

**Key Fact Document (KFD) Easy Draft**  
**Merchant Bank of Sri Lanka & Finance PLC**

**1. Product – Easy Draft**

This product is mainly focused for business segment to assist their Short-term financial requirements. During the tenor of the period client is required to pay the Interest due for the month and the capital may be paid during the period. However total borrowed should be paid within a period of 24 months (02 years).

**2. Key Features & Benefits**

- A) Attractive interest rates.
- B) Minimum loan disbursement period
- C) Repayment terms up to 24 months (02 years)
- D) Speedy customer service

**3. Eligibility: the applicant should**

- A) Sri Lankan citizens over 18 & below 65 years of age
- B) Should be a small or medium scale businessman or a professional
- C) Should have an acceptable/ proven repayment capacity
- D) Should have a clear past track record (Satisfactory CRIB records)
- E) The applicable purpose of the facility should be legal / moral

**4. Interest Rates & Other charges**

**4.1 Interest Rates**

Interest rates are based on the decision taken by the ALCO committee depending on the asset quality, customer risk profile and market conditions. Interest rate minimum 18.00% p.a.

**4.2 Other Charges**

**4.2.1. Documentation Charges - Exclusive of Social Security Levy**

|                              |                                   |
|------------------------------|-----------------------------------|
| Up to LKR 1Mn                | LKR 10,000.00                     |
| > LKR 1Mn - LKR 5Mn          | LKR 20,000.00                     |
| > LKR 5 Mn & ≤ LKR 12.5 Mn   | LKR 30,000.00                     |
| >LKR 12.5 Mn & ≤ LKR 15 Mn   | Min. LKR 40,000 / Max. LKR 50,000 |
| >LKR 15 Mn                   | Min. LKR 50,000/-                 |
| Premature Settlement charges | Min. 2,500/-                      |

**4.2.2. Legal Fees - Facilities granted against Immovable Properties**

The fees payable for Panel Lawyers for evaluation of title of immovable properties offered as security and for preparation of Title reports and the fees charged by the MBSL and Panel Lawyers for preparation and execution of Mortgage Bonds are set out below:

- 1. For Title verification & Preparation of Title Report – LKR7,500/-
- 2. Legal fees for preparation & execution of Mortgage Bonds - 1% of the facility amount (Minimum LKR10,000.00 Maximum LKR 1,000,000.00)

#### 4.2.3. Fees - Facilities granted against Movable Properties

Government approved RMV/DMT Vehicle registrations charges will be applicable.

#### 4.2.4. Penalty Interest on non-payment/ delayed payment of the monthly Installments (if any)

An overdue interest at **Three percent (3%)** per month will be charged on the delayed period in the event of installments are unpaid on the due dates.

#### 4.2.5. Early Settlement of facility:

In the event of early settlement by borrower, granting concession for the future interest of the facility is at the sole discretion of MBSL.

#### 4.2.6. Other Charges Applicable

| No. | Description of Charge / Fee   | Charges / Fees (LKR) |
|-----|---|----------------------|
| 1   | Balance Confirmation  | 1,000.00             |
| 2   | Certify copy of Deed & Plan   | 750.00               |
| 3   | No arrears letters  | 250.00               |
| 4   | Customer repayment History  | 250.00               |
| 5   | Duplicate Deletion letters - all vehicle categories                     | 2,000.00             |
| 6   | No objection letters  | 1,000.00             |
| 7   | Settlement letters  | 750.00               |
| 8   | Invoice to lenders / Buyers   | 1,500.00             |
| 9   | Cheque Return Charges   | 2,500.00             |
| 10  | Cheque Returns - Payments stop by the drawer                            | 5,000.00             |
| 11  | Legal fees for preparation and execution of Deed of release (misplaced) | 7,500.00             |

### 5 Securities to be obtained & exposures to be granted

- Cash and/or demand/time deposits  
Up to 100% of the deposit if it is a deposit which pays interests at maturity.
- Immovable properties  
Up to 75% of Forced sale value of the property given by a panel valuer of the bank.
- Movable  
Up to 70% of the Market value given by a panel valuer.
- Quoted shares  
Up to 200% of the market value.
- Non-perishable stocks  
Up to 200% of the market value.

## **6 Procedure to be followed**

- All potential customers are invited to the nearest Branch and discuss about their requirements.
- After the discussion, Branch will evaluate and start the process depending upon the customer's requirement.
- Approval will be obtained according to the approved DOA.

## **7 Documents Needed**

### **7.1 Individual Customers**

- i. Duly completed application and assets declaration form
- ii. NIC copy
- iii. Valid billing proof (within 06 months period)
- iv. Last 3 -month payslips & employment confirmation letter (If employed only)
- v. Last 6-month bank statements (Personal & business)
- vi. MTA transfer forms
- vii. Cash flow statements/ Income expenses statements
- viii. CRIB report (Personal & business)
- ix. BR Copy (if available)
- x. Other income proof documents

### **7.2 Corporate Customers**

#### **Limited Liability Companies / Quoted Companies**

- i. Certificate of Incorporation
- ii. Articles of Association
- iii. Copies of form 1, latest form 13, form 15, form 20 and Tax Payment Receipts/ Income Tax (Latest).
- iv. Board Resolutions
- v. Last three years Audited accounts.
- vi. Current year Management's accounts/Cash flow statements
- vii. Last 6-month bank statements
- viii. CRIB Report (business / Directors)
- ix. Any other required documents.

### **7.3 Documents related to Security - Property Mortgage**

- Original of the Title Deed of the present owner
- Original survey plan which is drawn within 10 years (Access over 10ft wide Road)
- Local Authority documents and Tax receipt
- Certified Extracts for 30 years
- Report on the title
- Valuation report from the panel valuer
- Certificate of Conformity (COC) - If available
- Consent letters if required (Land Development Ordinance/ Fragmentation
- Board/ Land Reclamation and Development Corporation, Costal Conservation Authority, etc.)
- Any other documents as requested by the approval authorities/ management

#### **if construction**

- Approved Building Plan
- BOQ / Cost estimate (If applicable)

## **7.4 Movable Security**

- Original Certificate of Registration
- Absolute ownership of the Vehicle
- Valuation report

## **8 General**

- Photos of the business place (With the name board) and Security
- Inspection report
- Proof for the loan requirement

## **9 Main terms & conditions**

- a) Loan is repayable on demand at any time as required by Merchant Bank of Sri Lanka & Finance PLC (MBSL).
- b) Borrower shall keep MBSL informed of any change/status on current employment/income/business.
- c) The officers of MBSL shall be entitled to visit the borrower's place of business/ employment or residence for the purpose of inspection of business or books of accounts and records in respect of business or recovering any monies due to MBSL and such visiting charges shall be borne by the borrower.
- d) MBSL is entitled to set off, utilize apply and/ or appropriate any monies lying to borrower's credit in the books of MBSL in any deposit or investment accounts or in any other account or accounts in or towards the discharge or part discharge of the monies then due owing and payable by the borrower to MBSL on this facility and/or to apply or hold the same in or towards the payment or satisfaction of any of the borrower's liability to MBSL whether certain or contingent. MBSL shall notify the borrower forthwith upon the exercise or purported exercise of any right of set-off giving full details in relation thereto.
- e) Borrower are not permitted to lease out, rent out or transfer any right whatsoever enjoyed by the borrower for the time being over the vehicle/ property under security without the prior written approval from MBSL.
- f) Borrower shall not create or caused to be created any mortgage, lien or other encumbrances on the vehicle/ property described under security.
- g) All sums payable under and in terms of the Easy Draft Facility granted pursuant hereto shall be paid at the registered address of Merchant Bank of Sri Lanka & Finance PLC at BOC Merchant Tower, No.28, St. Michael's Road, Colombo 03, Sri Lanka, PROVIDED HOWEVER Merchant Bank of Sri Lanka & Finance PLC may, at its discretion, accept and give due credit for any payments made by the borrower to any branch office of Merchant Bank of Sri Lanka & Finance PLC or for any payments made by any other means.
- h) It is agreed that, in the event of MBSL exercising its right to require payment to be made consequent to any default by the borrower, notwithstanding anything to the contrary herein stated, and notwithstanding the prior acceptance of payment by the MBSL at any other location, all such payments shall be made by the borrower to MBSL at the registered address of MBSL at No.28, St.Michael's Road, Colombo 3.
- i) Borrower shall obtain a comprehensive insurance policy for the said vehicle from an insurer acceptable to MBSL and the said policy should be assigned in favor of MBSL. The said policy should be renewed annually, failing which MBSL reserves the right to renew same and the charges will be debited to the borrower's loan account. (If the security is a vehicle )
- j) MBSL shall be registered as the absolute owner of the vehicle mentioned above and the registered ownership shall be transferred to MBSL as and when required by MBSL. Borrower shall be entitled to have the possession of the vehicle but shall hand over the possession to MBSL when requested. MBSL shall also be entitled to take possession of the said vehicle at any time or place when MBSL deem it necessary and dispose the vehicle in any manner at the

- discretion of MBSL, whenever necessary. (If the security is a vehicle)
- k) Borrower shall obtain a fire insurance policy to the insurance value of the property in respect of the Buildings on the property offered as security to MBSL from an insurer acceptable to MBSL and the said policy should be assigned in favor of MBSL. The said policy should be renewed annually, failing which MBSL reserves the right to renew same and the charges will be debited to the borrower's loan account. (If the security is a property - optional)
  - l) Mortgage Reducing policy to the facility value shall be obtained by the main applicant/applicants and assigned in favour of MBSL (If the security is a property - optional)

## 10 Termination & Recovery - Legal Procedure

In the event, MBSL terminates the facility in terms of the previous contained herein MBSL shall be entitled to initiate legal action against the applicant/s and /or guarantor/s and foreclose on the securities provided in order to recover the monies outstanding to MBSL together with all costs incurred in the legal proceedings including stamp duty, legal fees etc.

### 10.1 Legal Provisions applicable

- a) Mortgage Act No. 06 of 1946 as amended
- b) Consumer Credit Act No. 29 of 1982
- c) Contract Law
- d) Civil & Criminal Law of Sri Lanka
- e) Secured Transactions Act No.49 of 2009
- f) Registration of Title No. 21 of 1998
- g) Arbitration Act No.11 of 1995
- h) Mediation Board Act No. 72 of 1988
- i) Recovery of Debt (Special Provisions) Act No. 2 of 1990
- j) Inland Trust Receipts Act No. 14 of 1990
- k) Finance Business Act No.42 of 2011
- l) Inland Revenue Act No.24 of 2017
- m) Companies Act No.07 of 2007
- n) Registration of Documents Ordinance No.23 of 1927
- o) Prevention of Fraud Ordinance No.07 of 1840
- p) Powers of Attorney Ordinance No.04 of 1902
- q) Stamp Duty Act, No. 43 of 1982
- r) Tea and Rubber Estates (Control of Fragmentation) Act No 2 of 1958, Amendment Act, No.20 of 2005
- s) Apartment Ownership Act (No. 11 of 1973)
- t) National Building Research Institute Act, No.20 of 2025
- u) Agrarian Services Act, No.58 of 1979

## 11 Complaint handling procedure

Customers can lodge complaints with regard to our products or services by either;

- a) Visit to the nearest branch and make the complaint to the Branch Manager.
- b) Call & lodge a complaint through our customer care **hotline 011 - 4 711 711**  
**OR** via **E- mail to [info@mbslbank.com](mailto:info@mbslbank.com) / [customercare@mbslbank.com](mailto:customercare@mbslbank.com)**
- c) By post - make a **complaint in writing** to the;

**Complaint Handling Officer (Acting)**  
**Merchant Bank of Sri Lanka & Finance PLC**  
**No.28, BOC Merchant Tower**  
**St. Michael's Road**  
**Colombo 03.**