





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	<p>Borrow USD 7.692 mn from Mashreq Al Islami Bank @6.15% p.a.</p>					
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
 						
Sr. Finance Manager		VP Finance		Chief Executive Officer		
Proposed By		Recommended by		Approved by		