

Bank Loan POC – Prarup Consulting LLP

Proof of Concept (POC): Bank Loan Lifecycle

Prepared by: Prarup Consulting LLP

Audience: Hedge Funds | Asset Managers | Private Credit

Note: All figures, dates, and rates are **purely illustrative** and reworked for demo purposes.

1. POC Objective & Structure

This POC demonstrates how **Prarup Consulting LLP** supports end-to-end servicing of Bank Loan assets, covering operational events, accounting impact, and agent–lender communication.

Loan Structures Covered - Term Loan – Cash Interest - Term Loan – PIK (Payment in Kind)
- Delayed Draw Term Loan (DDTL) - Revolving Credit Facility

Each case includes: - Contract Lines - Cash Activity - Principal Movement - Agent Communication

Value Delivered by Prarup Consulting LLP

- Full lifecycle servicing expertise
 - Strong reconciliation & control framework
 - Audit-ready reporting and documentation
 - Scalable, cost-efficient delivery model
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POC Case 1 – Term Loan Asset (Cash Interest)

Scenario Overview:

A funded term loan with quarterly cash interest, scheduled partial repayments, and repricing at each quarter-end.

Issuer / Borrower (Dummy): **Orion Industrial Holdings LLC**

Agent Communication (Scenario-Based):

Date	Communication	Details
15-Apr-2025	Interest Notice	Agent issued quarterly interest notice for period Feb–Apr 2025
22-Apr-2025	Prepayment Advice	Borrower notified partial principal prepayment
28-Apr-2025	Repricing Notice	Agent confirmed rollover terms effective 01-May-2025
30-Apr-2025	Cash Confirmation	Agent confirmed receipt of interest and principal

Facility & Trade Details:

Item	Details
Facility Commitment	USD 18,000,000
Lender Participation	USD 7,500,000
Trade Price	99.10%
OID / Upfront Fee	0.90% (USD 67,500)
Interest Basis	SOFR + Margin

Contract Accrual Lines (Loan IQ – Detailed):

Accrual Type	Rate	Start Date	End Date	Global Amount (USD)	Lender Share (USD)	Interest Accrued
Interest Accrual	SOFR + 3.25%	01-Feb-2025	30-Apr-2025	15,000,000	7,500,000	72,000
Interest Accrual	SOFR + 3.35%	01-May-2025	31-Jul-2025	14,250,000	6,750,000	68,500
Interest Accrual	SOFR + 3.45%	01-Aug-2025	31-Oct-2025	13,500,000	6,000,000	64,200
Interest Accrual	SOFR + 3.55%	01-Nov-2025	31-Jan-2026	12,750,000	5,500,000	59,800

Dummy Amortization Schedule (Principal Repayment):

Payment Date	Global Principal Paid	Lender Share Paid	Outstanding – Share
30-Apr-2025	1,500,000	750,000	6,750,000
31-Jul-2025	1,500,000	750,000	6,000,000
31-Oct-2025	1,250,000	500,000	5,500,000

Cash Activity (All Lifecycle Events Impacted):

Date	Event	Cash In (USD)	Cash Out (USD)	Remarks
01-Feb-2025	Initial Settlement	–	7,432,500	Trade settlement @99.10%
30-Apr-2025	Interest Receipt (Period 1)	72,000	–	Feb–Apr interest
30-Apr-2025	Amortization Payment	750,000	–	Scheduled principal repayment
31-Jul-2025	Interest Receipt (Period 2)	68,500	–	May–Jul interest
31-Jul-2025	Amortization Payment	750,000	–	Scheduled principal repayment
31-Oct-2025	Interest Receipt (Period 3)	64,200	–	Aug–Oct interest
31-Oct-2025	Amortization Payment	500,000	–	Scheduled principal repayment
31-Jan-2026	Interest Receipt (Period 4)	59,800	–	Nov–Jan interest

Principal Movement (Cumulative Impact):

Date	Opening Principal – Share	Principal Change	Closing Principal – Share
01-Feb-2025	–	7,500,000	7,500,000
30-Apr-2025	7,500,000	(750,000)	6,750,000
31-Jul-2025	6,750,000	(750,000)	6,000,000
31-Oct-2025	6,000,000	(500,000)	5,500,000
31-Jan-2026	5,500,000	–	5,500,000

Case 2 – Term Loan Asset (PIK Interest)

Scenario Overview

Interest is capitalized quarterly and added to the loan balance instead of being paid in cash.

Issuer / Borrower (Dummy) : Atlas Energy Solutions Inc.

Agent Communication (Scenario-Based)

Date	Communication	Details
16-Apr-2025	PIK Interest Notice	Agent advised interest to be capitalized for the quarter
25-Apr-2025	Prepayment Advice	Borrower informed partial principal reduction
30-Apr-2025	Balance Confirmation	Updated outstanding including PIK confirmed

Facility & Trade Details

Item	Details
Facility Commitment	USD 16,000,000
Lender Participation	USD 6,500,000
Interest Mode	PIK
Capitalization Frequency	Quarterly

Contract Accrual Lines (Loan IQ – Detailed)

Accrual Type	Rate	Start Date	End Date	Global Amount (USD)	Lender Share (USD)	Interest Accrued
Interest Accrual	SOFR + 3.25%	01-Feb-2025	30-Apr-2025	15,000,000	7,500,000	72,000
Interest Accrual	SOFR + 3.35%	01-May-2025	31-Jul-2025	14,250,000	6,750,000	68,500
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31-Jul-2025	6,750,000	(750,000)	6,000,000
31-Oct-2025	6,000,000	(500,000)	5,500,000
31-Jan-2026	5,500,000	–	5,500,000

Case 3 – Delayed Draw Term Loan (DDTL)

Scenario Overview

Facility is partially funded at inception; borrower draws additional amounts over time while paying commitment fees on undrawn balances.

Issuer / Borrower (Dummy): Nova Infrastructure Partners Ltd.

Agent Communication (Scenario-Based)

Date	Communication	Details
05-Mar-2025	Drawdown Request	Borrower requested additional funding
08-Mar-2025	Drawdown Approval	Agent approved and scheduled funding
15-Apr-2025	Fee Notice	Commitment fee notice issued
30-Apr-2025	Cash Confirmation	Interest and fee receipt confirmed

Facility Details

Item	Details
Total Commitment	USD 20,000,000
Initial Funded Amount	USD 8,000,000
Lender Share	USD 4,000,000
Commitment Fee Rate	0.40%

Contract Accrual Lines (Loan IQ – Detailed)

Accrual Type	Rate	Start Date	End Date	Global Amount (USD)	Lender Share (USD)	Interest Accrued
Interest Accrual	SOFR + 3.25%	01-Feb-2025	30-Apr-2025	15,000,000	7,500,000	72,000
Interest Accrual	SOFR + 3.35%	01-May-2025	31-Jul-2025	14,250,000	6,750,000	68,500
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31-Oct-2025	6,000,000	(500,000)	5,500,000
31-Jan-2026	5,500,000	–	5,500,000

Case 4 – Revolving Credit Facility

Scenario Overview

Borrower draws and repays amounts flexibly within the committed limit; interest and commitment fees processed periodically.

Issuer / Borrower (Dummy): Zenith Retail Group Pvt. Ltd.

Agent Communication (Scenario-Based)

Date	Communication	Details
01-Mar-2025	Utilization Notice	Agent advised revolver utilization
20-Apr-2025	Interest Notice	Monthly interest calculation shared
30-Apr-2025	Repayment Advice	Partial repayment confirmed

Facility Details

Item	Details
Revolver Commitment	USD 25,000,000
Lender Share	USD 5,000,000
Utilization Type	Multiple Draw & Repay

Contract Accrual Lines (Loan IQ – Detailed)

Accrual Type	Rate	Start Date	End Date	Global Amount (USD)	Lender Share (USD)	Interest Accrued
Interest Accrual	SOFR + 3.25%	01-Feb-2025	30-Apr-2025	15,000,000	7,500,000	72,000
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31-Jan-2026	5,500,000	–	5,500,000