

All Scheduled Commercial Banks

Dear Sir

Common Loan Application Forms

Please refer to our circular RPCD.No.BC.29/PS.22-84 dated 16 March 1984 regarding Guidelines for Advances to Priority Sector, wherein we had also prescribed the formats for loan application forms to be used in the case of SSI units. A Working Group consisting of representatives of Reserve Bank of India, State Bank of India, Bank of India, SIICOM and Maharashtra State Financial Corporation was constituted by Industrial Development Bank of India in January 1987 for standardisation of loan application forms for use by SFCs, SIDCs and banks. The Group has recommended common application forms for the following categories of SSI borrowers :-

- i) For total advances upto Rs. 50,000/- (including composite loans)
- ii) Total assistance above Rs. 50,000/- and upto Rs. 2 lakhs
- iii) Total assistance above Rs. 2 lakhs and upto Rs. 10 lakhs and
- iv) Total assistance above Rs. 10 lakhs.

These application forms are to be used where assistance is by way of either term loan or working capital or both and are applicable to new projects, expansion, diversification and modernisation of existing projects. IDBI has advised SFCs and SIDCs to adopt these application forms with effect from 1 July 1988.

- 2. The forms for (i) total assistance upto Rs. 50,000/- (including composite loans) and (ii) for total assistance above Rs.50,000/- and upto Rs. 2 lakhs are mostly similar to the forms presently prescribed by us for commercial banks in terms of our circular RPCD.No.BC.29/PS.22-84 dated 16 March 1984. As such it has been decided that commercial banks may continue to use the existing forms.
- 3. Copies of the new forms for total assistance (a) above Rs.2 lakhs and upto Rs.10 lakhs and (b) above Rs.10 lakhs are enclosed and these may be introduced by you with immediate effect so as to have uniformity among banks and financial institutions. It should be noted that these application forms will not apply where only renewal of existing working capital limits is required. Banks may use their own forms in such cases.
- 4. Please acknowledge receipt and inform us of the action taken at an early date.

Yours faithfully

Sd/-

(S. Sankar)

Deputy Chief Officer

FORM A
COMMON APPLICATION FOR FINANCIAL ASSISTANCE IN RESPECT OF
INDUSTRIAL CONCERNS -WHERE ASSISTANCE BY WAY OF EITHER
TERM LOAN OR WORKING CAPITAL IS ABOVE
Rs. TWO LAKHS UPTO Rs. TEN LAKHS*.

(APPLICABLE TO NEW PROJECTS, EXPANSION, DIVERSIFICATION AND
MODERNISATION OF EXISTING PROJECTS. DOES NOT APPLY TO ONLY
RENEWAL OF EXISTING WORKING CAPITAL FACILITIES)

Date :

1. Name of the unit and SSI registration No.
(enclose Xerox copy of the certificate) :
2. Constitution :
3. Date of establishment :
4. a) Registered Office : Address Tel.No.
b) Factory :
5. Whether the office/factory premises are owned.
If rented, on lease, or on hire purchase, furnish
details of rental, lease/hire-purchase period, etc.
(enclose xerox copies of supporting documents) :
6. Product (s) manufactured/proposed to be
Manufactured :
7. If the unit is an ancillary unit, the undertaking
to which it is catering and its address :
8. Name of the associate concern(s), if any, and
a) Nature of associate and amount invested :
b) Nature of activity :
c) Items traded/manufactured :
d) Turn-over and profit during preceding
financial year :
9. Brief history of the unit** (giving a brief
account of progress made since inception) :
10. Name(s) of Proprietor/Partners/Director
1.
2.
3.
4.
5.
(Furnish details about the promoters/partners in
the proforma at Annexure I)
11. Present/proposed banker, their address and
credit facilities, if any, enjoyed from the bank

12. Credit facilities required

<u>No.</u>	<u>Nature</u>	<u>Type</u>	<u>Amount (Rs.)</u>
1.	Term Loan		
2.	Working Capital	(i)	
		(ii)	
		(iii)	
3.	Non-borrowing facilities		
	Total		

Particulars of the Project

<u>Year</u>			
<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>

13. Capacity (for each product)

- i) Licensed
- ii) Installed
- iii) Operating

14. Manufacturing process, in brief, giving stage-wise operations/process (indicate, to the extent possible, stage-wise capacity data, yield/conversion data, materials flow etc., on a separate sheet).

15. Employment

	Present	Proposed
a) Strength		
i) Executives (finance and accounting, production, marketing and general management)	:	
ii) Supervisory	:	
iii) Skilled	:	
iv) Semi-skilled	:	
v) Administrative Staff	:	
Total		

b) Whether skilled staff has been identified :

16. Locational advantages of existing and/or proposed premises i.e., absence of civic restrictions, proximity to the source of raw materials and market of the product, availability of infrastructure like power, water, labour, transport.

<u>Area/Plinth</u>		<u>Value</u>	
<u>Area</u>			
<u>Exist-</u>	<u>Pro-</u>	<u>Exist-</u>	<u>Pro-</u>
<u>ing</u>	<u>posed</u>	<u>ing</u>	<u>posed</u>

17. Land and Building

- a) Factory Land
- b) Factory Building

Enclose

- i) Xerox copy of factory building plan duly approved by local authority.
- ii) A detailed building cost estimated by an architect and
- iii) In case of loans above Rs.5 lakhs, break-up of proposed expenditure on building/workshed.

- c) Whether the existing/ proposed land and buildings will be sufficient for the unit s present and near future requirements.
- 18. Particulars of machinery and other fixed assets Existing and/or proposed (proforma invoices to Be enclosed) (As per Annexure II). :
- 19. Necessity for the proposed investment/addition to Factory premises/machinery (in case such Investment is intended). :
- 20. Major raw materials/components :
 - a) Items required : (i) (ii) (iii) (iv)
 - b) Sources of supply :
 - c) Conditions of supply* viz., minimum purchase Quantity, lead time, seasonality, etc. :
 - d) Arrangements made for regular supply of Required quantity. :

- 21. Utilities (give comments on requirement, availability/ Adequacy, qualitative aspects, etc.)
 - a) Power :
 - i) Contracted load :
 - ii) Connected load :
 - (enclose xerox copy of sanction for power Connection).
 - b) Water (enclose xerox copy of sanction for water Connection).
 - c) Fuel :
 - d) Others (Specify) :

Economic Feasibility

- 22. Marketing (separately for each product)
 - a) Whether the product is reserved exclusively for the SSI Sector :
 - b) Major customers :
 - c) Region/area where the product is/will be sold :

- d) Extent of competition; No. of units engaged in similar line in the area :
- e) How does the unit meet/propose to meet the competition (comment on comparative advantages enjoyed by the promoters/unit) :
- i) In price and quality--how does the unit's product compare with those of its competitors :
- ii) Is the unit selling direct to its customers? If so, details like depots/showrooms, sales force, etc. :
- iii) If a selling/distribution agency has been appointed, its name, period of contract, commission payable, period by which the bills will be paid by it, etc. (enclose xerox copies of distribution agreement (s), wherever applicable). :
- f) Nature and volume of orders/enquiries on hand (xerox copies to be furnished) :
- g) If the unit is export oriented, relevant details viz., countries to which exported and actual exports during the last 3 years. (if a marketing study has been done, a copy may be enclosed). :
23. Past performance (in the case of existing units) :
- a) Annual turnover during the last 3 years and monthly turnover for last 12 months. :
- b) Present facilities availed of from bank. If not availing any facilities, how were the unit's needs met in the past.
- c) Details of unit's borrowings from other sources (SFC, SIDC, NSIC, Private Financiers, etc.) including overdues, if any. :
- d) Arrears in statutory payments, if any. :
24. Target for the future
- a) Furnish projected profitability statement (Annexure III) :
- b) Furnish projected cash flow statement (Annexure IV) :
25. Working capital required for the anticipated Turnover
-

Cost of production per month : Rs.
(first full year s production)

Cost and quantity of raw materials per month : Rs.
Item Stocking/Working
Payment capital
required period.

-
- i) Raw materials
 - Indigenous
 - Imported
 - ii) Work-in-progress
 - iii) Finished Goods
 - iv) Receivable/Sundry Debtors
 - v) Expenses
 - Sub-Total :
 - Less :
 - vi) Credit on purchase
 - Total :
-
-

Note : 1. Cost of production includes cost of raw materials plus all expenses.
2. For items (ii) and (iii) the basis of calculations would be the cost of production.
3. For item (iv) working capital required would be the value of receivables at cost.

- 26. a) Investment/Expansion required in fixed assets
for the anticipated turnover :
- b) Purpose for which term loan is required :
- c) By whom were the estimates prepared. :
- d) Has provision for possible escalation in prices
been made in the estimates. :

27. Project Cost

Sr.	Already	To be	Total
<u>No</u>	<u>Incurred</u>	<u>Incurred</u>	<u>Cost</u>
<u>Particulars</u>			
i) Land including development			
ii) Building and other civil works			
iii) Plant and machinery			
a) Imported			
b) Indigenous			
iv) a) Essential tools, spares and accessories			
b) Testing Equipment			
v) Miscellaneous fixed assets			
vi) Erection/Installation charges			
vii) Preliminary and pre-operative expenses (furnish details like legal expenses, salaries, launching expenses, interest on term loan till commissioning of the plant, etc.)			
viii) Provision for contingencies			

a) Buildings	
b) Plant and machinery	
c) Other fixed assets	
ix) Margin for working capital required	
	Total : _____
28. a) Means of Financing	
i) Promoter s contribution (by way of capital and reserves)	:
ii) Term loan	:
iii) Margin money from Department of Industries/SC, ST, BC, and other Corporations	:
iv) Subsidy	
Central Government	:
State Government	:
v) Unsecured loans	:
vi) Other sources, if any	:
b) Sources from which promoter s contribution will be met and unsecured loans obtained	
29. Start-up period required (adequacy/necessity to be substantiated with implementation schedule)	:
30. Repayment programme	:
31. Security	
a) Primary (working capital and term loan securities to be indicated separately)	:
b) Collateral (full details)	
If there is a guarantor	
i) Residential address	:
ii) His borrowings in any capacity from the Bank/other financial institutions	:
iii) Details of immovable property, if any, owned by him (indicate Land/Building location, date of acquisition, cost, present value, etc.)	
iv) Details of other assets, including movables. (indicate nature of asset, cost, present value, etc.)	:
v) If in service, name and address of the employer, period of service, salary last drawn, etc.	:
vi) Details of any similar guarantee, if any, given to other institutions	:

* This form may also be used for deferred payment guarantees upto Rs. 10 lakhs.

** In case of new units, what prompted the promoter(s) to set up the unit.

*(Enclose copies of proforma invoices in respect of each item)

DECLARATION

I/We certify that all information furnished be me/us is true; that I/We have no borrowing arrangements except as indicated in the application, for the unit with any bank; that no legal action has been/is being taken against me/us; that I/We shall furnish all other information that may be required by you in connection with my/our applications; that this and any other information available with you pertaining to the borrowing unit, present and future, may also be exchanged by you with any agency you may deem fit, and that you, your representatives, representatives of RBI, DICGC, IDBI or any other Agency as authorised by you, may at any time inspect/verify our assets, books of account etc., in our factory and business premises.

I/We further certify that as on date there are no overdues to financial institutions/banks from the undersigned, the other promoters and the Company/Companies in which I/the other promoters have interest as a promoter/director/partner/proprietor. I/We further certify that there are no statutory overdues pending against me/the other promoters/the Company or other Companies in which I am/ the other promoters are Director/Directors.

Date :

Place :

Signature
Name and
Designation
Name of
the concern

Enclosure

1. Xerox copies of audited Balance Sheets with Trading and Profit and Loss Account, preferably audited (in the case of units already established) for the last 3 years.
2. In the case of limited companies xerox copy of Memorandum and Articles of Association.
3. Xerox copies of Income Tax, Wealth Tax returns and assessment orders for the last 3 years.

ANNEXURE I

DETAILS OF PROMOTERS/PARTNERS

(Please use separate sheets for each promoter/partner)

NAME OF UNIT :

- | | | | | |
|---|-------|-----------|------------------------------------|-------------------------|
| 1. Bio-data of | | | | |
| 2. Full Name | | | | |
| 3. Age | | | | |
| 4. Information required for statistical purposes | | | | |
| i) Whether the promoter/partner is | | | | |
| a) A member of minority community | | | | Yes/No |
| b) A member of Scheduled Castes | | | | Yes/No |
| c) A member of Scheduled Tribes | | | | Yes/No |
| d) Ex-serviceman | | | | Yes/No |
| e) Physically handicapped | | | | Yes/No |
| ii) Sex : Male/Female | | | | |
| 5. Address : Office | | Residence | | |
| Telephone No. | | | | |
| 6. Academic Qualification : | | | | |
| 7. Experience | Years | Employer | Designation/
Functional
duty | Last
Salary
drawn |
| 8. Functional responsibilities in the unit : | | | | |
| 9. Capital/loan contribution in the unit I) At the beginning | | | | |
| ii) At present | | | | |
| 10. Reasons for joining/establishing the unit
(all motivating factors to be furnished). | | | | |
| 11. If associated as proprietor/partner/director/shareholder
with concerns other than the applicant unit details *like | | | | |
| a) Name and address of the branch/associates/identical
Concern | | | | |
| b) Activity of the concern : ** Functional responsibilities
in the concern | | | | |
| c) Capital/loan contribution | | | | |
| d) Name of the associate concern s bankers and their
Addresses | | | | |
| e) Aggregate credit facilities enjoyed by the concern | | | | |
| f) Security offered by the concern for its borrowings | | | | |
| g) Working results of the units for the past three years | | | | |
| 12. Personal assets and liabilities : | | | | |
| a) Immovable property details like land/buildings,
location, date of acquisition, cost, present value,
etc. | | | | |
| b) Other assets. | | | | |
| c) Personal liabilities, if any. | | | | |
| 13. Any other information : | | | | |
| Place : | | Signature | | |
| Date : | | | | |

* The se details in respect of each associated concerns should be furnished separately by way of enclosure.

****1.** Furnish audited Balance Sheet/Profit and Loss Accounts of these concerns for the last two years and brief write-ups on these concerns including information on the nature of business and size of turnover. Also furnish details of any litigations pending against/from proprietor/partners/directors.

2. a) If the promoter is a limited company, furnish a brief write up on the activities and past performance of the company and any other expansion programmes contemplated.

b) Give particulars of holding company such as names of subsidiary companies, paid-up capital of subsidiary(equity and preference) and percentage holding by the holding company respectively.

3. Product(s) manufactured and installed capacity for each product should also be indicated.

ANNEXURE II*
Details of existing fixed assets

A. LAND

1. Location
2. Area
3. Whether freehold or leasehold
4. Purchase price of land; if owned
5. Rent in case of leased land
6. Terms of lease
7. Ground rent payable per year

B. BUILDING

1. Location
2. Whether owned or leased
3. Purchase price of building; if owned
4. Rent in case of leased/rented premises
5. Terms of lease

Structure	Type of Structure (Whether temporary)	Dimen- sions	Area Sq.mts.	Actual Cost/Rs.	Date of Erection
1. Workshop					
2. Godown					
3. Administrative					
4. Other buildings					

C. COST OF EXISTING M/C Rs.

In case the assets have been revalued or written up at any time during the existence of company furnish full details of such revaluation together with the reason therefor. Details of existing machinery should be given in Annexure VI A and B.

* To be given in the case of existing units.

PARTICULARS OF BUILDINGS PROPOSED TO BE CONSTRUCTED

Sr. No.	Description of each building	Type of Construction	Built-up area			Total floor area sq.mts	Rate of construction per Sq.mts	Estimated cost of each building	Expected date of completion
			Length mts.	Breadth mts	Average height of each floor mts.				

- NOTE :**
1. Please enclose copy of the site plan of the land and blueprints of the buildings duly approved by Corporation/Municipality/ Panchayat.
 2. In case contract is awarded for construction of building, furnish details thereof such as name of contractor, amount of contract, etc.
 3. Other approvals from Inspector of factories, Drug Controller, etc., if any, should be enclosed.
 4. Please enclose a plan showing layout of machinery.

Particulars of Machinery

Sr. No.	Name of Machinery and Specification	Second hand/New@	Name of manufacturer/fabricator (Place and Country of origin may be given in the case of imported equipment)	Date of acquisition Date of placement of order (actual/expected)	Expected date of delivery	Price* (Invoice price including taxes for indigenous machinery /CIF price for imported machinery)	Estimated expenditure (insurance/freight/installation/import duty)	Total cost	Perfor- mance guaran- tee, if,any	Remarks
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1. Existing Machinery

- A. Indigenous
- B. Imported

2. Proposed to be acquired

- A. Indigenous
- B. Imported

- i) Quotation/Catalogues/Invoice and other details in respect of each machine to be furnished.
- ii) @ If second hand machinery, valuation report regarding age, performance and value from

competent valuers to be submitted. Also, please indicate reasons for going in for second hand machinery and its depreciated value.

iii) *In case of imported machinery

i) Please indicated mode of payment and foreign currency price of the machinery.

ii) If machinery is to be imported under OGL action taken.

iii) Details of import licence obtained should also be furnished.

ANNEXURE III

Name of the unit

Projections of Performance, Profitability and Repayment

Break-even point : % of installed capacity

Break-even Quantity : Break-even Value : (Rs.in 000 s omitted)

	1st year	2nd year	3rd year	4th year	5th year	6th year	7th year	8th year
Production during the year (quantity)								
% utilisation of installed capacity.								
A. Sales								
1. Sales including all miscellaneous receipts								
2. Less Excise								
3. Net Sales								
B. Cost of Production								
4. Raw materials consumed								
5. Power and fuel								
6. Direct labour and wages								
7. Consumable Stores								
8. Repairs and maintenance.								
9. Other manufacturing expenses								
10. Depreciation/Development								
Rebate/Investment allowances								
[Total (cost of production)]								
11. ADD Opening stock-in-process and finished goods	a)							
12. DEDUCT closing stock-in-process and finished goods								
C. Cost of Sales :								
D. Gross Profit (A-C)	b)							
E. Interest :								
i) On term loans								
ii) On working capital								
iii) On other loans, if any.								
F. Selling, General and Administrative Expenses								
G. Profit before taxation (D-(E+F))								
H. Provision for taxes								
I. Net Profit (G - H)								
J. Depreciation added back								
K. Net cash accruals								
L. Repayment obligations								
i) Towards term loan								
ii) Towards Others								
Total Repayment								

M. Debt Service Rotio : K : L

ANNEXURE IV Cash-Flow Statement

(Rupees in lakhs)								
Construction period	OPERATING YEAR							
	1st year	2nd year	3rd year	4th year	5th year	6th year	7th year	8th year
A.Sources of funds								
1. Cash accruals [viz. net Profit before taxation(item G of Annexure III) to which shall be added interest (item E of Annexure III)]								
2. Increase in share capital Equity/Preference								
3. Depreciation								
4. Investment allowances								
5. Increase in long term loans/debentures								
6. Increase in deferred payment facilities								
7. Increase in unsecured loans and deposits								
8. Increase in bank borrowings for working capital								
9. Sales of fixed assets/investments								
10. Others (indicate details)								
Total sources (A)								
B.Disposition of funds :								
1. Preliminary and pre-operative expenses								
2. Increase in capital expenditure								
3. Increase in current assets								
Inventories								
Other								
4. Decrease in long-term loans/debentures								
5. Decrease in unsecured loans/deposits								
6. Decrease in deferred payment facilities								
7. Increase in investments								
8. Intrest								
9. Taxation								
10. Dividend --Equity (Amount and Rate)								
Preference (Amount and Rate)								
11. Other expenses (Give details)								
Total Disposition (B)								
C. Opening balance								
D. Net surplus (A - B)								
E. Closing balance								

GUIDELINES FOR FILLING UP THE APPLICATION FORM FOR ASSISTANCE ABOVE Rs.2 LAKHS UPTO Rs.10 LAKHS

- Q.2 Indicate whether a proprietary/partnership/private limited/public limited concern or a cooperative society. In case of any proposal to change the constitution indicate both the existing and proposed constitution as also the date for proposed change.

Q.7 A copy of agreement with/or letter/order, if any, from the parent unit may be enclosed.

Q.15 Explain in detail the plans for recruiting the required personnel.

Q.16 While selecting the site for the project, the advantages and disadvantages of the site might have been taken into consideration. Enumerate in detail the advantages and disadvantages which weighed with the unit in selecting the site and also highlight each of the factors which were considered most advantageous for the project, such as good transport facilities, nearness to market, availability of raw materials, water, power, labour, etc. For instance, in explaining the transport facilities that might be available for the project, describe the National and State highways passing nearby specifying the distances from the site of important business centres, nearest railway station, whether the railway line is on the broad-gauge or on metre-gauge etc.

Q.17(a) Total area and cost therefor including conveyance charges. If the cost is higher than the current market price explain the reasons for such variation. When the land is acquired/ proposed to be acquired from a number of owners indicate the area and the cost of each plot.

It is likely that part of the cost of land is payable in deferred installments. Indicate the amounts paid/payable in different forms such as cash, deferred payments, etc. In case the land is taken on lease basis, give separately the amount of initial premium and the annual lease rent.

If the land is acquired/proposed to be acquired from any of the promoters/directors of the company or their relatives, give full particulars such as the relationship, area of plot, cost, etc. Also indicate the date of original purchase, price paid and expenditure incurred by the promoter/director etc.

If the land for the project has been earlier used for agricultural purpose, it may be necessary to obtain the permission of the State Government for converting it into non-agricultural land. Contact the Industries Department of the State Government and obtain the approval of the competent authority and enclose a copy of such approval with the Application.

Q.17(b) It may be explained how the buildings are proposed to be constructed i.e., whether through a contractor or by the unit's own organisation etc. In case the buildings are to be constructed through contractors, describe the process of selecting the contractor(s) and the reasons for selecting the contractor(s).

Q.20 The detailed specification preferably including any industrial standard of raw material required by the unit should be indicated. In the case of raw materials/chemicals which are in short supply, indicate the special arrangements which the company proposes to make for obtaining the indigenous and imported raw materials.

Q.21(a) Furnish particulars of the electrical sub-station from which power would be made

available, its distance from plant site, progress in extending the supply line, voltage at which power would be made available and other terms such as how the cost of extending the supply line would be borne etc.

- Q.21(b) Explain in detail the proposed arrangements for obtaining the water requirements for the project. In case of tube-wells, give the number of tube-wells proposed to be sunk and their capacities. If water is to be drawn from river etc., give particulars regarding water flow in the river during monsoon and lean season, the length of the pipe line. Also explain whether the water has been analysed and found suitable for use by the unit. If any water treatment is required explain the arrangements envisaged and the capital cost thereof.
- Q.21(c) Give information separately regarding the requirements and sources of supply of compressed air, furnace oil, coal, etc.
- Q.27(vii) The estimated pre-operative expenses until the company goes into commercial production (according to the schedule of implementation) may be indicated here under the appropriate sub-heads. Interest and commitment charges may be calculated on the basis of the expected drawal of funds depending upon the schedule of construction.
- Q.27(viii) The project cost estimates should include a reasonable provision to meet any contingency or unforeseen expenses. This provision is, however, not meant for taking care of the escalation in prices which can be anticipated at the time of estimating the cost of the project. Such escalation may be provided while arriving at the costs of various items such as buildings, machinery and equipment etc.
- Contingency provision is normally made at a minimum of 10% of the cost of non-firm items in the project cost. Costs of items which have already been acquired or for which firm agreements have been entered into may be considered as firm cost items. All other expenses may be treated as non-firm cost items.
- Q.27(ix) The bulk of the working capital requirements is normally provided by the commercial banks. But a part of the working capital which is meant for providing the margin for bank borrowings is to be included as part of the project cost.

LIST OF ENCLOSURES

1. SSI registration certificate (1).
2. Copies of rent/lease documents (5).
3. Details of promoter (Annexure - I).
4. Brief description of manufacturing process (14).
5. Copy of building plan approved by authority (17).
6. Detailed building cost estimate by an architect (17).
7. Particulars of machinery and other fixed assets (Annexure II).
8. Copy of sanction for power connection (21).
9. Copy of sanction for water connection (21).

10. Copy of distribution agreements (22).
11. Copy of order/enquiries (22).
12. Copy of marketing study, if any (22).
13. Projected profitability statement (Annexure III).
14. Projected cash flow statement (Annexure IV).
15. Copy of Balance Sheet and Trading and Profit and Loss Account.
16. Copy of Memorandum and Articles of Association.
17. Copy of Income Tax, Wealth Tax returns and assessment orders for 3 years.

Note - Figures in brackets denote the Sr. No. of the relevant item in the application form A

FORM B

Common Application for financial assistance in respect of Industrial Concerns - Where assistance by way of either term loan or working capital is above Rs.10 lakhs

(Applicable to new projects, expansion, diversification and modernisation of existing projects. Does not apply to only renewal of existing working capital facilities).

DATE :

- 1.01 Name of the Industrial Concern (in block letters)
- 1.02 Address and Telephone Nos. Telegraphic address Telex No.
 - a) Registered Office (in case of Corporate Bodies only)
 - b) Controlling (Head) Office
 - c) Factory : (existing and proposed)
 - d) Address for correspondence
 - e) Is the unit located in a backward area eligible for concessional finance from institutions/Central State subsidy.
- 1.03 Constitution :
 - a) State whether a proprietary/partnership/private limited/public limited concern or co-operative society. In the case of partnership and limited companies indicate the name of Managing Partner/Managing Director.
 - b) Date of incorporation/registration commencement of business (if the unit was purchased give details from whom and when purchased and for what consideration).
 - c) Name of the business house/group, if any, to which the concern belongs and the list of other companies in the same group. Details of associate subsidiary concern or concerns in which the promoters are interested.
 - d) Is the MRTP Act applicable to the company? If so, have you obtained the necessary clearance from the Government?
- 1.04 Industry
 - a) Name of the product (s) manufactured/to be manufactured and their uses.
 - b) Details of by-products, if any, and their uses.
 - c) Whether it is a small scale industry, if so, details of registration.

2.01 Management

Give bio-data of the main promoter including information on name, address, age, educational qualifications, past industrial/ business experience, experience in the particular industry, writeup on other companies, if any, promoted by him or with which he is associated together with a copy of the latest balance sheet (to be furnished separately in respect of each of the main promoters duly signed by him). (Proforma I).

(Please enclose copies of Income Tax Returns of the promoter along-with copies of Assessment orders for the last three years)

- 2.02 In case the promoter is a limited company, furnish a write-up on the activities and past performance of the company and any other expansion programme(s)/diversification contemplated.

Enclosure :

- i) Certified copies of Memorandum and Articles of Association of the promoter company.
 - ii) Audited Balance Sheet and Profit and Loss account for the past two years of the promoter company(s).
 - iii) Copy of Agreement(s), if any, entered into among the promoters.
- 2.03 Provide a list of directors alongwith a complete list of concern with which they are connected, as director, partner, proprietor, etc.
- 2.04 Particulars of existing key technical and executive staff giving their names, age, qualifications, salaries, length of service. (Proforma II). (Enclose organisation chart showing the lines of authority).
- 2.05 Name(s) and address of bank(s) with whom enquiries may be made regarding the applicant concern and the promoters. Authority letter from the promoter(s)/Company for Bank to discuss with the lending institution.
- 2.06 Whether any Government enquiry, proceedings or prosecution has been instituted against the unit or its proprietor, promoters or directors for any offences. If so, give details.
- 2.07 Details of pending litigation, if any, against and by the concern.
- 2.08 Indicate whether any of the promoters or directors have at any time declared themselves as insolvent.

Brief history of the concern

- 3.01 State briefly, the history of the unit. In the case of new units state the reason for starting it. (In the case of existing units give two copies each of Balance Sheets and Profit and Loss Accounts for the last 3 years together with comments on adverse features of the working, if any. Please also furnish proforma Balance Sheet and Profit and Loss Account as on a recent date, if the last Balance Sheet is more than 6 months old).

- 3.02 Provide a list of shareholders under the heads promoters, other major groups, foreign collaborations and institutions owning or controlling 5% or more of equity shares, indicating the amount owned and business relationship, if any, with the company. Indicate NRI shareholding, if any. In case of preference shareholders, give a list of ten largest shareholders. Also give the number of equity shareholders and preference shareholders.
- 3.03 Give a note on the unit s/company s tax status viz., the year upto which the company has been assessed for income tax, the estimated unassessed liability, the concessions available and the basis on which provision for tax has been made. Provide details of unclaimed tax benefits, if any. A note on excise duty claims remaining unpaid against the unit/company may also be given.
- 3.04 Details of existing fixed assets (Proforma III).
- 3.05 Particulars of credit facilities enjoyed by the concern from bank(s) and other financial institutions (as per attached proforma IV).
- 3.06 Indicate the Bank (with address) from which it is proposed to avail of working capital.

4. Particulars of the project

- 4.01 Describe in detail the project for which financial assistance is required indicating whether it relates to expansion, modernisation/ diversification or setting up of a new plant and specification of major products. (Enclose copy of the feasibility/project report, if any).

4.02 Details of capacity

Present	Proposed				
	I Yr.	II Yr.	III Yr.	IV Yr.	V Yr.
i) Licensed (quantity per day) (Registered)					
ii) Installed (-do-) @					
iii) Utilised					
a) Quantity					
b) As % of installed capacity					
c) Value					
iv) No. of working days in a year					
v) No. of shifts					
vi) Employment (Nos.)					
a) Technical					
b) Administrative					
c) Supervisory					
d) Skilled workers					
e) Unskilled workers					

@ In the case of existing unit, details of sectionwise capacity and reasons for under utilisation of capacity, if applicable in the past may be furnished.

Note : The above particulars may be given for each product in case of multi-product units.

4.03 **Manufacturing Process**

- a) Explain briefly, the technical process employed/proposed to be employed. Indicate reasons for adopting/choosing the particular process. Also indicate whether the process is a Continuous process or batch process.
- b) Explain briefly the possibilities of diversification in the product line in case of necessity, in future.

4.04 Has the proposed process ever been tried in the country? If so, where and with what results. Whether the process is patented. If so, details to be furnished.

Technical Arrangements

4.05 Explain the technical know-how arrangements made/proposed for the project, including performance guarantees/penalties.

4.06 In case any collaboration is involved, furnish a brief write-up on the period of collaboration agreement, the collaborator company indicating its activities, size and turnover, particulars of the existing plants, other projects in India and abroad set up with same collaboration, etc.

Enclosure :

- i) Copies of published brochures highlighting the activities of the collaborator and balance sheet for the latest year.
- ii) Copy of collaboration agreement.
- iii) Fees payable and the manner in which payable
- iv) Copy of the Government approval for availing of the services of foreign technicians, if any.

4.07 If there is no collaboration agreement, furnish full details of arrangement proposed to be made for obtaining technical advice and service needed for the implementation of the project. If it is an ancillary unit give details of the parent unit and the terms of agreement.

4.08 Particulars of the consultants as below :

- a) Name of the consultants and their addresses
- b) Fees payable and the manner in which payable
- c) Scope of work assigned to them
- d) Brief particulars of consultants including the organisational set-up, bio-data of senior personnel, names of directors/ partners, particulars of work done in the past and work on hand.

Enclosure :

- i) Copy of agreement with the consultant.
 - ii) Copy of the Government approval in case of foreign consultants.
- 4.09 Whether any of the company's directors have any interest in consultant/collaborator firm. If so, details to be furnished.

4.10 Location and Land

Indicate location of the site, requirement of land for the project and the arrangement made therefor. Enumerate the locational advantages with reference to proximity to sources of raw materials, market, fuel, water, power, transport, labour effluent disposal, etc.

- 4.11 Give the following particulars in respect of the land acquired/ proposed to be acquired for the project and indicate the area of land required separately for :

- i) Factory building
 - ii) Ancillary building
 - iii) Open storage space
 - iv) Housing colony, if required, and
 - v) future expansion and any other purpose (please specify).
- a) Total area and cost
 - b) Basis for valuation
 - c) Mode of payment
 - d) When purchased/taken on lease
 - e) Previous owners and their relationship, if any, with the promoters/directors
 - f) If rented/leased/hire purchase, give details regarding the rent, period of lease/hire purchase, etc.
 - g) Is it industrial land? If not, has it been converted for industrial use and necessary legal formalities complied with?
 - h) Type of soil and load bearing capacity
 - i) Availability of water at site.

Enclosure :

- i) Copy of the sale/lease deed
- ii) Copy of the soil/water test report
- iii) Copy of the Government order converting the land into industrial land, if applicable
- iv) Locational map
- v) Site plan showing the contour lines, the internal roads, power receiving station, railway siding, tube wells, etc.

Building :

- 4.12 Explain the arrangements made/proposed for construction of the building and furnish particulars as per Proforma V.
- 4.13 Give the following particulars of architects :
- a) Name of the architects/firms
 - b) Scope of work

- c) Rates quoted and detailed estimate of expenses
- d) Fees payable and manner in which payable
- e) Time schedule
- f) Penalties
- g) Past experience of the architects in the similar work

Plant and Machinery

- 4.14 a) Details of imported and indigenous plant and machinery acquired/to be acquired (as per Proforma VI). Explain the basis of selection of supplier of equipment and estimation of cost.
- b) If sub-contract of any portion of production is envisaged, the production stages in which the sub-contracting will be done. Details to indicate the availability of machinery with subcontractors with adequate spare capacity.
- 4.15 a) Arrangement made for procurement of the machinery particularly imported machinery and details of guarantees and penalties.
- b) Arrangement made for erection and commissioning of the plant.

Raw Material

- 4.16 Arrangements made/proposed for obtaining the raw materials such as name of the supplier, long term arrangements made, if any
- 4.17 If raw materials are to be imported state the country of origin and state if import is controlled/free; if chanelised, name agency.
Whether import licence obtained.
- 4.18 Give details of annual requirement and cost of various raw materials at installed capacity.
- 4.19 Are there any price or distribution controls on any of the items listed above? If so, give details.
- 4.20 In the case of raw materials which are in short supply, indicate the special arrangements which the company proposes to make for obtaining the indigenous and imported raw materials.

Power

- 4.21 a) Sources of power and supply voltage
 - taken from Electricity Board
 - own generation
 - stand-by arrangements
- b) Maximum demand
- c) Connected load
- d) Peak hour requirements
- e) Energy consumption per year
- f) Power tariff
- g) Cost of power per annum at maximum capacity utilisation (give calculations)

Enclosures :

- i) Copy of letter of sanction for power
- ii) Copy of agreement with Electricity Board

iii) Copy of the electrical lay out of the plant.

Water and other utilities such as fuel, steam and compressed air

- 4.22 a) i) Indicate the requirements and suitability of water
ii) Describe water treatment arrangements proposed
iii) Capacities of tanks, reservoirs
iv) Sources for supply of water arrangements proposed and water charges payable.
- b) i) Requirements of steam
ii) Capacity of the boiler
iii) Arrangements proposed for steam
- c) i) Requirements of compressed air
ii) Arrangements proposed for compressed air
- d) i) Requirement of fuel
ii) Arrangements proposed for supply

Transport

Arrangement proposed for carrying raw materials and finished goods.

Effluent

- 4.23 Furnish full details of the value of the atmospheric, soil and water pollution likely to be created by the project and the measures proposed for control of pollution. Indicate whether necessary permission for the disposal of effluent has been obtained from the concerned authorities; if so, a copy of the certificate should be furnished.
- 4.24 Details of the arrangement made for quality control. If ISI specifications are followed, No. of ISI standards and the particulars thereof should be provided. Particulars of R and D activity proposed.
- 4.25 Schedule of implementation :
Describe how the design engineering, erection, installation and commissioning of the project will be carried out. Also indicate the progress made so far in the implementation of the project and furnish the schedule of implementation as follows :

Commencement Completion

- i) Acquisition of land
ii) Development of land
iii) Civil works, factory building, machinery foundation, auxiliary building, administrative building, miscellaneous building.
iv) Plant and machinery - Imported - Placement of order - Delivery at site - Indigenous - Placement of order - Delivery at site
v) Arrangements for power
vi) Arrangements for water
vii) Erection of equipment
viii) Commissioning
ix) Initial Procurement of raw materials and chemicals
x) Training of personnel
xi) Trial runs
xii) Commercial production.

Other projects of the concern

- 4.26 Give details of any other new/expansion projects which are under implementation or which the promoters propose to implement giving the estimated cost, means of financing and the present status.

5. Cost of the project

Furnish estimates of cost of project under following heads.
Indicate the basis for arriving at the cost of project.

	(Rupees in lakhs)				
	Rupee cost	Rupee equivalent foreign exchange cost @	Already incurred	Pro- posed to be incurred	Total (1+2) or (3+4)
	(1)	(2)	(3)	(4)	(5)
1. Land and site development					
2. Buildings					
3. Plant and Machinery					
- Indigenous					
- Imported					
4. Import duty					
5. Erection charges					
6. Electrical Equipment and installation					
7. Transportation charges					
8. Other fixed assets (give details)					
9. Effluent treatment position					
10. Technical know-how and Engineering fees					
11. Preliminary and Pre-operative expenses (Proforma VII A)					
12. Provision for contingencies (Proforma VII B)					
13. Margin money for working capital (Proforma VIII)					
Total cost of the project					

@ Also give details of foreign currency and rate adopted for conversion into rupees.

- 6.01 Means of financing (furnish details of sources of finance for meeting the cost under following heads) :

Amount already	Amount Proposed	Total
-------------------	--------------------	-------

raised to be raised

1. Capital (specify resources contributing capital)
2. Reserves
3. Term loans (give full particulars)
4. Unsecured loans and deposits (indicate sources, rate of interest, repayment period, etc.)
5. Deferred payment arrangements including supplier s Credit, if any.
6. Government subsidies and grants/State incentives
7. Seed capital (indicate source)
8. Internal cash accruals
9. Other sources (specify)

Total _____

(Give details of means of financing envisaged and the proposals for raising share capital and loans in separate proforma. Indicate in detail NRI investment, if any).

- 6.02 In case internal accruals are taken as source of finance explain the basis for estimation of internal accruals by means of a statement.
- 6.03 Briefly describe the arrangements so far made for raising the finance and the proposed arrangements

Enclosure : Copies of letters sanctioning assistance

- 6.04 Indicate sources of foreign exchange and arrangements, if any,made for obtaining foreign exchange.
- 6.05 Indicate sources from which expenditure already incurred has been financed.
- 6.06 Promoters contribution to the project cost as % of the total cost List of persons/firms who would be contributing to the promoters share of the capital and the respective amounts and the relationships
- 7.1 Financial assistance required from the Corporation/Bank
- a) Rupee loan
 - b) Foreign currency loan (rupee equivalent at market rate)
 - c) Underwriting
 - i) Equity capital
 - ii) Preference capital
 - iii) Debentures
 - d) Guarantee of foreign currency loan/deferred credit
 - e) Working Capital (give details in Proforma VIII)
 - f) Other forms of assistance like LCs, Guarantees,

etc.

Total _____

- 7.2 Repayment schedule of the loan
7.3 Details of securities to be offered

Existing (Rs.)	Proposed (Rs.)	Total (Rs.)
-------------------	-------------------	----------------

- | | | |
|--|--|--|
| a) For term loan | | |
| 1. Land | | |
| 2. Buildings | | |
| 3. Plant and Machinery | | |
| i) Indigenous | | |
| ii) Imported | | |
| 4. Others | | |
| Total | | |
| b) For working capital | | |
| c) Details of Collateral security, if any. | | |
| d) Details of guarantor(s) (name, address, occupation and solvency of the guarantor). | | |
| 8. Market and selling arrangement (enclose copy of market survey report, if any, conducted by the company or independent consultants). | | |
| 8.01 Give brief notes on market, possible competition from substitute products etc. Indicate the special features (regarding quality, price, etc.) of your product which would result in consumer preference for your products in relation to competitive products. Also furnish price trend of the products during the last 5 years and basis of price fixation by the concern. | | |
| 8.02 Furnish estimates of the existing and future demand/supply of products proposed to be manufactured. | | |
| 8.03 Provide information regarding export possibilities and the nature of competition to be faced in foreign countries. In the case of existing units, if already exporting, furnish particulars of exports during the last 5 years. | | |
| 8.04 If there is any export commitments/obligations stipulated by the Government, indicate the details thereof alongwith arrangements proposed for meeting the same and the export incentives available. | | |
| 8.05 Give international prices and landed costs of the proposed products. | | |
| 8.06 List of principal customers and particulars of any firm arrangements entered into with them. | | |

- 8.07 Particulars of Government controls, restrictions etc., if any, on the selling prices, distribution, etc., in respect of products to be manufactured.
- 8.08 In case the company proposes to have any selling agency for any of its products, furnish the following particulars:
- a) Name of the selling agent.
 - b) Commission/Remuneration
 - c) Special advantages/reasons for the appointment of sole selling agent.
 - d) Past experience in handling the same or similar products.
- 8.09 i) Details of pending order on hand in case of existing concern
ii) Names of important existing customers and expected sales
iii) Names of competitors
9. Profitability and cash flow
- 9.01 Give cost of production and profitability estimates for the first five years of operations as per Proforma IX. Basis and assumptions for all calculations should be shown separately.
- 9.02 Based on the estimates of working results provide cash flow statements of the company as a whole, for five operating years of the project in Proforma X.
- 9.03 Projected Balance Sheet for five operating years for the company as a whole (in Proforma XI).
10. Economic Considerations
- 10.01 Give the international/CIF/FOB Price of all inputs which can be imported.
- 10.02 Explain in detail the various duties, taxes and incentives applicable to the products :
- a) Excise duty
 - b) Export duty
 - c) Export assistance
 - i) replenishment licence
 - ii) duty draw back
 - iii) cash subsidy
 - iv) any other (specify)
- 10.03 Give brief write-up on the economic benefits to the country in general and the region in particular on account of the proposed project.
- 10.04 How far does the unit contribute to the establishment of ancillary industries in the region.
11. **Government consents**

11.01 Indicate whether the various licences/consents required for the Project have been obtained from the respective authorities, give details as follows :

	Date of issue	Validity period	Present status, if not already issued
a) Letter of intent/DGTD registration			
b) Industrial licence			
c) Capital goods clearance			
d) Import licence			
e) Foreign exchange permission			
f) Approval for technical/financial collaboration			
g) Clearance under MRTP Act			
h) Consent of the Controller of Capital Issues			
i) Pollution Control			
j) Any other (specify)			

Enclosure : Copies of licences/consents etc., received

11.02 Specify any special condition attached to the Licences/consents and the undertaking given by the company in connection therewith.

DECLARATION

I/We certify that all information furnished by me/us is true; that I/We have no borrowing arrangements except as indicated in the application, for the unit with any bank; that no legal action has been/is being taken against me/us; that I/we shall furnish all other information that may be required by you in connection with my/our application; that this and any other informations available with you pertaining to the borrowing unit, present and future, may also be exchanged by you with any agency you may deem fit, and that you, your representative, representatives of RBI, DICGC, IDBI or any other Agency as authorised by you, may at any time inspect/verify our assets, books of account, etc. in our factory and business premises.

I/we further certify that as on date there are no overdues to financial institutions/banks from the undersigned, the other promoters and the company/companies in which I/the other promoters have interest as a promoter/director/partner/proprietor. I/We further certify that there are no statutory overdues pending against me/the other promoters/the Company or other Companies in which I am/ the other promoters are Director/Directors.

Date :

Signature

Name and Designation

Place :

Name of the concern

PROFORMA I
DETAILS OF PROMOTERS/PARTNERS

(Please use separate sheets for each promoter/partner)

NAME OF UNIT :

1. Bio-data of

2. Full Name

3. Age

4. A. Address :

Office

Residence

Telephone No.

B. i) Whether the promoter/partner is

a) a member of minority community

Yes/No

b) a member of Scheduled Castes

Yes/No

c) a member of Scheduled Tribes

Yes/No

d) Ex-serviceman

Yes/No

e) Physically handicapped

Yes/No

C. Sex : Male/Female

5. Academic Qualification :

6. Experience : Years

Employer

Designation/ Last
Functional Salary
duty drawn

7. Functional responsibilities in the unit :

8. Capital/loan contribution in the unit :

i) At the beginning

ii) At present

9. Reasons for joining/establishing the unit (all motivating factors to be furnished).

10. If associated as proprietor/partner/director/shareholder with concerns other than the applicant unit details* like

a) Name and address of the branch associates/identical concern

b) Activity of the concern : ** Functional responsibilities in the concern

c) Capital/loan contribution

d) Name of the associate concern s bankers and their addresses

e) Aggregate credit facilities enjoyed by the concern

f) Security offered by the concern for its borrowings

g) Working results of the units for the past three years.

11. Personal assets and liabilities :

a) Immovable property details like land/buildings, location, date of acquisition, cost, present value etc.

b) Other assets

c) Personal liabilities, if any.

12. Any other information.

Place :

Signature

Date :

* These details in respect of each associated concern should be furnished separately by way of enclosure.

**1. Furnish audited Balance Sheet/Profit and Loss Accounts of these concerns for the last two years and brief write-ups on these concerns including information on the nature of business and size of turnover. Also furnish details of any litigations pending against/from proprietor/partners/directors.

2. a) If the promoter is a limited company, furnish a brief write-up on the activities and past performance of the company and any other expansion programmes contemplated.

b) Give particulars of holding company such as names of subsidiary companies, paid-up capital of subsidiary (equity and preference) and percentage holding by the holding company respectively.

3. Indicate the terms of agreement with the Managing Director/whole-time Director and the present status regarding the approval of the Central Government for the appointment.

4. Product(s) manufactured and installed capacity for each product should also be indicated.

PROFORMA II

Details of Technical/Managerial Personnel

Name	Designation	Qualification & Experience	Any special achievement (inventions/Research etc.)	Functional duties at the unit
Existing				
Proposed				

PROFORMA III*

Details of Existing Fixed Assets

A. LAND

1. Location
2. Area
3. Whether free hold or lease hold
4. Purchase price of land if owned

5. Rent in case of leased land
6. Terms of lease
7. Ground rent payable per year

B. BUILDING

1. Location
2. Whether owned or leased
3. Purchase price of Building if owned
4. Rent in case of leased/rented premises
5. Terms of lease

Structure Type of
Structure
(whether temporary)

Dimensions Area Actual Date of
Sq. mts. Cost/Rs. Erection

1. Workshop
2. Godown
3. Administrative
4. Other buildings

C. COST OF EXISTING M/C Rs

In case the assets have been revalued or written up at any time during the existence of company furnish full details of such revaluation together with the reason therefor. Details of existing machinery should be given in Proforma VI.

* To be given in the case of existing units.

PROFORMA IV

Particulars of credit facilities enjoyed by the industrial concern as on

Name of the Institution	Limit sanctioned	Rate of interest	Purpose	Nature of charge	Balance outstanding	Nature and value of security	Margin	Schedule of repayment	Defaults, if any, in payment of interest and/or principal
-------------------------	------------------	------------------	---------	------------------	---------------------	------------------------------	--------	-----------------------	---

- A. Term loans
- B. Other facilities
Such as
deferred
Payment etc.
- C. Debenture @
- D. Working capital

NOTE : Has any additional credit facility been sought from any bank or any other financial institutions? If so, please give details.

@ In the case of convertible debentures please furnish terms of conversion and if debentures are privately placed, please furnish names of main holders.

PROFORMA V

Particulars of Buildings Proposed to be Constructed

Sr. No.	Description of each Building	Type of construction	Built-up area		Average height of each floor meter	Total floor area Sq. Mts.	Rate of construction per building	Estimated cost of each	Expected date of completion
			Length Mts.	Breadth Mts.					

NOTE : 1. Please enclose copy of the site plan of the land and blue prints of the buildings duly approved by Corporation/Municipality/Panchayat.

2. In case contract is awarded for construction of building, furnish details thereof such as name of contractor, amount of contract, etc.
3. Other approvals from Inspector of factories, Drug Controller, etc., if any should be enclosed.
4. Please enclose a plan showing layout of machinery.

PROFORMA VI **Particulars of Machinery**

Sr. No.	Name of machinery and specification	Second hand/ New@	Name of manufacturer/ fabricator (Place and country of origin may be given in the case of imported equipment)	Date of acquisition/ Date of placement of order expected	Expected date of delivery	Price* (Invoice price including taxes for indigenous machinery/ CIF price for imported machinery)	Estimated expenditure (insurance/ freight, installation, import duty)	Total cost	Performance guarantee, if any	Remarks
---------	-------------------------------------	-------------------	---	--	---------------------------	---	---	------------	-------------------------------	---------

1. Existing Machinery
 - A. Indigenous
 - B. Imported
2. Proposed to be acquired
 - A. Indigenous
 - B. Imported
 - i) Quotation/Catalogues/Invoice and other details in respect of each machine to be furnished.
 - ii) @ If second hand machinery, valuation report regarding age, performance and value from competent valuers to be submitted. Also, please indicate reasons for going in for second hand machinery and its depreciated value.
 - iii) *In case of imported machinery
 - i) Please indicate mode of payment and foreign currency price of the machinery.
 - ii) If machinery is to be imported under OGL, action taken.
 - iii) Details of import licence obtained should also be furnished.

PROFORMA VII (A) **Details of Preliminary and Pre-operative Expenses**

Cost already incurred	Proposed to be incurred	Total
-----------------------	-------------------------	-------

Preliminary and Capital issue expenses

- a) Brokerage and commission on capital (_____ % of Rs. _____ lakhs)
- b) Other capital issue expenses (legal, advertisement printing, stationery, etc.)
- c) Other preliminary expenses (company floatation and other initial expenses).

Pre-operative expenses (from _____ date) to (date of commencement of commercial production)

- a) Establishment
- b) Rent, Rates and taxes
- c) Travelling expenses
- d) Misc. expenses
- e) Interest and commitment charges on borrowings (give details of calculations).
- f) Insurance during construction including erection insurance.
- g) Mortgage expenses (stamp duty, registration charges and other legal expenses) (_____ % of loan of Rs. _____ lakhs).
- h) Interest on deferred payments, if any.

PROFORMA VII (B)
Details of Provision for Contingencies

Item of cost	Considered		Reasons for considering the cost as firm
	Firm (Rs. in lakhs)	Non-firm (Rs. in lakhs)	
(1)	(2)	(3)	(4)
1. Land			
2. Buildings			
3. Plant and Machinery			
- Imported			
- Indigenous			
- Stores and Spares			
- Foundations and Installation			
4. Technical know-how fees etc.			
5. Expenses on foreign technicians and training of Indian technicians abroad.			

6. Miscellaneous fixed assets.
7. Preliminary and capital issue expenses
8. Pre-operative expenses

Total _____

Contingency provision and the basis for calculations.

PROFORMA VIII
Assessment of Working Capital Requirements

	1st year of operation	2nd year of operation	3rd year of operation
1. Current Assets			
i) Raw materials (including stores and other items used in the process of manufacture)			
a) Imported			
(_____ Month s consumption)			
(See Notes i and ii)			
b) Indigenous			
(_____ Month s consumption)			
(See Notes i and ii)			
ii) Other consumable spares (excluding those included under item (1) above)			
(_____ % of total inventory and Month s consumption)			
(See note i and ii)			
iii) Stock-in-process			
(_____ Month s cost of production)			
(See Note i)			
iv) Finished goods			
(_____ Month s cost of sales)			
(See Note i)			
v) Receivables other than export and deferred receivables (including bills purchased and discounted by bankers)			
(_____ Month s domestic sales excluding deferred payment sales)			
(See Note i)			
vi) Export receivables (including bills purchased and discounted by bankers)			
(_____ Month s export sales)			
(See Note i)			
vii) Advances to suppliers of raw materials and stores/spares consumable			
viii) Other current assets including cash and bank balances and deferred receivables due within one year (major items to be specified individually)			

Total current assets (I)

II. Current Liabilities

(other than bank borrowings for working capital)

i) Creditors for purchases of raw materials and stores and consumable spares (_____ Month s purchases)

(See Note i)

ii) Advances from customers

iii) Accrued expenses

iv) Statutory liabilities

v) Other current liabilities major items to be specified individually

(See Note iv)

a)

b)

c)

Total current liabilities (II)

III. Working capital gap (I minus II)

IV. Margin on Working capital (25% of III/25% of 1*)

V. Bank borrowings (III - IV)

(*For cases where II method of lending is applicable)

Notes :

- i) The periods to be shown should be in relation to the annual projection for the relative item during that year.
- ii) If the cancelled item form a significant part of raw material inventory, they may be shown separately.
- iii) Spares not exceeding 5% of total inventory or those expected to be consumed within 12 months, whichever are lower, may be shown against item I (ii).
- iv) Other current liabilities [item II (v)] will include installments of term loans/liabilities due within one year.

PROFORMA IX

Projections of Performance, Profitability and Repayment

Name of the unit

Break-even point:

% of installed capacity

Break-even Quantity:

Break-even Value: (Rs. in 000 s omitted)

1st	2nd	3rd	4th	5th	6th	7th	8th
year	year	year	year	year	year	year	year

Production during the year (quantity)

% utilisation of installed capacity.

A. Sales

1. Sales including all miscellaneous

- | | | |
|----|--|-----------|
| | receipts | |
| | 2. Less Excise | |
| | 3. Net Sales | |
| B. | <u>Cost of Production</u> | |
| | 4. Raw materials consumed | |
| | 5. Power and fuel | |
| | 6. Direct labour and wages | |
| | 7. Consumable Stores | |
| | 8. Repairs and maintenance | |
| | 9. Other manufacturing expenses | |
| | 10. Depreciation/Development Rebate/
Investment allowance | |
| | <u>Total (Cost of Production)</u> | |
| | 11. <u>ADD</u> Opening stock-in-process and
finished goods | (a) _____ |
| | 12. <u>DEDUCT</u> Closing stock-in-process
and finished goods | (b) _____ |
| C. | <u>Cost of Sales :</u> | |
| D. | <u>Gross Profit (A-C)</u> | |
| E. | <u>Interest :</u> | |
| | i) On term loans | |
| | ii) On working capital | |
| | iii) On other loans, if any | |
| F. | Selling General and administrative Expenses | |
| G. | Profit before taxation [D - (E + F)] | |
| H. | Provision for taxes | |
| I. | Net Profit (G - H) | |
| J. | Depreciation added back | |
| K. | Net cash accruals | |
| L. | <u>Repayment obligations</u> | |
| | i) Towards term loan | |
| | ii) Towards Others | |
| | <u>Total Repayment</u> | |
| M. | Debt Service Ratio K:L | |

PROFORMA X
Cash-flow Statement

(Rupees in lakhs)

[illegible]

- A. Sources of funds
1. Cash accruals [viz. Net profit before taxation

	(item G of Proforma IX) to which shall be added interest (Item E of Proforma ix)]	
	2. Increase in share capital Equity/Preference	
	3. Depreciation	
	4. Investment allowances	
	5. Increase in long term loans debentures	
	6. Increase in deferred payment facilities	
	7. Increase in unsecured loans and deposits	
	8. Increase in bank borrowings for working capital	
	9. Sales of fixed assets/investments	
	10. Others (indicate details)	
	TOTAL SOURCES (A)	
B. Disposition of funds		
	1. Preliminary and pre-operative expenses	
	2. Increase in capital expenditure	
	3. Increase in current assets :	
	Inventories	
	Others	
	4. Decrease in long-term loans/debenture	
	5. Decrease in unsecured loans/deposits	
	6. Decrease in deferred payment facilities	
	7. Increase in investments	
	8. Interest	
	9. Taxation	
	10. Dividend - Equity	
	(Amount and Rate)	
	Preference	
	(Amount and Rate)	
	11. Other expenses (Give details)	
	TOTAL DISPOSITION (B)	
C. Opening balance		
D. Net surplus (A - B)		
E. Closing balance		

PROFORMA XI
Projected Balance Sheet

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
A. LIABILITIES :					
1. Equity Share Capital					
2. Reserves and Surplus					
3. Term loans					

4. Bank borrowings for working capital
5. Unsecured loans

TOTAL :

B. ASSETS

1. Gross Block
2. Depreciation
3. Net Block
4. Investment
5. Net current assets
6. Cash and bank balance

TOTAL :

Debt-equity Ratio
 $[3 \div (1 + 2)]$

**GUIDELINES FOR FILLING UP THE APPLICATION FORM
 WHERE ASSISTANCE BY WAY OF EITHER TERM LOAN OR
WORKING CAPITAL IS ABOVE Rs.10 LAKHS.**

The State-level financial institutions and commercial banks have devised a common Application Form for the use of entrepreneurs seeking assistance from them for setting up new projects, undertaking expansion or diversification of existing activities or carrying out modernisation/rehabilitation of plants. It is essential that entrepreneurs should examine their projects from various aspects especially the market and profitability aspects before deciding to set up the projects. A well conceived and worked out proposal, making necessary arrangements to take care of the various issues connected with the project, would reduce the processing time to the minimum possible and would facilitate their expeditious appraisal by the institutions/banks.

2. In general, the questions included in the Application Form are simple and straightforward. Nevertheless, certain doubts are likely to arise in format of this nature which is meant for use by different types of business/industrial organisations and industries. Also, the precise import of some of the financial terms used in the format may not be readily intelligible to all. Hence, we have thought of preparing these explanatory notes for the benefit of the users of this form.

Entrepreneurs/executives are requested to go through these notes carefully before filling up the forms. If any further clarifications in respect of the questions are required, the nearest office of the institutions/banks may be contacted for guidance.

3. It may be ensured that all enclosures required to be furnished, as indicated in the Application Form and as may be applicable in a particular case, are submitted along with the Application. For this purpose the checklist given at the end will be useful.

Explanatory Notes in respect of individual Questions

(Questions which do not call for any explanation are not elaborated)

Q.1.02 Indicate the address, telephone number, telegraphic address and telex number of various offices of the Company. Also indicate the address for correspondence. Against 1.02(e) indicate whether the proposed unit is in a backward area eligible for State/Central Subsidy. If eligible for Central Subsidy indicate whether A , B or C category district.

Q.1.03 In case of any proposal to change the Constitution indicate both the existing and proposed

constitution as also the probable date of contemplated change. In case of SSI units enclose a copy of SSI registration Certificate.

Q.2.01 The institutions would like to have full information on the promoters such as age, educational qualifications, fields of specialisation, if any, and experience in industry or business etc. If the promoters are to be considered as technician entrepreneurs the reasons for doing so may be explained. The information against Q.2.01 may be furnished separately in respect of each of the main promoters.

Q.2.02 The question is applicable to expansion projects or diversification or new projects promoted by an existing company.

Q.2.03 Particulars of all the directors of the applicant concern (i.e., the company for which assistance is sought) may be given in the following proforma :

Name of the Director	Age	Address	Name of companies/firms in which interested and nature of interest.
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Q.2.04 Here give the bio-data of senior personnel already appointed and the minimum qualifications and experience expected of other senior personnel proposed to be recruited. Indicate the timing when the key personnel will be in position.

A chart showing the organisational set-up envisaged when the company goes into production, may be attached. The chart should indicate the functions of each department, the names and designations of officials (if appointed) heading the department, etc., and the strength of the supporting staff.

Q.2.05 The institutions would like to have the bankers report on the applicant company, each of its promoters and in respect of companies/firms with which they are actively associated (i.e., as Chairman, Managing Director, whole-time Director, Trustee, Managing Partner, etc.). For this purpose authorisation letter(s) may be completed in all the above cases and addressed to the bankers before submitting the applications, authorising them to disclose the relevant information to any or all of the financial institutions such as SFC/SIDC.

Copies of the letters (as per proforma) to banks may be enclosed with the Application.

In case of more than one bank, indicate the names of all banks with separate Authority Letter for each of them.

Q.2.06 Indicate date of enquiry, purpose and promoter s explanation. & 2.07

Q.3.02 Not applicable for new Companies. & 3.03

Q.3.06 In case the name of the banker is different from that mentioned in Q.2.05, indicate the reason for change.

Q.4 Furnish a detailed information as is possible on the project as the basic information will assist the institutions to assess the viability of the Project. It is likely that some arrangements have already been made toward project implementation, such as acquisition of land, appointment of consultants etc. In such cases give full particulars of the arrangements made along with copies of relevant documents. Wherever the arrangements are not finalised give details of the arrangements proposed. It may be ensured that due consideration has been given to the various aspects of project implementation and operation and that satisfactory arrangements have been made therefor. The Questions in this section will serve as a check list in this regard.

Note : It may be ensured that the particulars furnished in this section tally with details given in the project report. In case of any difference because of rethinking on the project or passage of time, make proper indications in the relevant places in the project report. For example, if the

product-mix assumed in the project report is changed, please indicate revised product-mix, sales value etc., in appropriate places in the project report.

Q.4.02 Give the capacity in respect of each of the proposed products as indicated in the proforma.

Information given against Q.4.02.(vi) should be consistent with that given against Q.2.04.

Q.4.04 Name a few companies using the same process as proposed by the applicant and also elaborate on the major technical and/or other problems faced by the companies using the process.

Q.4.05 Technical arrangements include the arrangements made for obtaining know-how, basic design engineering, detailed engineering, selection of equipment suppliers and contractors, construction/erection, supervision, trial runs and staff. Part of these jobs might be undertaken by the company itself and partly through collaborators and consultants. Explain in detail the arrangements made/proposed to be made for each of the services required for the project. Furnish details of the collaboration and consultants as required under Q.4.06 and Q.4.08.

Q.4.10 While selecting the site for the project, the advantages and disadvantages of the site might have been taken into consideration. Enumerate in detail the advantages and disadvantages which were weighed by the unit before selecting the site and also highlight each of the factors which were considered most advantageous for the project, such as good transport facilities, nearness to market, availability of raw materials, water, power, labour, etc. For instance, in explaining the transport facilities that might be available for the project, describe the National and State highways passing nearby specifying the distances from the site of important business centres, nearest railway station, whether the railway line is on the broadgauge or on metre-gauge etc. Furnish data/information collected by the company to establish the suitability of the site with reference to rainfall, floods, cyclones, earthquakes, etc.

Describe in detail the topography of the land, elevation with reference to nearest highway etc.

Q.4.11 The area of land required for the project may be given separately for (a) factory building (b) ancillary building (c) open storage space (d) housing colony (e) area required for future expansion and (f) any other purposes to be specified. The following information may be furnished under each head :

a) Total area and cost therefor including conveyance charges. If the cost is higher than the current market price explain the reasons for such variation.

b) When the land is acquired/proposed to be acquired from a number of owners, indicate the area and the cost of each plot.

c) It is likely that part of the cost of land is payable in deferred installments or in kind, such as by issue of shares. Indicate the amounts paid in different forms such as cash, other than cash, deferred payments, etc. In case the land is taken on lease basis give separately the amounts of initial premium and the annual lease rent.

d) If the land is acquired/proposed to be acquired from any of the promoters/directors of the company or their relatives give full particulars such as the relationship, area of plot, cost etc.

Also indicate the date of acquiring and price paid and expenses incurred by the promoter/director etc.

e) If the land for the project has been earlier used for agricultural purposes, it may be necessary to obtain the permission of the State Government for converting it into non-agricultural land.

Contact the Industries Department of the State Government and obtain the approval of the competent authority and enclose a copy of such approval with the Application.

f) This information will be available from the soil test report for the plot. If it has not been carried out, this may be got done through a proper agency. The Department of Agriculture of the

State Government, University, etc. may be of some help in this matter.

Q.4.12 It may be explained how the buildings are proposed to be constructed i.e., whether through a contractor, by the unit's own organisation, etc. In case the buildings are to be constructed through contractors, describe the process of selection of the contractor(s) and the reasons for selecting the contractor(s).

Q.4.13 If no Architect is proposed to be appointed, please give reasons why such an appointment is not considered necessary. While giving the past experience of the architect also give details of important works handled by them and the fees charged therefor.

Q.4.14 Here, explain how the (i) machinery/equipment and (ii) machinery/equipment suppliers have been selected. The equipment might have been selected on the advice of collaborators, turn-key contractors, technical advisers/consultants, promoters, etc. Similarly, the machinery/equipment suppliers might have been suggested by the collaborators, consultants, etc., or selected through competitive bids. Give full details including degree of sophistication/obsolescence of the main equipment; and also explain the advantages of selecting the supplier(s).

Q.4.16 4.19 The detailed specification preferably including any industrial standard of raw materials to required by the unit should be indicated. Price fluctuation of major raw materials during the last 3 years may be furnished indicating source of data.

Q.4.21 Furnish particulars of the electrical sub-station from which power would be made available, its distance from plant site, progress in extending the supply line, voltage at which power would be made available and other terms such as how the cost of extending the supply line would be borne, etc. Standby arrangements are generally meant only for meeting emergency situations. Such arrangements may be explained in detail, giving the capacity of the generator and the equipment proposed to be operated with the standby generator.

a) Give details of electricity tariff payable to the Electricity Board.

b) Cost of own generated power, if any, need not be included here, as expenditure incurred on self-generation will need to be covered elsewhere.

Q.4.22 a) Explain in detail the proposed arrangements for obtaining the water requirements for the project. In case of tube-wells, give the number of tube-wells proposed to be sunk and their capacities. If water is to be drawn from river, etc., give particulars regarding water flow in the river during monsoon and lean season, the length of the pipe line, number of reservoirs and their capacities, etc. Also explain whether the water has been analysed and found suitable for the use by the unit. If any water treatment is proposed, explain the arrangements envisaged and the capital cost thereof against 4.22(a) (ii).

b) Give information separately regarding the requirements and sources of supply of compressed air, furnace oil, coal, etc.

Q.4.25 The proposed Schedule of implementation may be given separately for each activity indicated in this question. Also, give a brief write-up on the physical progress made as at the time of application for assistance.

It will be necessary to support the schedule of implementation by a bar diagram indicating the major activities. In the case of large projects, it will be advantageous to prepare a PERT Chart showing the implementation schedule and the critical path.

Q.4.26 If the promoters and/or the applicant company is planning to take up any more schemes either simultaneously with this project or in the near future, give particulars of such scheme(s), indicating, inter alia, the project cost, proposed means of financing and the arrangements made for meeting that cost of the scheme(s) and personnel for implementing and operating the project.

Q.5 Cost mentioned in this item should tally with that mentioned against item 4.11

Q.5.10 The technical know-how and engineering fees payable to foreign/Indian technical collaborators, consultants, etc. may be indicated here. Recurring annual payments in the form of royalty need not be shown here, but they should be included in the profitability statements.

Q.5.11 The estimated pre-operative expenses until the company goes into commercial production (according to the schedule of implementation) may be indicated here under the appropriate sub-heads. Interest and commitment charges may be calculated on the basis of expected drawals of funds depending upon the schedule of construction.

Q.5.12 The project cost estimates should include a contingency provision to meet any unforeseen expenses or expenses omitted inadvertently from the estimates. This provision is, however, not meant for taking care of the escalation in prices which can be anticipated at the time of estimating the cost of the project. Such escalation may be provided while arriving at the costs of various items such as buildings, machinery and equipment, etc. Contingency is also meant to take care of cost escalation which cannot be anticipated.

Contingency provision is normally made at a minimum of 10% of the cost of non-firm items in the project cost. Cost of items which have already been acquired or for which firm agreements have been entered into may be considered as firm cost items. All other expenses may be treated as non-firm cost items.

Q.5.13 The bulk of the working capital requirements is normally provided by the commercial banks. But a part of the working capital which is meant for providing the margin for bank borrowings is to be included as part of the project cost.

Q.6.02 In the case of existing companies, cash generation from the existing activities may be available for financing part of the project cost. This amount may be shown against internal cash accruals in the means of finance. It should be clearly established that the availability of internal accruals as envisaged is assured, by giving relevant facts and figures.

Q.6.04 Indicate here, separately the amount of foreign exchange proposed to be obtained from different sources, such as foreign currency loans from IDBI/IFCI/ICICI, free foreign exchange from Government of India, import from Rupee payment area, Government to Government Credit, Suppliers credit, etc.

Q.6.06 The total contribution which will be brought in by the promoter group may be shown here. Contribution from SIDC/SIIC etc., which form part of the promoters contribution, may be indicated clearly.

Q.8 The entrepreneur shall ensure that there is a reasonable market potential for the product before taking decision to set up facilities for its manufacture. The fact that industrial licence etc., have been given by Government does not necessarily mean that the market aspect has been fully examined. The unit would be well advised to undertake a comprehensive market survey to establish the market potential to the satisfaction of the banks/institutions. The questions in this section are designed to elicit fuller information on the market prospects for the company's products and the related issues.

Q.8.01 While answering this question, describe the product, its major uses and present and future market prospects. If the product is a new one, intended to substitute an existing product, explain the special qualities/features of the product vis-a-vis the existing product which would be substituted. Bring out clearly the advantages of the unit's product vis-a-vis the products of its competitors.

Q.8.02 Give data on the present installed capacity likely to be materialised in each of the next few years and current production and expected production for the next few years. Figures of existing capacity and production would be available from publications like the Monthly Statistics of

Production (published by the Central Statistical Organisation), Guidelines to Industries (by DGTD etc.) Some of the sources for the estimates of future demand are publications of the Planning Commission, DGTD, Chambers of Commerce and Industry, State Directorates of Industries, State Industrial Development Corporations, etc. There are a number of Consultancy organisations in the country which would also be able to undertake a detailed market study on behalf of the applicant.

Q.8.03 8.05 If it is proposed to export a part of the production (either because of a stipulation in the industrial licence or for any other reason), give data regarding the export market, international prices during the last 2/3 years, etc. The information may include figures of the country's export of the product to the various countries for the past few years and projected export demand made by the Export Promotion Councils, Development Councils, Trade Development Authority, etc.

Q.8.06 If the bulk of the production is expected to be sold to a few consumers, or the product is sophisticated and having limited market, please indicate the long-term arrangements, if any, made with such consumers or dealers in the products.

Q.10 The purpose of this section is to assess the economic benefits from the project accruing to the country, particularly in terms of foreign exchange earnings.

Furnish the international prices (f.o.b. prices for exports and c.i.f. for imports) of the finished product and of the major material inputs such as raw materials, etc. It is not necessary that the company should be importing or exporting the commodities. The figures of international prices are required by the institutions for calculating the benefits accruing to the country by indigenously producing or by exporting the products abroad.

The data for this purpose could be obtained from export promotion councils, industry associations, leading importers/exporters, foreign trade journals, etc., and the sources from which data have been obtained may be indicated in your replies.

Against Q.10.04 explain the company's assessment in detail of the scope for ancillary industries to come up in the area as a result of the setting up of the proposed project.

Q.11 If any special conditions have been imposed in any of the approvals mentioned under these questions, please indicate how far these conditions have been complied with and steps taken to comply with the same. If the company has made any representation for deletion/ waiver of the stipulation, copies of correspondence exchanged may be enclosed.

CHECK LIST FOR ENCLOSURES

1. A copy of clearance from Government for MRTP concerns.
2. Bio-data of promoter (Proforma I).
3. Copies of IT returns of the promoter alongwith copies of Assessment orders for last three years (2.01)
4. Copies of Articles & Memorandum of Association (for Ltd. Companies 2.02).
5. Audited Balance Sheet, Profit and Loss Account for two year of the promoter company (2.02).
6. Copy of Agreement among promoters (2.02).
7. Details of Technical/Managerial Personnel (Proforma II).
8. Organisation Chart (2.04).
9. Authority Letter from Promoter to Commercial Bank (2.05).
10. List of share holders controlling 5% or more of equity shares (3.02).
11. Note on company's tax status (3.03).
12. Details of Fixed Assets (Proforma III).

13. Particulars of credit facilities enjoyed by the concern (Proforma IV).
14. Feasibility Report (4.01).
15. Brochure on collaborators (4.06).
16. Copy of collaboration agreement (4.06).
17. Copy of Government approval for collaboration (4.06).
18. Copy of Agreement with consultants (4.08).
19. Copy of Government approval in case of foreign consultants (4.08).
20. Sale/Lease Deed for land (4.11).
21. Copy of soil test report (4.11).
22. Copy of the Government order converting land into industrial land, if applicable (4.11).
23. Locational Map (4.11).
24. Site plan (4.11).
25. Particulars of arrangements made/proposed for construction of building (Proforma V).
26. Details of imported indigenous plant and machinery (Proforma VI) (4.14).
27. Copy of letter of sanction for power (4.21).
28. Copy of agreement with Electricity Board (4.21).
29. Copy of electrical lay-out of the plant (4.21).
30. Copy of certificate for disposal of effluents (4.23).
31. Preliminary and pre-operative expenses (Proforma VIIA).
32. Provision for contingencies (Proforma VIIB).
33. Margin money for working capital (Proforma VIII).
34. Copies of letters sanctioning assistance (6.03).
35. List of persons/firms contributing to promoters share (6.06).
36. Copies of market survey reports (8.0).
37. List of customers/particulars of firm (8.06).
38. Cost of production and profit as per Proforma IX (9.01).
39. Cash flow statements as per Proforma X (9.02).
40. Projected Balance Sheet for 5 operating years Proforma XI (9.03).
41. Government consents (11).
42. Copies of licences/consents received (11.01).