

## **1. What is Al Baraka Solar Finance?**

Al Baraka Solar Finance product is actually a “Solar Equipment Finance Facility” which is currently offered under the Diminishing Musharakah (DM-Shirkat-ul-Milk) mode of Islamic Finance. Under this mode, the customer and the bank will enter into a joint partnership in a manner that share of each co-owner must clearly be defined in terms of investment through a Musharakah Agreement. The bank will rent out its share in the financed property/Asset “Solar Equipment” to customer by using a separate Payment agreement. The bank share shall be divided into number of units. Simultaneously the customer may purchase the bank’s share (unit) through an offer and acceptance of a separate sale. The rent declines as the customer’s share increases and eventually becomes zero. All these three arrangements will be independent from each other i.e. all three agreements must not be tied up together.

## **2. How to apply for Al Baraka Solar Finance?**

In order to acquire an information Applicant may,

- a) visit any nearest Al Baraka Branch
- b) to Call Al Baraka Call Center Bank (Toll free):+92(21)-111-113-442
- c) apply through Al Baraka web page

## **3. How to ascertain the Solar Equipment Price/quotation?**

In order to avail Al Baraka Solar Finance Facility, It’s the responsibility of customer to coordinate and cooperate with Banks listed dealer/suppliers of Solar Energy solution. Moreover, Solar Equipment Price /quotation will be shared by dealer/supplier with subject to completion of survey of the property address /location where Solar Equipment to be installed. Customer will have to pay Fee for survey of the house in the form of cheque in favor of dealership/Supplier/Agent of Solar Equipment.

## **4. What is the minimum and maximum financing limit available for Al Baraka Solar Finance?**

- a) Minimum PKR.0.30 Million
- b) Maximum PKR.5.00 Million

## **5. What types of Solar System can be financed through Al Baraka Solar Finance**

- a) On grid Solar System
- b) Off grid Solar System
- c) Hybrid Solar System
- d) Enhancement on existing Solar Equipment System

## **6. Who can apply for Al Baraka Solar Finance Facility?**

- a) Salaried Individuals
- b) Self Employed Businessmen
- c) Self Employed Professional
- d) Applicant of Pension Income Segment
- e) Applicant of Rental Income Segment
- f) Applicant of Remittance Income Segment
- g) Applicant of Saving Certificates/Term Deposit Segment

- 7. What is the minimum and maximum Age criteria for Al Baraka Solar Finance?**
- 22-60 years - Segment of Salaried Class
  - 22-65 years - Segment of Self Employed Businessmen/Professional/Rental Income/Remittance Income/Saving Certificate and Term Deposit

**8. What is the Solar Finance Application Processing Fee?**

Application Processing Fees	F.E.D @16%	Total Application Processing Fees
PKR 5,000	PKR 800	PKR 5,800

Note: Application Processing Fee is Non-Refundable once application is approved

**9. What is the current Pricing mechanism for Al Baraka Solar Finance?**

Variable rate with annual re-pricing

06 Month KIBOR Rate (%)	+	Bank Spread Rate (%)	=	Profit Rate (%)
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Note: the rental rate is variable in nature and it is linked with revisable KIBOR rate which shall be revised after every 06 months from 1<sup>st</sup> installment date. Payment(s) under the Rental/Payment Agreement ("Payment Amount") will be charged on a floating basis and may vary with fluctuations in the KIBOR rate at the time of renewal subject to floor and cap.

**10. Who will bear cost of Net metering and whose responsible to arrange Meter issuance from the authority**

Customer shall be responsible to bear cost of Net metering arrangement and responsible to deal with the relevant authority (for example WAPDA, K.E) to arrange Meter for Net metering/ On Grid System.

**11. Minimum Income Criteria for eligibility of Al Baraka Solar Finance is?**

Minimum Net Monthly Income of PKR 55,000/-

**12. What is the relationship of Customer and ABPL during the financing?**

Customer and ABPL (Bank) become Musharakah Partners.

**13. What is the Minimum Customer's contribution is required for Solar Finance Facility?**

Minimum customer share would be is 20% of Quotations of Solar Equipment shared

**14. What is the Minimum and Maximum financing tenure?**

Minimum 1 year and Maximum 07 years.

NOTE : Maximum Term could be lesser than 10 years with subject to warranty period of an Solar Equipment financed.

**15. What is the Late Payment Fee or Charity amount due?**

As per undertaking to Charity signs by Customer PKR 500 will be paid by customer for each late /delayed payment of monthly installment.

Note : Charity amount shall be transferred to the charity funds of Bank which shall be used by Bank for charitable purposes as approved by Shari'ah Board. It is the responsibility of the customer to enquire about charity amount payable by him to Bank, however it shall be collected from customer at the time of finance maturity or early settlement/payoff.

**16. In case of overdue/Late Payment, Recovery against write-off what will effect on Customers payment History?**

History of overdue/Late Payment and Recovery against write-off for Customers shall be reflected in credit report for a period of Two years.

**17. What is the process of partial/Total Loss claim in case of Solar Equipment damage?**

As per Takaful Policy solar equipment partial /total loss damage shall be entertained. Customer will have to intimate Bank first for partial/total loss claim. Any customer who is under falling overdue/late payment category will have to clear overdue installments (if any) then bank shall intimate Takaful company to process partial /total loss claim as per Takaful policy.

**18. Process of Warranty Claim for parts of Solar Equipment?**

Customer is responsible to contact bank for warranty claim request to be sent to Dealer Supplier in case of parts damage which is covered under warranty. For Overdue/Late payment /default customers Warranty claim request shall not be processed unless customer clear all over due installments. Once over-due installments are paid then Bank shall intimate dealer/supplier of Solar Equipment to process warranty as per warranty terms and conditions/policy.

**19. What is the bank role in order to claim Warranty of Solar Equipment Parts?**

Bank is responsible to do needful correspondence with dealer/supplier in order to facilitate Customer for warranty claims associated with Solar Equipment Financed. Warranty claim service shall be provided by Bank listed Dealer/Supplier who has installed Solar Equipment financed for relevant customer.

**20. What is the amount upfront which customer has to pay once case is approved?**

After approval of an Applicant of Solar Financing, following are the items description for which customer has to pay upfront to Bank Non-Checking Account.

- a) Application Processing Fee
- b) Customer Equity Musharakah Contribution amount
- c) Advance Takaful Contribution (Takaful Rate% X Quotations Price of Solar Equipment)