

Economic and Infrastructure Windows

Priority Areas for co-financing projects in SAARC Member States:

Under Economic and Infrastructure Windows, SDF will focus on co-financing projects pertaining to the following sectors:

Economic Window	Infrastructure Window
<ul style="list-style-type: none"> a) Trade and Industrial Development b) Agriculture and allied sectors c) Services Sector d) Science and Technology e) Other Non-Infrastructure areas f) Any other sectors as approved by the Board 	<ul style="list-style-type: none"> a) Energy b) Power c) Transportation d) Tele Communications e) Environment f) Tourism g) Other Infrastructure Areas h) Any other sectors as approved by the Board

Eligibility Criteria: Projects/programs involving any one or more than one SAARC Member State with the direct benefit going to more than one Member State.

Benchmark Financial Norms: For term loans, the following benchmark financial norms are proposed

Sl. No	Financial Parameter	Norm
1	Debt Equity Ratio (DER) (For the company as a whole, including proposed assistance)	3:1 (Maximum)
2	Promoter's / Owner's contribution for the project (Definition of promoter would be reviewed on a project to project basis)	25% (Minimum)
3	Liquidity Support - Debt Service Coverage Ratio (DSCR) Revenue generation by the Project will also be taken into consideration at the time of evaluating the Debt Repayment capacity of the borrower.	1.5:1
4	Sustainability - Asset Coverage As per Credit Manual Book-1 : Appraisal, Overall Asset Coverage = Total Tangible Security including collateral security / term loan	1.3:1 (Minimum)
5	Repayment Period	Maximum 10 years
6	Maximum Grace period for repayment	2 years
7	Maximum amount of Exposure	SDF will consider the projects where SDF credit exposure will be maximum up to US\$ 15.00 million.

Pricing for Project financing:

Pricing of the loan under the Economic & Infrastructure Windows shall be USD 6 months LIBOR plus 2% fixed spread plus applicable fees.