some Non-governmental organizations. One of the most important NGO is Padakhep Manabik Unnayan Kendra. It's a very good NGO. There are many transactions happens in this Padakhep Manabik Unnayan Kendra. Every day they does huge transaction. In this huge transaction three types of transaction are most important. They provide; like as- loan and advance, savings deposit collection and training. In three sector loan for rural people are the most important parts of is Padakhep Manabik Unnayan Kendra. There is huge revenue earn of this sector. is Padakhep Manabik Unnayan Kendra has several loan products like- Jagoron, Sahos, Buniad, Agrosor, Sufolon, Livelihood Restoration Loan (LRL) Phase-1, Household Water Loan, household sanitation loan etc. The most disbursement credit product in 2023-2024 is Jagoron, Agrosor and sufolon. For example, if you want to loan for 2023, 2024 and 2025. I want to describe all details on my report. In loan products Padakhep Manabik Unnayan Kendra earn their maximum revenue. Because in Bangladesh NGOs sector are most important to rural people.

1.1 Background of the Study:

It aims to generate both academic and practical knowledge and lot of experiences within an organization and my mind is Padakhep Manabik Unnayan Kendra at Head Office. These

reports basically focus on their microfinance operation and financial sustainability what comes around and goes around. This microfinance operation and financial sustainability aims to be conducted as learning internship session, supposed 12 weeks. Overhear, NGO is an internal part of modern business more over for microfinance sector. These things will be help me if I am in having NGOs business activity.

1.2 Problem of the Study:

The report is supposed to broad area whereas it goes through defining the statement of the problem. The problem of this study has been chosen as “How the performance of this study analyses Padakhep Manabik Unnayan Kendra from the operation year 2023 to 2025?” The problem analysis is supposed to be a manual guideline to work and research the overall criteria of the statement.

1.3 Objective of the Study:

To figure out the problem behind performances of Microcredit Operation and Financial Sustainability of Padakhep Manabik Unnayan Kendra in Accounts & Finance Department at Head Office, Dhaka.

1.4 Research Question of the Study:

The study aims to answer Padakhep Manabik Unnayan Kendra Accounts and Finance department in a given manual. In specification question could be,

- ✓ What is the constructive process Microfinance Operation and Financial Sustainability of Padakhep Manabik Unnayan Kendra?
- ✓ How is the Microcredit Operation and Financial Sustainability of Padakhep Manabik Unnayan Kendra performance in last three years?

1.5 Limitation of the Study:

This report is basically based primary and secondary (annual report, internet etc.) data found in various paper, annual report, microcredit regulatory authority and articles. It might not be a proper author's theoretical study.

1.6 Scope of the Study:

The study area data of Microcredit Operation and Financial Sustainability of Padakhep Manabik Unnayan Kendra focus on Accounts & Finance department, Head Office, Dhaka.

CHAPTER TWO

LITERATURE REVIEW

2.0 Literature Review:

Microfinance has become one of the most successful instruments for socioeconomic growth and poverty reduction, especially in developing nations like Bangladesh. It offers financial services, including insurance, savings accounts, and modest loans, to low income people who are usually cut away of the official banking system. The poor are empowered, entrepreneurship is encouraged, and community development is supported by Microfinance Institutions (MFIs) through various services. Its social objective is fulfilled by giving credit to the underprivileged, but in order to continue operating without heavily relying on donor support, it also needs effective management techniques, cost effectiveness, and high loan recovery rates.

Dr. Muhammad Yunus (1999) describe as Small, collateral-free loans can enable impoverished people, particularly women, begin earning a living. Instead than emphasizing profit maximization, he promoted social transformation, empowerment, and trust-based lending. The microfinance movement in Bangladesh and around the world was made possible by his efforts. Shahidur R. Khandker (2005) identifies, Microfinance lowers poverty and increases living standards in rural Bangladesh, according to research studies. Long-term involvement in microcredit programs boosts household income, consumption, and women's empowerment, he discovered, bolstering the notion that microfinance can be a long-term strategy for reducing poverty.

Marguerite S. Robinson (2001) describe as, microfinance's change from donor-funded initiatives to financially independent organizations. Strong management, efficient regulation, and interaction with the official financial system are necessary for sustainability, she maintained. Policy frameworks for international microfinance scalability were impacted by her work.

Islam & Porell (2017) mention, Bangladeshi MFIs' financial performance revealed that the three main pillars of sustainability are operational effectiveness, repayment discipline, and income source diversification. According to their research, mid-sized NGOs like Padakhep Manabik Unnayan Kendra (PMUK) can continue to exist by enhancing cost management, leveraging technology, and upholding customer confidence.

CHAPTER THREE

ORGANIZATIONAL OVERVIEW

3.0 A Brief Overview of PMUK:

Padakhep Manabik Unnayan Kendra (PMUK) has been working in the field of development since 1986 as a national non-government organization (NGO). Later on the organization was registered with MRA on 15-01-2008. PMUK is also enlisted with PKSf since 1993 and has been enjoying credit facility of Tk. 1200.95 million from PKSf. Mr. Md. Saleh Bin Sums, is the Executive Director of Padakhep. He supervises the day to day operation of the organization with the assistance of experienced Management professionals.

The organization has been working for the well-being and betterment of the deprived and the distressed humanity through different program interventions. As a Non-Governmental Organization of Bangladesh, Padakhep is now operating its activities all over the country. PMUK has expanded its development activities in 244 upazilas of 55 districts of Bangladesh through its 258 Branches. Besides the mainland, PMUK has also stretched its activities to the pocket areas of poverty such as haor, baor, hill tracts, char, tribal, coastal belt and monga affected areas.

Microfinance operations of PMUK began in 1993 which become the main program of the organization. PMUK provides access to financial services to the poor who are unable to obtain credit from mainstream banks due to lack of necessary assets and referrals. The borrowers, most of whom are women, use these loans to engage themselves in various income generating activities to improve their socio-economic status. Efficient management system and tools, linkage with financial institutions, identification of alternative micro-schemes, approach to address the poorest of the poor section and access to the remotest and hard-to-reach locations have added an extra dimension to PMUK's microfinance program. PMUK receives credit funds and operational backstop support from PKSf and other national as well as international financing agencies. They also borrow fund from nationalized and private commercial banks NBFIs.

3.1 Mission of the Padakhep Manabik Unnayan Kendra:

We enable people to realize their own potentials through capacity enhancement, market connect and financial choices in the land-scape of ever-evolving opportunities.

3.2 Vision of the Padakhep Manabik Unnayan Kendra:

A world with equity where every potential is empowered to create scalable impact for a sustainable future.

3.3 Values of the Padakhep Manabik Unnayan Kendra:

- Momentum for Members
- Action is Adventurous
- Innovation should be Infectious
- Growth is Glorious
- Rejoice is Responsibility
- Inspiration in Integrity
- Teamwork beats Talent

3.4 Holistic Development Approach:

Holistic Development Approach (HAD) is the principal strategy of Padakhep which was undertaken for genuine and sustainable development of the community involving and activating both the stakeholders and the beneficiaries as development partners. It's a multi dimension and participatory development approach appropriate for sustainable development of the poor beneficiaries. In order to improve the livelihood of propel including the poor. Padakhep has been following this approach through implementing a host of interventions centering on community. Unlike nanny other NGO in the country which are confined to minimalist approach. Padakhep program are interventions are developed in line with poverty reduction strategy of Bangladesh Government and Sustainable Development Goals (SDGs) for addressing the priority issues like education, human resources development, financial inclusion, agriculture and development, health and sanitation, child development etc.

Holistic Development Approach

A Poverty Reduction Approach of Padakhep



Chart-1: Holistic Development Approach

Source: PMUK Annual Report

3.5 Governance:

Padakhep general body is a pool of professional resources in the field of poverty alleviation, income generation, nation building and social work. Padakhep has three tier organizational structure, namely:

3.6 General Body (GB):

Mr. A.B.M Siddique	President
Mr. Mozibul Haque	Member
Mr. A.H.M Sadiqul Haque	Member
Maksuda Mily	Member
Ms. Mumtaz Sadina(Tony)	Member
Dr. Khondoker Mokaddem Hossain	Member
Mr. Mostafizur Rahman	Member
Mr. Syed Khairul Islam	Member
Dr. A.B.M. Morshed Alam Siddiqui	Member
Mohammad Abdul Malek	Member
Md. Siddqur Rahman	Member
Mr. Md. Saleh Bin Sums	Executive Director

3.7 Executive Committee (EC):

Mr. A.B.M Siddique	President
Mr. Mozibul Haque	Member
Mr. A.H.M Sadiqul Haque	Member
Maksuda Mily	Member
Ms. Mumtaz Sadina Tony	Member
Dr. Khondoker Mokaddem Hossain	Member
Md. Saleh Bin Sums	Executive Director

3.8 Activities:

- Provide micro-credit to the poor;
- Inculcate savings habit among women through mandatory savings schemes;
- Develop entrepreneurship through the provision of business development services,
- Develop micro and small-scale enterprises through the provision of appropriate financial and non-financial services.

3.9 Products:

3.9.1 Loan Product Performance for the year of 2023-2024 are below:

Product Name	No. of Members	No. of Loanee	Credit Disbursement (BDT in Million)	Cumulative Disbursement (BDT in Million)	Loan Outstanding (BDT in Million)
Jagoron	369,267	296,265	23,057.18	132,676.02	14,103.32
Sahos	30	30	0	146.45	0.21
Buniad	14	14	0.05	1,024.22	0.26
Agrosor	64,536	54,747	18,257.96	111,186.75	11,391.72
Sufolon	106,698	85,150	6,418.31	36,540.55	3,937.36
Livelihood Restoration Loan (LRL) Phase-1	98	98	0	1.89	105.98
Livelihood Restoration Loan (LRL) Phase-2	384	384	0	4.04	80.00
Refinance Scheme Loan	1,901	1,901	0.07	3,004.62	37.09
Household Water Loan	2,480	2,480	87.09	262.77	59.38
Household Sanitation	3,158	3,158	99.18	172.28	75.49
Sustainable Development Loan	10	10	0	3.00	0.06
Water Supply and Sanitation Loan	7,364	7,364	292.75	892.78	198.11
Microenterprise Financing & Credit Enhancement Project	132	132	66.38	0	19.81
Microenterprise Development Project	204	127	11.00	0	9.10

Table-1: Loan Product Performance for the year of 2023-2024

3.9.2 Savings program:

- Regular Savings – Weekly
- Regular Savings – Monthly
- Voluntary Saving

3.9.3 Special Voluntary Savings Program - SVSP (One Time):

- One Time Monthly/Yearly: Short Term Benefit Scheme – STBS
- One Time for 5 Years and 3 Months: Double Benefit Scheme – DBS and
- One Time for 8 Years and 6 Months: Triple Benefit Scheme – TBS

Summary of Saving Mobilization of PMUK Savings Products for the Year 2022-23 & 2023-24:

Savings mobilization in 2023-2024

Savings product	Savings in 2023-2024		Savings in 2022-2023	
	Member (no.)	Amount (mTk)	Member (no.)	Amount (mTk)
Regular savings (Weekly)	544255	5675.64	480794	4822.00
Regular savings (Monthly)	345728	5778.38	331886	5142.11
Voluntary savings		597.57		505.09
SVSP (One Time)			124	6.15
Total		12051.59		10475.36

Product wise share of savings

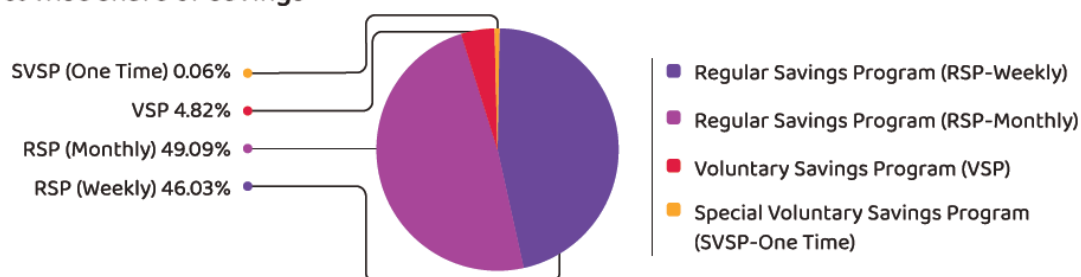


Chart-2: Summary of Saving Mobilization of PMUK Savings Products

Source: Annual Report of the PMUK

3.10 Market:

Rural areas of Bangladesh.

3.11 Competitors:

Grameen Bank, ASA, BRAC, BURO Bangladesh, Jagaroni Chakra Foundation (JCF), UDDIPAN are the main competitors of Padakhep Manabik Unnayan Kendra (PMUK).

PART - B

CHAPTER FOUR

RESEARCH METHODOLOGY

4.0 Choice of the Subject:

For my bachelor internship report, I have chosen an area of finance because it's interesting to me and it's very helpful in my future work. Throughout I am a student of finance background and I complete many courses of finance and got some knowledge, and I found many interesting works in my studies. I have already plan after I finished my bachelor's degree I want to build up my career in financial sector or any financial institution. But I have no knowledge of this sector like- banks, NGOs and Non-banking financial institution. In this reason I have chosen to my report in Non- Governmental Organization focus on Micro finance operations and its financial sustainability focus on Padakhep Manabik Unnayan Kendra, head office, Kawran Bazar. In this sector I have no practical knowledge and experience, that's why I chose this sector and I decide work this sector and gain some knowledge and experience. Then I start my work this sector I have learn more things, but I don't know any things before my work. Before work I don't know any things of NGOs and its procedures.

During my internship at Padakhep Manabik Unnayan Kendra, I gained valuable experience and learned many new things about microfinance operations that I did not know before. I observed how microfinance institutions provide small loans to low-income clients, manage savings programs, and maintain financial discipline to ensure sustainability. I also learned how the organization deals with clients' problems and tries to find effective solutions to improve repayment rates and overall efficiency. This experience helped me to connect my academic knowledge with practical fieldwork and motivated me to continue learning and working in this sector to build a strong foundation for my future career.

4.1 Perspectives:

In this report, I want to investigate the microfinance operations and financial sustainability of Padakhep Manabik Unnayan Kendra. During my work in this organization, I noticed that a lot of the branch's customers don't know much about microfinance services. They frequently struggle to understand loan processes, savings plans, and repayment schedules. The branch

employees and field officers are crucial in helping people understand the procedure by listening to their issues and offering appropriate advice. Through this, I have learned how Padakhep assists its clients by giving financial literacy, offering small loans for income-generating activities, and ensuring proper follow-up to maintain sustainability. This practical experience helped me realize how microfinance institutions build trust with clients while maintaining financial discipline and long-term stability.

4.2 Preconceptions:

Analysis of the choice of subject and the researcher's perspective may be influenced by personal beliefs, experiences, and ways of thinking, which can create certain biases in the study. Therefore, it is important for researchers to maintain reflexivity and acknowledge their own motivations (Bryman & Bell, 2007, p.712).

I am currently studying in the Bachelor at School of Business (BBA) program with a major in Finance at the University of Liberal Arts Bangladesh (ULAB). During my academic journey, I have completed all the required finance courses that provided me with theoretical knowledge about financial institutions, investment, and development finance. As part of my practical learning, I conducted my internship on "Microfinance Operations and Its Financial Sustainability: A Study on Padakhep Manabik Unnayan Kendra." Through this internship, I gained valuable knowledge about how microfinance institutions operate, provide financial support to low-income clients, and ensure financial sustainability through effective management and repayment monitoring. However, due to some organizational restrictions, I was unable to apply all my academic knowledge directly in the field, but the experience still helped me understand the real-life challenges and opportunities of the microfinance sector.

4.3 Relationship Between Theory and Empirical Observations:

There are two primary methods used in research to describe the connection between theory and empirical observation: deductive and inductive. The inductive approach is typically used in qualitative research, where the investigator first gathers and examines empirical data before formulating ideas in light of the results. On the other hand, the deductive approach is commonly used in quantitative research, where a theory is established first and then tested in new situations to verify its applicability.

For my study on “Microfinance Operations and Its Financial Sustainability: A Study on Padakhep Manabik Unnayan Kendra,” I have followed the inductive research approach. This is because my research focuses on collecting primary and secondary data from the organization, analyzing real-life practices, and then developing theoretical understanding based on these findings. Since I am not testing any existing theory or hypothesis, the deductive approach is not suitable for this research. The inductive method allows me to explore the operations, challenges, and sustainability factors of microfinance at Padakhep from a practical and experience-based perspective.

4.4 Nature of the Study:

In this section research question and the research idea of the research, research design can be three types like as- exploratory, descriptive, and explanatory studies (Saunders et al., 2009). In these three researches I want to be following the exploratory and explanatory studies. **Exploratory research**, (Saunders et al., 2009) describe as, searching literature, interviewing experts in the subject conducting group interviews are the suggested ways of conducting exploratory research because I collect the data literature and interviewing the office staff or clients. **Explanatory research**, (Saunders et al., 2009) describe as, explanatory research try to make relationship among variables. But I don't go to collect data to find any correlation among variables in my study, I don't conduct explanatory study.

4.5 Research Design:

I selected an experimental research design for this internship report. In order to understand how certain systems function, this design depends on observing and assessing actual organizational activities. I explored how the Microfinance Operations division manages deposit plans, financial tactics, and interaction with clients while I was an intern at Padakhep Manabik Unnayan Kendra.

I worked directly with organizational papers, viewed everyday activities, and engaged with workers and clients rather than using surveys or gathering significant information.

4.6 Research Method:

A qualitative research method was implemented in addition to the final research strategy. For exploratory research the fact that try to understand deep organizational dynamics, client

viewpoints, and strategy practices with using numbers, quantitative approaches are appropriate. The following methods of collecting information were employed in this report:

- ✓ Semi-structured conversations with microfinance clients and staff.
- ✓ The observation of everyday activities in the Microfinance Operations department, allowing situational knowledge of how clients interact and process.
- ✓ Document analysis (desk study) of strategic plans, internal financial reports, and operational rules related to fund use and deposit systems.

These strategies make the possible to have a thorough understanding of how Padakhep Manabik Unnayan Kendra manages its microfinance operations, communicates with clients, and guarantees its financial sustainability over the long term. The qualitative method's focus on practical application, deep learning, and strategic analysis is consistent with the experimental design.

4.7 Data Collection:

The source of data collection of this study can be divided into two parts, like as- Primary sources and Secondary source. I have collected the both primary and secondary.

a) Primary Sources:

- ✓ Face to face conversation with the respective officers, staffs and clients of the NGOs.
- ✓ Sharing practical knowledge of the officials.
- ✓ Relevant file study provides by the officers concerned and NGOs.

b) Secondary Sources:

- ✓ Annual report of the Padakhep Manabik Unnayan Kendra (2023, 2024 & 2025).
- ✓ Website (<https://www.padakhep.org/>), Relevant Books, Research Paper and Journals.
- ✓ Some other Internship report.

4.8 Sampling of the Study:

There are different ways of sampling these are random sampling, probability sampling, Non-probability convenience sampling. I have no sampling because my reports are basically qualitative research based, because I collect all data are primary and secondary source and I have collected all data forms those NGOs people. They always help us to the collect the data.

CHAPTER FIVE

FINDINGS AND ANALYSIS

5.0 Microfinance Operation of PMUK:

In Bangladesh development sector, Microfinance activities which lead impact that makes significant contributions female empowerment, financial inclusion and decreasing poverty. Padakhep Manabik Unnayan Kendra (PMUK) has been actively and significantly contributing to the growth of low income and underprivileged people who has access to financial services as part of this national movement. PMUK which encourages entrepreneurship, promoting the household courage and support long term economic growth through its organized microfinance program.

5.1 The key elements of PMUK's microfinance operations are given below:

5.1.1 Organizational Profile:

PMUK is an established Microfinance Institution (MFI) committed to help the Bangladesh's underprivileged people. The organizations conduct with its financial operations according to the rules set up by the Department of Social Welfare (DSW), NGO Affairs Bureau, the Register of Joint Stock Companies and Firms (RJSC) and Microcredit Regulatory Authority (MRA). Also, Padakhep Manabik Unnayan Kendra maintains strong governance, transparency and institutional accountability which to ensure the reliable and ethical managed microfinance service. Throughout the years, the expand develop a reputation with a reliable service providing from grassroots financial development where increased its reach and improving the operating capacity.

5.1.2 Target Customer:

PMUK's principal target market focuses on low-income households also very few or no connections with conventional financial institutions.

Like –

- Poor and extremely low-income families.
- Small and marginal farmers.

- Rural micro-entrepreneurs.
- Youth and New business starters.

Padakhep Manabik Unnayan Kendra client's selection which ensure inclusiveness, prioritizing those who can improve their living hoods throughout small scale financial support.

5.1.3 Credit Policy:

The credit policy of Padakhep Manabik Unnayan Kendra has been designed to be flexible, client friendly and development oriented.

Like –

- Provision of collateral free loans.
- Using a group-based lending approach to ensure responsibility.
- Reasonable interest rates that meet MRA regulations.
- Loan products designed for small enterprises, agriculture, livestock, and income-generating activities.
- Depending on the requirements of the client, repayment schedules may be each week, two times or monthly.
- This strategy ensures constant income growth and responsible financing.

5.1.4 Savings and Micro-Insurance:

PMUK encourages continuous saving habits to improve member's financial security. Long-term savings plans, mandatory savings, and personal savings are examples of savings products. Additionally, PMUK helps customers manage risks connected to diseases, natural disasters, or death through providing micro-insurance services including credit-life insurance and social protection plans. These services reduce members' financial risk and create an insurance policy for customers.

5.1.5 Financial and Social Services Integration:

PMUK provides a holistic growth strategy that involves including social and educational support with banking services. Some significant initiatives are:

- Health consciousness and basic medical help.
- The development of community leadership.

- Women's empowerment programs and gender awareness.
- This comprehensive approach improves financial results while improving the general welfare of customers.

5.1.6 Financial Management Systems:

PMUK maintains strong financial management processes to ensure accuracy, transparency, and commitment.

Like –

- Strong systems for accounting and financial reporting.
- Regular internal audits and legal monitors.
- MIS and data management through digital tools.
- Effective cost management and budget allocation.
- These systems contribute to PMUK's organizational sustainability and efficiency in operation.

5.1.7 Development of Human Resources:

For the organization to provide high-quality microfinance services, PMUK understands the importance of human resources.

Like –

- Regular programs for employee development and training.
 - Development of leadership and management.
 - Field-based evaluation and observation of performance.
 - Motivation of employees and opportunity for growth as professional's
- Strong institutional growth, professionalism, and high-quality service delivery are ensured by this continuous improvement approach.

5.2 Financial Sustainability of PMUK:

PMUK's comprehensive financial services, efficient business model, and strict cost control processes all contribute to its financial sustainability. PMUK focuses on minimizing expenses for operations, minimizing loan defaults, and sustaining a strong portfolio. The organization regularly invests its excess funds in growing its programs and bettering its services. PMUK is making steady progress toward long-term financial sustainability by increasing capital

sufficiency, ensuring consistent revenue generation, and maintaining compliance with regulations. The organization is able to serve those in need while maintaining its own growth because to its balanced approach to social change and financial sustainability.

5.2.1 Sources of Fund:

- Internal Sources: Deposit collection, Member savings, Employee savings, retained earnings, and service fees.
- External sources: Donor funds, Bank loans, NBFIs loan, and Palli Karma-Sahayak Foundation (PKSF).

Below is the table for source of funds of PMUK:

Amount in BDT			
Sources of Fund	2025	2024	2023
Cumulative surplus	4,235,359,232	3,972,900,375	3,225,519,851
Statutory Reserve	470,595,469	441,433,374	358,391,094
Loan Loss Provision	315,279,551	286,809,197	297,255,626
Revaluation Reserve	132,124,000	132,124,000	132,124,000
Loan from PKSF	1,693,894,999	1,874,599,665	1,917,371,664
Loan from Commercial Bank	15,248,993,953	12,908,015,126	13,046,643,441
Others Fund	3,239,319,334	3,951,645,354	6,068,176,826
Members' savings	12,968,707,136	12,051,589,032	10,475,355,901
Member's Welfare Fund	1,453,392,055	1,208,228,452	948,209,780
Grant Received in Advance (PKSF)	40,110,391	54,929,230	97,748,094
Provision for expenses	1,809,892,546	1,618,798,827	1,272,247,181
Loan Loss Provision (Classification)	1,984,784,398	1,464,708,846	1,105,919,666
Total	43,592,453,064	39,965,781,478	38,944,963,124

Table-2: Source of Fund (Data Collection for PMUK Annual Report)

5.2.2 Development Partners and Networks:

Padakhep Manabik Unnayan Kendra (PMUK) built a good relation with national and international development partners like:

National	International
• Ministry of Health and Family Welfare • Directorate General of Health Services • Department of Women Affairs • Palli Karma-Sahayak Foundation (PKSF) • Bureau of Non-Formal Education	• World Bank • Asian Development Bank (ADB) • European Union • CGAP, WFP, JICA • Islamic Development Bank etc

5.2.3 Loan Recovery and Profitability of PMUK:

Amount in BDT

Sl	Product Name	Disbursement	Recovery	Outstanding	Recovery Rate
1	Jagoron	23,035,044,000	21,411,502,011	15,726,862,396	93.27%
2	Agrosor	17,710,620,000	16,433,805,939	12,668,532,291	
3	Sufolon	6,054,400,000	5,856,184,194	4,113,376,825	
4	Buniad	45,521,000	15,872,353	29,907,451	
5	Sahos	29,845,000	15,579,945	14,476,524	
6	Agrosor (SEP)	-	9,206,723	8,452,665	
7	Agrosor (SEP Safe Street Food)	6,288,000	9,099,219	7,451,810	
8	Agrosor (SEP- Handicrafts)	14,756,000	24,934,743	13,165,654	
9	SEP (CSL) Common Service Loan	-	617,515	-	
10	Enrich (IGA)	16,930,000	40,120,749	11,631,211	
11	Enrich (AC)	-	258,790	-	
12	Enrich (LI)	-	145,722	-	
13	Agrosor (MDP)	-	1,131,951	5,180,430	
14	Agrosor MDP AF)	-	1,260,281	1,525,440	
15	Sanitation Development Loan (SDL)	-	5,684	51,559	
16	Livelihood Restoration Loan (LRL)	34,000	214,613	1,710,388	
17	ECCCP-Project	-	7,479,791	211,216	
18	Refinancing Scheme Loan (RSL-2020)	-	4,993,589	32,100,778	
19	Livelihood Improvement Loan (LIL)	384,139,180	380,871,617	309,712,995	
20	Water Supply & Sanitation (WSS) Loan	273,244,000	268,775,655	202,576,138	
21	Livelihood Restoration Loan (LRL) - 2nd Phase	-	1,070,110	2,967,152	
22	CBO (LIFT)	70,800,000	107,480,602	47,127,208	
23	CBO (Abortok)	11,500,000	16,097,723	6,689,412	

24	Sufolon Phase-2	-	637,654	22,366
25	Household Water Loan (HWL)	60,959,000	75,858,427	44,484,340
26	Household Sanitation Loan (HSL)	194,576,000	118,220,946	151,842,395
27	SEP (Safe Street Food) CSL	-	3,165	83,487
28	SEP (Handicraft) CSL	-	789,777	641,733
29	Agrosor Raise	277,708,000	206,584,006	184,720,675
30	Sufolon (Seasonal)	56,199,000	48,277,034	29,463,998
31	Disaster Management Loan	7,993,000	10,081,925	27,430,036
32	Agrosor - MFCE	120,500,000	62,022,105	78,286,007
33	Livelihood Improvement Loan-02 (LIL-02)	19,468,900	5,754,655	16,117,953
34	Sufolon Phase P -2	30,030,000	25,746,305	4,283,695
Total		48,420,559,585	45,160,685,518	33,741,086,228

Table-3: Loan Recovery and Profitability

5.2.4 Operational Efficiency:

Operational efficiency refers to how well a company uses its resources, including cash, time, employees, and equipment, to deliver services or finish tasks. An organization which is operationally efficient can achieve more with fewer resources. This lowers expenses, raises overall productivity, and improves the quality of services.

Organizations concentrate on reducing their internal procedures to improve operational efficiency. This can involve cutting out pointless stages, using technology, educating staff, and improving and speeding up overall processes. For instance, employing digital technologies can decrease errors, save time, and reduce paperwork. In the same way, delays and confusion can be avoided with careful preparation and effective teamwork.

Organizations that are efficient also consider the effective use of resources. They ensure that no funds are wasted, employees are not stressed out, and equipment remains in good order. To spot issues early and address them immediately, they also frequently evaluate performance. This ensures that services are provided on time and helps to maintain regularity.

5.2.5 Regulation and Governance Rules:

The policies, regulations, and laws that an organization must operate by in order to function properly are known as regulation and management rules. These regulations ensure that the company works in an equal, responsible, and transparent manner. Lack of transparency, financial mismanagement, and improper procedures can all be prevented with effective government.

The government or governing bodies generally create rules. Organizations are required to keep to the formal structure they provide. Financial rules, reporting obligations, laws protecting customers, safety requirements, and ethical values are several examples of it. An organization gains the confidence of the public, investors, customers, and partnerships when it meets with rules and regulations.

On the other hand, governance regulations are usually created inside the organization. These include internal evaluations of employee actions, leadership responsibilities, and decision-making policies. Responsible leadership ensures that decisions are made carefully and, in the organizations, and its customers' greatest benefit.

Transparency is also supported by a responsible government. It also means that everyone in the company, from the upper management to beginning employees, must accept responsibility for what they do. Accountability is maintained through moral conduct, open statements, and regular audits.

5.2.6 Social and Economic Impact:

An organization's or initiatives positive or negative effects on people's lives and the economy are known to as its social and economic effect.

The focus of social impact is on the effects on people and their neighborhoods. Better health, education, awareness, poverty reduction, and youth and women's empowerment are just some examples of it. For example, training programs may improve confidence and improve day-to-day living.

The term "economic impact" indicates changes in income, employment, economic activity, and financial stability. The local financial system gets stronger when a project increases household income, helps small enterprises grow, or provides jobs.

It can determine if a company is actually helping the community by measuring its social and economic benefits. Data analysis, interviews, and surveys are used to observe developments in the economy and well-being.

5.2.7 Financial Statement Analysis:

The method of analyzing an organization's main financial reports, including the income statement, balance sheet, and cash flow statement, for the purpose to determine the organization's financial condition is known as financial statement analysis.

The balance sheet shows assets and liabilities, the cash flow statement shows the flow of money into and out of the company, and the income statement shows profit or loss. We can determine whether the company is making enough money, budgeting properly, and efficiently maintaining its resources through studying these records.

Financial analysis which also uses in different ratios (like profitability and liquidity ratios) to check how the organization is performing. It helps identify strengths, weaknesses, and financial risks.

Managers, investors, and lenders use this analysis to make better decisions such as planning budgets, giving loans, or investing.

The overall interpretation which the study concludes Padakhep Manabik Unnayan Kendra is financially strong, sustainable and operationally efficient microfinance operations. They are capable for delivering the long-term social and economic development services through microfinance and non-financial services.

5.2.7.1 Balance Sheet of PMUK last three years (Audited):

Amount in BDT

Particulars	2025	Change in %	2024	Change in %	2023
Non-Current Asset					
Property, Plant and Equipment	440,801,467	2.18%	431,415,445	5.28%	409,795,056
Term deposits	1,135,333,091	7.28%	1,058,332,032	16.07%	911,834,302
Total Non-Current Assets	1,576,134,558		1,489,747,477		1,321,629,358
Current Assets					
Loan Outstanding					
Loan to other Microfinance Organization	49,495,104	-2.21%	50,615,104	-2.73%	52,035,104
Loan to Members	33,741,086,228	10.69%	30,481,216,666	-0.19%	30,539,175,997
Logistic Loan	345,499	-64.52%	973,673	-44.92%	1,767,777
Total Loan Outstanding	33,790,926,831		30,532,805,443		30,592,978,878
Other Assets					
Other Loan	352,425,411	0.00%	352,425,411	-0.50%	354,198,382
Receivables	110,709,828	87.60%	59,014,893	-53.12%	125,871,819
Advance, Deposits, & Prepayments	5,613,986,054	27.92%	4,388,521,241	21.68%	3,606,709,657
Inventories (Stock & Stores)	5,625,758	-24.86%	7,487,209	26.99%	5,895,686
Unsettled Staff Advance	38,356,455	7.65%	35,630,354	105.73%	17,319,315
Total Other Assets	6,121,103,506		4,843,079,108		4,109,994,859
Total Current Assets (A+B)	39,912,030,337		35,375,884,551		34,702,973,737
Cash and Cash Equivalents					
Cash in Hand	38,804,452	-65.64%	112,933,271	540.56%	17,630,474
Cash in Bank	2,065,483,717	-30.86%	2,987,216,179	2.91%	2,902,729,555
Total Cash and Cash Equivalents	2,104,288,169		3,100,149,450		2,920,360,029
TOTAL ASSETS	43,592,453,064		39,965,781,478		38,944,963,124
Capital Fund and Liabilities					
Capital Fund					
Cumulative surplus	4,235,359,232	6.61%	3,972,900,375	23.17%	3,225,519,851

Statutory Reserve	470,595,469	6.61%	441,433,374	23.17%	358,391,094
Loan Loss Provision (Standard)	315,279,551	9.93%	286,809,197	-3.51%	297,255,626
Revaluation Reserve	132,124,000	0.00%	132,124,000	0.00%	132,124,000
Total Capital Fund	5,153,358,252		4,833,266,946		4,013,290,571
Non-Current Liability					
Term Loan & Other Long Term Loan					
Loan from PKSf	750,959,999	-28.65%	1,052,448,997	8.87%	966,669,664
Loan from Commercial Banks	4,957,180,622	-29.62%	7,043,860,928	-1.93%	7,182,489,243
Others Fund	1,781,625,634	-18.06%	2,174,371,001	-34.12%	3,300,344,862
Members Savings	12,057,640,470	76.99%	6,812,790,534	30.10%	5,236,557,403
Total Non-Current Liability	19,547,406,725		17,083,471,460		16,686,061,172
Current Liability					
Term Loan - Current Maturity					
Loan Form PKSf	942,935,000	14.69%	822,150,668	-13.52%	950,702,000
Loan from Commercial Banks	10,291,813,331	75.50%	5,864,154,198	0.00%	5,864,154,198
Other Fund	1,457,693,700	-17.98%	1,777,274,353	-35.79%	2,767,831,964
Member's Savings	911,066,666	-82.61%	5,238,798,498	0.00%	5,238,798,498
Member Welfare Fund	1,453,392,055	20.29%	1,208,228,452	27.42%	948,209,780
Grant Received in Advance from PKSf	40,110,391	-26.98%	54,929,230	-43.81%	97,748,094
Provision for Expenses	1,809,892,546	11.80%	1,618,798,827	27.24%	1,272,247,181
Loan Loss Provision	1,984,784,398	35.51%	1,464,708,846	32.44%	1,105,919,666
Total Current Liability	18,891,688,087		18,049,043,072		18,245,611,381
Total Capital Fund and Liability	43,592,453,064		39,965,781,478		38,944,963,124

Table-4: Balance Sheet Statement of PMUK

5.2.7.2 Income Statement of PMUK last three years (Audited):

Amount in BDT

Particulars	2025	Change in %	2024	Change in %	2023
A. Income					
Interest on Members Loan	6,003,078,832	-8.40%	6,553,288,611	5.73%	6,197,930,150
Bank Interest	29,578,132	26.49%	23,384,081	75.94%	13,290,771
Grant for Projects (Reimbursement)	118,238,614	19.99%	98,541,563	-30.30%	141,370,986
Operational Others Income	5,433,732	7.03%	5,076,625	-13.54%	5,871,825
Total Income	6,156,329,310		6,680,290,880		6,358,463,732
B. Expenditure					
Interest on PKSF Loan	87,005,783	-27.13%	119,390,787	-1.43%	121,127,779
Interest on Bank Loan	1,098,907,410	23.03%	893,197,625	-9.39%	985,762,510
Interest on Member Savings	753,302,662	-10.87%	845,207,180	43.10%	590,654,715
Interest on other Loan	309,292,345	-64.12%	862,008,234	41.18%	610,579,481
Total Financial Cost	2,248,508,200		2,719,803,826		2,308,124,485
Salaries and Allowances	2,449,199,285	7.48%	2,278,666,038	23.92%	1,838,807,700
Overhead Expenses	382,854,808	28.19%	298,665,833	11.56%	267,709,199
Communication Expenses	64,880,557	22.68%	52,884,239	17.73%	44,921,492
Program/Project Expenditure	128,321,394	20.15%	106,800,454	-21.74%	136,465,670
Miscellaneous Expenses	4,482,729	-57.42%	10,527,435	431.38 %	1,981,156
Total Operating Expenses	3,029,738,773		2,747,543,999		2,289,885,217
Depreciation	30,768,703	11.27%	27,652,377	63.91%	16,870,254
Loan Loss Expenses	548,545,906	57.47%	348,342,751	-40.62%	586,598,326
Provisional Expenses	579,314,609		375,995,128		603,468,580
Total Expenditure	5,857,561,582		5,843,342,953		5,201,478,282

Excess of Income over Expenditure Before Tax (A-B)	298,767,728		836,947,927		1,156,985,450
Income Tax	(7,146,776)	9.53%	(6,525,123)	23.76%	(5,272,298)
Excess of Income over Expenditure After Tax	291,620,952	-64.88%	830,422,804	-27.90%	1,151,713,152

Table-5: Income Statement of PMUK

5.2.7.3 Cash flow statement of PMUK the last three years (Audited):

Amount inn BDT

Particulars	2025	2024	2023
A. Cash flow from operating activities			
Surplus for the year	291,620,952	836,947,297	1,156,985,450
Add: Amount considered as on non-cash items:			
Loan Loss provision	548,545,906	348,342,751	586,598,326
provision for Expenses	191,093,719	346,551,646	282,095,693
Depreciation for the year	30,768,703	21,064,597	12,750,561
Sub Total	770,408,328	715,958,994	881,444,580
Loan Disbursed to Members	(3,258,121,388)	60,173,435	(5,773,035,743)
Increase / decrease in current Assets	(1,274,824,347)	48,261,742	(59,672,066)
Increase / decrease in current Liabilities	(14,818,839)	(29,655,517)	46,622,528
Taxes (Payments)/Proceeds	(1,786,149)	(6,525,123)	(5,272,298)
Sub Total	(4,549,550,723)	72,254,537	(5,791,357,579)
Net cash used in operating activities	(3,487,521,443)	1,625,160,828	(3,752,927,549)
B. Cash flows from investing activities:			
Acquisition of Property, plant and Equipment	(41,976,839)	(51,349,334)	(82,369,698)
Sale of Property, plant and Equipment	408,212	1,365,619	1,448,673
Investment	(77,001,059)	(920,544,992)	(1,103,251,280)
Net cash used in investing activities	(118,569,686)	(970,528,707)	(1,184,172,305)
C. Cash flows from financing activities			
Other Loan received	(712,326,020)	(2,112,735,743)	3,490,368,110
Loan From PKSf	(180,704,666)	(42,771,999)	220,391,025
Bank Loan	2,340,978,827	(138,628,315)	1,924,604,828

Member Savings	917,118,104	1,576,233,131	2,301,593,061
VIP	-	(16,959,076)	(1,526,633,287)
Member Welfare Fund	245,163,603	260,018,672	338,628,421
Net cash Generate in financing activities	2,610,229,848	(474,843,330)	6,748,952,158
D. Net increase / (decrease)(A+B+C)	(995,861,281)	179,788,791	1,811,852,304
Cash & cash Equivalents at the beginning of the year	3,100,149,450	2,920,360,029	1,108,507,725
Cash & Cash Equivalents at the End of the year	2,104,288,169	3,100,148,820	2,920,360,029

Table-6: Cash Flow Statement of PMUK

5.3 Ratio Analysis of PMUK:

	Ratio	Standard	2025	2024	2023
Long term Solvency Ratio	Debt: Capital Ratio	Max 9:1	6.43:1	6.76:1	8.11:1
	CAR	Min 10%	14.37%	14.40%	12.27%
	DSCR	1.25:1	1.25:1	1.03:1	1.06:1
Short term Solvency Ratio	Current Ratio	Min 2:1	2.23:1	2.08:1	2.02:1
	Liquidity to Savings Ratio	Min 15%	21.28%	30.78%	32.89%
Profitability Ratio	ROC	Min 1%	5.98%	18.92%	36.68%
	ROA	Min 3%	0.72%	2.12%	3.33%
Productivity Ratio	Member per branch	1500-2000	1543	1385	1427
	Credit Officer: Member	1:300-400	1:205	1:202	1:183
	Borrower Coverage	Min 70%	81.00%	81.71%	82.43%
	Credit Officer: Borrower	1:240-250	1:166	1:165	1:150
	Credit officer : Total Staff	1:1.50-1.70	1:1.51	1:1.52	1:1.45
	Loan OS per Credit officer	1:25-23 (in lac)	1:113.38	1:113.14	1:115.94
Portfolio Quality Ratio	Absolute Figure of Overdue loan(In crore)	0	197.79	139.76	72.11
	Absolute Figure of Bad loan(In crore)	0	173.01	103.69	48.52
	OTR	Min 92%	98.17%	98.21%	99.20%
	CRR	Min 95%	99.36%	99.47%	99.66%
	PAR	less than 10%	0.00%	5.91%	2.66%
	Good loan as % of total outstanding loan		93.44%	94.09%	97.34%

Table-6: Ratio Analysis of PMUK

5.4 Challenges to Financial Sustainability:

Financial sustainability is the capacity of an organization to maintain smooth operations over time without suffering financial difficulties. However, many organizations particularly corporations, NGOs, and MFIs, face many kinds of challenges.

Limited Funding Sources: It becomes risky for an organization to depend only on one or two sources of revenue. The organization struggles to keep going if contributors quit contributing or revenues unexpectedly decline.

High Operating Costs: Salaries, rent, utilities, training, and technology costs may all continue to increase. It becomes more challenging to maintain financial stability when expenses rise more quickly than revenue.

Poor Financial Planning: Without proper budgeting, forecasting or monitoring the financial statements the organizations cannot make a smart financial decision.

Economic Instability: Financial crises, inflation, and currency depreciation may decrease the buying power of individuals or increase operating costs. This has a direct impact on earnings.

Weak Governance and Management: Accounting errors and inefficiencies can occur if the leadership is weak or unclear. Contributors and customers become less trustworthy as the outcome.

Competition in the Market: Income may decrease when multiple businesses provide similar goods or services. To stay competitive market, innovative and extra investments are necessary.

Low Revenue Generation: An organization becomes dependent on outside funding, which is insufficient if it is failed to generate enough income from its activities (such as sales or service fees).

5.5 Examples of Sustainable Microfinance Institutions:

By providing low-income people with available financial services while maintaining their own long-term financial stability, Sustainable Microfinance Institutions (MFIs) play a critical role in increasing financial sustainability. Sustainable MFIs, when compared with traditional dependency on donor's initiatives, can manage risks, fund for their expenses, and carry on issuing loans, savings accounts, and other financial services without funding from outside sources. To maintain the access and impact of their programs, these organizations employ innovative financing strategies, effective operational procedures, and many kinds of sources of revenue.

Understanding how various tactics such as group lending, online banking, variety of products, and ethical management contribute to long-term success is made easier by analyzing real-life examples of sustainable MFIs.

The following details are notable examples of sustainable MFIs Bangladesh highlighted in the given below:

BRAC Microfinance in Bangladesh which is an example sustainability because of its large amount of client and various type of income opportunities. BRAC microfinance operations are Health, Education and Agriculture which generates client's connection and also defaults the risk.

Furthermore, the organization invests in social enterprises income which encourages long term sustainability and maintaining the stable financial operations.

Grameen Bank in Bangladesh which is one of the most well-known sustainable MFIs. Because borrowers ensure each other's loan throughout the cooperative loan approach significant interest rate which secured and auditing cost should decrease. Grameen Bank also offers a range of products which included with loans, housing loans, education loans and also savings services. The capacity to pay all the cost through earning interest and client savings accounts for its financial and economic independence.

Lastly, these MFIs significantly settlement of financial rates, a various types of goods, productive operations, digital innovation and strong governance for structures way to show a financial sustainability.

CHAPTER SIX

RECOMMENDATIONS

6.0 Recommendations:

The strength of Padakhep Manabik Unnayan Kendra microfinance operations and long-term financial sustainability which have many recommendations can be proposed. The recommendations aim to efficiency risk, reduce risk and also improve the all-service quality to maintain the organizations core mission to unprivileged people.

Firstly, Padakhep Manabik Unnayan Kendra should improve its microfinance operation's digitization. While they partnership with digital payment systems for example Nagad have already initiated with full digital collaboration including mobile based loan applications, automated credit reward points, biometric verification, and digital field management systems will significantly reducing transactions cost and improving monitoring. The digital tools also reduce the administrative field officer's responsibility allowing them to concentrate more on client development and engagement initiatives. Furthermore, increased digital to improve transparency and reduces the risk of fraud, human error and delayed repayments.

Secondly, Padakhep Manabik Unnayan Kendra financial sustainability which expand its micro enterprise financing portfolio throughout the Agrosor Fund. The borrowing eventually basic microcredit loans, market connections, focused business and structured microenterprise loans which improve client's financial performance and increasing the organizations profit. Therefore, the lower credit risk and boosting the business performance.

Thirdly, Padakhep Manabik Unnayan Kendra should give more comprehensive risk management framework. Which focusing particularly on natural disaster, agricultural shocks and economic instability. Developing fund and strengthen early warning systems also help safegraud both clients and institutional liquidity.

Finally increasing client's education which will increase income diversification, savings habit will increase repayment capacity and create stronger livelihoods. Financial sustainability of the institution which is directly impacted client's economic stability.

CHAPTER SIX

CONCLUSION

7.0 Conclusion:

The microfinance operations of Padakhep Manabik Unnayan Kendra that represents a comprehensive and social which motivation to poverty help financial inclusion and community empowerment. Microfinance operations that focus only payment of credit. Padakhep Manabik Unnayan Kendra implements a holistic development model merging with financial products and services. The organization which able to address all aspects of poverty and help clients to established strong and profitable sustainable livelihoods.

Padakhep Manabik Unnayan Kendra loan products for example Jagoron, Agrosor, Sufolon, Bunaid and Sahos shows that it is dedication to proving financial solutions that are meet diverse needs of low-income areas.

By offering flexible repayments schedules, seasonal agriculture loans, micro enterprise loans, disaster recovery support. The organization ensures the clients with different income cycles and weakness can access financial services the way that do not dominate them. The ability of Padakhep's core strengths is helping maintain the strong client relationship and ensuring underprivileged communities.

Financial sustainability is an essential element for maintaining and growth of MFI which is influenced by Padakhep ability of diversity its portfolio. Collaborations with digital payment providers and banks reflect the organizations willingness to innovate and modernize in response to evolving financial landscape of Bangladesh.

In conclusion Padakhep's microfinance operations is an example which powerful model prioritizes both financial sustainability and social impact. The right strategic investments and continued focus on holistic success will depend on its capacity to change also help the most underprivileged people.

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