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| **Product Overview:**  Asset finance is an investment facility in which bank and customer jointly purchase asset which is used by customer by paying certain amount of rent to the bank for the use of bank’s share in the Musharaka asset |
| **Underlying Islamic Mode:**  Diminishing Musharakah |
| **Application:**   * Vehicle for Commercial Use/ Corporate Asset including plant and machinery, land building etc. * Balance Transfer facility is also allowed |
| **Type of Product:**  Corporate/Commercial/SME |
| **Basis for Pricing Return:**  KIBOR + Spread |
| **Basic Concepts:**   * The customer approaches Bank with the request for financing. * The Bank enters into Sharikat-ul-Musharakah (Joint ownership) agreement with the customer and both of them pay their respective shares to the seller of the asset. * Customer pays rent for the use of Bank's share in the property. * Ownership of the asset is gradually transferred to the customer in the form of Musharakah Unit(s) upon purchase and payment of their prices at regular intervals. |
| **Maximum financing limit:**   * Small Enterprises (SE): 25 Min * Medium Enterprise (ME): 200Mln * Commercial Customers: Exceed Rs.200Mln * Corporate Customers: Exceed Rs.300Mln |
| **Eligibility Criteria:**   * Corporate Customer for Corporate Asset Financing: * Where Musharakah Asset Finance facility is allowed for projects/ plants & machinery, equipment, vehicles etc. the technical appraisal should cover the aspects as follows: * Description of the project * Manufacturing process & products * Facilities for the Implementation of the project * Plant & Machinery (foreign or local) Estimated cost of project * Estimated cost of production * Investigation with regards to the: * Performance of similar plants, if any installed in the country * Utilization of their installed capacities * Availability of facilities required for the implementation of the project * Source of supply of machinery * Prices and output of machinery, and * Cost of facilities and other production factors etc. * Financial Appraisals: Financial statements of the Customer for three to five years. * Financial Projections |