



SME(NWFP)-1

REFINANCE APPLICATION FORM  
TO BE SUBMITTED BY THE BANK UNDER  
Refinance Scheme for Revitalization of Small and Medium Enterprises (SMEs)  
in NWFP, Gilgit-Baltistan (GB) and FATA

The Chief Manager,  
State Bank of Pakistan  
Banking Services Corporation (Bank),  
\_\_\_\_\_ (City)

Dear Sir,

With reference to the letter No. \_\_\_\_\_ dated \_\_\_\_\_ issued by the SME Finance Department of State Bank of Pakistan conveying the availability of funds under the Scheme; we submit herewith application for refinance facility amounting to Rs. \_\_\_\_\_ (current application) (Rupees in words) \_\_\_\_\_ only against the finance disbursed by us on \_\_\_\_\_ (date) \_\_\_\_\_ under the captioned Scheme to our SME borrowers as per particulars given hereunder: -

- |  |       |
|--|-------|
| i) Name of the Borrower/ sponsor of SME                                  | _____ |
| ii) Business address of SME  | _____ |
| iii) Type of financing (short term/working capital, medium or long term) | _____ |
| iv) Purpose of the financing   | _____ |
| v) Period for which finance sanctioned                                   | _____ |
| vi) Rate of mark up  | _____ |
| vii) Amount of Loan disbursed  | _____ |
| viii) Date of disbursement   | _____ |
| ix) Repayment Due Date*  | _____ |

2. We certify that the details of the contract(s) finalized by the Borrowers / sponsors of the SME units and the payments made by us to them against the aforesaid contract have been placed in our record and shall be invariably provided to the inspection team(s) of SBP during the inspection of our bank.

3. We have already submitted / submit herewith the securities documents required under the captioned Scheme for the purpose of availing refinance, to the extent of the amount mentioned in SME Finance Department's letter referred to above, to your office vide our letter No. \_\_\_\_\_ dated \_\_\_\_\_. We also submit herewith / have already submitted a Demand Promissory Note(s) for Rs. \_\_\_\_\_

\* Please attach separate repayment schedule in respect of each case, if refinance is being availed against medium & long term facilities under the Scheme.



(Rupees \_\_\_\_\_ only) signed by each borrower and endorsed by us in your favour and request you to provide refinance of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) out of our above referred amount and credit our Current Account with you.

4. We hereby certify that:-

- i) the terms & conditions as stipulated in the captioned Scheme have been complied with;
- ii) all the requirements of the Scheme including those at (iii) & (iv) below have been fully met;
- iii) the eligibility of borrower and the relevant plant, equipment, machinery or accessories thereof against which refinance is applied for has been properly determined by us in accordance with the prescribed criteria / conditions set out in the Scheme in force on the date of the Financing Agreement executed with the borrowers being financed under the Scheme.;
- iv) the procedure for procurement of the machinery/fixed assets and the mode of payment are in accordance with the procedure prescribed by our bank, as also guidelines given in the Scheme;

5. We understand that the SME Finance Department, State Bank of Pakistan has right to appoint independent consultants to verify cases of refinance and agree to reimburse the cost so incurred in case the report of consultants indicates any irregularities on our part. We also agree to pay back any amount of refinance disbursed to us by the State Bank on the basis of this application if the State Bank subsequently concludes that such refinance was wrongfully claimed and also pay fine on such finance @ paisa 60 per day per Rs. 1,000 or part thereof, or such other rate as may be announced by the State Bank from time to time, for the period for which such finance is availed by us immediately.

6. We also undertake that in case irregularities are found to have been committed by the borrower(s) due to negligence of our officials/staff to ensure compliance of the same or that such irregularities have been made by the borrower(s) with the involvement of our staff/officer(s), besides taking appropriate action against our staff under our staff regulations or code of conduct, we shall indemnify and agree to indemnify and save harmless the State Bank against any claims, actions, costs, losses and expenses that it may incur due to litigation or otherwise on account of recovery of amount of refinance and the fine thereof for availing of refinance to which we/they were not entitled otherwise.

7. We hereby also authorize SBP BSC to recover the full or remaining outstanding amount of refinance along-with mark up and fines, if any, from any monies held in our account or on our behalf in case the amount(s) falling due is not repaid by us within 15 days of due dates as agreed to by us.

Yours faithfully,

\_\_\_\_\_  
(Authorized Signature with  
name and designation)

\_\_\_\_\_  
(Authorized Signature with  
name and designation)



SME(NWFP) -2

**FORM OF THE AGREEMENT**  
**TO BE OBTAINED FROM THE BANK UNDER**  
**Refinance Scheme for Revitalization of Small and Medium Enterprises (SMEs) in NWFP,**  
**Gilgit-Baltistan (GB) and FATA**

(To be stamped as an agreement in accordance with the law in force in each province)

(Place) \_\_\_\_\_

Date \_\_\_\_\_

The Chief Manager,  
SBP BSC (Bank),  
\_\_\_\_\_ (City)

Dear Sir,

In consideration of your agreeing to make available to us refinance under Section 17 (2) (d) read with section 22 of State Bank of Pakistan Act 1956 as amended from time to time, not exceeding Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) under State Bank of Pakistan's Refinance Scheme for Revitalization of Small and Medium Enterprises (SMEs) in NWFP, Gilgit-Baltistan (GB) and FATA, for the financial year \_\_\_\_\_ vide SMEFD Letter No.-----dated ----- for which amount we i.e. \_\_\_\_\_ (concerned bank) have delivered to you a Demand Promissory Note made by us in your favour.

2. Now, we do hereby agree to the terms and conditions as set out herein under :-

- (a) We shall pay / repay the principal or mark up amount of refinance and any other charges / penalty thereon, to you in accordance with the agreed schedule of payment. In no case our liability to pay / repay you the principal amount of refinance, or mark up or any other charges or penalty thereon shall be dependent upon the recovery from the borrower nor shall our liability be affected by any default on the part of the borrower.
- (b) As security for the said refinance, on each occasion we intend to avail refinance against finance extended by us, we shall deliver to you, bills of exchange / demand promissory notes duly endorsed in your favour, as are acceptable to you and drawn on and payable in Pakistan, arising out of bonafide finance provided by us to our borrowers, eligible for financing under the Scheme and it is understood that the aforesaid accommodation may be made and will continue on the faith of the truth and correctness of such certificates.
- (c) We undertake that we shall not extend finance or deliver to you any bill of exchange / demand promissory note in terms of this agreement unless we are satisfied that all parties liable there under are financially sound and credit worthy.
- (d) The maximum rate of mark up to be charged by us from the borrower shall not exceed \_\_\_\_% p.a. from the service charges (mark up) payable to you on refinance under the Scheme.
- (e) Service charges shall be payable by us to you on half yearly basis on 30<sup>th</sup> June and 31<sup>st</sup> December each year or on maturity of the bills or promissory notes, whichever is earlier. Where the above schedule date falls on a public /weekly holiday we shall make payment of the due amount of service charges on next working day after such due date. You are hereby authorised, at your discretion to reimburse State Bank with the amount of service charges by



charging the same to our current account with you in case we fail to make payment on the due date in full, as required under the Scheme without seeking any debit authority from us. You shall also be entitled to charge fine on us, at a rate specified in the Scheme from time to time, on our failure to make payment whether on account of inadequate balance in our account or otherwise.

- (f) The maximum amount of refinance that you shall provide to us in the case of each borrower, financed by us would be an amount equal to the amount actually disbursed by us under the Scheme.
- (g) The Demand Promissory Note (notice of dishonour of which Promissory Note is hereby waived in terms of Section 98 of Negotiable Instrument Act, 1881), furnished by us with this agreement and the demand promissory notes delivered to you in terms of clause (j) below shall, notwithstanding the existence of a credit balance at any time or any partial payments or fluctuations of accounts or withdrawal of any part of this security, be a continuing security for repayment of all sums due or found due under this agreement, along-with Service Charge due thereon to you, and all costs, charges or expenses, which you may be entitled under the law to recover from us.
- (h) We shall neither sanction nor permit any of our borrowers to use the finances for any purpose other than those prescribed under the Scheme. Any finances provided by us under this Scheme shall be subject to the terms of our Charter. Further, we shall obtain a declaration from our borrower(s) to the effect that he/they shall not utilize the finances or any part thereof except for the purpose spelt out in the Scheme.
- (i) No financial assistance shall be given by us to any of our Directors or to any company, firm or group or association or project in which any of our Director is interested either directly or indirectly except in financial assistance against tangible security which will be provided with the approval of the majority of our Directors, excluding the Director concerned.
- (j) We shall endorse and deliver to you demand / usance Promissory Notes executed in our favour by our borrowers under this financing arrangement with a certificate that (i) the same arises out of bonafide finances provided by us under the Scheme (ii) all parties liable there under are financially sound, solvent and credit-worthy and that by virtue of such endorsement and delivery, we certify the genuineness of signatures as well as authority of all persons thereon (iii) the finances provided to parties liable on such promissory notes have not been classified by you as doubtful / loss.
- (k) Without prejudice to your rights against us as financier for the realization of any demand / usance promissory note delivered to you under clause (j) at maturity, we agree, if you so desire, to take at our expense, all steps as may be necessary to realize the money from our customer and forthwith pay the same to you. We agree that the fact of your not taking steps to endorse payment of such demand / usance promissory note or any of them against the signatory or signatories thereon shall in no way release us from our liability there under and we agree that it shall not be necessary for you to give any notice of dishonour of such Promissory Note.
- (l) In addition to clauses (j) & (k), we shall hold upon trust securities / security documents presently held by us or which may be obtained by us from our borrowers to whom finance is made available under this Scheme, as security for due repayment of finance with return / profit thereon. Further, on your demand we undertake to assign to you all such securities and secured documents, and agree that upon such assignment the provisions of clauses (j) and (k) shall, mutatis mutandis, apply.



- (m) In addition to the preceding clauses, we agree that as and when you demand, we shall create valid legal charge on any or all of our assets as may be demanded by you.
- (n) We expressly understand that you are entitled to cancel or recall or advance the date of repayment of this finance at any time and for any reasons without any prior notice to us and that you are not obliged to provide any finance to us any time and for any reason against this Scheme and that by executing a promissory note in your favour of lodging demand / usance promissory note under clause (j) or by providing finance to any customer on the faith of this agreement, we have acquired no right or claim to demand finance from you under this Scheme. We also expressly agree that you have the sole right to vary, amend, alter or add to the terms and conditions of the Scheme without any reference to us and we agree to invariably comply with the same.
- (o) We agree that on default of repayment by us on any promissory note tendered under this agreement, you have our authority to debit without further reference to us, all of our accounts now held or held hereafter or adjust any moneys worth which may, howsoever, become due from you or come into your possession or control to the extent of the amount due from us under any such promissory note or in terms of the clauses referred herein before or otherwise under this agreement.
- (p) We agree that notwithstanding anything contained elsewhere in this agreement, the amount of this finance along-with Service Charges due thereon due to you will become due and payable, if we commit breach of any of the terms and conditions of this agreement.
- (q) No indulgence or delay in exercising any of your rights hereunder shall be deemed a waiver of any right and no waiver of any of your right hereunder shall be construed as a waiver of any other rights you may have.

Yours faithfully,

\_\_\_\_\_  
(Authorized Signature with name and designation)  
for \_\_\_\_ (Bank) \_\_\_\_

\_\_\_\_\_  
(Authorized Signature with name and designation) for \_\_\_\_ (Bank) \_\_\_\_

Witnesses:

1. \_\_\_\_\_  
\_\_\_\_\_

2. \_\_\_\_\_  
\_\_\_\_\_



SME(NWFP)- 3

DEMAND PROMISSORY NOTE \*  
(TO BE SUBMITTED BY BANK)

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Rs. \_\_\_\_\_

On demand we \_\_\_\_\_ (name of the bank) \_\_\_\_\_ promise to pay to the State Bank of Pakistan, Banking Services Corporation, (City) or order the sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) for value received plus service charges @ \_\_\_\_\_% p.a. plus fines and charges determined by State Bank of Pakistan for re-financing under Refinance Scheme for Revitalization of Small and Medium Enterprises (SMEs) in NWFP, Gilgit-Baltistan (GB) and FATA 2010.

(Authorized signature of the bank)  
(Name & Seal)

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\* To be stamped in accordance with the law in force in each Province.

Witnesses:

1. \_\_\_\_\_  
\_\_\_\_\_

2. \_\_\_\_\_  
\_\_\_\_\_



SME(NWFP)-4

DEMAND PROMISSORY NOTE \*  
(TO BE SUBMITTED BY THE BORROWER)

Place: \_\_\_\_\_

Date \_\_\_\_\_

Rs. \_\_\_\_\_

On demand we \_\_\_\_ (name of the borrower / sponsor of the project) \_\_\_\_ promise to pay to the \_\_\_\_ (name of the bank) \_\_\_\_ or order the sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) for value received plus service charges @ \_\_\_\_% p.a. and / or such charges as may be specified by the State Bank of Pakistan under its Refinance Scheme for Revitalization of Small and Medium Enterprises (SMEs) in NWFP, Gilgit-Baltistan (GB) and FATA 2010.

( Authorized signature of the borrower)

( Name & Seal )

Note :- Demand Promissory Note requires to be endorsed by the bank concerned in favour of its head office / principal office through which refinance is being claimed and further endorsed by them in favour of the Office of SBP BSC (Bank) concerned.

\* To be stamped in accordance with the law in force in each Province.

Witnesses:

1. \_\_\_\_\_  
\_\_\_\_\_

2. \_\_\_\_\_  
\_\_\_\_\_