

Handbook on Long Term Financing Schemes of State Bank of Pakistan

(March -2010)

Foreword

State Bank of Pakistan is continuously in process of designing medium and long term refinancing schemes for the investment sector to boost long term growth through capacity development of industries. Until now numbers of schemes have been formulated with special focus on growth of export oriented sectors. Further, State Bank had been taking number of steps to facilitate the business community through its credit Schemes. These Schemes have been playing vital role in offsetting the impact of global financial crises, economic development in the country, enhancing fixed industrial investment and easing the issue of liquidity squeeze faced by banks in recent past.

Presently three long-term refinancing schemes i.e. Long Term Financing Facility (LTFF), Modernization of SMEs and Scheme for Financing Power Plants Using Renewable Energy are available for capacity development of the industrial sector. Keeping in view recent pick up in overall economic activity in the country necessitating positive growth in banks' credit, these Schemes will play vital role in streamlining the flow of credit to private sector as against ongoing trend wherein public sector emerged a leading user of banks credit.

This handbook describes the mentioned schemes in detail but keeping in mind that these guidelines are the minimum conditions for financing prescribed by SBP. The banks/DFIs may take appropriate modus operandi to ensure that the process of allowing financing is undertaken in a prudent manner. The guidelines contained in this handbook will not supersede the instructions issued by SBP from time to time with regard to financing facilities extended by banks/DFIs. SBP will, as always, keep a close liaison with banks/DFIs / other stakeholders and will modify and update these Schemes, whenever necessary.

For further information / clarification in this regard, the borrowers / banks / DFIs may visit our website www.sbp.org.pk

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Disclaimer:

This document is prepared as general information for the stakeholders only. The information provided in this document is subject to change, from time to time. Further, this document should not be used as a substitute for terms & conditions issued by the SBP through circulars / circular letters in respect of each Scheme.

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1- Introduction

This handbook focuses on the three long-term refinancing schemes namely Long Term Financing Facility (LTFF), Modernization of SMEs and Scheme for Financing Power Plants Using Renewable Energy, developed for capacity building of industrial units. The formulation of this handbook was necessitated to facilitate the stakeholder's by consolidating the guidelines of each scheme and to ease the dissemination process.

To facilitate export led growth through setting up export oriented projects LTFF was introduced to provide funds on long term (up to 10 years) basis for import of machinery and purchase locally manufactured plants.

Similarly, focusing on development of SME sector, scheme for Modernization of SMEs was launched to provide funds on medium and long term (upto 7 years), for procurement of plant and machinery. Presently Scheme limit to Rice Husking units and Cotton Ginning factories, where as other clusters are under consideration for which separate announcements will be made.

To meet the growing demand of power supply in the country a scheme for Financing Power Plants Using Renewable Energy on long term basis (upto 10 years) was also introduced. Funds will be provided for establishment of new Power Projects Using Renewable Energy with a capacity of up-to 10 Mega Watts. Sponsors of power projects can avail financing facility through banks/DFIs for new imported and locally manufactured plant, machinery and equipment. However, preference shall be given to projects being established in the less developed areas of the country.

2- Long Term Financing Facility (LTFF) for Plant & Machinery

i). Scope and Eligibility

- a) Under this facility, Participating Financial Institutions (PFIs) can provide long term local currency finance for imported and locally manufactured new plant and machinery to be used by the export oriented projects (see list of sectors eligible for financing under this facility).
- b) The facility shall be available to the export oriented projects only if their annual export is equivalent to US \$5 million or at least 50% of the sales whichever is lower.
- c) Financing shall be available through PFIs which include commercial banks, Islamic Banks {subject to (2) below} and DFIs.
 1. List of banks / DFIs approved as PFIs is given in Annexure-I. Other banks/ DFIs can also lodge their requests to SME Finance Department of SBP for seeking the status of a PFI which shall be processed as per SBP's criteria.
 2. Provision of the facility through Islamic Banks is also subject to availability of Shariah Compliant compatible products for end users as also for claiming refinance for LTFF, approved by the bank's Sharia Advisor and SBP's Shariah Board.
- d) Financing shall be available for a maximum period of 10 years including a maximum grace period of 2 years.

ii). Rates of Service Charges

- a) The rate of service charge at which SBP will provide refinance to the banks/DFIs shall be determined on the basis of/ reference to the average of weighted average yields of last two auctions of 3, 5 and 10 years PIBs subject to the following;
 1. The rate of service charges once fixed shall remain locked-in for the entire duration of the loan, provided the borrowers continue to repay all scheduled installments at the respective due dates.
 2. In cases where the loan amount has not been disbursed in full during the validity of an applicable rate, the un-disbursed amount shall attract the new rate of finance/refinance applicable on the date of its disbursement by the bank/DFI.
- b) Current rates are as under:

Period of financing	Rate of Refinance	PFI Spread	End User's rate
Up-to 3 years	7.70 %	1.50 %	9.20 %
3-5 Years	7.20 %	2.50 %	9.70 %
5-10 Years	7.25 %	3.00 %	10.25 %

iii). Sectors Eligible For Financing Under LTFF Scheme

Only new plant, machinery & equipments to be used by the export oriented projects in following sectors for producing exportable goods shall be eligible for financing under the Facility:

Core Categories

1. Textile & Garments
 - a. Fabrics
 - b. Garments
 - c. Made up
 - d. Towels
 - e. Art silk & synthetic textiles
2. Rice Processing
3. Leather & Leather products
4. Sports goods
5. Carpets & Wools
6. Surgical Instruments

Developmental Categories

1. **Fisheries**
(Plant & machinery used for boat manufacturing / modifications including chilling equipment).
2. **Poultry & Meat**
(Plant & machinery used for hatching purposes and equipments for preservation / packing / canning chicken & meat).
3. **Fruits/Vegetable & Processing, Cereals**
(Plant & machinery used for setting up of units for the purpose of preservations/ packaging / canning of fruits and vegetables and producing cereals).
4. **I.T. – Software & Services**
(Hardware & equipments for IT & Services sector exports).
5. **Marble & Granite**
(Plant & equipments used for cutting and polishing of Marble & Granite products for export and manufacturing of handicrafts thereof).
6. **Gems & Jewellery**
(Plant & equipments used for cutting and polishing of Gems and machinery for making jewellery).
7. **Engineering Goods**
(Plant & machinery required for producing engineering products / goods).
8. **Generators / Captive Power Plants**
(Import of generators/captive power plants, to be used in the eligible sectors / sub-sectors).
9. **Ethanol**
(Plant & machinery to be used by the export oriented projects for producing exportable Ethanol).
10. **Furniture and Pharmaceutical**

(Plant & machinery to be used by the export oriented projects in Furniture and Pharmaceutical Sectors for producing exportable goods).

11. Six Sub-Sectors Of Spinning Sector

(Refinancing to the extent of fifty percent of financing provided for plant & machinery used in six export oriented sub-sectors of Spinning Sector including doubling, twisting, combing, slubbing, lycra, and yarn dyeing).

12. Regeneration Of Textile Waste

(Refinancing to the extent of fifty percent of financing provided for plant & machinery used in export oriented projects for regeneration of textile waste into usable fiber for producing value added exportable products).

iv). Terms & Conditions

- a) All LCs (sight as also usance) established after December 31, 2007 shall be eligible for financing.
- b) The cost of insurance, transit insurance, erection and commissioning charges and other incidentals (including transportation charges, in case of locally manufactured machinery) etc; shall not be financed under the facility.
- c) The PFIs can also consider the requests of new export oriented projects on the basis of projected exports. However, their potential to export will be determined by the financing PFIs by using their own skills / expertise. In case the projections made by the sponsors of new export oriented projects in respect of export sales are not met the SBP may consider imposing fine on such borrowers at the rate prescribed under the Scheme.
- d) Further, in case of new projects, sponsor will be required to contribute their equity share in an escrow account maintained with the PFI. The proceeds in the said account shall be used by the sponsors only for the purpose of setting up of the project/payment to the supplier etc; representing his equity share in the project. However, where sponsor(s) of the project have already invested their entire share of equity in the project in the form of land, construction of building etc., the same shall be treated as 'equity' of the sponsor and the condition of maintaining an escrow account may not be required provided overall debt/equity ratio is met. The lending PFI should place a certificate on record in this regard in the relevant credit file for subsequent inspection by our BID.
- e) Export oriented SME borrowers (as defined in Prudential Regulations for SMEs), may purchase imported machinery from the commercial importers or authorized dealers of the foreign manufacturers in Pakistan and authorized suppliers in case of locally manufactured machinery and plant.

3. Scheme for Modernization of SMEs

i). **Scope and Eligibility Criteria**

- a) Financing shall be available only for Balancing, Modernization and Replacement (BMR) of existing units / projects.
- b) Only SME borrowers, as defined in Prudential Regulations for SMEs, shall be eligible to avail financing facilities under the Scheme.
- c) Financing shall be available to following SMEs:
 1. **Cotton Ginning Factories**
 - For purchase of new locally manufactured plant, machinery & equipment,
 - For purchase of new generators up-to a maximum capacity of 500 KVA or ginning factory's in-house energy requirement whichever is less.
 - Cotton seeds crushing machinery installed in the premises of ginning factories.
 2. **Rice Husking Mills /Automatic Sella Plants**
 - For import/purchase of new Rice Husking Machines, Paddy Driers and Parboiling Plants by the sponsors of Rice Husking Mills / Automatic Sella Plants.

Any other SME as and when made eligible for the purpose shall be notified separately.
- d) Financing facilities shall be available through all commercial banks and Development Finance Institutions (DFIs).
- e) Financing shall be available for a maximum period of seven years including a maximum grace period of six months.
- f) Financing for Cotton Ginning Factories and Rice Husking Units **shall be available upto December 31, 2010 and June 30, 2011**, respectively.

ii). **Rates of Service Charges**

- a) The rate of service charge at which SBP will provide refinance to the banks/DFIs shall be determined on the basis of / reference to the average of weighted average yields of last two auctions of 3, 5 and 7 years PIBs subject to the following:
 1. The rate of mark-up once fixed shall remain locked-in for the entire duration of the loan, provided the borrowers continue to repay all scheduled installments by the respective due dates.

2. In cases where the loan amount has not been disbursed in full during the validity of an applicable rate, the un-disbursed amount shall attract the new rate of finance/refinance applicable on the date of its disbursement by the bank/DFI.

b) Current rates are as under:

Tenor	Rate of Refinance	Banks'/DFIs' Spread	End Users' Rate
Up-to 3 years	6.00%	2.00%	8.00%
Over 3 years and up-to 5 years	6.50%	2.50%	9.00%
Over 5 years and up-to 7 years	7.00%	3.00%	10.00%

4- Scheme for Financing Power Plants Using Renewable Energy

i). Eligibility Criteria

- a) Financing shall be available to the prospective sponsors desirous of setting up of Power Projects with a capacity of up-to 10 MW, who have completed prescribed requirements of Alternative Energy Development Board (AEDB), the concerned regulatory authority and other relevant Government Department / Authority, in compliance with the prevalent Renewable Energy Policy of the Government of Pakistan.
- b) Financing shall be available only for purchase of new imported and locally manufactured plant, machinery and equipment to establish new Power Plants of up-to 10 MW installed capacity using alternative / renewable energy sources (wind, hydel, biogas, biofuels, bagasse cogeneration, solar power and geothermal as fuel).
- c) Financing shall be available for a maximum period of 10 years including a maximum grace period of 2 years.
- d) Financing facilities shall be available through all commercial banks and Development Finance Institutions (DFIs).
- e) Refinance may be provided up-to 100% of financing provided by banks/DFIs to the eligible borrowers for the import/ local purchase of plant, machinery & equipment subject to adherence of other rules & regulations.
- f) LCs established up-to **June 30, 2012** shall be eligible for financing under the Scheme.

ii). Rates of Service Charges

- a) The rate of service charge at which SBP will provide refinance to the Banks/DFIs shall be determined on the basis of average of weighted average yields of last two auctions of 5 and 10 years PIBs, subject to the following:
 - 1) The rate of service charges once fixed shall remain locked-in for the entire duration of the loan, provided the borrowers continue to repay on due dates as per repayment schedule.
 - 2) In cases where the loan amount has not been disbursed in full during the validity of an applicable rate, the un-disbursed amount shall attract the new rate of finance/refinance applicable on the date of its disbursement by the bank/DFI.
- b) Current Rates are as under:

Tenor	Rate of Refinance	Banks'/DFIs' Spread	End Users' Rate
Up-to 5 years	9.90%	2.50%	12.40%
Over 5 years and up-to 10 years	9.50%	3.00%	12.50%

iii). Terms & Conditions

- a) Captive power projects which have already availed financing facilities under LTFF Scheme shall not be eligible for financing under this Scheme.
- b) Fixed term loans which have been extended prior to the announcement of this Scheme shall not be eligible for refinance.
- c) The sponsors of the project shall be under obligation to ensure that the benefits of the concessionary finance earned through the scheme are passed on to the consumers in terms of competitive rates.
- d) Banks/DFIs may impose any specific condition(s), considered appropriate by them in such type of transactions, while sanctioning loan under the Scheme to protect their interests.
- e) Banks/DFIs may also ensure that firm commitments for the portion of funding not to be financed by SBP (in the form of equity, conventional bank finance etc.) are available for the project being financed by them under the Scheme, so that the project does not eventually suffer due to any funding gap. Firm equity commitment from the sponsors may be made in the form which is satisfactory for the financing bank/DFI. The State Bank would, however, not insist on fulfillment of this condition by a specified mode but would let the bank/DFI to satisfy itself in this regard.

5- Common Procedures & Requirements **Under Long-Term Schemes**

i). Availability of Funds/Sanction of Limits to Banks/DFIs

- a) Under LTFF Scheme, SME Finance Department, SBP will sanction yearly limits in favour banks/DFIs. Applications for sanction of limits for each fiscal year (July-June basis) shall be sent by the interested PFIs to the Director, SME Finance Department, SBP latest by 15th May each year to facilitate sanction of annual limits at the earliest. State Bank will review the utilization of limits by individual PFI on quarterly basis and may cancel the unutilized limit for reallocation to other PFIs.
- b) Under other long term financing Schemes, financing shall be provided by the banks/DFIs on first come first served basis within the overall amount earmarked for the purpose. While adequate funds have been earmarked for the Schemes the banks/DFIs shall, however, be required to approach SME Finance Department, State Bank of Pakistan, after their internal approval of financing to each unit/project for confirming the availability of funds. State Bank will respond to the concerned bank/DFI with a copy to the concerned office of the SBP BSC (Bank) from where it will avail refinance. In case banks/DFIs have not disbursed 1st installment / opened LC / made firm contract with down payment, the confirmation / approval of availability of funds from SBP should lapse within a period of three months.

ii). Grant of Refinance

- a) The State Bank shall provide refinance to each bank/DFI on service charge (mark-up) basis in terms of Section 17 (2) (d) read with section 22 of State Bank of Pakistan Act 1956.
- b) Refinance shall be allowed to the Banks/DFIs by the concerned offices of SBP BSC (Bank) on submission of following documents:
 - i) Refinance Application
 - ii) Repayment Agreement
 - iii) DP Note of Bank/DFI
 - iv) DP Note of Borrower
 - v) Undertaking of Borrower

Note: (ii) & (iii) will be submitted only once to the extent of the amount sanctioned to each office of SBP-BSC. Formats of above documents are attached with each scheme which are available at SBP's website.

iii). Repayment Of The Loans

- a) Principal amount of loans shall be repayable in equal quarterly / half yearly installments after prescribed grace period, if any.

- b) If a borrower will repay the loan amount or its installment, in part or in full, before the due date(s), the banks/DFIs shall be under obligation to repay the amount(s) so received within three working days to the concerned office of SBP-BSC (Bank) failing which fine for late adjustment of loan will be recovered from the concerned bank/DFI, at the rate specified by the State Bank.
- c) The refinance granted by SBP-BSC offices to the Banks/DFIs shall be recovered on the due dates as reported in the original repayment schedule from the account of the banks/DFIs maintained with the respective office of the SBP BSC (Bank).
- d) In case the borrowers fail to make repayment of the amount of installment as per the original repayment schedule, the bank/DFI will be entitled to charge normal rate of mark up on such overdue principal amount besides taking other actions to recover the same as are incidental to such defaults. In no case the liability of banks/DFIs to pay/repay to SBP BSC the principal amount of refinance, or mark up or any other charges or penalty thereon shall be dependent upon the recovery from the borrower nor shall such liability be affected by any default on the part of the borrower.
- e) Mark-up shall be paid on quarterly basis.

iv). General Terms & Conditions

- a) Financing under the Scheme shall be subject to compliance with all rules and regulations including Prudential Regulations for each types of borrowers.
- b) Financing shall be available to the extent of the C&F value and ex-factory/showroom price of the new imported and locally manufactured plant & machinery respectively.
- c) Advance payment shall be eligible to the extent of 20% of the C&F value / ex-factory /showroom price of plant & machinery.
- d) Disbursements by PFIs should not be made to the borrower directly; instead payments shall be made to the manufacturers / suppliers of plant & machinery as per payment/delivery schedule agreed to between the manufacturer and the purchaser.
- e) PFIs shall consider financing based on the debt to equity requirements as prescribed in applicable Prudential Regulations for each type of the borrower. The financing PFI may, however, ask for higher contribution of equity from the borrowers keeping in view individual risk profile.
- f) Financing banks/DFIs shall ensure fulfillment of requisite pre-disbursement formalities by the borrower through due diligence as per their own internal arrangements to avoid malpractices and mis-utilization of facilities
- g) There will be no maximum limit for borrowing by the prospective entrepreneurs. However, in case of larger financing requirements, i.e. over Rs 300 million under LTFF Scheme & Rs 500 million under Power Plants Scheme, banks / DFIs are encouraged to provide finance under consortium arrangements.

- h) In case of consortium financing, the payment to the importer / supplier of plant & machinery shall be made by the leader of the consortium, who shall therefore, be under obligation to certify the share of each member bank/DFI and the amount disbursed by it, to enable the consortium members to avail refinance from State Bank to the extent of their share subsequent to the actual payment made by the consortium leader.
- i) Banks/DFIs shall make necessary arrangements to ensure that the amount of refinance availed by them from State Bank and outstanding as on the date of preparation of their financial statements is shown separately in Annual Audited Accounts, under appropriate heads, vis-à-vis their claims (principal amounts only) against their constituent to whom the financial facilities were sanctioned by them.
- j) State Bank shall have the right to appoint independent consultants to verify the use of the refinance facilities. In case the report of the consultant points out irregularity on the part of the financing bank/DFI or the borrower, State Bank reserves the right to recover the amount of refinance granted to the bank/DFI along-with fine at the prescribed rates including the cost of such verification.
- k) In case of the import of plant and machinery, the foreign currency required for making payment to the machinery manufacturer or the suppliers abroad, against LC, shall be purchased by the bank/ DFI of the borrower from the inter-bank market at prevailing rates. The quantum of the loan amount in equivalent Pak rupees shall be determined on the basis of the rupees resources required for purchase of the foreign currency on the actual date of retirement of LC and shall be released in accordance with the payment terms.
- l) Banks/DFIs shall evaluate applications for financing, within two/three months (as prescribed under each Scheme) from the date of receipt of complete information from the borrower. Where the request is declined, the bank/DFI will explicitly apprise the reasons for rejecting the application to the prospective borrower.
- m) Refinance shall be provided on the basis of certification by the Internal Audit of the financing bank/DFI with regard to confirmation that the loan is within the terms and conditions laid down in the Schemes. A copy of the said Internal Audit Certificate shall also be submitted to the concerned office of SBP BSC at the time of availing the refinance facility.
- n) Second-hand machinery shall not be eligible under the Schemes.
- o) Financing shall not be available for the purpose of acquisition of land, construction of building etc.
- p) Financing shall be checked/verified by SBP's Banking Inspection Department (BID) during inspection of the banks/DFIs to ensure that the same have been allowed as per the terms and conditions of the Schemes.
- q) Where a bank/DFI considers the requests of their borrowers for rescheduling of loans granted under the Schemes the principal amount of refinance shall

only be rescheduled in a way that total tenor of refinancing does not exceed maximum period prescribed under each Scheme from the date of original disbursement made by the banks/DFIs. Further, the borrower shall be liable to make payment of mark-up at the rate applicable on the date of such rescheduling, or the original rate whichever is higher.

v). Fines

- a) In case of violation of the terms & conditions of the Schemes, the State Bank shall reserve the right to recover the amount of refinance granted to the banks/DFIs along-with fine at the rate of Paisa 60 per day per Rs 1000/- or part thereof.
- b) In case, a borrower will make early repayment(s) of the amount of loan/ installment(s) and bank/DFI fails to repay the same to concerned office of SBP-BSC within three working days, late adjustment fine will be charged from the concerned bank/DFI at the rate of Paisa 60 per day per Rs 1,000 or part thereof [Paisa 70 per day per Rs 1,000 in case of LTFF] or prospectively at such rate as may be announced by the State Bank from time to time.

Note. Fine shall be recovered through bank/ DFI who availed refinance under the schemes. Therefore, it will be the responsibility of the bank/ DFI to secure its interest in this regard, however, in no case fine imposed on bank/ DFI due to its negligence shall be passed on to the borrower. In case they pass on the fine so recovered from them to the borrower, the bank/ DFI shall be under obligation to justify the same to ensure that the fine is not passed on to the borrower merely on the strength of the action of SBP.

6- Terms & Conditions At A Glance

Sr #	Features	Long Term Financing Facility (LTFF) for Plant & Machinery			Schemes for Modernization of SMEs			Scheme for Financing Power Plants Using Renewable Energy	
1.	Scope & Coverage of the Schemes	<ul style="list-style-type: none"> • Financing for procurement of new local and imported machinery used in export oriented projects pertaining to Eligible Sectors [list given in Para (iii) Page 3] and other sectors to be approved from time to time. • Existing Projects with annual export of USD 5 million or 50% of total sales, whichever is lower. • New export oriented projects also eligible; however, their export potential is determined by the financing PFIs. • Financing available through approved banks / DFIs (List given at Annexure-I) 			<ul style="list-style-type: none"> • Financing for purchase of new local machinery for BMR of existing Cotton Ginning Factories; and cotton seeds crushing machinery installed therein. Generators up-to 500 KVA. • Financing for purchase of new local & imported Rice Husking Machines/ Paddy Driers/ Parboiling Plants for BMR of Rice Husking Mills. • SMEs as defined in Prudential Regulations for SMEs. • Financing available through all banks/DFIs. • Valid upto December 31, 2010 for Cotton Ginning and June 30, 2011 for Rice Husking. 			<ul style="list-style-type: none"> • Financing for procurement of new local & imported machinery to be used in New Power Projects with a capacity of up-to 10 MW using renewable energy sources (wind, hydel, biogas, biofuels, bagasse cogeneration, solar power and geothermal as fuel). • Financing available through all banks/DFIs. • LCs established from 01-12-09 to 30-06-2012 eligible for financing. 	
2.	Tenors	upto 3 Yrs	3-5 Yrs	5-10 Yrs	Upto 3 Yrs	3-5 Yrs	5-7 Yrs	Up-to 5 Yrs	5-10 Yrs
3.	Grace Period	1 year		2 years	6 months			2 years	
4.	Mark up (End User rates)	9.20%	9.70%	10.25%	8.00%	9.00%	10.00%	12.40%	12.50%
5.	Repayment of Loans	Semi-Annually & or Quarterly.							
6.	Mechanism to Extend Funds	<ul style="list-style-type: none"> • Banks/DFIs to evaluate financing requests of their borrowers – [within lending policies-terms & conditions of respective Schemes] • Banks/DFIs to provide funds to the eligible borrowers. • Financing banks/DFIs approach concerned office of SBP-BSC for availing refinance along-with documents prescribed in respective Scheme. 							

Annexures

Annexure-I**List of Participating Financial Institutions (PFIs) Under LTFF Scheme****Banks**

1. Allied Bank Limited
2. Askari Bank Limited
3. Bank Al-Falah Limited
4. Bank Al-Habib Limited
5. Bank of Punjab
6. Citibank, N.A.
7. Faysal Bank Limited
8. Habib Bank Limited
9. Habib Metropolitan Bank Limited
10. HSBC Bank Middle East Limited- Pakistan
11. KASB Bank Limited
12. MCB Bank Limited
13. My Bank Limited
14. National Bank of Pakistan
15. NIB Bank Limited
16. Royal Bank of Scotland
17. SAMBA Bank Ltd.
18. Silk Bank Limited
19. Soneri Bank Limited
20. Standard Chartered Bank (Pakistan) Limited
21. United Bank Limited

Development Finance Institutions (DFIs)

22. Pak Oman Investment Company Limited (POICL)
23. Saudi Pak Industrial & Agricultural Investment Company Limited (SPIAICO)
24. Pak Libya Holding Company Limited (PLHCL)
25. Pak Kuwait Investment Company Limited (PKICL)
26. Pak Brunei Investment Company Limited (PBICL)

Annexure -II**List of Circulars / Circular Letters****i) Circulars – LTFF Scheme**

Sr. No.	Circular No. & date	Brief
1.	MFD Circular No. 07 dated 31-12-2007	Introduction of Long Term Financing Facility – LTFF) for Plant & Machinery.
2.	MFD Circular No. 04 dated 24-06-2008	Eligibility of generators / captive power plants under LTFF Scheme.
3.	MFD Circular No. 05 dated 02-07-2008	Re-fixation of Rates under LTFF Scheme.
4.	SMEMFD Circular No. 04 dated 12-11-2008	Reinstatement of 100% refinancing under LTFF Scheme. (Earlier it was restricted to the extent of 70% of banks'/DFIs' financing)
5.	SMEFD Circular No. 01 dated 22-01-2009	Instructions on One Year Grace Period Facility under LTF-EOP/ LTFF Schemes). (This facility was available up-to May 11, 09).
6.	SMEFD Circular No. 02 dated 23-01-2009	Eligibility of Ethanol Industry under the Scheme.
7.	SMEFD Circular No. 07 dated 16-03-2009	Eligibility of Furniture and Pharmaceutical Sectors under the Scheme.
8.	SMEFD Circular No. 08 dated 21-04-2009	Eligibility of six value added sub-sectors of Spinning (viz. doubling, twisting, combing, slubbing, lycra, and yarn dyeing) under the Scheme. (Refinance will be restricted to the extent of 50% of banks'/DFIs' financing)
9.	SMEFD Circular No. 09 dated 21-04-2009	Instructions about One Time Opportunity to the exporters (excluding Textile & Garments) to refinance their outstanding long term commercial loans, for import/purchase of plant & machinery, with loans under SBP's LTFF Scheme. (This facility was available upto 30 th June 2009).
10.	SMEFD Circular No.11 dated 26-06-2009	Instructions about 50% re-financing against LCs established before the announcement of the Scheme; and eligibility of plant/machinery used for regeneration of textile waste into usable fiber.
11.	SMEFD Circular No. 16 dated 31-10-09	Re-fixation of Rates under the Scheme.

ii) Circular Letters – LTFF Scheme

Sr. No.	Circular Letter No. & Date	Brief
1.	SMEFD Circular Letter No. 01 dated 27-02-09	Clarifications on One Year Grace Period, which was allowed vide SMEFD Circular No. 01/09.
2.	SMEFD Circular Letter	Instructions about eligibility of second hand machinery

	No. 03 dated 11-03-2009	under the Scheme. (LCs established up-to December 31, 2009 were eligible for refinancing).
3.	SMEFD Circular Letter No. 06 dated 27-04-2009	Further clarifications on One Year Grace Period, which was allowed vide SMEFD Circular No. 01/09.
4.	SMEFD Circular Letter No. 07 dated 08-06-2009	Instructions about 50% refinancing against imported generators, used in export oriented units / projects otherwise not eligible under LTFF Scheme.
5.	SMEFD Circular letter No.09 dated 20-06-2009	Extension in PFIs' limits for the financial year 2009-10.
6.	SMEFD Circular Letter No. 13 dated 14-09-2009	Clarifications about refinancing of LCs established before introduction of LTFF Scheme. (This facility was available up-to December 31, 2009 only)

iii) Circulars- Modernization of SMEs:

Sr. No.	Circular No. & date	Brief
1.	SMEFD Circular No. 14 dated 04-09-2009.	Introduction of Scheme for Modernization of Cotton Ginning Factories.
2.	SMEFD Circular No.17 dated 02-11-2009.	Introduction of Refinancing Facility for Modernization of SMEs-Rice Husking Units.

iv) Circulars- Scheme for Financing Power Plants

Sr. No.	Circular No. & date	Brief
1	SMEFD Circular No. 19 dated 01-12-2009	Introduction of Scheme for Financing Power Plants Using Renewable Energy with a capacity of up-to 10 MW.
