

FOR OFFICIAL USE ONLY

Computer Code No:
Inward Number & Date:
Loan Amount Applied for Rs.
 Service Charges Rs.
Paid by D.D./Cheque/Cash Receipt

Number & Date:

Andhra Pradesh State Financial Corporation

P.B.No. 165, 5-9-194, Chirag Ali Lane, Hyderabad - 500 001

**Common Application Form
for the Units**

REQUIRING FINANCIAL ASSISTANCE ABOVE Rs.10 LAKHS

FROM

.....

.....

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 lacks
(Applicable to new projects,expansion,
Diversification and modernization of existing
Projects. Does not apply to only renewal
Of existing working capital facilities)

**APPLICATION FOR TERM LOAN OF Rs.....LAKHS FORSETTING
UP A UNIT FOR THE MANUFACTURE OFAT
.....(V).....(M).....(DIST.)**

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
Corporation Bodies only)

b) Controlling (Head) Office

c) Factory:
(existing & proposed)

d) Address for correspondence

e) Is it a backward area eligible
for concessional finance form
institutions / central / state
subsidy

1.03. Constitution

a) State whether a proprietary/

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 their companies in the same group. Details of Associate/ subsidiary concern or concerns in which the promoters are interested.

1.04 Industry

(a) **Product**

Applications

i)

ii)

iii)

(b) **By product**

Applications

i)

ii)

iii)

(c) i) SSI/DGTD/LI

ii) No.

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, write up 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.

Enclosures:

- (i) Certified copies of Memorandum of Articles of Association of the promoter company
- (ii) Awaited Balance sheet and Profit & Loss account of the past two years of promoter company(s)
- (iii) Copy of Agreements, if any, entered into among the promoters.

2.03. Provide a list of directors along with a complete list of concerns 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 any time declare 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 & Loss Accounts for the last 3 years together with comments on adverse features of working, if any. Please also furnish proforma Balance sheet and P&L 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 share holding if any. In case of preference share holders, give a list of ten largest shareholder. Also, give the number of equity shareholders and preference shareholder.
- 3.03 Give a note on the 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 unaided against the corporation may also be given.
- 3.04 Details of existing fixed assets
(Proforma III)
- 3.05 Particulars of credit facilities enjoyed by the concern from the Corporation and bank(s) and other financial institutions
- 3.06 Indicate the Bank (with address) for which it is proposed to avail of working capital

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

4.02 **Details of capacity @**

Product Present Proposed

i) Licensed (Quality per day)
(Registered)

ii) Installed (Quality per day)

iii) Utilized (a) Quantity

(b) as % of installed
capacity

(c) Value

iv) No. of working days in a year

Product	Present	Proposed				
			I Yr	II Yr	III Yr	IV Yr

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.

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 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 result. Whether the process is patented one. 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 collaboration company indicating its activators, size and turnover; particular of the existing plants, other projects in India and abroad setup 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 Govt. approval for availing of the services of foreign technicians, if any.
- 4.07 If there is no collaboration agreement, furnish full details of agreement 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 address
- (b) Fees payable and the manner in which payable
- (c) Scope of work assigned to them
- (d) Brief particular of consultants including the organization set-up, bio-data of senior personnel, names of directors/partners, particulars of work done in the past and work on hand.

Enclosures :

- (i) Copy of agreement with the consultant
- (ii) Copy of the Govt. 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.

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

Enclosures:

- i) copy of the sale lease deed
- ii) copy of the soil/water test report
- iii) copy of the Govt.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 sliding, 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
 - d) Fees Payable and manner in which payable
 - e) Time schedule
 - f) Penalties
 - g) Past Experience of the architects in the similar work.

Plant & 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 when the sub-contracting will be done; Details to indicate the availability of machinery with sub-contractors with adequate spare capacity.

- 4.15a) 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 material 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 channelised, 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 utilization (give calculations)

Enclosures

- i) Copy of letter of sanction for power
- ii) Copy of agreement with Electricity Board
- iii) Copy of 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 arrangement proposed
 - iii) Capacities of tanks reservoirs
 - iv) Sources for supply of water arrangement proposed and water charged payable
- b)
 - i) Requirement of steam
 - ii) Capacity of the boiler
 - iii) Arrangements proposed for stamp
- c)
 - i) Requirements of compressed air
 - ii) Arrangements proposed for compressed air

- d) i) Requirement of fuel
- ii) Arrangements proposed for supply

Transport

Arrangements proposed for carrying raw materials and finished goods.

Effluent :

4.23 Furnished full details of the volume of 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 concern authorities: if so, a copy of the certificates should be furnished.

4.24 Details of the arrangements made quality control. If ISI specifications are followed. No. of ISI standards of the particulars thereof should be provided. Particulars of R & 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.

	<u>Commencement</u>	<u>Completion</u>
i) Acquisition of land		
ii) Development of land		
iii) Civil works: factory building machinery foundation, auxiliary building, administrative building, miscellaneous bidding.		

Commencement

Completion

- 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 & Chemicals
- x) Training of personnel
- xi) Trial runs
- xii) Commercial production

Other project 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 estimate cost, means of financing and the present status.

5.01. Cost the project

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

Rupees in lakhs				
Rupees Cost	Rupee equivalent of foreign exchange cost @	Already incurred	Proposed to be incurred	Total (1+2) or (3+4)
1	2	3	4	5
1.	Land & site development			
2.	Buildings			
3.	Plant & 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 & Preoperative expenses (Proforma VIIA)			
12.	Provision for contingencies (Proforma VIIB)			
13.	Margin money for working capital (Proforma VIII)			
	Total cost of the Project			

(@ Also give details of foreign currency and rate adapted for conversion into rupees)

6.01 Means of financing

(furnish details of sources of finance for meeting the cost under following heads)

	Amount already raised	Amount proposed to be raised	Total
	_____	_____	_____
1. Capital (specify sources contributing capital)			
2. Reserves			
3. Term loans (give full particulars)			
4. Unsecured loans and deposits (indicate sources, rate of interest re- payment period etc.)			
5. Deferred payment arrangements in- cluding supplier's credit, if any.			
6. Govt. 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 is taken as source the obtaining 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 Promoter's contribution to the project cost as percentage 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.

6.07. 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) Quarantee 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. Building			
3. Plant & 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 arrangements (enclose copy of market survey report, if any, conducted by the company or independent consultant)			
8.01 Give brief on market, possible competition from substitute products etc. Indicate the special features (regarding quality the obtaining , 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 Govt. indicate the details thereof along with 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 arrangement entered into with them.
- 8.07. Particulars of Govt. controls, restrictions etc, if anyone 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 advantage/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

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)

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 license
 - 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.

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			
i) Pollution Control			
j) Any other (specify)			
Enclosure: Copies of licenses/ 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 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 inflammations 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 BI,DICGC,IDBI,or any other Agency as authorized 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 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 promoter/the Company or other Companies in which I am /the other promoters are Director/ Directors.”

Date :

Signature

Place :

Name and Designation

Name of concern

8. Functional responsibility 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/directors/
shareholders 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 bank-
ers 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
- These details in respect
of each associated con-
cerns should be furnished separately by
way of enclosure.
12. Personal assets and liabilities :
 - a) Immovable property details like land/
building,location,date of acquisition,
cost, present value etc.
 - b) Other assets.
 - c) Personal liabilities, if any

13. Any other information

Place :

Date :

Signature

- *1. Furnish audited Balance sheet/Profit & Loss Account of these concerns for the last two years brief write-ups on these concerns including information on the nature of business and size turnover. Also furnish details of amplifications pending against/ form propitiator/partners /directors.
2.
 - a) If the promoter is a limited company, furnish a brief write up on the acclivities and performance of the company and any other expansion programmes con templated.
 - b) Give particulars of holding company such as names of subsidiary companies, paid-up cap of subsidiary (equity and preference) and percentage holding by the holding company respectively.
3. Indicate the terms of agreement with the Managing Directors/Wholetime director and the present status regarding the approval of the Central Governance for the appointment.
4. Product(s) manufactured and installed capacity for each products 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
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Existing

Proposed

PROFORMA III *

DETAILS OF EXISTING FIXED ASSETS

A. LAND

1. Location
2. Area
3. Whether freehold or leased 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 of owned
4. Rent in case of leased/rented premises
5. Terms of lease

Sl. No	Structure	Type of structure (whether temporary)	Dimen sessions	Area Sq. mts.	Actual Cost/ Rs.	Date of Erection
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1. Workshop
2. Godown
3. Administrative
4. Other buildings

C. COST OF EXISTING MACHINERY Rs.

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

* To be give 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 and security	Margin	Schedule of repayment	Defaults, if any, in payment of Interest and/or principal
A.	<u>Term loans</u>								
B.	Other facilities such as deferred payment etc.								
C.	<u>Debentures @</u>								
D.	<u>Working Capital</u>								

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

PARICULARS OF BUILDINGS PROPOSED TO BE CONSTRUCTED

Sl. No.	Description of each Building	Type of construction	Built-up area			Total floor area for sq.ft	Rate of construction per sq.ft	Estimated cost of each building	Expected date of completion
			Length Ft.	Beadth Ft.	Average height				

- 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 building.

PROFORMA VI

PARTICULARS OF MACHINERY

Sl. No.	Name of machinery & specification	Second hand/ New @	Name of manufacturer/ /Fabricator, (Place & 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 delievery	Price* (Invoice price including taxes for indige nous machinery/CIF price for imported machinery)	Estimated expenditure (insurance/ freight/in stallation im port duty)	Total Cost	Performance guarantee, if any	Remarks
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1. Existing Machinery

- A. Indigenous
- B. Imported

2. Proposed to be acquired

- A. Indigenous
- B. Imported

- i) Quatations / 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 take.

PROFORMA VII (A)
DETAILS OF PRELIMINARY & PRE-OPERATIVE EXPENSES

	Cost already incurred	Proposed to be incurred	Total
<u>Preliminary & Capital issue expenses</u>	_____	_____	_____
a) Brokerage and commission on capital (.....% of Rs. lakhs)			
b) Other capital issue expenses (legal, ad- vertisement, printing, stationery, etc.)			
c) Other Preliminary expenses (company floatation and other initial expenses)			
<u>Pre-operative expenses [from(date) to (date of commencement of commercial production)</u>			
a) Establishment			
b) Rent, rates and taxes			
c) Travelling expenses			
d) Miscellaneous 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. Land			
2. Building			
3. Plant & Machinery			
- Imported			
- Indigenous			
- Stores & Spares			
- Foundation & 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

<u>I</u>	<u>Current Assets</u>	<u>1st year of operation</u>	<u>2nd year of operation</u>	<u>3rd year of operation</u>
i)	Raw materials (including stores and other items used in the process of manufacture)			
	a) Imported (Months consumption) (See Notes i & ii)			
	b) Indigenous (Months consumption) (See Notes i & ii)			
ii)	Other consumable spares (excluding those included under item (i) above)			
	(% of total inventory & Months' consumption). (See Notes i & ii)			
iii)	Stock-in-process (Months' cost of production)			
iv)	Finished goods (Months' cost of sales) (See Note i)			
v)	Receivables other than export and deferred receivables (including bills purchased and discounted by bankers) (Months' domestic sales excluding deferred payment sales) (See Note i)			
vi)	Export receivables (including bills purchased and discounted by bankers) (Months' export sales) (See Note i)			

	<u>1st year of operation</u>	<u>2nd year of operation</u>	<u>3rd year of operation</u>
vii) Advances to suppliers of raw materials and stores/ spares consumable			
viii) Other current asset including cash and bank balances and deferred receivables due within one year (major items to be specified individually)			
Total current assets (I)			
II. <u>Current Liabilities</u>			
(Other than bank borrowings for working capital)			
i) Creditors for purchases of raw materials and stores and consumable spares (Months'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 I*)			
V. Bank borrowings (III -0 IV)			

[* For cases where II method of lending is applicable]

Notes :

- (i) The periods to be shown be in relation to the annual projection for the relative item that year
- (ii) If the canalised item form a significant part of raw material inventory, they may be shown seperately.
- (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)
- (iii) Spares not exceeding 5% of total inventory or those expected to be consumed with in 12 months, whichever are lower, may be shown against item I (ii).
- (iv) Other current liabilities (item II (v)) will include instalments 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 ommitted)
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Production during the year (quantity) % utilisation of installed capacity.	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th
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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 & wages								
7. Consumable Stores								
8. Repairs and maintenance								

PROFORMA X
Cash flow Statement

(Rs. In lakhs)

Construction Period	OPERATING YEAR							
	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year	8 th Year
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)								

Proforma A – X contd..

PROFORMA X
Cash flow Statement

(Rs. In lakhs)

	Construction Period	OPERATING YEAR							
		1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year	8 th Year
B.	Deposition 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/debentures								
5.	Decrease in unsecured Loans/deposits								
6.	Decrease in deferred Payment facilities								
7.	Increase in investments								
8.	Interest								
9.	Taxation								

Proforma A – X Contd...

PROFORMA X
Cash flow Statement

(Rs. In lakhs)

	Construction Period	OPERATING YEAR							
		1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year	8 th Year
10.	Dividend – Equity (Amount & Rate)								
	Preference (Amount & Rate)								
11.	Other expenses (Given details)								
	Total Disposition (B)								
C.	Opening balance								
D.	Net surplus (A – B)								
E.	Closing balance								

Proforma - XI
PROJECT BALANCE SHEET

Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
A. <u>LIABILITIES :</u>					
1. Equity Share Capital					
2. Reserves & Surplus					
3. Term Loans					
4. Bank borrowings for working capital					
5. Unsecured Loans					
TOTAL :					
B. <u>ASSETS :</u>					
1. Gross Block					
2. Depreciation					
3. Net Block					
4. Investment					
5. Net current assets					
6. Cash & Bank balance.					
TOTAL :					
Debt-equity Ratio [3 / (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 expansions, 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 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 straight forward. 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 carefully before filling up 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 the end with the 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, indicated 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 promoter; such as age, educational qualifications, fields of specialisation if any, and 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 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	Names 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 qualification 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 organisational set-up, envisaged, when the company goes into production, may be attached. The names and designations of officials (if appointed) heading the departments etc. and the strength of the supporting staff.

- Q. 2.05 The institutions would like to have the banker's 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 maybe 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
and
2.07

- Q. 3.02 Not applicable for new Companies.
and
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. 4.01. Furnish as 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 towards 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 satisfactory arrangements have been made therefor. The questions in this section will serve as a check list in this regard.

Note:- It may be ensure 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 of passage of time, make proper indications in the relevant places in the project report. For example, in the product-mix assumed in the project 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 problem faced by the companies using the process.
- Q. 4.05. Technical arrangements include the arrangements made for obtaining. Selection of equipment suppliers and contractors, construction/erection , supervision, trial runs and staff. Part of these jobs might be under taken 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 collaborators and consultants as required under Q. 4.06. and 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 distance from the site of important business centres, nearest railway station, whether the railway line is on the broad-guage or on meter-guage 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, deferred payments etc. In case the lands 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 contractors, on the reasons for selection of the contractor(s).

- Q. 4.13. If no Architect is proposed to appointed, please give reasons we such an appointment is not considered necessary. While giving the past experience of the architect also give details of important works handling 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, the machinery/equipment or selected through competitive bids. Give full details including degree of sophistication/obsolescence of selecting the supplier(s).
- Q. 4.16. The detailed specification preferably including any industrial standard of raw materials required by the and 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
- f) Give details of electricity tariff payable to the Electricity Board.
- g) 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 rube-wells proposed to be sunk and their capacities. If water is to able 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 therefore against 4.22 (a) (ii).

- c) Give information separately regarding the requirements and sources of supply of compressed air, furnace oil 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). To be indicated here under the appropriate subheads. Interest and commitment charges may be calculated on the basis of expected draws of funds depending upon the schedule of construction.

- Q. 5.12. The project cost estimates should include a contingency provision to the 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 among at the costs, of various items such as building machinery and estimate 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 in the project cost. Cost of items which are 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 shown against 'internal 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/ICICI, free foreign exchange from Government of India , import from Rupee payment are, Government to Government Credit, Supplier's credit etc.
- Q. 6.06. The total contribution which will be brought in by the promoter group may be shown here. Contribution from SIDC/SIC 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/institution. 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 should 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 materialise 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 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 Corporation 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. If it is proposed to export a part of the production (either because of a stipulation in the industrial licence to of for any other reason), give data regarding the export market, international prices during the last 8.05 2/3 years, etc. The information may include figures of the country' 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 a 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 earning

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 r by exporting the products abroad.

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

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 takes to comply with the same. If the company has made any representation for deletion/waiver of the stipulations, copies of correspondence exchanged may be enclosed.

CHECK LIST FOR ENCLOSURES

1. Bio-data of promoter (Proforma - 1)
2. Copies of IT returns of the promoter along with copies of Assessment orders for last three (2.01).
3. Copies of Memorandum of Association (for Limited Companies 2.02.)
4. Audited Balance Sheet, P & L Account for two years of the promoter company (2.02.)
5. Copy of Agreement among promoters (2.02)
6. Details of Technical/Managerial Personnel (Proforma - II).
7. Organisation Chart (2.04).
8. Authority Letter from Promoter to Commercial Bank (2.05).
9. List of shareholders controlling 5% or more of equity shares (3.02)
10. Note on company's tax status (3.03).
11. Details of Fixed Assets (Proforma - III).
12. Particulars of credit facilities enjoyed by the concern (Proforma - IV).
13. Feasibility Report (4.01).
14. Brochure on collaborations (4.06).
15. Copy of collaboration agreement (4.06).
16. Copy of Government approval for collaboration (4.06).
17. Copy of Agreement with consultants (4.08).
18. Copy of Government approval in case of foreign consultants (4.08).
19. Sale/Lease Deed for land (4.11).
20. Copy of soil test report (4.11).
21. Copy of the Government Order converting land into industrial land if applicable (4.11).

22. Locational Map (4.11).
23. Site Plan (4.11).
24. Particulars of arrangements made/prosed for construction of building (Proforma - V).
25. Details of imported /indigenous plant and machinery (Proforma - V) (4.14).
26. Copy of letter of sanction for power (4.21).
27. Copy of agreement with Electricity Board (4.21).
28. Copy of electrical lay-out of the plant (4.21).
29. Copy of certificate for disposal of effluents (4.23).
30. Preliminary & Pre-operative expenses (Proforma -VIIA).
31. Provision for contingencies (Proforma -VIIB).
32. Margin money for working capital (Proforma -VIII).
33. Copies of letters sanctioning assistance (6.03).
34. List of person/firms contributing to promoter's share (6.06).
35. Copies of market survey reports (8.0).
36. List of customers/particulars of firm (8.06).
37. Cost of production and profit as per Proforma -IX (9.01).
38. Cash flow statements as per Proforma - X (9.02).
39. Projected Balance Sheet for 5 operating years Proforma -XI (9.03).
40. Government consents (11).
41. Copies of licences/consents received (11.01).

COST OF LOAN APPLICATION (SET OF 3) :

- * For loans above Rs. 10 lakhs and upto Rs. 15 lakhs - Rs. 25/-
- * For loans above Rs. 15 lakhs and upto Rs. 30 lakhs - Rs. 50/-
- * For loans above Rs. 30 lakhs and upto Rs. 50 lakhs - Rs. 80/-
- * For loans above Rs. 50 lakhs - Rs. 100/-