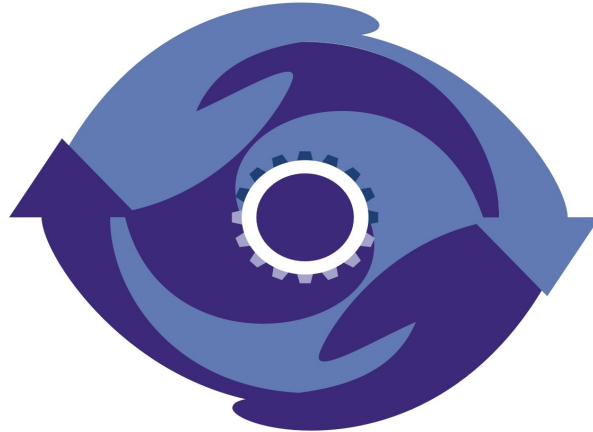


**LOAN APPLICATION FORM  
FOR INDUSTRY, HOTEL AND SERVICE  
SECTOR**



**HPFC**

**HIMACHAL PRADESH FINANCIAL  
CORPORATION,  
NEW HIMRUS BUILDING, CIRCULAR ROAD,  
SHIMLA-171001.**

Phones: 0177-2625109, 2624765, 2623027  
2624506, 2624552, 2624228, 2625940,  
2624642, 2620104, 2622526

Fax: 0177-2623027 Telegram: "FINCORP"

E-mail: mdhpfc-hp@nic.in, hpfc-hp@nic.in

**(To be submitted in duplicate alongwith processing fee which is to be deposited by way of cash or demand draft.)**

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## PREAMBLE

The application from is being sold without any commitment of the Corporation to sanction loan in favour of applicant(s). The acceptance of the loan application for its processing is subject to its clearance by the Screening Committee. However, final decision regarding sanction of loan, its quantum, terms and conditions etc, are subject to decision of the competent authority, authorized by the Board of Directors of the Corporation from time to time.

We presume that guidelines given in the application form for filling in the same shall facilitate our prospective valuable clients. However, in case of any difficulty/clarification, please contact us at the Head Office or at our District Offices easily approachable to you at the following address:

- i) HP Financial Corporation, New Himrus Building, Head Office  
Circular Road, Shimla-171001
- ii) EPIP Phase-1, Jharmajri, Distt Office  
PO Barotiwala, Tehsil Nalagarh, Distt Solan  
(Catering to Distt Solan)
- iii) Shimla Road, Nahan, Distt Sirmour -do-  
(Catering to Distt. Sirmour)
- iv) Ram Nagar, Near Shyamnagar, Octroi Post, -do-  
Dhramshala, Distt Kangra.  
(Catering to Distt. Kangra, Chamba, Hamirpur & Una)
- v) Palace Colony, Mandi -do-  
(Catering to Distt. Mandi, Bilaspur, Lahaul & Spiti, Kullu)

## **GUIDELINES FOR FILLING IN THE APPLICATION FORM**

1. Application form for the use of entrepreneurs who are desirous to obtain financial assistance for setting up new projects, undertaking expansion or diversification of existing activities or carrying out modernization / rehabilitation of plants.
2. It is essential that entrepreneurs should examine their projects from various aspects - especially the location, market, availability of raw material and profitability aspects before deciding to set up the projects. A well conceived and detailed project report, making necessary arrangements to take care of the various issues/information connected with the project, as asked for in the application form, would reduce the processing time to minimum possible and would facilitate expeditious appraisal by the HPFC.
3. It may be ensured by the applicant that all supporting documents/information as indicated in the application form and as may be applicable in a particular case, are enclosed along with the application form.
4. While filling in the application form, applicant can make reference to different sections of the project report if the information asked is given in the detailed project report, or they can attach additional sheets giving the information with necessary references in the application form, if required.

(Forwarding Letter to be submitted on letterhead of the company/concern.)

To

**The Managing Director,  
H.P. Financial Corporation,  
New Himrus Building,  
Circular Road,  
SHIMLA-171001.**

Dear Sir,

Re: Application for a loan of Rs. \_\_\_\_\_

I/We \_\_\_\_\_

apply for a term loan of Rs. \_\_\_\_\_ (in words Rs. \_\_\_\_\_

\_\_\_\_\_ ) and soft loan of Rs. \_\_\_\_\_

(in words Rs. \_\_\_\_\_ ) and submit

the information as prescribed in application form along with declaration.

Yours sincerely,

Encl:

Authorized signatory

1. Demand draft of Rs. \_\_\_\_\_ No \_\_\_\_\_ Dt. \_\_\_\_\_ drawn on \_\_\_\_\_ Bank
2. Declaration duly signed by Sole Prop/Partners/Directors
3. Application form duly filled in
4. Detailed project report

## UNDERTAKING

I/we hereby declare and certify that the particulars given in this application are furnished for the express purpose of securing loan or financial accommodation from the Himachal Pradesh Financial Corporation and are to the best of my/our knowledge and belief, true and correct and that no material fact has been concealed or withheld.

Yours faithfully,

S. No.	Name	Designation	Signature
1.			
2			
3			
4			

Dated:

Place:

Note:

1. In case of sole proprietorship, the applicant should sign the declaration
2. In case of a partnership concern, declaration should be signed by all the partners.
3. In case of Companies\*/ Cooperative Societies\*\*, at least two directors/persons authorized in this behalf should sign the declaration.

\* A copy of resolution of the Board of Directors duly certified by the Chairman authorizing the director(s) to apply for loan to Himachal Pradesh Financial Corporation and submit and sign necessary documents/papers.

\*\* In case of society, copy of resolution passed by the Society duly certified by Secretary/Chairman authorizing the person to apply for loan to HP Financial Corporation and submit and sign necessary documents/papers.



**HIMACHAL PRADESH FINANCIAL CORPORATION,  
NEW HIMRUS BUILDING, CIRCULAR ROAD,  
SHIMLA-171001**

## **APPLICATION FORM TO BE FILLED IN BY THE BORROWER**

To be submitted in duplicate along with prescribed processing fee and forwarding letter .

### **For use in the office of the Corporation**

- |      |   |       |
|------|---|-------|
| i)   | Date of receipt of application                          | _____ |
| ii)  | No. of reference of entry in the Register               | _____ |
| iii) | Whether processing fee has been received, if so, amount | _____ |
| iv)  | Initials of the concerned official                      | _____ |

## **A. HISTORY AND CONSTITUTION**

### **1. Name of Industrial Concern**

- a) Registered Office
- b) Administrative Office
- c) Factory
- d) Telephones
- e) Branches, if any

### **2. Contact person's**

- a) Name & designation
- b) Telephone Nos.
- c) Correspondence Address

### **3. Constitution**

(Whether proprietorship, partnership, public private limited company, co-operative society etc. Give details of any changes in the constitution that have taken place recently or are proposed in the near future). Please also fill in the Annexure-A, as applicable

Note: The Corporation does not entertain Applications from Hindu undivided family Concerns and partnerships with minors Admitted to its benefits.

4. **Category (1) SC (2) ST (3) Ex-serviceman (4) Handicapped**

5. **Names & Address of subsidiary/  
Associate concerns**

6. **Names of Banker, Auditors and Solicitors  
of the concern (In case of existing company)**

7. **Date of Incorporation/Registration of Establishment**

8. **Date of commencement of business**

9. **Main items of production**

- a. Already manufacturing
- b. Proposed to be manufactured

10. **Brief History**

- a. State how the concern came into being indicating the name of the promoter and subsequent changes in the management if any in case of proprietorship, and partnership state whether started by the applicant or acquired from others; if acquired from others, from whom in which year, under what circumstances and for what consideration and whether value has been fully paid.
- b. Give a brief description of the present operations including those of existing concerns or associated companies.

11. **In the case of existing & associate concerns:**

- a. Furnish a comparative statement of financial position for the last three years as per Annexure-C, explain major variations in the figures. Also attach audited balance sheets and P&L accounts for the last three years
- b. Indicate the loans, advances and deposits with other concerns as well as investment in shares of associate concerns.
- c. Furnish full particulars of outstanding liabilities in respect of income tax, corporation tax, sales tax, employees bonus, statutory dues, contingent liabilities etc.
- d. Furnish brief particulars of sundry creditors and sundry debtors for each item exceeding Rs. 1.00 lac.

Give reasons where the amounts have remained outstanding for more than six months.

- e. Indicate the financial year upto which the tax assessment (income tax, sales tax etc) have been completed explaining the reasons for delay in assessment, if any and attach copies of income tax assessment orders for last three years of the concern as well as of the partners, directors etc.
- f. Indicate the basis and rates on which depreciation has been computed.
- g. Furnish a list of assets charged/encumbered indicating the liabilities and the nature of charge in each case.
- h. Furnish details of revaluation, if any of each of the fixed assets in the past three years
- i. Indicate the additions to the fixed assets during the past three years and how they have been financed.
- j. State whether the assets have been insured and, if so, furnish following particulars.

Name of the Insurance Co.    Assets Insured    Amount Nature of risk covered

- k. Furnish full particulars of existing credit facilities enjoyed by the concern from the banks and others including loans from Directorate of Industries and the balances outstanding against the various limits as on the date of the application.

Name of the Banker/ Creditor	Loan sanctioned	Limit	Margin	Interest	Balance outstanding	Security

## **B MANAGEMENT CAPITAL STRUCTURE AND BORROWING POWERS**

- 12. Please fill in Annexure-B giving particulars of proprietor/partners/Managing Director Directors, and promoters.**
- 13. Name of the Banks (as furnished at para 11-k )to which enquiries may be made regarding proprietor, partners, directors and promoters together with copies of letters addressed to Bank on the letter head as per format given in Annexure-D.**
- 14. Capital Structure (as on the date of application)**

**i. In case of company/Cooperative society:**

Authorised capital	
Issued capital	
Subscribed capital	
Paid up capital	
Calls in arrear	
Development rebate Reserve and other Reserves (give details)	
Total	

Note: In regard to each class of shares, information such as nominal amount, fixed dividend, redemption date etc, should be furnished. Particulars such as shares issued for consideration other than cash and any third party lien on uncalled capital should also be furnished separately.

**ii. In the case of Partnership/Proprietor firms:**

S. No.	Particulars	Amount (Rs. in lacs)
1.	Capital of the proprietor or share contribution of each partner of the concern (less) drawing)	
2.	Development Rebate reserve and other reserves (with details)	
Total		

**15. Share holders:**

- a. No. of shareholders**
  - b. Particulars of each of the shareholders holding**
    - More than 5% of equity and/or preference shares
    - Specify separately shares held as a result of Underwriting
  - c. Shareholding of each of the promoters/directors**
- 16. Borrowing powers under Memorandum and Articles of Association or Byelaws** (refer to relevant clause/Articles/Bye law)
- 17. Particulars of any pending litigation either by or against the concern or its Proprietor, partners, directors or promoters.**

**C. THE PROJECT**

(Wherever appropriate, information regarding the existing position should also be furnished).

**18. Particulars of the Project or Scheme**

State whether the project relates to a new undertaking or modernization/renovation, expansion of an existing unit and whether it envisages the manufacture of a new product or improvement in quality/increase in indigenous contents/increase in volume of production/reduction in price of existing products. Give particulars of the present stage of development, importance of the project, earning or saving of foreign exchange on account of the project new jobs to be created as a result of project, any other advantage or importance likely to accrue from the project etc.

**19. Implementation Schedule.**

Time schedule for major events of the project Fill the details as Per Annexure-X.

**20. Technical Collaborations/Services:**

Name and address of collaborators, if any and essential particulars of the collaboration arrangements.

**21. Manufacturing Process**

Brief particulars of the process to be adopted.

**22. Capacity and output**

Give particulars of capacity and output for major products as in Annexure-E

**23. Location and particulars of land:**

**Existing**

**Proposed**

- i. Location
- ii. Area in Sq mtrs
- iii. Free hold/lease hold or rented
- iv. Terms of lease deed/rent deed, if lease hold/rented
- v. Name of seller/lesser

Note: In case land obtained on lease from Housing Board/ Directorate of Industries/ HPSIDC attach their Permission letter for mortgaging the lease hold/rent hold rights in favour of the Corporation's and in case of free hold land, attach registered sale deed, latest jamabandi and key plan with boundaries and important land marks.

b)Advantages of location with reference to raw materials, transport utilities, markets etc

## 24. Buildings

Existing  
Office factory

Proposed  
Office

- i) Total constructed area in sq mt giving length, breadth and height of each section of building.
- ii) Type of construction
- iii) Purchase value/book value proposed cost of construction/rent or lease money paid/payable.

**Note:** In case of buildings proposed to be constructed attach copies of approved plans and letter of approval of competent authority alongwith detailed estimates from an approved architect/civil engineer based on HPPWD schedule.

## 25. Equipment

- a) Complete list of existing machinery with date of purchase and value of each item separately
- b) Complete list of machinery to be purchased from indigenous or imported sources giving names of suppliers, prices, specifications. Estimated expenditure for imported machine in foreign and local currencies. Quotations from at least two reputed suppliers
- c) Details of deferred payment arrangements made or proposed to be made with particulars of instalment payments towards principal and interest and of the arrangements made or proposed to be made for guaranteeing such deferred payment, if any.
- d) Particulars or guarantees for satisfactory performance of equipment and/or production asfurnished by suppliers of machinery, if any.

## 26. Raw materials

Give description of annual requirements of the raw material required, price with supporting documents and sources of procurement. State whether they are locally available or have to be imported and give details of assurance regarding their availability.

## 27. Utilities

Details of requirement, arrangements made/proposed and cost of utilities under the following heads.

- |  | Existing | Proposed |
|--|----------|----------|
| i. Power   |          |          |
| ii. Fuel for heating, steam and plant processes  |          |          |
| iii. Water arrangements for storage and treatment..  |          |          |
| iv. Disposal of effluents, if any  |          |          |
| v. Transport facilities for raw materials and finished products provision for own transport. |          |          |

## 28. Operating Organisation:

- a) Names, qualifications and experience of the chief administrative and technical personnel
- b) Number of employees under the following categories

	Existing	Proposed
i) Technical and administrative		
ii) Personnel		
iii) Accounts		
iv) Marketing		
v) Skilled labour		
vi) Semi-skilled labour		
vii) Unskilled labour		
viii) Casual labour		

**29. Cost of the Project**

Estimates of the cost of as per Annexure-I.

**30. Means of Financing**

- a) Details of the means of finance as per Annexure-II

**31. Particulars of primary security offered to the Corporation**

S. No.	Particulars	Existing	Proposed	Total
1	Land			
2	Building			
3	Plant & Machinery			
4	Other fixed assets			
	Total:			

**D. MARKET**

32. Demand and prospects of sale for the products manufactured by the concern. State whether the market for the products is purely local, confined to the State or All India. Mention if export possibilities exist (Attach a detailed note).
33. Other important factories within the area of the concern's operation producing similar goods.
34. Special advantages which the concern enjoys in the matter of raw materials, labour, technical skill etc.
35. Particulars of sales organization proposed to be employed. If selling agents have been or proposed to be appointed, their names and addresses along with agency terms.
36. Names and addresses of principal customers and particulars of firm orders in hand, if any. Detailed note on the development of the industry proposed to be set up alongwith the details of prospective customers. Indicate the selling arrangement proposed to be made. The assurance letters from prospective customers regarding market demand. (Attach copies)

## **E. COST OF PRODUCTION , PROFITABILITY ETC**

37. An estimate of the cost of production and profitability as in Annexure-IV (Full particulars of any tax allowances etc admissible and taken into account e.g. exemption or deferment of any general or specific taxes on products including corporate or local taxes or any special depreciation allowances, rebates or duties etc should be furnished).
38. A statement as per Annexure-VI showing the sources and utilization of funds (Cash flow statement)

## **F. PERMISSIONS/NOC/LICENCE**

39. Whether registered provisionally or permanent with the Directorate of Industries at a Small Scale Industry or Medium Scale Unit if so attach a copy of the certificate. If not, please apply for registration and attach a copy of the letter sent to Department of Industries in this behalf.
40. Whether got acknowledgement from Secretariat for Industrial Assistance (SIA), Ministry of Commerce & Industries, Govt of India, in case of medium scale unit, if so attach a copy of acknowledgement. If not, please apply for acknowledgement and attach a copy of the letter sent to SIA in this regard.
41. If food processing industry or a cold storage whether licence/permission has been obtained from the competent authority if so, attach a copies of permission/licence.
42. Provisional registration certificate as SSI unit from Inds Deptt. And recommendation letter from Tourism Deptt for setting up hotel Inds.

43. NOC from HP Pollution Control Board
44. Power Availability Certificate/ water arrangements
45. Copy of scheme if the unit is eligible for any kind of subsidy/incentive.
46. NOC from the local bodies, if any.
47. Any other information/permission considered important by the promoters or as may be asked by the Corporation

## **G. COLLATERAL SECURITY**

48. Details of collateral security offered and amount thereof. Attach a copy of ownership certificate in case of land and building being offered as security
49. (In case collateral security is being provided by third party, affidavit of the party for his willingness may be attached giving details of collateral security i.e. khasra No, tatima, latest jamabandi, copy of sale deed).



**FORMAT-A**

**a) In case of Sole Proprietary Unit**

Name with surname of the Partners	Religion	Father's name	Age	Permanent Residential Address	Correspondence Address with Tel Nos.

**b) In case of Partnership concern**

i) Particulars of partners

Name with surname of the Proprietor	Religion	Father's name	Age	Permanent Residential Address	Correspondence Address with Tel Nos.
1					
2					
3					
4					
5					

- ii) Date of instrument of partnership (please attach an attested copy of the Partnership Deed on Non-judicial paper of Rs. 3/- duly signed by the partners. (In case there had been some change in constitution, attested copy of all previous partnership deeds and dissolution deeds should be enclosed).
- iii) Whether the partnership is registered under the Indian Partnership Act 1932. If so, please attach attested copies of the certificates issued by the Registrar/Dy. Registrar of Firms in form No. 1 (Statement of particulars) and Form No. 'B' (Acknowledgement) which can be had from the Registrar/Dy. Registrar of Firms..

**c) In case of Public Limited/Pvt Ltd. Companies**

**Particulars of Directors**

Name with surname of Director	Religion	Father's name	Age	Residential Address Permanent	Correspondence Address with Tel Nos.	No. of shares held	Value Rs.
1							
2							
3							
4							
5							
6							
7							

- i). Authenticated copy of the Memorandum and Articles of Association of the company signed by the Chairman under the Common Seal of the Company.
- ii). Attested copy of certificate of incorporation
- iii). Attested copy of certificate of commencement of Business (in case of Public Ltd. Co. only)
- iv). A copy of resolution of the Board of Directors duly certified by the Chairman authorizing the director(s) to apply for loan to Himachal Pradesh Financial Corporation and submit and sign necessary documents/papers.

**d) In case of Registered Co-operative Societies**

- i) Whether Limited or Unlimited
- ii) Particulars of Directors/Members of Managing Committee

Name with surname	Religion	Father's name	Age	Residential Address Permanent	Correspondence Address with Tel Nos	No. of shares held	Value Rs.
1							
2							
3							
4							
5							
6							
7							

- iii) Attested copy of certificate of Registration
- iv) Copy of the Bye-laws duly certified by the permanent Executive of the Society
- v) Name, qualification and address of the Secretary/Manager
- vi) Copy of resolution passed by the Society duly certified by Secretary/Chairman authorizing the person to apply for loan to HP Financial Corporation and submit and sign necessary documents/papers.

**FORMAT-B**

**Particulars of Proprietor, Partners, Directors etc**

Name of Prop/partners/ Directors	Qualification Experience in the line	Mode and amount of Remuneration per Month	Investment of individual in this concern or nature and value of shares held (Rs)
1			
2			
3			
4			
5			
6			

Particulars of immovable property owned by individual			Particulars of moveable assets owned by individual		Name of the other concerns in which they are interested and in what capacity
Nature	Location	Value Rs	Location	Value Rs.	
1					
2					
3					
4					
5					
6					

Attach the following documents:

- a) Affidavit as per prescribed format for assets & liabilities
- b) Three passport size photographs of promoter(s) duly attested
- c) Copy of antecedent/identification proof of promoter/directors to be got verified by showing original to the official/officer of the Corporation
- d) Copy of income tax returns of the promoters/existing companies for the last three years.

**FORMAT-C****Comparative Statement of Financial Position of**  
**For the years ended**

(Rs.in lacs)

Balance Sheet	As at	As at	As at
<b>LIABILITIES</b>			
Authorised capital			
Issued capital			
Paid up capital			
General reserve			
Development Rebate Reserve			
Other Reserves			
Balance in profit and loss account (profit)			
<b><u>I. Total of Capital and Reserve</u></b>			
Debentures			
Term loans			
<b><u>II Total of term debts</u></b>			
<b>Current liabilities</b>			
Loans and advances from Banks			
a) Secured			
b) Unsecured			
Loans and advances from others:			
b. Secured			
c. Unsecured			
i) Deposits			
ii) Others			
<b>Other Current Liabilities</b>			
Sundry creditors			
Liabilities for expenses on account of salaries, wages, bonus, rent, interest etc			
Other liabilities			
<b>Provisions</b>			
Taxation			
Other provisions			
<b>III Total of current liabilities</b>			
<b>Total of liabilities</b>			
<b>Fixed Assets</b>			
Fixed assets (less depreciation)			
other Capital Expenditure (Building under construction Plant & Machinery under installation and connected expenses			
<b>IV Total of Fixed assets</b>			
<b>Current Assets</b>			
Investments			
Quoted			
Unquoted			
Stocks, stores, spare parts etc			
Sundry debtors			
Loans and Advances			
Others			

**V Total of Current Assets**

Balance in profit & loss account  
(Loss)

\*other(specify) i.e. capitalized expenses  
Such as preliminary expenses good will etc

**VI Total of other assets****Total of Assets****Contingent Liabilities****Profit & Loss Account**

Net Sales

Closing stock (of finished goods and goods  
In process)

Other income

**I. Total income**

Opening stock of (finished goods and goods  
In process)

Raw materials and stores consumed (i.e.  
Opening stock plus purchases less closing  
Stock)

Salaries and wages etc

Remuneration interest paid to Director/  
Directors

Power & Fuel

Repairs and maintenance

Interest

Selling expenses

Depreciation

Development Rebate/other reserves

Other expenses

**II Total expenses**

Percentage of profit/loss to sales

Tax paid (including advance tax)

**III Net profit & loss (I minus II)****IV Appropriations of net profits**

Taxation

General Reserve

Other Reserves & provisions

Dividends

(Rate of dividends)

FORMAT -D

(This letter should, in the case of the applicant or any other concern, be written on printed letter head and signed by a person or persons authorized to operate the account with the bankers. It should be forwarded to the bank direct, endorsing a copy to the Corporation).

The Manager,  
Dated

\_\_\_\_\_  
(Name and address of the bankers  
to be inserted here)

Dear Sir,

We hereby authorize you to discuss with Himachal Pradesh Financial Corporation, to which we are making an application for financial assistance our affairs or any matter relating thereto and to disclose such information or furnish such statements as the aforesaid Corporation may request of you.

Yours faithfully,

\_\_\_\_\_  
Signature of authorized  
person with stamp (seal if  
any)

(Form of letter addressed to the Bankers of the applicant concern/Proprietor,  
Partner, Director, Secretary of Treasurer of the applicant concern.)

**Capital cost of the Project**

Particulars	Cost already incurred	Cost to be incurred	Total
<b>A. Land</b>			
a) Cost of land **in case of leasehold land, premium payable and the annual or monthly ground rent paid to be shown. Where land is purchased on deferred payment basis, installments paid to be indicated.			
<b>B Site Developments</b>			
a) Leveling			
b) Retaining Walls			
c) Roads & Drain Colverts			
d) Boundary Wall/ Fencing			
e) Gate etc.			
<b>C. Buildings</b>			
a) Main Factory Building			
b) Administrative Block			
c) Godowns/ Store			
d) Others (Please specify)			
Total			
<b>C. Plant &amp; Machinery</b>			
<b>a) Imported Plant &amp; Machinery</b>			
i) Cost of Imported Plant & Machinery and auxiliaries			
ii) Insurance and freight			
iii) Import duty (indicating the rate)			
<b>b) Indigenous Plant &amp; Machinery</b>			
i) Indigenous equipment (including sales tax, octroi and other taxes)			
ii) Spare parts for imported and indigenous equipment			
iii) Clearing and/or transportation charges upto site on both imported and indigenous equipment (indicating the basis)			
vi) Erection charges.			
vii) Sale tax/ excise duty etc.			
Total			
<b>D. Miscellaneous Fixed Assets</b>			
i) Equipment for supply and treatment of			

water and storage facilities			
ii)Effluent treatment and disposal plant			
iii)Workshop, laboratory and fire fighting equipment			
iv)Vehicles			
v)Furniture & fixtures etc with details			
vi) Transformer			
vii) Cabling and Electrical Line			
viii) Fire Fighting Equipment			
<b>Total</b>			
<b>E. Technical know how and Engineering Fees and Expenses</b>			
<b>F. Preliminary and Pre-operative expenses</b>			
a) Preliminary and capital issue expenses (legal expenses, brokerage, commission etc to be shown separately)			
b) Pre-operative expenses upto start up of normal production			
i) Working expenses			
ii)Expenses for training personnel			
iii)Interest on borrowing guarantee charge etc			
iv) Mortgage expenses (stamp duty, registration charges etc)			
v) Interest on deferred payments, if any			
<b>Total</b>			
<b>G. Provision for Escalation and contingencies</b> Indicate basis of estimate and the percentage of the provision to the cost of items whose estimates are not firm (give particulars of such items and amount concerned)			
<b>H. Misc. (any items not listed above to be shown separately)</b>			
<b>I Margin for working capital</b>			
Margin provided for			
<b>TOTAL COST OF PROJECT</b>			

ANNEXURE-II

MEANS OF FINANCING

<b>Particulars</b>	<b>Already arranged for</b>	<b>To be arranged for</b>	<b>Total</b>
<b>A) Promoters Contribution</b>			
1. Share Capital			
2. Capital of the Partners			
3. Long Term Unsecured Loans			
4. Capital Investment Subsidy (Not Back Ended Subsidy)			
5. Internal Accruals/ Reserve & Surpluses.			
<b>B) Term Loan from HPFC</b>			
<b>C) Term Loan from Other FIs/ Banks</b>			
<b>D) Deferred payments</b>			
<b>E) Any other source</b>			
<b>TOTAL</b>			
<b>Promoter's share percentage of project cost</b>			
<b>Debt equity ratio</b>			

**ANNEXURE-III**

**Statement showing capacity, production, sales etc for major products\***

Name of the product No. 1		PAST		FUTURE ESTIMATE		
		Year	Year	Ist year	2 <sup>nd</sup> year	3 <sup>rd</sup> year
	1. Installed capacity					
	2. No. of working days					
	3. No. of shifts					
	4. Annual production (Qty)					
	5. Sales (Qty)					
	6. Value					

Name of the product No. II		PAST		FUTURE ESTIMATE		
		Year	Year	Ist year	2 <sup>nd</sup> year	3 <sup>rd</sup> year
	1. Installed capacity					
	2. No. of working days					
	3. No. of shifts					
	4. Annual production (Qty)					
	5. Sales (Qty)					
	6. Value					

Name of the product No. III		PAST		FUTURE ESTIMATE		
		Year	Year	Ist year	2 <sup>nd</sup> year	3 <sup>rd</sup> year
	1. Installed capacity					
	2. No. of working days					
	3. No. of shifts					
	4. Annual production (Qty)					
	5. Sales (Qty)					
	6. Value					

Name of the product No. IV		PAST		FUTURE ESTIMATE		
		Year	Year	Ist year	2 <sup>nd</sup> year	3 <sup>rd</sup> year
	1. Installed capacity					
	2. No. of working days					
	3. No. of shifts					
	4. Annual production (Qty)					
	5. Sales (Qty)					
	6. Value					

Total:

(\*In the case of an existing unit, give the information for the current year and the previous year and for the next three years)

## Annexure-IV

### ASSUMPTIONS FOR PROJECTIONS OF PROFITABILITY ESTIMATES

Assumptions	Basis
Interest on Term loans proposed (%) per annum	As per prevailing rate of interest of the Corporation
Interest on Term Loans Existing	As per loan documents executed
Interest on term loans existing others (%)	-do-
Interest on WCTL(%)	Prevailing rate of interest of the Corporation
Interest on Bank Finance for WC(%)	Prevailing rate of interest of the Bank.
Interest on unsecured Loan (%)	As per actual, if any
Repayment period – Term Loan proposed	Maximum upto __ years based on profitability and DSCR.
Balance Repay Period for existing TL - others	As per loan documents executed
Moratorium Period – Term Loan proposed	Maximum 2 years depending upon the project
Repayment Period – Soft loan	7 years including moratorium period of 3 years
Repayment Period WCTL	3 years to 7 years
Income tax (%)	Prevailing income tax norm as per Income Tax Act.
Depreciation on Buildings (%)	Prevailing income tax norm and life of building
Depreciation on plant & machinery (%)	Prevailing income tax norm and life of machinery
Depreciation on misc fixed assets (%)	Prevailing income tax norm and life of MFA.
Total installed capacity	Based on number of shifts and production capacity of the machinery for 300 days in a year.
Installed capacity for 1 <sup>st</sup> year	Depending upon industry and its capacity utilisation
Installed capacity for 2 <sup>nd</sup> year	Depending upon industry and its capacity utilisation
Installed capacity for 3 <sup>rd</sup> year and onwards	Depending upon industry and its capacity utilisation
Power charges	Prevailing HPSEB rates
Repair & maintenance	2 to 5 % depending upon nature of industry
Selling expenses	2 to 10% depending upon the type of product
Sale price	Based on price of similar product in the market.
Raw material prices	Prevailing rates in the market
Administrative expenses	1 to 3% of total sales and other misc expenses.
Salary and Wages	Prevailing market rate separately for skilled and unskilled staff and nature of industry
Increase in Salary & Wages	In every year
Fringe benefits	Of salary & wages
Assumptions for working capital margin	
- Raw material	1 month depending on type of industry
- Goods in process	1 month depending on type of industry
- Finished goods	1 month depending on type of industry
- Utilities	1 month depending on type of industry
- Salary & wages	1 month depending on type of industry
- Sundry debtors	25 days and depending on type of industry
- Sundry creditors	25 days depending on type of industry

**CALCULATION OF WORKING CAPITAL REQUIREMENT**

(This statement should be prepared for a period of seven years or for the period of currency of the assistance from the Corporation.) **Rs. Lac**

S.No	Description	Margin %	Basis No of Month	IST YEAR			IInd YEAR			IIIInd YEAR		
				Total	Bank Loan	Margin Money	Total	Bank Loan	Margin Money	Total	Bank Loan	Margin Money
1	Raw Material											
2	Goods in process											
3	Finished goods											
4	Salary & Wages											
5	Utilities											
6	Administrative											
7	Sundry Debtors											
8	Less: Creditors											
	<b>Total (Rs.)</b>											

**COST OF PRODUCTION & PROFITABILITY****ANNEXURE-VI**

This statement should be prepared for a period of seven years or  
for the period of currency of the assistance from the Corporation. ( Rs in Lacs)

	Const. Stage	Ist year	2nd year	3rd year	4th year	5th year	6th year	7th year	8th year
<b>PARTICULARS</b>									
A) Sales/income									
<b>B) COST OF PRODUCTION :</b>									
Raw Material									
Salary & Wages									
Utilities									
Consumables									
Repair & Maintenance									
Administrative Expenses									
Selling Expenses									
Others									
Profit before Interest & Depreciation									
-Depreciation									
-Interest on Working Capital									
-Interest on Term Loan									
<b>Total</b>									
C) Profit before tax									
D) Income tax									
E) Profit after tax									
d) Reserve & Surplus									

**DEBT SERVICE COVERAGE RATIO (DSCR)****ANNEXURE-VII**

Const. stage    Ist year    2nd year    3rd year    4th year    5th year    6th year    7th year    8th year

**PARTICULARS**

(Sources of funds)

- Profit

-Depreciation

-Interest on term loan

**Total(Rs)**

(Utilisation of funds)

Interest on loans :

-Term Loan

Repayment of loan

-Term Loan

**Total(Rs)**

AVERAGE DEBT SERVICE COVERAGE RATIO (DSCR) FOR REPAYMENT PERIOD:=

## CASH FLOW STATEMENT

PARTICULARS	Const. stage	Ist year	2nd year	3rd year	4th year	5th year	6th year	7th year	8th year
<b>A. SOURCES OF FUNDS:</b>									
- Share Capital/Internal Accruals									
- Term Loan									
- Profit (Net)									
- Depreciation									
- Current Liability									
<b>Total(Rs)</b>									
<b>B. USES OF FUNDS:</b>									
-Fixed Assets									
-Current Assets									
- Repayment term loan									
<b>Total(Rs)</b>									
C. Opening Balance									
D. Surplus/ Deficit									
E. Closing Cash/ Bank Balance									

## PROJECTED BALANCE SHEET

## ANNEXURE-IX

	Const. stage	Ist year	2nd year	3rd year	4th year	5th year	6th year	7th year	8th year
PARTICULARS									
LIABILITIES									
- Current Liabilities									
- Share Capital /Internal Accruals									
- Net Profit (Cummu.)									
- Term Loan									
a) Secured									
b) Unsecured									
Total(Rs)									
ASSETS									
-Fixed Assets –Land , Building, Machinery & equipment etc.									
Less: Depreciation written off upto date									
Net Fixed Assets									
-Current Assets									
-Cash in hand & Current A/c Balance									
Total(Rs)									

**BREAK EVEN POINT ANALYSIS****ANNEXURE-X**

Based on year of normal level of production (generally third year at %age of installed capacity)

**A) Sales****B) Variable Cost :**

Raw material

Power &amp; Fuel

Selling Expenses

Salary &amp; wages

Intt. Working Capital

Administrative Exp.

Statutory Expenses

**C) Contribution (A-B)**

<b>D) Fixed Expenses :</b>	
Salary & Wages	
Repair & Maint.	
Depreciation	
Intt. on term loan	
Administrative Exp.	
<b>Break Even Point in terms of percentage of installed capacity</b>	<b>(Fixed Cost) *(% age utilization of installed capacity)/(contribution)</b>
<b>Break Even Point in terms of amount of sales</b>	<b>(Fixed Cost) *(in terms of amount of sales)/(contribution)</b>
<b>Break Even Point on cash basis</b>	<b>As above without taking into consideration depreciation and part of fixed assets</b>

**CALCULATION OF INTERNAL RATE  
OF RETURN BEFORE TAX**

**ANNEXURE-XI**

<b>Year</b>	<b>Cash out flow</b>	<b>Cash inflow</b>	<b>Net cash receipt</b>
0			
1			
2			
3.....			

IRR to be calculated for 10 to 15 years

## ANNEXURE-XII

<b>Implementation schedule</b>			
<b>S. No.</b>	<b>Description of event</b>	<b>Period in months</b>	<b>Completion Date</b>
1.	Acquisition of land		
2.	Mortgage of land		
3.	Construction of building Commencement Completion		
4.	Plant & Machinery i) Placement of order with the suppliers with advance ii) Delivery of machinery iii) Erection and commissioning		
5.	Trial run		
6.	Working capital sanction		
7.	Full production		
8.	Disbursement schedule i) First disbursement ii) Last disbursement		
9.	Gestation period		
10.	First instalment due		

### Annexure-XIII

#### Working Results of Existing/Sister Concerns Based on Simplified Balance Sheet (For the last three years)

	(Rs. in lacs)		
	Year 1	Year 2	Year 3
<b>5. Authorised share capital</b>			
<b>6. Issued/subscribed/paid up share capital</b>			
<b>7. Reserves &amp; surpluses</b>			
<b>8. Investments</b>			
<b>9. Net Worth</b>			
<b>10. Secured loans i/c WCTL</b>			
<b>11. Unsecured loans</b>			
<b>12. Net Fixed assets</b>			
<b>13. Net current assets Sales</b>			
<b>14. Sales</b>			
<b>15. Other incomes if any</b>			
<b>16. Depreciation</b>			
<b>17. Net profit</b>			

#### Simplification of balance sheet

The analysis of balance sheet involves the process of simplifying i.e. re-grouping or re-modeling, the given items of the balance sheet. Such simplification shall help in judging the financial soundness of the concern, liquidity position, earning potential and creditworthiness of the borrower. The analysis can be more meaningful and reliable if balance sheets of the last three years are available and a comparison inter se is made. This will enable the borrower to judge the company's past and present performance and also help in foreseeing the future prospects.



## CHECK LIST FOR THE DOCUMENTS

- I. **Essential documents required for starting appraisal work:**
  - 1 In case of companies, copy of the resolution of the Board of Directors duly authorizing any of the two directors for applying for loans i.e. term loan, soft loan and working capital loan to HPFC and to authenticate, sign and submit necessary documents/information.
  - 2 Authenticated copy of memorandum of articles and associations of the Company duly certified and attested copy of certificate of incorporation.
  - 3 In case of societies, copy of resolution passed by the Members of the Society authorizing atleast two members for applying for loans i.e. term loan, soft loan and working capital loan to HPFC and to authenticate, sign and submit necessary documents.
  - 4 Certified copy of partnership deed duly registered with Registrar/Dy. Registrar of Firms under the partnership Act.
  - 5 Detailed bio-data of the promoters i.e. name, father's name, qualification, age, permanent and correspondence address, experience etc alongwith 3 attested passport size photographs, affidavit of assets (immoveable and moveable) and liabilities duly attested by Magistrate, or Oath Commissioner and or Notary on the prescribed format of the Corporation and name of other concerns in which the promoters are having interest. This should be supported with necessary documentary proof. Copy of returns of wealth tax and income tax for the last 3 years alongwith identification/residential proof from one of the following documents:
    - a. Residential domicile certificate
    - b. Passport
    - c. Income tax PANCopies be enclosed - original to be shown during the course of appraisal to the Corporation.
  - 6 Authorization letter to Banks on the letter head of the concern on the prescribed format at Annexure-D of application form to disclose information or such statements as the Corporation may request.
  - 7 Copy of the sale deed and other revenue papers such as latest tatima, latest jamabandi and key plan indicating the important land marks of free hold land and copy of registered lease/rent deed in case lease hold land. These documents should be submitted for land where the unit is being set up and also for the land being offered as collateral security.
  - 8 Search report for clear marketable title of primary as well as collateral security from approved Advocate in the panel of the Corporation as per prescribed format of the Corporation.
  - 9 Two copies of approved plan and elevation of the proposed as well as existing building alongwith letter of approval of competent authority alongwith detailed estimates for civil works from qualified Architect/Civil Engineer based on HPPWD schedule.

- 10 Complete list of existing machinery/MFA with date of purchase, value of each item separately and detailed list of proposed machinery/MFA from the indigenous and imported source giving names of supplier, price, specifications and quotations with terms & conditions and catalogues from atleast 2 reputed suppliers and reasons for selecting a particular supplier. Copy of lay out plan of the machinery is also required to be attached.
- 11 Justification/requirement for the covered area provided in the building with manufacturing flow chart.
- 12 Annual requirement of raw material required, price alongwith basis of price with documentary proof and sources of procurement.
- 13 Basis for the sale price of final product taken in the project alongwith supporting documents.
- 14 Name & address of the principal customers and particulars of firm orders in hand and assurance letters from prospective customers.
- 15 Arrangements made for technical know how including name and particulars of collaborator ad copy of collaboration agreement.
- 16 Bio-data of senior administrative, managerial and technical personnel and chart relating to the proposed organisation structure of the company alongwith supporting papers.
- 17 Sources of funds to meet the promoters contribution alongwith supporting documents as given in means of finance.
- 18 Detail of working capital tie up with commercial bank/institution
- 19 Estimates for power line and transformers etc and calculation of power requirement.
- 20 Estimates for pollution control equipments to be installed.
- 21 Arrangements for water alongwith estimates for the tube well clearly indicating the water level in that area.
- 22 Certified copy of the approval obtained from Single Window Clearance & Monitoring Agency, if required, in case of medium scale industry.
- 23 Any other information considered important by the promoters or as may be asked by the Corporation.

## **II Other documents to be submitted during the course of appraisal**

- 1 Permission letter for mortgaging/assigning lease hold rights from the lessor of plot/building.
- 2 Copy of power availability certificate from HPSEB
- 3 NOC from HP Pollution Control Board
- 4 Copy of provisional registration certificate from Inds Deptt and recommendation letter from Tourism Deptt in case of Hotel.
- 5 NOC from HPPWD/NH authorities if the unit is being set up on the State/National Highway.
- 6 NOC from local bodies, if any.
- 7 Acknowledgment with Secretariat for Industrial Assistance (SIA), Ministry of Commerce and Industry, Govt of India, New Delhi in case of medium scale units.

## SUMMAR OF GUIDELINES CUM CHECK LIST FOR DETAILED PROJECT REPORT(DPR)

The project report is one of important documents needed for financing from financial institutions. It is a blue print of activities that an borrower proposes to engage and is an essential exercise required for purpose of developing cost and profit estimates, resource planning and feasibility testing. Therefore, it is advised to the borrower to ensure that the points given in the check list are covered in the proposal(DPR).

### **1. Summary**

- i) What is being proposed
  - Product/Service
  - Location
  - Ownership
  - Project cost
- ii) What is wanted
  - Funding pattern including term loan and working capital loan requirement
  - Assistance regarding technical collaboration

### **2. Introduction**

- i) Current industrial status in the country
- ii) Current status of the industry in the international scene (if the proposed project is operated at international level in terms of marketing)
- iii) Rationale for project selection

### **3. About the Promoter**

- i) Educational background, work experience, project related experience
- ii) Similar information for any other key persons associated in promoting the project.
- iii) If the State is one of the promoters, and if the project has international ramification with respect to marketing, technology, etc, the information regarding similar projects promoted by the State is to be provided.

### **4. About the Project**

- i) Description of product and its use
- ii) Installed capacity
- iii) Operating capacity (for details see 8.4)
- iv) A write up on what will distinguish the proposed project from others already operating in the market place

- v) Any legal requirements/Stipulations regarding the product at national/international level? Describe.
  - vi) Clearances from government and other regulatory agencies for setting up of the project – what are they and what is the status with regard to obtaining such clearances.
- 5. About the Location**
- vii) Exact location of the project
  - viii) Various alternatives available which have been examined
  - ix) Criteria for selecting the location
  - x) Locational advantages including infrastructural facilities available at the location
- 6. Land and Building**
- i) Area of land
  - ii) Constructed area
  - iii) Type of Construction
  - iv) Cost
- 7. Plant & Machinery**
- i) Capacity
  - ii) Equipment balancing
  - iii) Suppliers
  - iv) Cost
  - v) Various alternatives available
  - vi) Criteria for choosing the proposed equipments amongst several alternatives
- 8. Miscellaneous Assets**
- i) Nature of miscellaneous assets that form a part of the project. For example, air conditioning system, office automation equipments etc
  - ii) Itemised description of such assets alongwith cost and sources of procuring
- 9. Production Processing**
- i) Description of the production process
  - ii) Process flow chart
  - iii) Details of technology
    - Has the technology been developed indigenous or would be technology be brought out from certain sources within or outside the country?
    - What are the arrangements for technical know-how?
    - What are the technology alternatives available?
    - How these alternatives have been evaluated
    - What are the possibilities of change in the technology in the course of time and how the project proposes to adopt such changes
    - Various process parameters.
- 10. Production programme**
- i) Time required to make one unit of the production

- ii) How much/how many in one week, one month, first year, 2<sup>nd</sup> year and so on upto 10 years
- iii) Input-output ratio
- iv) Any national or international standards set for product quality? If so how they are to be maintained such respect to production programme and production process.

**11. Raw Material**

- i) List of raw materials needed
- ii) Quantity required for one unit of output
- iii) Quantity needed in the first year, second year and so on upto 10 years
- iv) Quality specifications for the raw materials
- v) Sources of procurement, if the raw materials are to be procured from the international market, are there any restrictions on supply?
- vi) Cost of raw materials for the first year, 2<sup>nd</sup> year and so on upto 10 years
- vii) Supply position i.e. Position regarding availability of the raw materials
- viii) Any tie-up arrangement for procurement of raw materials.
- ix) Are there alternate raw materials other than what is proposed to be used? Have such alternatives been examined? Provide details.

**12. Utilities**

- i) Requirements of power, water, compressed air and other consumables
- ii) Source of said materials
- iii) Position regarding availability of said materials
- iv) Any specific arrangements for electric power

**13. Manpower**

- i) Requirement of skilled, semi-skilled personnel for production operations for the first year, second year and so on for upto repayment period of project.
- ii) Requirement of administrative/managerial staff and marketing personnel
- iii) Cost of man power during first year, second year and so on for 10 years.
- iv) Position regarding availability of skilled man power
- v) Any scheme for training skilled man power in case they are not readily available. Describe

**14. Market:**

- i) Current market status
  - What are the major end uses of the product?
  - Are there any substitute products available in the market?
  - Is the proposed product a substitute for on already existing product in the market?
  - Who are the major buyers?
  - Who influences purchase decision?

What are the major criteria that a buyer looks for while

- purchasing the product?
  - Are there similar products available in the market? If so, what are the major attributes of such products?
  - Status regarding competitors at the regional/national level and at the international level if the project is expected to market the products in the international scene.
  - What are the major strengths and weaknesses of the competitors?
  - How the product proposed to be manufactured would differ from the products already available in the market.
  - On what strengths does the project propose to make an entry into the market and capture a reasonable market share?
  - What are the trade practices being adopted by the competitors or those producing the product currently in the market place?
  - What are the trade channels normally adopted by the competitors?
- ii) Proposed approach towards marketing
  - The geographical area that would constitute the limit for marketing the product – regional, national, international (name/s)
  - Distribution channel you wish to adopt
  - Trade practice
  - The strategy that you have in mind for entering the market and promoting sales

**15. Working Capital Requirements**

- i) What would be the stock levels of raw material, work-in-progress and finished goods? Why such stock levels have to be maintained? What is the amount involved in the stock of raw materials, work-in-progress and finished goods?
- ii) What would be the extent of credit facilities to be offered to the buyers? It has to be reflected in terms of the cost of that quantum of goods against which payment would be outstanding at any given point of time considering the length of credit facility offered.
- iii) Based on the above the total working capital requirement is to be calculated and the sources to meet the same has to be indicated.
- iv) If foreign currency loan is being sought for import of raw materials on a regular basis from outside the country details of the requirements have to be provided.
- v) What is the nature and extent of credit facilities available from the suppliers of raw materials? The same have to be accounted for while arriving at the working capital requirement.
- vi) The arrangements for financing working capital are to be indicated.

**16. Requirement of funds**

- i) Cost of the project giving a break up of the cost of land, building, machineries, miscellaneous assets, technical know-how fees if any, preliminary/pre-operative expenses, contingencies and margin money for working capital.

- ii) The proposed funding pattern to meet the cost of setting up the project requirements of funds from financial institutions towards capital expenditure and contribution from the promoters of the projects. Also include any other sources of funds including subsidies available from the state.

- 17. Cost of production and profitability projections for 8 years**  
**18. Cash flow statements**  
**19. Break even Analysis**  
**20. Implementation schedule**

<i>S. No.</i>	<i>Description</i>	<i>Months</i>											
		<i>0</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>						
1	Submission of term loan application/fee												
2	Submission of all documents and discussions with Appraising Officer												
3	Term loan sanctioned												
4	Mortgage of land												
5	Building construction												
6	Tie up with supply utilities												
7	Placing order for machinery												
8	Receipt & installation of machinery												
9	Working capital tie up												
10	Recruitment of key personnel												
11	Trial production												
12	Commencement of commercial production												
13	First repayment date												