



Date :- 06th February 2024																																									
Reference No :- TR 2024/006/A																																									
ZAD HOLDING COMPANY																																									
Internal Memo - Treasury Operation - Loan Creation LC refinancing																																									
Facts	<p>We have LC payments scheduled with Dukhan Bank (LC no ILC1-230986) amounting to USD 7.692 million, due on February 20, 2024, for the import of Wheat. Our plan is to secure a loan in USD from Mashreq Al Islami Bank for USD 7.692 million. Mashreq Bank is offering the loan in USD, and repayment will be in USD currency at the agreed offshore rate of QAR 3.65/USD as of the current date. This arrangement ensures that we will not be exposed to any currency fluctuations in our financial records.</p> <p>Above forex rate 3.65/ USD is better than the USD rate of Dukhan Bank 3.665/ USD</p>																																								
Proposed Bank selection criteria	<p>Currently we have financing facility with mashreq bank & dukhan bank. Mashreq Al Islami Bank offers a profit rate of 6.15% per annum, which is lower than the profit rate offered by Dukhan Bank, i.e., 6.75% per annum.</p>																																								
Approval requested	Borrow USD 7.692 mn from Mashreq Al Islami Bank @6.15% p.a.																																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4">Estimated Profit amount based on mashreq bank current rate. (Amount In Millions)</th> <th colspan="3">Value in USD</th> </tr> <tr> <th>Type of Instrument</th> <th>Amount in USD (mn)</th> <th>Total Profit in USD (mn)</th> <th>Rate</th> <th colspan="3">No of days</th> </tr> </thead> <tbody> <tr> <td>Commodity Murabaha</td> <td>7.692</td> <td>0.237</td> <td>6.15%</td> <td colspan="3">180 days</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Savings estimates</th> <th>Dukhan Bank Rate</th> <th>Mashreq Bank Rate</th> <th>Amount in USD (mn)</th> <th>Savings on a/c of Profit rate QAR</th> <th>Savings on a/c of forex QAR</th> <th>Total Savings QAR</th> </tr> </thead> <tbody> <tr> <td>Savings on account of lower forex rate</td> <td>QAR 3.665/ USD</td> <td>QAR 3.65/ USD</td> <td>7.692</td> <td>84,228</td> <td>115,380</td> <td>199,608</td> </tr> </tbody> </table>							Estimated Profit amount based on mashreq bank current rate. (Amount In Millions)				Value in USD			Type of Instrument	Amount in USD (mn)	Total Profit in USD (mn)	Rate	No of days			Commodity Murabaha	7.692	0.237	6.15%	180 days			Savings estimates	Dukhan Bank Rate	Mashreq Bank Rate	Amount in USD (mn)	Savings on a/c of Profit rate QAR	Savings on a/c of forex QAR	Total Savings QAR	Savings on account of lower forex rate	QAR 3.665/ USD	QAR 3.65/ USD	7.692	84,228	115,380	199,608
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Proposed By	Recommended by			Approved by																																					