

4. INSURANCE

4.1 IJARAH - Lease

Leased asset will be insured by LOLC FINANCE PLC under a Takaful policy for the full term.

The lessee may undertake to pay the Takaful premium & arrange a comprehensive cover on specific instances, based on exceptional circumstances agreed by LOLC FINANCE PLC.

4.2 MURABAHA - Equipment

You are required to obtain an Open Cover with the insurance covering as "all risk" basis which includes burglary, fire, strike, riot and civil commotion, and assign in favour of LOLC FINANCE PLC.

The insurance must be for the facility amount. It is in your interest to enter into a separate insurance agreement with your insurer to cover any other special eventualities considered necessary.

4.3 MURABAHA - Vehicles

In the case of vehicles, you are required to obtain a comprehensive cover and assign in favor of LOLC FINANCE PLC. The cover should include strike, riot, civil commotion and terrorism cover. This cover must be obtained before LOLC FINANCE PLC releases the Delivery Order.

It is Mandatory to cover the Insurance risk through an Islamic Insurance (Takaful) option.

5. MOTOR VEHICLES

5.1 IJARAH

You should ensure that the vehicle forming the subject matter of the facility is registered by Registrar of Motor Vehicles with LOLC FINANCE PLC as the Absolute Owner and yourself as the Registered Owner.

5.2 MURABAHA - Vehicle

LOLC FINANCE PLC has a service for the Registration of Motor Vehicles which may be availed of by Customers.

The charges incurred in respect of registration will be met by the Customer.

6. PLANT, EQUIPMENT OR COMMODITY TO BE IMPORTED

If you intend leasing any equipment to be imported, it is advisable that you obtain the approval of LOLC FINANCE PLC for a leasing facility prior to opening Letters of Credit.

After the facility is approved you may open L/Cs on your own to import the equipment in utilizing your own margins with your Bankers. On receipt of Shipping Documents of Certified Copies, we will pay the value of the equipment up to the amount approved, directly to your Bank.

However, under special circumstances, we may consider opening Letters of Credit and importing the equipment on your behalf. In such instances you will be required to sign documents indemnifying LOLC FINANCE PLC against any loss or damage, in addition to the usual documents, prior to establishing the Letters of Credit.

Please note that under no circumstances, will LOLC FINANCE PLC agree to provide a guarantee to a Bank or any other third party, agreeing to purchase the equipment on arrival.

Serial Numbers of the items imported should be conveyed in writing to LOLC FINANCE PLC as soon as the consignment is cleared and installed.

7. SECOND - HAND EQUIPMENT

Full particulars about the machine should be submitted including original Invoices and Shipping documents.

A Valuation Report by a valuer designated by LOLC FINANCE PLC is required giving particulars of year of manufacture, condition, make and value of machine, Valuation Fee should be met by the client.

We will not usually finance the full cost of such machinery. Payment will be made for such equipment only after installation and commissioning.

8. TAXATION AND ACCOUNTING

Lease rental could be written - off as expenses incurred in the production of income to ascertain taxable profits as per the applicable tax laws.

Lease asset need not be capitalized in the Balance Sheet.

The lease commitment however, could be shown as a note in the Balance sheet.

LOLC FINANCE PLC

(An LOLC Group Company)

Company Registration No: P B 244 P Q

No.100/1, Sri Jayawardenapura Mawatha, Rajagiriya, Sri Lanka.

Tel: +94 11 5880880, Hot Line: +94 11 5880786, Fax: +94 11 2861616 E-mail: al-falaah@lankaorix.com Website: www.lankaorix.com



APPLICATION FORM - ISLAMIC FACILITY

GENERAL INFORMATION AND BACKGROUND

1. Full Name of Applicant: _____ Contact Person: _____
 _____ Designation : _____
 _____ Telephone No. : _____

2. Registered Address:----- Mobile No. : _____
 ----- Fax No. : _____

3. Business Address ----- Type of Organization (Please tick)

4. Capital (as at-----) Authorised ----- Paid up:-----

5. Date of Incorporation/Registration:-----

6. Incorporation/Registration No:-----

7. Type of business : -----

8. Related Company/ies or business/es -----

9. VAT Registration No: -----

Sole Proprietorship
 Partnership
 Limited Company
 Govt/ Statutory Body
 Professional (state profession)

Individual
 Others -----

PARTICULARS OF SHAREHOLDERS / DIRECTORS / PARTNERS / PROPRIETOR

NAME	N.I.C. NO	HOLDING %	RESIDENTIAL ADDRESS	AGE	DESIGNATION

BANKING FACILITIES

NAME OF BANK	A/C NO	BRANCH	TYPE OF FACILITY	AMOUNT OF FACILITY (Rs.)	SECURITY
			Overdraft		
			LC/TR		
			Term Loan		
			Others		

OTHER FINANCIAL FACILITIES : Please state if Leasing / Hire Purchase / Term Loan / other

Name of Company/Bank	Agreement No.	Branch	Facility Type	Amount (Rs.)	Term of Facility	Monthly Repayment (Rs.)	No. of Payments to go (Months)	Asset Financed

Islamic Business Unit
LOLC FINANCE PLC

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No.100/1, Sri Jayawardenapura Mawatha, Rajagiriya, Sri Lanka.

Tel: +94 11 5880880, Hot Line: +94 11 5880786, Fax: +94 11 2861616 E-mail: al-falaah@lankaorix.com Website: www.lankaorix.com

TRADE PARTICULARS

Main Customers' Particulars: (To whom you sell)

NAME	ADDRESS	CONTACT PERSON	TELEPHONE NO.

Main Suppliers' Particulars: (From whom you buy)

NAME	ADDRESS	CONTACT PERSON	TELEPHONE NO.

FACILITY DETAILS

Type of Facility applied----- Amount Rs-----

EQUIPMENT / VEHICLE / COMMODITY	Asset Description	Cost (Rs.)	Supplier	N	R	S	Period

✓ Please Tick

New Re-conditioned Second hand

SECURITY OFFERED

Asset Description	Value

Purpose for which you need these items: -----

I/we hereby consent to LOLC FINANCE PLC entering into a Supply Agreement for the purchase and supply of the above items, which are to be leased out / hired out / purchased by me / us.

GUARANTORS PROPOSED

FULL NAME	ADDRESS	TEL. NO.	N.I.C. NO	DESIGNATION

DOCUMENTS TO BE SUBMITTED WITH APPLICATION FORM

Please refer the annexure for the documents that should be submitted along with this Application.

DECLARATION

I / We wish to declare and confirm that all money that I / We use for the purpose of this facility / deposit is earned or received by me through legitimate sources and is not derived or realized, directly or indirectly, from any unlawful activity or from the proceeds of any unlawful activity. I / We also wish to declare and confirm that any money that I / we will be using in the future to make any payments in terms of the agreement including the rentals, capital and / or profits shall be money earned or received by the through legitimate sources and shall not be money derived or realized, directly or indirectly, from any unlawful activity or from the proceeds of any unlawful activity. I / We also wish to confirm that any money received or earned by me / us in terms of this agreement shall only be used for legitimate purposes and shall not be used for any unlawful activity. (The words "unlawful activity" shall have the same meaning as defined in the Prevention of Money Laundering Act, No.5 of 2006).

I / We wish to also confirm that all my / our sources of income are generated through activity which are conducted in compliance with the environmental laws, rules and regulations which are in force in the country and will ensure that all payment that I / We make including rentals, capitals, profits, fees or any deposits made in terms of this agreement now as in the future shall be from income generated sources which involve activity which are in compliance with the above laws, rules and regulations.

I/we hereby declare that above information is true and correct and that this application remains your property regardless of whether the facility is granted or not, and you reserve the right to reject the application at your sole discretion without stating any reason therefore. LOLC FINANCE PLC is hereby authorised to prepare formal documents as per the applicable terms and conditions for the respective facility and to insert serial and other identification numbers of the equipment as and when available.

I / We hereby declare that I / We do not transact, solicit or engage in any non shari'ah compliant activity. I / We also undertake to ensure that I / We will not use the Equipment / Vehicle / Commodity / Property for any non shari'ah compliant activity.

Authorised signatory / company rubber stamp.

Signature(s).....

Date.....

PLEASE RETAIN THIS PAGE OF THE APPLICATION FOR YOUR REFERENCE

GUIDE TO CUSTOMERS

We wish to thank you for the interest shown in our Company and trust that we could offer you a facility to suit your requirements. For your information and guidance, we give below the general procedure our company adopts in processing an application for a lease facility.

Section 1,2,3 & 4 below are in respect of all types of financial facilities. In addition, Section 5 is in respect of the facilities for Motor Vehicles, Section 6 in respect of the facilities for imported plant and equipment and section 7 in respect of second-hand equipment.

1.APPLYING FOR A FACILITY

Initially, you are requested to complete our form, "Application for a Facility" and submit it to us with the requested documents.

While generally, a correctly filled application, along with the required documents would contain sufficient information to process the application, depending on the nature of the facility, our Marketing Staff may request you to forward additional information or documents

Your co-operation in submitting these documents fast will ensure speedy processing of the application.

Please feel free at this stage to obtain a quotation and discuss the terms and conditions of the facility such as the monthly rental/installment, number of down payments, term, security, etc. These terms and conditions could, however be varied by the Management at the time of formal approval of your application.

2.PROCESSING AND TIME TAKEN FOR APPROVAL

Once the application is submitted along with the required documents it will be processed and submitted to the Management for approval. The maximum processing time will be as follows:-

<u>Facility Amount</u>	<u>Maximum Time Period</u>
Upto Rs.1 Mn	3 working days
From Rs.1 Mn- Rs.2 Mn	4 working days
From Rs.1 Mn- Rs.3.5 Mn	6 working days
Above Rs.3.5 Mn	10 working days

If you do not receive the results of your application within the time period stipulated above, please inform the Higher Management

3.PROCEDURE AFTER APPROVAL

a). Upon approval, our Management Staff will inform you of the terms and conditions on which the facility has been approved. Please convey your acceptance of the facility to the Marketing Executive promptly to enable finalization of the documentation.

It is obligatory that National Identity Card or Passport be produced to establish the identity of those signing documents. Please note that the Company will not execute a new facility until all amounts due on any previous facilities of the customer and of associate companies and subsidiaries of the customer are settled.

b). Prepaid rentals and/ or Rentals paid in advance are required to be paid thereafter so as to enable us to enter into the Supply Agreement. Prepaid rentals and Rentals paid in advance should be paid either in Cash or Bank Draft.

The date on which the Down Payment is made would determine the due date of the monthly rentals in the following manner.

<u>Period in which the Down Payment is made</u>	<u>Date of payment of Monthly Rental</u>
Between the 1 st and 9 th of the month	01 st
Between the 10 th and 19 th of the month	10 th
Between the 20 th and end of the month	20 th

c). On receipt of the prepaid rentals the Supply Agreement will be processed or payment will be released. You can then take delivery of the Equipment / Vehicles / Commodity.