

**The Managing Director,
J&K Development Finance Corporation Ltd.,
Srinagar / Jammu.**

Dear Sir,

Subject: Application for grant of Term/Working Capital loan of Rs. _____

I/we intend to set up a unit for manufacture of _____ at _____ and request you to sanction Term Loan of Rs. _____ lakhs repayable within _____ years and Working Capital Term Loan (WCTL) of Rs. _____ for a period of one year subject to renewal at the option of the JKDFC.

The requisite information is given here under:-

1. Name of the Industrial concern (in block letters) M/s.....

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2. Address

a) Registered Office

b) Factory
(Present / Proposed)

c) Address for correspondence.....

.....

d) Telephone No's :

Fax No. :

E. mail :

3. Constitution :

(Please put tick mark)

Sole Proprietorship /

Partnership

HUF

Company

4. **Date of incorporation/ Registration**.....
5. **Date of Commencement of Business**.....
6. **Line of Manufacturing Activity**
7. **Bio Data of main Promoters / Partners**

| S. .No | Name & Address | Qualifi- cation | Age | Experience | Capital deployed or agreed to be deployed for this unit |
|-----------|----------------|--------------------|-----|------------|--|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |

(Attach on separate sheets the details of Sister/ Allied Concerns in which the above Promoters/Partners are interested as directors/Partners/Promoters. Also give names of the bankers with whom these concerns are dealing and indicate facilities availed from them credit rating if any allotted to these concerns by the said bankers, Health code and rate of interest being charged. Please advise your bankers to give full information to the Corporation as & when a request in this regard is made to them by the Corporation. Attach a copy of letter addressed to the bankers in this behalf. Please attach the copies of the latest Income Tax Assessment orders of the Promoters / Directors / Partners as also the sister concerns besides indicating whether the liabilities on a/c of sales tax, Excise and other statutory obligation have been settled upto date.)

Enclosures :

- a) Memorandum & Articles of Association
- b) Audited Balance Sheets/P&L A/C for last three years of the concern and also of Promoters & Sister concerns.
- c) Projected Fund Flow Statement (for three years)
- d) Copy of Agreement entered into amongst the Promoters with the Share holding pattern.
- e) Statement of Assets & Liabilities of Promoters/Partners with value duly certified.

8. Permissions / Licenses/ Registration obtained/Required:

- Registration certificate (SIA/DIC) (Enclose copy)
 Power Sanction letter (Enclose copy)
 Pollution Control Board clearance (Enclose copy)
 NOC from Forest Deptt. in case of
 Wood based industry (Enclose copy)
 Registration /License from Drug
 Controller in case of Pharma unit (Enclose copy)
 Tourism Deptt in case of Hotels/
 Guest House (Enclose copy)
 Sale Tax (Enclose copy)
 Excise Deptt. (Enclose copy)
 Income Tax Deptt. PAN CARD (Enclose copy)

9. Detailed information about Key Technical Staff/ Executives :

(if more than four provide through Anx.)

| S. No | Name & Designation | Age | Qualification | Experience | Also indicate whether he is Promoter/Director / Managing Partner/Partner |
|-------|--------------------|-------|---------------|------------|--|
| 1 | _____ | _____ | _____ | _____ | _____ |
| 2 | _____ | _____ | _____ | _____ | _____ |
| 3 | _____ | _____ | _____ | _____ | _____ |
| 4 | _____ | _____ | _____ | _____ | _____ |

10. Status of tax assessed (Year)

(In case of existing concerns)

- Income Tax :
- Sale Tax :
- Excise Duty :

Particulars of the Project

1. Details of the project for which financial assistance is sought.

- i) Setting up of new plant
- ii) Expansion of the existing plant
- iii) Diversification of Product (s)
- iv) Modernization of Plant

| 2. <u>Details of Capacity :</u> (Per day/week/month/year) | Present | Proposed |
|---|----------------|-----------------|
| i) Licensed Capacity : | _____ | _____ |
| ii) Installed Capacity : | _____ | _____ |
| iii) Capacity Utilisation | _____ | _____ |
| (a) Quantity | _____ | _____ |
| (b) Value | _____ | _____ |
| iv) No. of working Days per : year | _____ | _____ |
| v) No. of Shifts : | _____ | _____ |
| vi) Employments (in no.'s): | _____ | _____ |
| Technical | _____ | _____ |
| Administrative | _____ | _____ |
| Supervisory | _____ | _____ |
| Skilled workers | _____ | _____ |
| Semi Skilled workers | _____ | _____ |
| Un Skilled workers | _____ | _____ |

3(i) Manufacturing process

(ii) Bye Products

} Give brief write up

(iii) Demand Supply Gap (Indicate existing capacity viz-a- viz demand duly supported with Authentic Data.)

(iv) Possibilities of Diversification in the product line in future

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Is the proposed process a new one or already tried in the country /State

4. Technical Arrangements:-

(i) Technical Arrangements made /proposed for implementation of the project (indicate whether any agency is proposed for project execution on turn key basis).....

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(ii) Arrangements made for Quality Control (if ISI/Agmark specification are followed, No of ISI/Agmark standard with particulars there of should be provided).

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(iii) Whether intending to get ISO certification.

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(iv) If any collaboration is involved (furnish a detailed write up on the collaborators like plant already supplied /setup with copy of the collaboration agreement).

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(v) If any Technical Consultants are engaged (Provide details mentioning name, address, fees payable, stages of payment, scope of work assigned etc alongwith the copy of Agreement if any).

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Enclose :

- a) Copy of detailed techno economic Project Report / feasibility report
- b) Copy of Govt. approvals required / obtained for collaborations (foreign collaborators/foreign consultants/foreign technicians)
- c) Copy of the resolution passed by the Board of Directors of the Applicant company for availing the Term loan/working capital Term loan/working capital as per the prescribed formate.

5. Infrastructure Arrangements:-

i) LAND/SITE DEVELOPMENT

Location of Land

(Owned/Acquired / proposed)

Land acquired from :

Area of land :

Total cost of land:

Space for Factory building :

Space for Ancillary building :

Space for open/covered storage :

Space for Housing colony :

Title of land (Free Hold / Leased :

If Lease (enclose a copy of agreement)

Type of soil in terms of load bearing capacity (enclose copy of Report)

Technical Advantages in terms of location of land concerned (as proximity to source of raw materials, Market, Fuel, Water Supply, Electric supply, Transportation, Labour and disposal of wastage).

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Cost of site development (Give details e.g leveling, laying of roads, fencing, compound wall etc.).

Enclose :

- a) Copy of Sale/ Lease Deed
- b) Location Map (site plan)
- c) Latest Intikhab girdawari, Indikhab Jamabandi, Ask Shajra Khasra (not more than three months old) in case land is inherited owned indicating the ownership of land (valuation certificate by Tehsildar)

Building(s) :

Covered Area (give details) with type of construction, No. of floors, length, breadth total floor area, average height of each floor, cost per Sq.m, name of Contractor/ Agency.

Estimated Cost (Rs. In Lacs) : _____

Whether building permission obtained from Competent Authorities. (If yes, furnish copy with approved design layout plan etc.)

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Arrangements made for construction of building (if through Architect Provided details of Architect such as Name, Address, scope of work, fees payable, past experience, period of completion, etc. along with copy of agreement/work order issued to Architect).

(ii) Plant & Machinery/Misc. fixed Assets

a) Existing Units (Give detailed specification / value supported with Chartered Engineers Certificate.)

b) Proposed to be purchased

(Rs in lacs)

i) Indigenous

ii) Imported

Estimated Cost (Rs in Lacs) : _____

Basis for Selection of Equipment (P&M)

(Give name /address of the Co's /Units to whom the P&M has been supplied by the proposed supplier, enclose Plant layout, copy of agreement with Machinery supplier, quotations received, copy of performance Gurantee).

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Arrangements made / proposed for Erection and Commissioning of the plant with supporting documents.....

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- (iv) **UTILITIES** (Enclose copy of agreement with Electricity Board & copy of Electric layout of the Plant)

Source :

a) Purchased / Purchased from Govt.

b) Own Generation
Stand By arrangement

Maximum Requirement :

Connected Load :

Peak Hour Requirements :

Power tariff Rates (per unit) :

Cost of own Generation (per unit) :

Estimate Cost of Power :

- (v) **Water Supply** (Enclose copy of letter of sanction & layout for the Water system)

Source of water Supply :

Requirements (in terms of Qty.) :

Estimated Cost of water Supply :

Estimated Cost of the tanks/reservoirs:

- (vi) **Transport :**

Arrangements proposed for carrying raw material and finished goods.

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- (vii) **Effluent Treatment / Pollution Control:**

Arrangements made for effluent / treatment Pollution control
(Details to be furnished along with the copy of permission from
competent authorities for the same).

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(Viii) **Expected Date of starting project :** _____

(ix) **Schedule of implementation :** (____ Year ____ Months)
(Period)

| | <u>Commencement</u> | | <u>Completion</u> | |
|---------------------------------|--|-------|--------------------------|-------|
| | Month | Year | Month | year |
| a) Acquisition of Land | _____ | _____ | _____ | _____ |
| b) Development of Land | _____ | _____ | _____ | _____ |
| c) Civil works | _____ | _____ | _____ | _____ |
| Factory Building | _____ | _____ | _____ | _____ |
| Machinery Foundation | _____ | _____ | _____ | _____ |
| Auxilliary Building | _____ | _____ | _____ | _____ |
| Admn. Building | _____ | _____ | _____ | _____ |
| Misc. Building | _____ | _____ | _____ | _____ |
| d) Plan & Machinery | | | | |
| Indigeneous | } Placement of order delivery at site | _____ | _____ | _____ |
| Imported | | _____ | _____ | _____ |
| e) Arrangements for Power | _____ | _____ | _____ | _____ |
| f) Arrangements for water | _____ | _____ | _____ | _____ |
| g) Errection of Equipment | _____ | _____ | _____ | _____ |
| h) Commissioning of Plant | _____ | _____ | _____ | _____ |
| i) Procurement of Raw materials | _____ | _____ | _____ | _____ |
| j) Training of Personnel | _____ | _____ | _____ | _____ |
| k) Trial Runs | _____ | _____ | _____ | _____ |
| l) Commercial production | _____ | _____ | _____ | _____ |

REQUIREMENT OF FUNDS FOR THE PROJECT:

| S.No | | Expenditure already Incurred | Expenditure proposed to be incurred | Total Expenditure |
|--------|---|------------------------------------|---|----------------------|
| (i) | Land & Site Development | _____ | _____ | _____ |
| (ii) | Construction of Building | _____ | _____ | _____ |
| (iii) | Plant & Machinery | _____ | _____ | _____ |
| | Indegenous | _____ | _____ | _____ |
| | Imported | _____ | _____ | _____ |
| (iv) | Technical know how Fees/ Feasibility report expenses | _____ | _____ | _____ |
| (v) | Expenditure for training of employees | _____ | _____ | _____ |
| (vi) | Misc. Fixed Assets | _____ | _____ | _____ |
| (vii) | Preliminary & Pre-opt Exp. | _____ | _____ | _____ |
| (viii) | Provision for contingencies indicating escalation | _____ | _____ | _____ |
| (ix) | Margin money for working capital | _____ | _____ | _____ |
| | Total | _____ | _____ | _____ |

SOURCE OF FUNDS:

| S.No | <u>Particulars</u> | Amt. Already incurred | Amt. proposed to be incurred | Total (Rs.in lacs) |
|-------|--|--------------------------|---------------------------------|--------------------------|
| (i) | <u>Equity (Capital)</u> | | | |
| | a) Promoters contributions* | _____ | _____ | _____ |
| | b) Unsecured Loans (in the form of Loans & Deposits indicating source and interest payable against each) | _____ | _____ | _____ |
| | Total | | | |
| (ii) | Term Loan | _____ | _____ | _____ |
| (iii) | Deferred payment Arrangements(including suppliers credit) | _____ | _____ | _____ |
| (iv) | Internal Cash Accruals | _____ | _____ | _____ |
| (v) | Other sources | _____ | _____ | _____ |
| | Total | _____ | _____ | _____ |

DEBT EQUITY RATIO

* Indicate source of Promoters Contribution with documentary evidence.

Raw Materials :

Type and availability of Raw materials/Method of acquisition /
maximum & average stocking contemplated at installed capacity
and over a period of next 5 years.

(Domestic / imported through agency)

Enclose a detailed write up about the production cycle.

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NATURE OF SECURITIES TO BE OFFERED

a) Primary security (1st charge)

- i) Mortgage of fixed assets (immovable property viz land, Building , Plant & Machinery etc. of the unit to be created)
- ii) Mortgage of existing building, Plant & Machinery etc in case the unit has not availed any loan facility.
- iii) Paripasu charge on the assets created out of finance from other FI's / banks.

b) Collateral Security

| | <u>Particulars</u> | <u>Location</u> | <u>Value</u> |
|------|---------------------------|------------------------|---------------------|
| i) | Land | _____ | _____ |
| ii) | Building | _____ | _____ |
| iii) | Other immovable property | _____ | _____ |

(Documentary evidence to be provided with regard to title &value thereof)

c) Third Party Guarantee

- (Give detailed particulars of guarantors with details of Assets & Liabilities)
- d) Power of attorney from the applicant

CERTIFICATE

I/we hereby certify that the particulars given above are furnished for the express purpose of securing loan/ financial assistance from J&K DFC Ltd. & are to the best of my /our knowledge & belief true and correct. No material fact has been concealed or withheld.

Yours faithfully,

Dated: _____

Signature(s)

ANNEXURE -I

Major Banker (Type of A/c maintained & Facilities Aailed-existing/
Associate concerns)

| Name & Address of Bank/ FI | Type of Loan | Limit Aailed (Rs) | Payment Position |
|-------------------------------|--------------|----------------------|---------------------|
| | | | |

Details of other Loans Aailed :

| Name & Address of Bank/ FI | Type of Loan | Limit Aailed (Rs) | Payment Position |
|-------------------------------|--------------|----------------------|---------------------|
| | | | |

ANNEXURE- II**Assessment of working capital Requirements****(Figures in 000s of Rs)**

| | 1st Year | 2nd Year | 3rd Year |
|---|----------------------------|----------------------------|----------------------------|
| I Current Assets | | | |
| 1. Raw Material including stores | | | |
| 1.1 Imported (Month's consumption) | | | |
| 1.2 Indigenous (Month's consumption) | | | |
| 2. Other Consumable Spares | | | |
| 3. Stocks-in-Process (Month's cost of production) | | | |
| 4. Finished Goods (Month's cost of Sale) | | | |
| 5. Receivable other than Export and Deferred Receivables (including Bill Purchased/ discounted by banks) (Month's Domestic Sales excluding deferred payment sales) | | | |
| 6. Export Receivables (including Bills Purchased / Discounted by banks) (Month's Export Sales) | | | |
| 7. Advances to Suppliers of Raw Materials and Stores/ Spares/ Consumables | | | |
| 8. Other Current Assets including cash and Bank balances and deferred receivables due within one year (furnish individual details of major items) | | | |
| Total Current Assets (I) | | | |
| II Current Liabilities | | | |
| 1. Creditors for purchase of raw materials and stores/ Spares/Consumables (Month's Purchases) | | | |
| 2. Advances from Customers | | | |
| 3. Accrued Expenses | | | |
| 4. Statutory Liabilities | | | |
| 5. Other Current Liabilities (Furnish individual details of major items) | | | |
| Total Current Liabilities (II) | | | |
| III Working Capital Gap (I-II) | | | |
| IV Margin for Working Capital | | | |
| V Bank Borrowings | | | |

ANNEXURE- III**Projections of Performance, Profitability and Repayment****(Figures in 000s of Rs.)**

| | 1st Year | 2nd Year | 3rd Year |
|--|----------------------------|----------------------------|----------------------------|
| A. Production during the Year(Quantity) | | | |
| % Utilization of installed capacity | | | |
| B. Sales | | | |
| 1. Sales including all miscellaneous receipts | | | |
| 2. Less Excise | | | |
| 3. Net Sales | | | |
| C. Cost of Production | | | |
| 1. Raw Material Consumed | | | |
| 2. Power and Fuel | | | |
| 3. Direct Labour and Wages | | | |
| 4. Consumable Stores | | | |
| 5. Repairs and Maintenance | | | |
| 6. Other Manufacturing Expenses | | | |
| 7. Depreciation /Development Rebate Reserve | | | |
| <hr/> | | | |
| Total Cost of Production | | | |
| <hr/> | | | |
| 8. Add Opening stock-in-process and finished goods | | | |
| 9. Deduct closing stock-in process and finished goods. | | | |
| D Cost of Sales {(7+8)-9} | | | |
| E. Gross Profit (B-D) | | | |
| F. Interest on | | | |
| 1. Term Loans | | | |
| 2. Working Capital | | | |
| 3. Other Loans, if any | | | |
| G. Selling, General & Administrative Expenses | | | |

H. Profit before Taxation {E-(F+G)}

I. Provision for Taxes

J. Net profit (H-I)

(Figures in 000s of Rs.)

| | 1 st Year | 2 nd Year | 3 rd Year |
|---------------------------------------|----------------------|----------------------|----------------------|
| K. Depreciation added back | | | |
| L. Net Cash Accruals | | | |
| M. Repayment obligations | | | |
| 1. Towards Term Loan | | | |
| 2. Towards other Loans, if any | | | |
| Total Repayment | | | |
| N. Debit Service ratio (L : M) | | | |

ANNEXURE- IV**Cash Flow Statement****(Figures in 000s of Rs.)**

| | 1st Year | 2nd Year | 3rd Year |
|---|----------------------------|----------------------------|----------------------------|
| A. Sources of Funds | | | |
| 1. Cash Accruals (viz. Net Profit before Taxation (Item H of Annexure-III) to which shall be added interest (items F of Annexure-III)). | | | |
| 2. Increase in share capital Equity/Preference. | | | |
| 3. Depreciation. | | | |
| 4. Increase in long-term loans/debentures. | | | |
| 5. Increase in deferred payment facilities. | | | |
| 6. Decrease in Unsecured loans/Deposits. | | | |
| 7. Increase in Unsecured loans and deposit. | | | |
| 8. Increase in bank borrowings for working capital. | | | |
| 9. Sales of fixed assets/investments. | | | |
| 10 Others (specify) | | | |
| <hr/> | | | |
| Total Sources (A) | | | |
| <hr/> | | | |
| B. Disposition of Funds | | | |
| 1. Preliminary and Pre-operative Expenses | | | |
| 2. Increase in Capital Expenditure | | | |
| 3. Increase in current assets | | | |
| 3.1 Inventories | | | |
| 3.2 Others | | | |
| 4. Decrease in long term loans/debentures | | | |
| 5. Decrease in Deferred payment facilities | | | |
| 6. Increase in Investments | | | |
| 7. Interest | | | |
| 8. Taxation | | | |
| 9. Dividend (amount& rate) | | | |
| 10 Other expenses (specify) | | | |
| <hr/> | | | |
| Total Disposition (B) | | | |
| <hr/> | | | |
| C. Opening Balance | | | |
| D. Net Surplus (A-B) | | | |
| E. Closing Balance | | | |

ANNEXURE- V

Form of Letter Addressed to the Bankers of the Applicant/Company/Society

The Manager,

(Name & Address of Bank (s)).

Dear Sir,

We hereby authorize you to discuss with the J&K Development Finance Corporation Ltd. to which we are making an application for grant of financial assistance, our affairs or any matter relating thereto and to disclose such information or furnish such statements as the said Corporation may request of you.

Yours faithfully

(This letter should be written on printed letterhead and signed by a person(s) authorized to operate the account with the banker. It should be forwarded to the Bank and a copy should be endorsed to the J&K Development Finance Corporation Ltd.).