

Annexure A-1 – Target Market Criteria for Developer Financing & Project

*This document is subject to internal and regulatory approvals; furthermore, certain banks may have incremental/individual requirements in addition to these baseline requirements.

Only such Builders/Developers¹ shall be eligible for availing Developer Financing under NAPHDA initiative who fulfill the following target market criteria:

	Criteria
Validation	<ul style="list-style-type: none"> • Builder/Developer/team should possess a valid builder/developer license from building control Authority/NAPHDA, where applicable; • Membership with Association of Builders and Developers of Pakistan (ABAD); • Copies of documents required: <ul style="list-style-type: none"> i. Registration certificate of the firm/company; ii. Memorandum and Articles of Association/Partnership Deed/Business Charter (in case of Sole Proprietorship, this requirement will not be applicable); iii. List of the technical staff (bio data/qualification/experience/resumes of key personnel of the firm/company); iv. Experience and PEC certificates of PEC registered contractors or resident Engineers/ project managers hired by builder/ developer; v. List of recently completed projects (if any), along with copies of Completion Certificates submitted to concerned authorities; In case of non-availability of completion certificates, underwriting of builder/ developer and letter of comfort from NAPHDA for completion of previous projects will suffice this requirement. vi. Any other document(s) required by the Lenders. vii. Profile of all Directors viii. Undertaking from the Builder firm/sponsor that there is no ongoing default under any financial obligation including but not limited to contractual commitments, corporate guarantees and other lending facilities. ix. Undertaking that the Builder firm/sponsor that they have not been blacklisted by any governmental (provincial, federal or otherwise).
Credit Reputation	<ul style="list-style-type: none"> • Banks' internal confidential reports on financial credibility of firm/company and its directors/sponsors; • If available, borrowing history/credit lines details with local bank(s)/DFI(s); • No history of default with banks; • Firm or any of its sponsors are not defaulters/have not defaulted in their financial obligations to any of their counterparties; • Clean ECIBs and credit Bureau report of directors/sponsors of the firm/company; State Bank will facilitate banks for provision of ECIB reports of builders/ developers • Clean market reputation of management and sponsors; • Firm/company and its key personal including directors and sponsors should not be blacklisted by any govt./ semi govt./ autonomous body; • Minimum Credit Rating if required by bank(s) This requirement is removed.

Development Track Record	<ul style="list-style-type: none"> • Builder/Developer must have at least 5 years' relevant experience of completing projects of similar type and size with good track record; NAPHDA will review requirement regarding size of projects and if NAPHDA drops this requirement, banks will also not require it. • No history of project abandonment; The banks can make their own assessment by visiting completed projects. • No material litigation (past or current) in the sole opinion of the bank(s); • Builder/Developer must provide details of key consultants they have worked with along with letters of recommendation from relevant builder's/engineering associations. • List of similar housing and infrastructural projects completed/ongoing projects during the last 5 years along with photographs/brochures and documentary proof to be required as under for the completed/ongoing projects: <ul style="list-style-type: none"> i. Name of Projects, place and client; ii. Scope of work; iii. Details of projects (multi storied, high-rise or detached housing, whether residential or commercial along with total covered area and actual cost of project and construction timeline compared to budgeted/planned); iv. Performance certificate from the clients validating the performance of the firm/company and satisfactory completion of the services rendered to the clients by the firm/company; v. Details of encashment of performance guarantees, if any, in past projects. vi. Project completion dates of past projects
Financial Strength	<ul style="list-style-type: none"> • Most recent five years' audited financial statements. If required by the bank(s), the Developer may be required to furnish audited/auditor reviewed financial statements from SBP approved panel of auditors falling under Category 'A'. Builders/ developers may provide audited financial statements of any ICAP registered chartered accountants instead auditors from SBP approved panel of auditors. Audited Financial statements of last three years will be required. • Income Tax Assessment Order/Acknowledged copy of Income Tax Returns submitted by the firm/company for the last five years. Income tax returns of last three years will be required.

¹ Shall also be applicable on the Special Purpose Vehicle/Associated Company of the Builder/Developer intending to undertake the development of the project.

Note: The aforementioned Target Market Criteria for Developers is only a preliminary non-exhaustive list and may be subject to modification, subject to the specific criteria and/or requirement of the Developer Financing bank.