

KEY FACT DOCUMENT - FACTORING BUSINESS UNIT

Product/ Service	Key Features, Benefits and nature of the product	Fees, Charges & Interest rates	Procedure to be followed when obtaining a facility	Main Terms and Conditions	Applicable legal provision related to the product	Complaint Handling procedure
Recourse Factoring	<ul style="list-style-type: none"> • A tripartite arrangement between the entrepreneur, buyer (buys on credit) and the factoring company • A product to meet the working capital requirement of a business • Bridges cashflow constraints • Granted against Credit sales to corporate entities • Up front payments up to 80% against receivables/Credit invoices • Sales ledger administration & Debt collection services • Online system to access and obtain management information • Debtor credit evaluation & monitoring service • Dedicated Relationship Manager to coordinate 	<ul style="list-style-type: none"> • Service fee – a percentage on the face value of the invoice based on the services provided • Interest rate – as decided by ALCO on the funds advanced. • Facility overdrawn charges if applicable as stated in offer letter • One-time documentation fee • Returned cheque charges if any • Applicable Government tax/ stamp duty and any other statutory charges 	<ul style="list-style-type: none"> • Factoring facilities can be obtained from LOLC branches • Factoring facility application form • Initial discussions with the Marketer • Submit required documents to process a facility including Audited/ Management accounts • Valuation report from LOLC Finance panel valuer in the event a vehicle/property obtained as collateral • Inspection by authorized staff officer • Approval process-time frame varies with the value of the facility • Preparation and signing of agreements, guarantee bonds, any other applicable documents including debtor assignments • Property/vehicle pledge/mortgage 	<ul style="list-style-type: none"> • The applicant must be a Sri Lanka within the accepted age limit to obtain a finance facility • Should be a business selling their products on credit terms to corporate/ established entity within the country • The product sold should be a factorable product • The respective business and performance should fall within the credit evaluation criteria of the company • The terms and conditions of the facility approval will be at the sole discretion of the company • The facility is recourse to the client. In the event of nonpayment by the debtor, commercial dispute or any other dispute the client should 	<ul style="list-style-type: none"> • Legal provision based on the breach of contract on Civil procedure code and below acts where necessary • Recovery of Debt • Finance Business • Inland Revenue • Mortgage bond • Arbitration act • Mediation Board 	<ul style="list-style-type: none"> • Clients can make complaints to the Branch Manager of the respective branch • Submit a written complaint addressed to the Regional Manager • Write to The Head of Factoring LOLC Finance PLC 504, Nawala Road Rajagiriya • Website www.lolcfinance.com • E-mail to info@lolcfinance.com <p>Required information</p> <ul style="list-style-type: none"> • Name • NIC Number • Contact Number • Email address • Facility number • Reason for complaint • Proof if available • Date of complaint • Anonymous complaints without a valid reason and adequate proof will not be considered

			<ul style="list-style-type: none"> • Activation of the facility • The client can submit invoices to the respective branch and obtain funds up to 80% via CEFT transfers within the approved facility 	<p>settle the advances obtained along with interest, fees and overdue interest if applicable to the company</p> <ul style="list-style-type: none"> • General conditions stipulated on the principle agreement and offer letter. 		<p>as a formal complaint</p> <ul style="list-style-type: none"> • Acknowledgement of a formal complaint will be sent to the given email address • Company will investigate on the complaint made and will inform via email/telephone call of the decision taken/solution • If not satisfied with the decision /solution given client can report to the Financial Ombudsman.
<ul style="list-style-type: none"> • Invoice Discounting – Post Dated cheques 	<ul style="list-style-type: none"> • A product to meet the working capital requirement of a business • Bridges cashflow constraints of businesses who sells on credit • Granted against Credit sales to SME sector who gives a post- dated cheque to settle the invoice • Up front payments up to 80% against post -dated cheques • Post dated cheque management services • Online system to access and obtain management information • Debtor credit management & monitoring service • Follow up on returned cheques if any 	<ul style="list-style-type: none"> • Service fee – a percentage on the face value of the post dated cheque • Interest rate – as decided by ALCO on the funds advanced. • Facility overdrawn charges if applicable as stated in offer letter • One time documentation fee • Returned cheque charges if any • Applicable Government tax/ stamp duty and any other statutory charges 	<ul style="list-style-type: none"> • Invoice Discounting facilities can be obtained from LOLC branches • Facility application form • Initial discussions with the Marketer • Submit required documents to process a facility including Audited/Management accounts • Valuation report from LOLC Finance panel valuer for the vehicle/ property obtained as collateral • Inspection by authorized staff officer 	<ul style="list-style-type: none"> • The applicant must be a Sri Lanka within the accepted age limit to obtain a finance facility • Should be a business selling their products on credit terms to corporate or SME sector and collect post dated cheque to the value of the invoice • The post dated cheques should be within the approved facility credit period • The respective business and performance should 	<ul style="list-style-type: none"> • Legal provision based on the breach of contract on Civil Procedure code and below acts where necessary • Recovery of Debt • Finance Business • Inland Revenue • Mortgage bond • Arbitration act • Mediation Board 	<ul style="list-style-type: none"> • Clients can make complaints to the Branch Manager of the respective branch • Submit a written complaint addressed to the Regional Manager • Write to The Head of Factoring LOLC Finance PLC 504, Nawala Road Rajagiriya • Website www.lolcfinance.com • E-mail to info@lolcfinance.com <p>Required information</p> <ul style="list-style-type: none"> • Name

	<ul style="list-style-type: none"> • Dedicated Relationship Manager to coordinate 		<ul style="list-style-type: none"> • Approval process-time frame varies with the value of the facility • Preparation and signing of agreements, guarantee bonds, any other applicable documents including RMV registration if applicable • Property/vehicle pledge/mortgage • Activation of the facility • The client can submit invoices to the respective branch along with post-dated cheques and obtain funds up to 75% via CEFT transfers within the granted facility limit 	<p>fall within the credit evaluation criteria of the company</p> <ul style="list-style-type: none"> • The terms and conditions of the facility approval will be at the sole discretion of the company • The facility is recourse to the client. In the event of returned cheques upon presenting the post dated cheque on the banking date the client should settle the advances obtained along with interest, fees and overdue interest if applicable to the company immediately • General conditions stipulated on the principle agreement and offer letter. 		<ul style="list-style-type: none"> • NIC Number • Contact Number • Email address • Facility number • Reason for complaint • Proof if available • Date of complaint • Anonymous complaints without a valid reason and adequate proof will not be considered as a formal complaint • Acknowledgement of a formal complaint will be sent to the given email address • Company will investigate on the complaint made and will inform via email/telephone call of the decision taken/solution <p>If not satisfied with the decision /solution given client can report to the Financial Ombudsman.</p>
<ul style="list-style-type: none"> • Debtor Cheque Discounting – Post Dated cheques 	<ul style="list-style-type: none"> • A product to meet the working capital requirement of a business • Bridges cashflow constraints of businesses who sells on credit • Granted against Credit sales to SME sector (Traders/Distributors) who 	<ul style="list-style-type: none"> • Service fee – a percentage on the face value of the post dated cheque • Interest rate – as decided by ALCO on the funds advanced. • Facility overdrawn charges if 	<ul style="list-style-type: none"> • Debtor Cheque Discounting facilities can be obtained from LOLC branches • Facility application form • Initial discussions with the Marketer • Submit required documents to process 	<ul style="list-style-type: none"> • The applicant must be a Sri Lanka within the accepted age limit to obtain a finance facility • Should be a business selling their products on credit terms to Wholesalers or SME 	<ul style="list-style-type: none"> • Legal provision based on the breach of contract on Civil Procedure code and below acts where necessary • Recovery of Debt • Finance Business • Inland Revenue • Mortgage bond 	<ul style="list-style-type: none"> • Clients can make complaints to the Branch Manager of the respective branch • Submit a written complaint addressed to the Regional Manager • Write to The Head of Factoring

	<p>gives a post- dated cheque to settle the supply</p> <ul style="list-style-type: none"> • Granted based on an acceptable security/ collateral • Up front payments up to 80% against post -dated cheques • Post dated cheque management services • Online system to access and obtain management information • Debtor credit management & monitoring service • Follow up on returned cheques if any • Dedicated Relationship Manager to coordinate 	<p>applicable as stated in offer letter</p> <ul style="list-style-type: none"> • One time documentation fee • Returned cheque charges if any <p>Applicable Government tax/ stamp duty and any other statutory charges</p>	<p>a facility including Bank/Financial statements</p> <ul style="list-style-type: none"> • Valuation report from LOLC Finance panel valuer for the vehicle/ property obtained as collateral • Inspection by authorized staff officer • Approval process-time frame varies with the value of the facility • Preparation and signing of agreements, guarantee bonds, any other applicable documents including RMV registration if applicable • Property/vehicle pledge/mortgage • Activation of the facility • The client can submit post-dated cheque batch to the respective branch and obtain funds up to 70% via CEFT transfers within the granted facility limit 	<p>sector and collect post dated cheque to the value of the sale</p> <ul style="list-style-type: none"> • The post dated cheques should be within the approved facility credit period • The respective business and performance should fall within the credit evaluation criteria of the company • The terms and conditions of the facility approval will be at the sole discretion of the company • The facility is recourse to the client. In the event of returned cheques upon presenting the post dated cheque on the banking date the client should settle the advances obtained along with interest, fees and overdue interest if applicable to the company immediately • General conditions stipulated on the principle agreement and offer letter. 	<ul style="list-style-type: none"> • Arbitration act • Mediation Board 	<p>LOLC Finance PLC 504, Nawala Road Rajagiriya</p> <ul style="list-style-type: none"> • Website www.lolcfinance.com • E-mail to info@lolcfinance.com <p>Required information</p> <ul style="list-style-type: none"> • Name • NIC Number • Contact Number • Email address • Facility number • Reason for complaint • Proof if available • Date of complaint • Anonymous complaints without a valid reason and adequate proof will not be considered as a formal complaint • Acknowledgement of a formal complaint will be sent to the given email address • Company will investigate on the complaint made and will inform via email/telephone call of the decision taken/solution <p>If not satisfied with the decision /solution given</p>
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						client can report to the Financial Ombudsman.
Client Cheque Discounting/ Packing Credit – Post Dated cheques (Revolving)	<ul style="list-style-type: none"> • A product to meet the working capital requirement granted on case by case basis to established businesses who sells on credit but not falling under any of the above products • To purchase raw material based on confirmed purchase orders • Granted against acceptable collateral/ security • Up front payments up to 90% against post -dated cheques of the client business entity • Online system to access and obtain management information • Dedicated Relationship Manager to coordinate 	<ul style="list-style-type: none"> • Service fee – a percentage on the face value of the post dated cheque • Interest rate – as decided by ALCO on the funds advanced. • Facility overdrawn charges if applicable as stated in offer letter • One time documentation fee • Returned cheque charges if any • Applicable Government tax/ stamp duty and any other statutory charges 	<ul style="list-style-type: none"> • Client Cheque Discounting facilities can be obtained from LOLC branches in main cities • Facility application form • Initial discussions with the Marketer • Submit required documents to process a facility including Audited Financial statements • Valuation report from LOLC Finance panel valuer for the vehicle/ property obtained as collateral • Inspection by authorized staff officer • Approval process-time frame varies with the value of the facility • Preparation and signing of agreements, guarantee bonds, any other applicable documents including RMV registration if applicable • Property/vehicle pledge/mortgage • Activation of the facility 	<ul style="list-style-type: none"> • The applicant must be a Sri Lanka within the accepted age limit to obtain a finance facility • Should be an established entity who can submit confirmed purchase order or an acceptable working capital necessity • The post dated cheques should be within the approved facility credit period • The respective business and performance should fall within the credit evaluation criteria of the company • The terms and conditions of the facility approval will be at the sole discretion of the company • In the event of returned cheques upon presenting the post dated cheque on the banking date the client should settle the advances obtained along with interest, fees and overdue interest if applicable to the 	<ul style="list-style-type: none"> • Legal provision based on the breach of contract on Civil Procedure code and below acts where necessary • Recovery of Debt • Finance Business • Inland Revenue • Mortgage bond • Arbitration act • Mediation Board 	<ul style="list-style-type: none"> • Clients can make complaints to the Branch Manager of the respective branch • Submit a written complaint addressed to the Regional Manager • Write to The Head of Factoring LOLC Finance PLC 504, Nawala Road Rajagiriya • Website www.lolcfinance.com • E-mail to info@lolcfinance.com <p>Required information</p> <ul style="list-style-type: none"> • Name • NIC Number • Contact Number • Email address • Facility number • Reason for complaint • Proof if available • Date of complaint • Anonymous complaints without a valid reason and adequate proof will not be considered as a formal complaint • Acknowledgement of a formal complaint will be

			<p>The client can submit post-dated cheque batch to the respective branch and obtain funds up to 70% via CEFT transfers within the granted facility limit</p>	<p>company immediately</p> <ul style="list-style-type: none"> • General conditions stipulated on the principle agreement and offer letter. 		<p>sent to the given email address</p> <ul style="list-style-type: none"> • Company will investigate on the complaint made and will inform via email/telephone call of the decision taken/solution <p>If not satisfied with the decision /solution given client can report to the Financial Ombudsman.</p>
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