APPENDIX 1.1
Loan Procedure (MANIDCO)

IDENTIFICATION OF PROJECT/PRODUCT.
Identify the project/product which you want to take up and the location of the unit. For better guidance, approach DICs/one of the approved Consultants. At this stage, consult list of industries which are in low/high priority. Negative/restricted list of MANIDCO and whether the proposed area will be acceptable to MANIDCO.

2. TYPE OF ORGANISATION.
Decide the type of organisation you want—sole-proprietorship, Partnership, Cooperative Societies or private/Public Limited Company, in consultation with a Consultant/DIC. For term Loan above Rs. 30.00 lakhs, it is compulsory to have the unit registered as private/Public Limited Company for which, get the Memorandum & Articles of Association approved by MANIDCO, at draft stage itself.

3. PREPARATION OF PROJECT REPORT, ETC.
Give assignment to any one of the approved Consultants, for preparation of Project Report/Techno-Economic Feasibility Report/Market Study and furnish all necessary information which they require. In the meantime, obtain a project profile for your proposed project. Reports prepared by the Entrepreneurs for loans above Rs. 2,00,000/- even approved Consultants is not acceptable unless the Entrepreneur is qualified and possess sufficient experience in the line of activity. Reports shall be signed by the Consultants with their office Seal.

4. SSI REGISTRATION.
Find out whether the project under Small Scale Sector (SSI) (Plant & machinery costing upto Rs.35.00 lakhs) or Medium Scale Sector and then take following steps:

a) If SSI Unit: Approach concerned DIC and obtain application form for SSI Regn. Submit this duly filled in with a copy of project profile and necessary documents to that D/C. In case of Mills, factory permit is compulsory:- Rice, Oil, Saw Mill, etc, first contact Factory Section, Directorate of Industries, for getting permit/letter of intent before SSI Regn. Obtain the Registration Certificate(Provisional) which remains valid for one year, renewable for another one year. When commercial production starts. Convert it into a permanent (PMT) Registration.
5. **LOAN APPLICATION FORM ETC.**

After obtaining the SSI or DGTD Registration or Letter of intent and Project Report/ Techno- Economic Feasibility Report, visit MANIDCO for obtaining loan application form Guarantee form on payment of following fees:

a) For Loans upto Rs. 50,000/- = Rs. 10/-
b) For Loan above Rs. 50,000/- to Rs. 2,00,000/- = Rs. 50/-
c) For Loan above Rs. 2,00,000/- = Rs. 200/-
d) For vehicle Loan = Rs. 100/-

Collect the report after satisfying yourself with its contacts. Please ensure that following points are covered in the Report:

a) In what way the Society will be benefited from your project:

b) Detailed Technical Report covering, the following points:

   i) Basis of selection of plant and machinery.

   ii) Detailed write-up on process and method of production, process flow chart, etc.

   iii) Fair estimates of the quantity and value (including unit cost different types of raw materials and consumables their sources of supply, market prices, controlled prices, Licenses required and obtained/ to be obtained. If the raw materials are available locally a detailed write-up may also be given above the availability vis-a-vis other States.

   iv) Detailed calculation of power and fuel with quantity and value and their prices.

   v) Total space to be covered by the machineries.

   vi) Basis of selecting the proposed design and specification of building (factory as well as Administrative and Staff quarters, if any) MANIDCO will not accept any over or excessive valuation and under or inadequate valuation.

c) In the 'Promoters' Chapter indicate the detailed background of the Promoters including the concerns in which they are interested us Sole Proprietor, Partner, Member or Director Whether these concerns have already availed loans from MANIDCO Bank & whether they are repaying/repaid the loan timely.

d) Avoid including land in Project cost since MANIDCO finances land in exceptional cases.

e) The Report should clearly mention the various Licences / Approvals required for the Project and what is the status of such Licences / Approvals.
detail write-up on market aspect of your proposed product specifying clearly the total demand in the state as well as outside, total supply from within and outside the state and projections, for at least next 5 years' period, should be given.

6. STEPS BEFORE SUBMITTING LOAN APPLICATION.

(1) In case of new units:

a) Identify the site, negotiate and finalise the land or works where the unit is proposed to be situated.

b) Estimate the requirement of power the unit and apply for power connection.

c) Obtain guarantee from MANIDCO, identify a Guarantor. If one Guarantor's net monthly income is not sufficient, arrange for another Guarantor(s). In case of loan above Rs.7.50 lakhs, in addition to guarantee from a Government Employee, Guarantee from industrialist/businessman with good standing and who has not taken any loan from MANIDCO or taken, out repaid in full Shall have to be obtained.

d) Find out the sources of your raw materials and obtained the assurance from the suppliers for continuous supply.

e) Estimate the requirement of water for the unit and take steps for procurement.

f) If you do not have your own land for the unit and propose to take land on lease, execute lease deed with a lease period of at least double the period of your term loan and get the lease deed Registered.

g) Make and application for factory permit, if applicable. For this, refer Factories Act, 1948.

h) See whether the products proposed to he manufactured by you will require any license under Drills & Cosmetics Act, Food Preservation Other, etc. If so, take necessary steps.

i) Obtain at least three quotations for Machineries from our approved machinery suppliers. If not approved, request them to get approved early. Otherwise quotations will not be accepted. The Machineries proposed to be purchased should be complete and adequate from the process point of view. Second-hand machineries are not encouraged.

j) if you do not have land in your name for giving mortgage to MANIDCO, obtain special power of Attorney from another person who has land for giving on mortgage to MANIDCO. The land should have a clear title and be unencumbered. All title deeds upto the present ownership be kept ready for verification. If you have your own land with clear title and unencumbered, give the same on mortgage to MANIDCO as security.
k) Obtain valuation Certificate and Jamabandi Certificate for the land on which you want to set up your unit and/or the land which you want to give on mortgage to MANIDCO.

l) Obtain income Tax Clearance Certificate from the Income Tax Department.

m) Prepare detailed estimates and layout for the building of your unit by a Qualified Architect/ Engineer und certified by the incharge of our Engineering Cell.

n) Prepare detailed layout of the plant of your unit.

o) See whether you require approval from State Board of Pollution Controlled. If so, make an application. Obtain detailed information from MANIDCO.

p) If you have any sister concern, then see that the Accounts are Audited by a Chartered Accountant for the last three years or from the date of commencement of business, whichever is later and furnish the IT Assessment Orders for the above period.

q) Decide the channel of distribution for marketing your product- through wholesaler, retailers or stockiest, etc. If your products are to be sold only to one/two parties, viz., transformers to Electricity Department negotiate and finalise the selling arrangements. Written assurance/ agreement for this will have to be submitted to MANIDCO before disbursement of loans.

r) Negotiate with Commercial Bank for working capital. If your proposal is covered under Single Window Scheme, this is not necessary.

(2) In case of existing units.

a) Take care of the points mentioned at Sr. Nos.5 (l) (a,c,d,f, to q).

b) If you think that your existing premises are not sufficient to accommodate your unit after expansion/ diversification, etc, take care of land requirements as mentioned above.

c) Get your accounts audited by a Chartered Accountant and furnish Audited Accounts for the last three years or from the date of commencement of business, whichever is later.

d) Get the Income Tax Assessment done for your unit and for yourself and furnish us the Assessment Orders for the last three years or from the date of commencement of business of your unit, whichever is later.
7. SUBMISSION OF LOAN APPLICATION, DOCUMENTS, ETC. TO MANIDCO.

Fill up the columns of the loan application form and submit the same along with the following documents, to the receipts Section of MANIDCO:


h) A copy of application for power connection and acknowledgement from the Electricity Department.

c) A copy of application for Pollution Control. If applicable, and the acknowledgement from the board. If possible, submit NCC issued by the Board.

d) A copy of application for water connection and factory permit, if applicable.

e) Duly filled in and signed guarantee form, in service, Certificate and Employer’s Certificate (in duplicate).

f) Lease Deed, if any (in duplicate).

g) Land Valuation Certificate and Jamabandi Certificate (in duplicate).

h) DIC Registration Certificate /DGTD Reign. Certificate/ Letter of intent and Partnership Deed/ Certificate of Incorporation of Company and Memorandum & Articles of Association in original and a photocopy duly attested (original will be returned after sanction).

i) Audited Accounts in case of existing units.

j) Income Tax Assessment Orders in case of existing units.

k) Income Tax clearance certificate as the Promoter(s) in case of new and existing units.

l) Audited Accounts and Income Tax Assessments Orders of the sister /associate concern.

m) Full bio-data of the sole- proprietor/ partners/ Directors and details of both immobile and properties owned by them.

n) A copy of the letter addressed to Bunk for working capital requirements and bankers reply thereof. Make simultaneous application form term loan and working capital. If proposal is covered under Single window Scheme, this procedure will not be applicable.

o) Three quotations from machinery suppliers.

p) Detailed estimate and layout for the building.

q) Plant layout.
8. CODE NO. FOR YOUR APPLICATION.

Collect code no. of your loan application from the Receipt Section and quote in all your future correspondence with MANIDCO, concerning your loan proposal.

9. REPLY OF QUERIES, FORNISHING OF DOCUMENTS, ETC.

Reply immediately all the queries raised by furnishing all documents asked for, by MANIDCO, on your loan proposal to ensure quick disposal of your loan proposal. After receipt an inspection will be carried out.

10. INTERVIEW BY COMMITTEE/ MANAGING DIRECTOR.

Appear before the PROJECT SCREENING COMMITTEE/ MANAGING DIRECTOR for interview and exchange of ideas with the Members of the Committed Managing Director for judging your capability to run the project etc. Please note that appearing before the Committee/ Managing Director will not deem to be acceptance of your proposal by MANIDCO. After this, another inspection of your unit may be carried out, if necessary.

11. IMPLEMENTATION CONSIDERATION OF COMMITTEE SUGGESTIONS.

Implement / consider the suggestions made by the Committee/ Managing Director, at a curby date, for further action at our end.

12. SANCTION OF LOANS

A detailed appraisal of your proposal will be done by us and put up to the sanctioning authority for sanction.

13. ISSUE OF SANCTION LETTER.

After sanction, MANIDCO will issue a Sanction Letter to you stating, inter alia, the amount sanctioned, repayment schedule and a list of pre-disbursement conditions which you will have to comply within 45 days before availing any disbursement of loan. Otherwise, the sanction will lose. However, in exceptional cases the period may be extended to further period of 30 days (maximum).

14. CERTIFICATE BY PRACTICING COMPANY SECRETARIES.

In case of limited company, furnish the following Certificates from Practicing Company Secretary before execution of loan documents:

a) Certificate regarding necessary powers of company and its Directors to enter into an agreement. Certificate regarding borrowing limits of a Company under Section 293 (1) (e) of the Companies Act, 1956, including details of share capital authorised, issued, subscribed and paid-up and actual borrowings.
15. LEGAL DOCUMENTATION.

Take necessary steps to comply with the pro-disbursement conditions and approach our Legal Department for execution of the following documents:

a) Loan agreement (value of non-judicial Stamp Paper Rs.5/-)

b) Deed of Hypothecation (value of non-judicial Stamps Paper.)

c) Surety Bond/ Personal Guarantee (each promoter to execute bond/guarantee Separately-value Rs. 15/- non-judicial stump paper).

d) Mortgage deed of the land on which your unit is proposed to be set up or if that land is on lease or rented one, than under special Power of Attorney/ Deed of undertaking of your own land (value of non-judicial stamp paper depending on the quantum of loan Rs. 301/- per thousand.)

All the documents use above to be registered with the Sub-Register-Office to be done by our Legal Department along with you and your Guarantor(s) and one witness.

16. FILING OF FORM NOS.8 & 13 WITH REGISTER COMPANIES.

If your unit is a Limited Company, also file Form No. 8 & 13 with the Register of Companies, Shillong, with filing fee, within 30 (thirty) days from the date of creation of charge in favour of MANIDCO (i.e. from the date of execution of Deed of Hypothecation, mortgage deed or bridge loan agreement). Submit a copy each of the forms and the Certificate to MANIDCO.

17. PROCEDURES FOR SOFT LOAN.

In addition to the above general procedures, adopt the following procedures for Seed Capital under IDBI Seed Capital Scheme. Mahila Udyam Nidhi Scheme and Ex-Servicemen (SEMFEX) scheme:

a) If your unit is eligible for such assistance, obtain application form from MANIDCO.

b) Submit five copies of application, duly filled in, with all necessary documents to the receipt Section of MANIDCO.

c) Appear before in-house Screening Committee for Interview.

d) Sanction of term loan/ or working capital will be the prerequisite for sanction of Seed Capital.

e) After sanction of term 1 can and Seed Capital.

(i) All documents required for term loan.

(ii) A separate agreement for Seed Capital (value of non-judicial stamp paper Rs.5/-)
APPENDIX – 1.2

LIST OF STATE FINANCIAL CORPORATION

Andhra Pradesh State Financial Corporation,
5-9194, Chirag Ali Lane, P.B.No. 165
Hyderabad – 500 001

Assam Financial Corporation,
Zoo Road,
Guwahati – 781 005

Bihar State Financial Corporation,
Frazer Road,
Patna – 800 001

Delhi Financial Corporation,
Saraswati Bhawan, ‘E’ Block, Caunaught Place,
New Delhi – 110 001

Haryana State Financial Corporation,
No. S 17, 18 & 19, Sector 17A (Opp. LIC Building),
Chandigarh – 160 017

Gujarat State Financial Corporation,
Juldarshan Building (1st Floor), Ashram Road P.B. No. 4030,
Ahmedabad – 180 009.

Himachal Pradesh Financial Corporation,
Kishore Bhawan,
Simla – 171 001.

Jammu & Kashmir State Financial Corporation,
Sherwani Road, Srinagar – 190 001
(June to November)
and, New Uttam Talkies,
Virmarg Jammu – 180 001
Karnataka State Financial Corporation,
Sankarnarayana Building, M.G. Road,
Bangalore – 560 001.

Kerala State Financial Corporation
Vellayambalam,
Trivandum- 695 001.

Madhya Pradesh State Financial Corporation,
Finance House, Bombay Agra Road,
Indore – 452 001.

Madhya State Financial Corporation,
Finance House, Bombay Agra Road,
Indore – 452 001.

Punjab State Financial Corporation,
No. 772/3, Sector 17B, Bank Square,
Chandigarh – 753 003.

Rajasthan State Financial Corporation,
Surya Nivas, C18, Bhagawandas Marg, P.B. No. 63,
Jaipur – 302 001.

Tamil Nadu Industrial investment Corporation Ltd.
Whites Road, P.B. No. 410,
Madras – 600 004.