



NATIONAL DEVELOPMENT BANK PLC.

KEY FACT DOCUMENT

PROJECT FINANCE

KEY FACT SHEET – Project Finance Department

Product	Description	Financial and Other Benefits	Procedures to be followed	Major terms and conditions
Term Loans from Project Finance Department	Long term loans for the purpose of financing new projects, expansions, Balance sheet restructuring, long term fixed working capital requirements and any other.	The product would meet the long term funding gaps for the projects intended to be implemented by customers.	<ol style="list-style-type: none"> Contact Head -Project Finance Department on 2347912 or 2448448 (Ext 3387) Meet relevant Relationship Manager / Unit Head according to the industry sector along with Project Feasibility study and approvals obtained from relevant authorities. The Relationship Manager would then review the feasibility report and request clarifications if required. In principle terms and conditions/ Quotation would be forwarded after the preliminary study which the customer is required to agree upon. Once the acceptance of on the quotation is received, the business line would then forward a preliminary report to the Credit Committee for initial clearance. Upon receipt of the initial clearance, the detailed due diligence will be commenced. The time taken for the due diligence will vary depending in the complexity of the project and the level of information forwarded by the client. Facility Offer letter / contract would be forwarded for acceptance by the client upon completion of the due diligence and obtaining the approval from the relevant authority. Disbursement would be done at agreed milestones and on agreed Debt:Equity ratio upon execution of the legal/ security documents Bank officers may visit the project site/ company at various stages of the due Diligence. Procedure for complaints to be made – Complaints could be made by way of a letter addressed to Assistant Vice president-Project Finance. 	<p>Following are the standard norms of Project Finance facilities. However, these will vary from project to project depending on the nature of the project and are subject to negotiations and.</p> <ol style="list-style-type: none"> Funding Structure <ul style="list-style-type: none"> Debt:Equity - 60:40 Equity contribution to be brought in upfront. Interest rate <ul style="list-style-type: none"> Payable monthly On Rupee Facilities-Between AWPLR + 2.0% p.a to 3.0% p.a On USD Facilities – Between LIBOR + 6.00% p.a to 8.5% p.a Interest computed on reducing balance and payable monthly at the end of the month Tenor <ul style="list-style-type: none"> Between 1.5 years to 10 years (Including the grace period mentioned below) Grace Period- Between 1 month to 2 years Capital Repayment <ul style="list-style-type: none"> Payable monthly Installment structured in a such a way to suit the cash flows of the project / company Security <ul style="list-style-type: none"> Will depend on the nature of the project In general -Mortgage over the Project / company Assets, Shares of the company, Corporate Guarantee, Personal Guarantees, and any other security as required after the detailed due Diligence. Any other credit enhancements as required Fees <ul style="list-style-type: none"> Front end fees – Between 0.25% to 1.5%of the facility offered Legal fees –around 0.2% of the facility Stamp duty and other statutory charges – as per government regulations Cancellation Fees – 0.75% Commitment Fees – 1.0% Prepayment Damages – a percentage based on the time facility is prepaid and the tenor of the facility LC / Shipping Guarantee/ Bank Guarantee fees – as per the Bank’s standard fee structure Incidental fees – case by case Other charges -

<p>Securitisation of Future Receivables</p>	<p>Future receivables of finance / leasing companies, Plantation companies and companies in retail business</p>		<ol style="list-style-type: none"> 1. Contact NDB as above or NDB Investment Bank (NDBIB) on 2300385 to initiate necessary discussions on the transaction. 2. NDBIB would carryout the initial due diligence and communicate the broad terms to NDB. 3. NDBIB would provide NDB with an information Memorandum. 4. Upon receipt of the same, Relationship Manager at NDB would review the proposed transaction and the company issuing securitization. 5. Relationship Manager would then forward a preliminary report to the Credit Committee for initial clearance 6. Upon receipt of the initial clearance, the detailed due diligence will be carried out and the formal approval for the facility would be obtained. 7. The facility would be disbursed once the necessary legal/ security documents are executed. 8. Procedure for complaints to be made – Complaints could be made by way of a letter addressed to Assistant Vice president- Project Finance. 	<p>Following are the standard norms of Project Finance facilities. However, these will vary from project to project depending on the nature of the project and are subject to negotiations and.</p> <ol style="list-style-type: none"> 1. Funding Structure <ul style="list-style-type: none"> ▪ Participation by NDB – 0% - 100% of the issue value depending on the credit appetite 2. Interest rate <ul style="list-style-type: none"> ▪ Payable at maturity of each instrument ▪ On Rupee Facilities-Between AWPLR + 2.0% p.a to 3.0% p.a ▪ Interest computed on a compounded basis 3. Tenor <ul style="list-style-type: none"> ▪ Between 1.5 years to 4 years ▪ Grace Period- Between 1 month to 12 months 4. Capital Repayment <ul style="list-style-type: none"> ▪ Maturity of instruments on a monthly basis ▪ Installment structured in a such a way to suit the cash flows of the project / company 5. Security <ul style="list-style-type: none"> ▪ Mortgage / assignment of future receivables. ▪ Any other credit enhancements/ securities that would suit the industry / company 6. Fees <ul style="list-style-type: none"> ▪ Front end Fees – Rs 500,000/- to 0.5% of the Facility ▪ Escrow Agent’s Fees – Rs 150,000/- for the first year and Rs 200,000/- per year for each subsequent year ▪ Arranger’s Fees and Legal Fees– As per NDBIB guidelines ▪ Trustee Fees – depends on the trustee
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