



NOTE FOR SANCTION OF CREDIT FACILITIES TO M/s.Kanchani Farmer Producer Company Limited, Anandwan Branch

		Date of Note	03.08.2021
Date of receipt of proposal at branch:	NA	Reply to queries received on	03.08.2021
Date of receipt of proposal at CPC:	13.07.2021	Proposal Scouted through	Existing Borrower

1. Borrower/Company Profile:

(Rs. in Lakh)

Zone: Chandrapur	Branch: Anandwan	Branch Code : 792		
Name of the Unit : M/s.Kanchani Farmer Producer Company Limited				
Name of Key Person: Mr.Nitin Murlidhar Tonge – Director (Ph: 7744847744) & Mr.Balaji Dhobe – CEO (Ph: 9860117436)				
Priority Sector:	Yes	Constitution : Private Limited Company		
Industry: Cotton Ginning & Pressing		Type of Proposal: Fresh Term loan and Cash credit limit		
Location				
i) Regd. Office Address:	Anandwan Chowk, Warora, Chandrapur, Maharashtra – 442907.			
ii) Factory Address:	S.No:157/2, At Chinora, MIDC Road, Tal.Warora, Chandrapur- 442907			
iii) Corporate Office Address:	Not Applicable			
iv) Mobile No. : 7744847744 & 9860117436				
Udyam Registration: UDYAM-MH-08-0003124.		GST Registration : 27AAGCK78261ZK		
Corporate Identity Number : U01100MH2017PTC299469 (Certificate of incorporation dated 07.09.2017)				
Name of the Directors	DIN	D.O.B.	AADHAR/ PAN	CIBIL score (Report dated 14.07.2021)
1. Mr. Hiralal Fulchand Bhagele	07911175	08.04.1969	7110 1782 7852 / ABWPB1770D	-1 / -1
2. Mr.Yeshwant Sambhaji Sayare	07907596	20.10.1961	4239 8789 2489 / AFNPS0953C	776 / 810
3. Mrs.Asha Sambhaji Sayare	07911145	09.08.1959	7204 1528 0762 / AFNPS0954F	-1 / -1
4. Mr. Nitin Murlidhar Tonge	07404963	15.04.1976	7467 5854 6256 / AGAPT7413J	776 / 816
5. Mr.Anup Dattaraya Wasade	07911164	21.09.1980	5989 0151 0728 / AATPW6313K	772 / 780
6. Mr.Sanjay Uddhaorao Dhawas	07671168	18.12.1977	8652 1283 6589 / AIRPD3443P	721 / 720
7. Mr.Ritesh Suresh Bathe	08281380	10.01.1983	6549 2055 6776 / AWLPB1788M	789 / 775
8. Mr.Sudhir Ramakrushna Matte	08281416	14.11.1977	8276 0731 0454 / AJTPM1087H	750 / 718
9. Mr.Baliram Kisanrao Dongarkar	08281423	24.07.1959	3023 4053 8296 / AHNPD9088D	765 / 807
10. Mr.Mayur Manohar Paunkar	08754384	01.06.1995	3284 4775 0561 / CUQPP9445N	693 / 696

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CIBIL report dated 14.07.2021: No adverse remarks observed in the CIBIL reports of the directors and the CIBIL scores are satisfactory.	
ZED Rating if any (It is a rating provided to MSME by QCI (Quality Council of India), after the assessments and evaluation, which is valid for 4 years)	Not Available
SME/MSME Rating (if any)	Not Available
GeM Registration	Not Available
ISO Certification	Not Available
CIC /Commercial Rating	CMR-3
Validity of Pollution Control Certificate (if applicable):	Not Available
CIC Report dated: 12.07.2021.	
<ul style="list-style-type: none"> Total of 26 Credit facilities of the company with M/s.Samunnati Financial Intermediation and Services Pvt.Ltd (NBFC) have been reported, out of which 3 facilities with outstanding balance of Rs.23.75 lakhs observed. The said facility with M/s.Samunnati Financial Intermediation and Services Pvt.Ltd has been closed and the charge is satisfied with ROC. No Adverse remarks and delinquent credit facilities observed. 	
MSME Classification: Small Enterprise Investment in P& M/ equipment : Rs.863.96 lakhs Turnover : Rs.1924.58 lakhs (Proposed)	Activity: Cotton Ginning – Agri Other, Processing of Grain mill product- Dal, Trading in Food grain & Construction of Warehouse-Storage BSR code: 10449,32150,40134 &10307
Date of incorporation/establishment: 28.12.2010	Banking with us since: 2021
Coverage under any guarantee schemes	No
Any Govt. sponsored schemes (if so Specify) :	No. However, the company has been offered financial assistance/grant under SMART (State of Maharashtra's Agribusiness and Rural Transformation) project.
Banking arrangement: Sole Banking Comment upon CRILC report (if any): Not generated, as the exposure is less than Rs.500.00 lakhs)	Limits with Other Bank: Nil

Date Of latest sanction: Not Applicable	IRAC /SMA Status: Not applicable, being a new account.	Central Fraud Registry (CFR): No matching records as on 22.07.2021
Internal Rating Summary/Score: 'BBB' – Average Risk		

Name	Net worth (in lakhs)	as on	Certificate date	CA with M. No.	UDIN
1. Mr. Hiralal Fulchand Bhagele	34.40	31/03/2020	15/07/2021	Pravin.U.Gothi M.No:117206	21117206AAA ACJ1357
2. Mr.Yeshwant Sambhaji Sayare	125.00	31/03/2020	16/07/2021	S.G.Kamde M.No:101589	21101589AAA AVK3419
3. Mrs.Asha Sambhaji Sayare	110.00	31/03/2020	16/07/2021	S.G.Kamde M.No:101589	21101589AAA AVL5343
4. Mr. Nitin Murlidhar Tonge	15.00	31/03/2020	16/07/2021	S.G.Kamde M.No:101589	21101589AAA AVN8445

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5.	Mr.Anup Dattaraya Wasade	120.95	31/03/2020	15/07/2021	Rohan.R.Daliya M.No:197158	21197158AAA AEE3007
6.	Mr.Sanjay Uddhaorao Dhawas	244.03	31/03/2020	20/04/2021	Ajay.D.Mamidwar M.No:039841	21039841AAA AGH3860
7.	Mr.Ritesh Suresh Bathe	10.00	31/03/2020	16/07/2021	S.G.Kamde M.No:101589	21101589AAA AVM8914
8.	Mr.Sudhir Ramakrushna Matte	70.00	31/03/2020	16/07/2021	S.G.Kamde M.No:101589	21101589AAA AVI4516
9.	Mr.Baliram Kisanrao Dongarkar	90.00	31/03/2020	20/07/2021	S.G.Kamde M.No:101589	21101589AAA AVZ6484
10.	Mr.Mayur Manohar Paunkar	133.61	31/03/2020	15/07/2021	Moiz Bohra M.No:234506	21234506AAA ADJ8765

2. Present Proposal:

a) Sanction for	Sanction of the following fresh credit facilities a) Term loan of Rs.172.79 lakhs b) Working Capital loan of Rs.253.54 lakhs
b) Approval for :	Not Applicable
c) Confirmation of :	Not Applicable

3. Brief Profile of unit/directors/proprietor/partners:

M/s.Kanchani Farmer Producer Company Private Limited was incorporated on 07.09.2017 and the company is allotted with CIN: U01100MH2017PTC299469. The company was formed with an authorized capital of Rs.50,00,000/- (Rupees Fifty lakhs only) with 5,000 equity shares of Rs.1,000/- each. The Paid-up capital as on dated is Rs.34.75 lakhs. The company is engaged in trading of Cotton, Tur, Chana, Soya Bean, Paddy and Turmeric. The company has 8027 producer members.

The company has achieved sales of Rs.542.61 lakhs during FY 2018-19, Rs. 326.08 lakhs during FY 2019-20(no actual decline in sales Y-o-Y, but booking of March'2021 sales in Apr'2020 due to COVID-19 outbreak as reported by the company and verified through GST return) and Rs.976.23 lakhs during FY 2020-21. The sales as per GST returns during FY 2020-21 was Rs.970.73 lakhs. The promoter directors of the company comprise professionals from various back grounds and are contributing to the business growth in whatever possible way they could. Most of the promoters are having rich experience in agriculture, which makes it easy and comfortable for the company to liaison with the local farmers and procure pulses and grains for trading. Because of this, the company has established itself as one of the successful FPCs. The company is also trading fertilizers and pesticides to farmers in the catchment.

The firm had availed Short Term working capital limit (revolving) of Rs.25.00 lakhs with M/s.Samunnati Financial Intermediation and Services Pvt.Ltd, which has been closed by the company. No due certificate from the financier dated 06.07.2021 has been submitted in this regard. The satisfaction of charge has also been approved by ROC, Mumbai on 30.07.2021. The same has been ensured by verification on MCA portal on 31.07.2021.

Now, in order to tap the market potential and leverage existing business contacts, reputation and experience of the promoters in the field, the company has proposed to start Ginning & Pressing factory, Dal Grading unit and Warehouse units at Chinora Village of Warora Taluka. The company has leased out land admeasuring 3.82 Hectares (9.50 acres) in Chinora Village for 16 years to set up the proposed unit. The land is owned by four of the directors

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of the company. The applicant has obtained necessary permissions viz., MPCB Clearance, MSEB Connection, NA Order, Building Construction permission and clearance from Gram Panchayat. The company has also obtained GST Registration and Udyam Registration.

The company has applied for financial assistance under SMART (State of Maharashtra's Agribusiness and Rural Transformation Project). Based on the request of the applicant, Commissionerate of Agriculture, Pune vide order ref: 642/2020 dated 09/12/2020 has approved the project cost of Rs.938.09 lakhs and subsidy grant of Rs.562.85 lakhs (60% of project outlay).

Out of 3.82 Hectares of land, the company has proposed construction of Ginning unit, Dal grading unit and Warehouse in the NA land of 1.82 hectares (18200 Sq.m) at S.No:157/2 of Chinora Village.

The details of the roles to be assumed by the promoters are furnished below.

S.No	Promoter	Experience / Specialization	Key role in the proposed project
1	Mr.Yeshwant Sambhaji Sayare	Farming, Partner in organic farms business in the past.	1. Analyzing quality of crops brought by the farmers. 2. Public Relations
2	Mr. Baliram Dongarkar	Transport operator, Big Farmer	Transport and Marketing
3	Mr.Ritesh Bathe	Doctorate in medicinal plantation	Presentation & Advertising
4	Mr.Nitin Tonge	Organic Farming, Trading of commodities, also in NCDEX, online trading	Trading and analyzing quality of crops brought by the farmers.
5	Mr.Anup Wasade	Doctor (MD)	Public Relations and liaison with Government offices
6	Mr.Hiralal Baghele	Construction and Farming	Implementation of project and grounding of deals
7	Mr.Sudhir Matte	Production Management and Farming	Public relations and Production management
8	Mrs.Asha Sambhaji Sayare	Farming, Office administration and conduct of workshops	Office administration and leader of 'Women Entrepreneurship Cell'
9	Mr.Mayur Paunkar	Inspection of accounts and organizing workshops for farmers	Capacity Building & Self - Audit
10	Mr.Balaji Dhobe (Employee, CEO)	Farming, Ginning and Pressing operations and Marketing	Marketing, Quality Control, procurement, collection, storage, sales and planning.
11	Mr.Mukesh Mathankar (Employee)	Input supply services	Cleaning and Grading Operations and Input supply services

The company had 11 directors, when the proposal was submitted to our bank.

One of the directors Mrs.Krupali Ajay Panchbai has submitted her resignation on 26.07.2021 citing personal reasons. The same will be updated to ROC shortly.

Additional due diligence report dated 02.08.2021 by the external agency M/s.Rubix Data Sciences Private Limited is also satisfactory.

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The cost and means of the project are as follows.

Activity	Year-1	Year-2	Year-3	Total Cost	SMART Grant	Borrower's Contribution	Bank Term loan
Market led Production	20.75	0.00	0.00	20.75	12.45	4.15	4.15
Cleaning and Grading/Processing Operations	81.78	0.00	0.00	81.78	49.07	16.36	16.36
Ginning and Pressing Operations	319.48	0.00	0.00	319.48	191.69	63.89	63.89
Enabling Infrastructure	441.95	0.00	0.00	441.95	265.17	88.40	88.39
Market Access	21.60	21.60	10.93	54.13	32.48	21.65	0.00
Preliminary & Pre-operative expenses	20.00	0.00	0.00	20.00	20.00	0.00	0.00
Working Capital Margin	0.00	85.00	0.00	85.00	0.00	85.00	0.00
Total	905.56	105.60	10.93	1022.09	562.85	286.45	172.79

The company has requested Term loan of Rs.172.79 lakhs and Cash Credit of Rs.253.54 lakhs. The proposal was initially sourced by Warora branch 2 years before through the reference of their existing HNI customer Mr.Sambhaji.R.Sayare, whose son and wife are the directors in the applicant company. The applicant firm has requested to avail the limits from Anandwan branch due to proximity.

Since the proposal is yet to be assigned to the branch, the documents are directly submitted to zonal office by the applicant. Being satisfied about the project viability and promoters' credentials, Zonal manager and CPC-In-Charge have visited the securities and proposed unit, details of which are furnished below.

NA order for the entire factory land is awaited. In the meanwhile, the funds for SMART grant applied by the borrower has been allotted by State of Maharashtra and the borrower has been advised by the state government officials to avail the same immediately in order to ensure funds are not returned by nodal agency due to delay in commencement of unit. Hence the borrower has requested for conditional sanction, so that the grant could be blocked and earmarked for this unit, which our higher authorities have considered favourably. The final sanction would be offered after completion of unit visit and recommendation by Branch head, NA for primary security, scrutiny of legal and search report of primary security and submission of Capital infusion certificate indicating capital raised and proposed to be raised by the company for this project.

Visit Details: The Primary (proposed unit location) and 8 Collateral securities were visited by Ms.Vidya Deshmukh, Chief Manager, CPC-In-Charge and Mr.Vinod Sarode, Manager-Agriculture, Chandrapur Zonal office on 23.07.2021. 2 out of 10 collateral properties at Nagpur are visited by Zonal Manager Mr.Sanjeev Kalwale on 26.07.2021.

The observations are as follows.

- Presently all the directors are doing their individual business along with grain trading business of said company.
- Mr. Tonge and Mr. Dongarwar is having knowledge about ginning and dal mill unit. They have appointed Mr. Balaji Dhobe as employee for day to day working of the unit.

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- In addition to that, Mr. Tonge and Mr. Dongarwar will be fully engaged in the activity and both are having good knowledge of that field.
- The land for factory has been purchased by the 4 directors namely, Mr. Anup Dattatraya Wasade, Mr. Baliram Kisanrao Dongarkar, Mr. Mayur Manohar Paunkar and Mr. Sudhir Ramkrushna Matte at Chinora, Tal. Warora. The land is around 9 Acres, out of that area of 12500 Sqm of part of Survey No. 157/2 converted to industrial NA for Ginning and Dall Mill unit. Now, we have stipulated a condition to convert total area of Survey No. 157/2 to NA for industrial use, which are going to be mortgaged for proposed facility. This piece of land given on lease to the company for 16 years.
- The factory premises land is near to the GMR power station and having approaching road. During the visit, it is observed that the area of proposed factory is open only levelling work has been completed. The directors have prepared a road inside the piece of land from soil excavated from other portion of land. The land is properly demarcated by fencing from one side and by dhura from other sides.
- The agriculture land of one of the director Mr. Dongarkar is adjacent to these land. The land is around 5 to 6 km from our Anandwan and Warora Branch.
- The company is having their registered office at Anandwan Square, in the land of Mr. Yashwant Sayare (who is one of the director in the company). The office is well established. During the visit it is observed that, around 2 to 3 staff members and customers were present in the office. There was stock of pesticides and seeds Mr. Tonge has said that this year they are also providing these items to their member farmer at concessional rate.
- The applicant has explained that around 2000 farmers are members of this company and last year they have given 60 HP tractors to around 15 farmers on subsidy basis. This year also they are planning for the same. Around 10 to 15 mini tractors were present in the office premises for giving the same to farmers on subsidy scheme.
- The unit of dal cleaning and sorting has kept their covered with polythene, as the same has to be installed at proposed factory premises.
- Proposed installation capacity (in the first year of unit operations with 60-65% capacity utilization):
24 DR ginning machinery with output of 4280 cotton bales, 32987 Quintals of cotton seed and 10780 cotton bales on job work. Dal Grading : 1800 MT per annum
- Based on the discussion with them, they have distributed the responsibilities of all the directors. They have recruited persons having well knowledge and experienced in ginning unit. Most of the staff are from Warora and nearby area.
- Raw material is cotton and that has to be sourced from nearby farmers. The company is already having around 2000 farmers group attached to them. So as per their opinion, it's not difficult for them to procure a raw material from vicinity.
- The location of all the collateral securities are found to be good.
- Visiting officials have concurred with the valuation of the collateral properties by Panel Valuer.
- Visiting Officials have offered their positive opinion about the unit and there are no adverse remarks in the visit report.

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Industry scenario :

Maharashtra is one of the largest states in India in terms of the number of agriculture-based CBOs (Co-operative Based Organizations), who have evolved and grown in the last few years in terms of production and trade. However, the growth of those CBOs and farmers is at sub-optimum level due to the lack of required resources such as technology to improve their yield and product quality, infrastructure (pre and post-harvest) to increase their product marketability and access to market for their final produce.

The state of Maharashtra has envisaged the SMART project with an overall mission to increase farmer's income, increase women employment, and overall contribution to the state's GDP. Under this project, the state government aims to bring together agriculture producers, technology partners and buyers at one place to identify and fill the existing gap in the agribusiness supply chain through a "Market Access Plan".

This project targets the cluster area of Chandrapur and Yavatmal producing large quantities of grains (pulses, soybean and paddy), Turmeric and Cotton. About 90% farmers in the subproject's zone of influence sell their crops to local village trader or middlemen and more often receive prices which are much lower than prevailing mandi prices. Often, the farmers are dependent on local input suppliers and village traders for their financial needs and hence purchase inputs that are promoted by these local input suppliers and are obligated to sell produce immediately to village trader post-harvest to pay off their debt. Also, more often they face lack of access to farm equipments and machinery (on hire). Despite the development of several FPCs having primary processing infrastructure in the region, farmers are still bereft of advantages that group marketing can bring. Notably, in the zone of influence, there are many FPCs who have Grains Cleaning and Grading Centers, FPCs/FIGs who have Custom Hiring Centers, many such FPOs who have input shops and have built similar such resources.

Yet, the full utilization of these infrastructures/resources and remunerative market access is still not achieved. In order to get farmers and FPCs a sustainable and remunerative market access by optimum utilization of existing resources, while also developing necessary core facilities, the applicant has proposed to develop niche plan of market access.

The cluster including Chandrapur and Yavatmal is rich in production of Soybean, Tur, Chana, Cotton and Paddy. Due to high production of these crops, the marketable surplus of produce is also very significant which offers huge potential for development of the proposed project. The production hubs in the proposed cluster are linked extensively to the consumption markets both within and outside the state. However, this is through brokers and hence there is large scope to collaborate with large regional brokers and direct trade with processors in some key locations across country for cluster produce.

4. Credit limits (Existing and proposed):

(Rs. in Lakhs)

DESCRIPTION	EXISTING	PROPOSED	CHANGE	Overdue if any
CC	0.00	253.54	253.54	Nil
Total FBWC	0.00	253.54	253.54	Nil
TL	0.00	172.79	172.79	Nil
Total FB	0.00	426.33	426.33	Nil
LC	0.00	0.00	0.00	Nil
BG	0.00	0.00	0.00	Nil
Total Non FB	0.00	0.00	0.00	Nil
Total (FB + Non FB)	0.00	426.33	426.33	Nil

Cash credit limit of Rs.253.54 lakhs considered as per borrower's request and as submitted in the project for SMART grant.

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Group/ Exposure Limit status

(Rs. in Lakhs)

Exposure on	Name	Fund	Non Fund	Total
Applicant Company/ borrower	M/s.Kanchani Farmer Producer Company Pvt Ltd	426.33	0.00	426.33
Other group concerns	Nil	0.00	0.00	0.00
Total to group		426.33	0.00	426.33
Investment exposure		0.00	0.00	0.00
TOTAL EXPOSURE		426.33	0.00	426.33

5. Indebtedness:

(Rs. in Lakhs)

DESCRIPTION	EXISTING	PROPOSED
Fund based	0.00	426.33
Non fund based	0.00	0.00
TOTAL	0.00	426.33

6. (a) Performance and Financial Indicators

(Rs. in Lakhs)

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Estimated	Projected	Projected	Projected	Projected	Projected	Projected
Net Sales	1182.24	3197.58	4394.08	5269.85	5897.62	6212.82	6534.50
Growth in Net Sales (%)		170.47	37.42	19.93	11.91	5.34	5.18
Profit after tax	23.32	58.86	133.93	210.09	259.11	297.16	342.61
NPAT to Sales%	1.97	1.84	3.05	3.99	4.39	4.78	5.24
Cash Accrual	35.81	90.92	185.94	262.10	311.12	349.17	394.62
ATNW	753.77	1264.04	1397.97	1608.05	1867.16	2164.33	2506.94
TOL/ATNW	0.24	0.51	0.48	0.43	0.37	0.32	0.27
Current Ratio	3.54	1.90	2.09	2.40	2.77	3.22	3.71
NWC	237.61	424.52	584.42	820.48	1105.58	1428.73	1791.93
NWC to TCA%	71.76%	47.27%	52.13%	58.31%	63.89%	68.96%	73.02%
DSCR	24.87	3.08	2.96	4.07	4.92	5.7	6.68
Average DSCR	4.57						

(b) Comments on significant variations in Financial Indicators:

Net Sales :	Sales of the firm estimated for current fiscal i.e. Rs.1182.24 lakhs includes receipts from existing business i.e. trading of grains, fertilizers and agricultural instruments/equipment. The full-fledged sales/receipts from all the businesses proposed i.e. Cotton Ginning, Dal grading/processing, warehousing and trading of grains from FY 2022-23 onwards. Sales of Rs.3197.58 lakhs is projected for FY 2022-23 and thereafter it is projected to improve further, due to improved clientele base and regular orders, which will also lead to better capacity utilization.
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Net Profit / Profitability:	Net Profit of the unit is estimated to be 1.84 -5.24% of the estimated sales. The profit has been projected to improve gradually after initial years due to reduction of overhead expenses and increased profit margin.
Tangible Net Worth :	Net worth of the applicant has been projected to increase Y-o-Y due to retention of profit in the business with marginal drawings. As per the request of the applicant, unsecured loans from the directors are treated as Quasi Equity. Condition is stipulated to maintain these loans till the currency of the limits sanctioned by our bank. It is reported that the firm also has plans to increase the authorized capital in the near future.
TOL/TNW :	TOL/TNW Ratio is maintained well below the maximum benchmark level of 4:1 stipulated by the bank. The ratio is expected to reduce further over the years due to repayment of term loan.
Current Ratio :	Current ratio of the firm is estimated to improve to be above the minimum benchmark of 1.25:1 stipulated by the bank and hence acceptable.
DSCR in case of Term Loan	The average DSCR including 1 st year stands at 7.47:1. DSCR is conservatively arrived at 4.57:1 by excluding 1 st year, as the 1 st year DSCR is not in line with other years. Also, the borrower has projected DSCR of 9.85:1 in the project; However, 4.14:1 arrived as per our calculation is reckoned for assessment conservatively. It is observed that the DSCR of the project is high, as the term loan compared to project outlay is less viz., Rs.172.79 lakhs loan for the project cost of Rs.1022.09 lakhs.
NWC	The firm maintains sufficient NWC in the business. NWC is projected to improve in the upcoming years as well.
Any other	Nil

7. **Details of Associate Concern/ Family Concerns and their Bankers: NPAs among associates (if any), NCLT referred a/cs (if any):** Nil

8. **Comments on conduct of Account:** Not applicable, as the applicant is a new customer to our bank. The company has been maintaining current accounts with HDFC Bank, Warora Branch, Bank of India, Warora Branch and SBI, Warora Branch for existing trading business. It is observed from the statement of accounts that the operations are satisfactory in these accounts.

The company has recently opened a current account with our Anandwan Branch on 14.07.2021 vide account number 60389044357. Condition is stipulated to close the current account of the applicant with SBI, HDFC and Bank of India.

9. **Assessment Of Working Capital:** As per Annexure-I

10. **Assessment of Term Loan:** As per annexure-II

11. **Bank Guarantee Limit Assessment:** Not applied for

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12. A) Loan/Advance is covered under CGTMSE/CGSSI/CGFMU : No

B) Guarantee:

Name of the Guarantors	Networth as on 31.03.2020 (Rs.in lakhs)	D.O.B.	AADHAR / PAN
1. Mr. Hiralal Fulchand Bhagele	34.40	08.04.1969	7110 1782 7852 /ABWBPB1770D
2. Mr.Yeshwant Sambhaji Sayare	125.00	20.10.1961	4239 8789 2489 /AFNPS0953C
3. Mrs.Asha Sambhaji Sayare	110.00	09.08.1959	7204 1528 0762 / AFNPS0954F
4. Mr. Nitin Murlidhar Tonge	15.00	15.04.1976	7467 5854 6256 / AGAPT7413J
5. Mr.Anup Dattaraya Wasade	120.95	21.09.1980	5989 0151 0728 / AATPW6313K
6. Mr.Sanjay Uddhaorao Dhawas	244.03	18.12.1977	8652 1283 6589 / AIRPD3443P
7. Mr.Ritesh Suresh Bathe	10.00	10.01.1983	6549 2055 6776 / AWLPB1788M
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9. Mr.Baliram Kisanrao Dongarkar	90.00	24.07.1959	3023 4053 8296 / AHNPD9088D
10. Mr.Mayur Manohar Paunkar	133.61	01.06.1995	3284 4775 0561 / CUQPP9445N
11. Mrs.Sunanda Suresh Bathe	100.00	05.07.1963	353396308312/ CJTPB9146G
12. Mr.Murlidhar Shrihari Tonge	125.00	01.12.1950	295137931322 / AAVPT7087K
13. Mrs.Prabha Dattatraya Wasade	22.09	15.07.1956	333238170309/ AAEPW8389E
14. Mr.Ashok Baliram Dongarkar	40.00	14.10.1981	614297777284/AVNPD0294P
15. Mrs.Ushatai Baliram Dongarkar	50.00	21.06.1964	379577701625/ASQPD3883N
16. Mrs.Saroj Sanjay Dhawas	36.01	07.03.1980	291621650677/ BCWPD1780M

13. Details of insurance (Reasons, if waived): Condition is stipulated to insure primary and collateral securities for full/peak value.

14. Pricing:

Facility	RLLR/ MCLR	Existing Rate		Card Rate		Proposed rate		
		Spread	Effective Rate	Spread	Effective Rate	Spread	Concession	Effective Rate
Cash Credit	6.90%	Not Applicable		4.00%	10.90%	4.00%	0.50%	10.40%

15. Value of account (During Financial Year): Not Applicable, as the applicant is a new customer to our bank.

16. (a) Whether the name of the Borrower/Guarantor appears in:

Particulars	Dt. of list	Remarks
CICs list of willful defaulters list	31.12.2020	No match found
ECGC caution list/ECGC specific approval list	Not applicable	
Litigations against the company or its directors	Nil	
Any write offs in CIC reports.	Nil	

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(b) CIBIL report of guarantors(other than directors of the company):

Sl.No	Name of the Guarantor	CIBIL Score (As per report dated 22.07.2021)	Remarks
1.	Mrs.Sunanda Suresh Bathe	-1/-1	Insufficient History to score
2.	Mr.Murlidhar Shrihari Tonge	675/809	Low Average Trade Age
3.	Mrs.Prabha Dattatraya Wasade	-1/-1	No Eligible trade for scoring
4.	Mr.Ashok Baliram Dongarkar	724/726	Overdue of Rs.589 observed in housing loan.
5.	Mrs.Ushatai Baliram Dongarkar	757/817	Low Average Trade Age
6.	Mrs.Saroj Sanjay Dhawas	810/807	Low Credit age

(c) Whether directors of the company are relatives of:

Any member of the Bank's Board/ Senior officers of the Bank?	No. Suitable declaration to be obtained from borrower.
Members of any other bank's board?	No. Suitable declaration to be obtained from borrower.

(d) Non-Compliances/ Deviations, if any

Parameters	Indicative levels	Unit Level 31.03.2021	Justifications
Liquidity (Current Ratio)	1.17	2.23	Satisfactory for the existing business of trading in grains.
TOL/TNW	4:1	0.44	Satisfactory for the existing business of trading in grains.
Promoters' contribution to the project (TL) (%)	15-25%	NA	Proposed margin is 20%. The section 6.3: 'Credit delivery for term loan' of loan policy of our bank says "For agricultural term loan, borrower's contribution should be normally in the band of 15 to 25% of project cost depending upon purpose & quantum of loan". Hence margin of 20% projected for term loan by the applicant is accepted.
DSCR	1.5:1	NA	NA
Debt / equity	3:1	NA	NA





Sl. No.	Non-compliance/Deviation with regard to	Nature of non-compliance
i)	Loan Policy Guidelines:	Nil
ii)	Stipulations from previous Sanction	Not applicable
iii)	Take-over norms	Not applicable. The company has closed its Cash credit limit of Rs.25.00 lakhs with M/s.Samunnati Financial intermediation and Services Pvt Ltd. Since the proposed Cash credit limit is to be released only after construction of factory building and installation of machineries, which has been planned to be completed in 12 months, Take over norms are not applicable.
iv)	Inspection / Audit irregularities	Not applicable
v)	Scheme-specific deviations	Nil
vi)	Environmental clearances	Nil
vii)	Maturity of TLs	Nil
viii)	Collateral Security	Nil
ix)	Others, if any	Nil
x)	Whether reported in SMA 1 or SMA 2 in last year (if Yes- reason thereof)	Not applicable.

17. Observations of TEV Report (If applicable): Not applicable

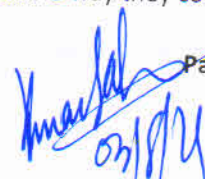
18. Critical risk factors and their mitigation (if applicable):

- The applicant company has proposed to commence 3 businesses viz., Ginning & Pressing, Dal Grading and Warehousing at the same time. The project needs meticulous planning and monitoring of timely implementation.
- Also, the existing players in Ginning industry are finding it difficult to procure adequate raw materials directly from farmers, as CCI has been aggressive in purchase of cotton from farmers at higher MSP. However, the promoter directors of the company are confident of overcoming this barrier, as they are having good rapport with the local farmers and their experience in farming and agricultural produce marketing will help them to procure raw materials uninterruptedly.
- Any delay in release of grant under SMART scheme may delay the project implementation as well. Rigorous monitoring and follow-up subsidy release schedule to be done by the applicant.

19. Salient Features and Justification for the Proposal: M/s.Kanchani Farmer Producer Company Private Limited was incorporated on 07.09.2017 and has been one of the successful Farmer Producer Companies in the surroundings. The company is engaged in trading of Cotton, Tur, Chana, Soya Bean, Paddy and Turmeric. The company has 8027 producer members.

The company has achieved sales of Rs.976.23 lakhs during FY 2020-21. The sales as per GST returns during FY 2020-21 was Rs.970.73 lakhs. The promoter directors of the company comprise professionals from various back grounds and are contributing to the business growth in whatever possible way they could. Most of the

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promoters are having rich experience in agriculture, which makes it easy and comfortable for the company to liaison with the local farmers and procure pulses and grains for trading. Because of this, the company has established itself as one of the successful FPCs.

Now, in order to tap the market potential and leverage existing business contacts, reputation and experience of the promoters in the field, the company has proposed to start Ginning & Pressing factory, Dal Grading unit and Warehouse units at Chinora Village of Warora Taluka. The company has leased out land admeasuring 3.82 Hectares (9.50 acres) in Chinora Village for 16 years to set up the proposed unit. The land is owned by four of the directors of the company. The applicant has obtained necessary permissions viz., MPCB Clearance, MSEB Connection, NA Order, Building Construction permission and clearance from Gram Panchayat. The company has also obtained GST Registration and Udyam Registration.

The company has applied for financial assistance under SMART (State of Maharashtra's Agribusiness and Rural Transformation Project). Based on the request of the applicant, Commissionerate of Agriculture, Pune vide order ref: 642/2020 dated 09/12/2020 has approved the project cost of Rs.938.09 lakhs and subsidy grant of Rs.562.85 lakhs (60% of project outlay).

The company has proposed to utilize the technical expertise of key personnel for running the proposed manufacturing units. The promoters are high net worth individuals and are having good market reference in their respective areas.

The applicant company has conducted a comprehensive study of market demand and supply and viability metrics of the existing Ginning industries in the catchment. Since the applicant already has experience in trading grains and Cotton, the company could ensure continuous raw material supply from existing farmer members and job work from CCI.

Considering the track record and Net worth of the promoters, viability of the proposed business model and proposed primary and collateral security coverage, the request of the company is considered favourably.

Annexure A

a) Details of due diligence done:

- i. Applicant interviewed on 23.07.2021
- ii. Pre-sanction inspection done on 23.07.2021. Findings Satisfactory.
- iii. Verification of Residence /Office/Factory at Chinora done on 23.07.2021.
- iv. Inspection of properties to be mortgaged done on 23.07.2021.
- v. Search with Registrar of Companies obtained on : 23.07.2021
- vi. Search Report /Valuation Report on properties to be mortgaged done on: As mentioned below under securities column.
- vii. Status Report from existing bankers: Not applicable
- viii. CIC /ECGC/RBI/CFR/ wilful defaulters' list checked – Findings : Satisfactory
- ix. ROC Charged Registration date (in case of existing account in the name of company): Not applicable
- x. CERSAI registration reference no and date (In case of existing accounts, wherever applicable): Not applicable
- xi. Market enquiries --- Satisfactory
- xii. Pollution Control Board Clearance obtained : Consent to establish dated 02.01.2021
- xiii. Report from Due Diligence Agency : Report dated 02.08.2021 from M/s.Rubix Data Sciences Private Limited. No adverse remarks found except the volatility in the financials of the company in the past 3 years. The same could

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be accepted considering the initial stages of the business and the fact that the proposed unit is to be involved in not only the existing business.
xiv. ID/Address Proof (any of the following): KYC complied.

Security Details

Primary Security:

(Rs. in lakhs)

Facility	Details	Market Value	Basis of valuation	Date of valuation
Term loan	Hypothecation of Machineris and accessories purchased out of bank finance	863.96	Project Report	13.07.2021
	Registered Mortgage of Industrial diverted plot bearing survey no.157/2, At Chinora Village, Tahsil: Warora, District: Chandrapur with land admeasuring 1.85 HR (18200 Sq.m) belongs to Mr.Anup Dattatray Wasade, Mr.Baliram Kisanrao Dongarkar, Mr.Mayur Manohar Paunkar and Mr.Sudhir ramkrushna Matte.	195.83(MV) 176.25(RV)	Market value based on Valuation report dated 08.05.2021 Er.Vijay.R.Ghate. Valuation is made for NA lands at S.No:157/1A,157/1B & 157/2. Proportionate Value for only primary security is considered for coverage. Condition is stipulated to obtain fresh valuation of property (only for S.No:157/2) after NA order is obtained.	
Cash Credit	Hypothecation of stock , receivables & Other current assets	502.17	CMA data	Value as per projections of 31.03.2022

Legal search for the above mentioned property is obtained from our Panel Advocate Mr.Nilesh.S.Chore on 07.06.2021. As per the report, Mr.Anup Dattatray Wasade, Mr.Baliram Kisanrao Dongarkar, Mr.Mayur Manohar Paunkar and Mr.Sudhir ramkrushna Matte are having absolute, clear and marketable title over the property. However, the charge of CDCC bank is present on the 7/12 extract of the property for the limit availed by previous owners of the property.

The advocate has advised for registered mortgage of the property after obtention of 7/12 extract and consent of the lessee i.e. Kanchani Farmer Producer Company Limited.

Final sanction would be offered upon submission of fresh valuation report and legal search report after NA order is obtained for the entire land area of 18200 Sq.m.

CERSAI search: done on 09.06.2021. No adverse remarks found.

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Collateral Security:

(Rs. in lakhs)

Facility	Details of property	Title search report	Valuation details	Valuation
CC & Term loan	1. Registered/Equitable mortgage of residential diverted plot situated at S.No:107/3K, Plot No: 22, At Mouza Dewai Govindpur Rayyatwari, Tah & District: Chandrapur with land admeasuring 199.35 Sq.m owned by Ms.Sunanda Suresh Bathe. CERSAI Search: 09.06.2021. No existing charge on the property.	Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore	Report dated 06.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	32.18 (FMV) 28.97 (RV) 27.36(DV) 9.91(GRR)
	2. Registered/Equitable mortgage of Residential land and building situated at S.No:19/1 (Old Survey No.1/3,4/5/1) , Plot No.4, At Mouza Dewai Govindpur Rayyatwari, Tah & District: Chandrapur with land admeasuring 387.86 Sq.m (constructed area: GF-61.04 Sq.m & FF- 61.04 Sq.m) owned by Mr.Murlidhar Shrihari Tonge. CERSAI Search: 09.06.2021. No existing charge on the property.	Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore	Report dated 08.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	98.87 (FMV) 88.99 (RV) 84.04(DV) 97.45(GRR)
	3. Registered/Equitable mortgage of Residential diverted plot situated at S.No:52/2, Plot No: 9, At Mouza Chanda Rayyatwari, Tah & District: Chandrapur with land admeasuring 180.00 Sq.m owned by Mr.Sudhir Ramkrushna Matte. CERSAI Search: 09.06.2021. No existing charge on the property.	Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore	Report dated 07.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	30.41 (FMV) 27.37 (RV) 25.85(DV) 7.96(GRR)
	4. Registered/Equitable mortgage of Residential diverted plot situated at S.No:12, 13/4, 18/1, Plot No: 113, At Mouza Chanda Rayyatwari, Tah & District: Chandrapur with land admeasuring 238.50 Sq.m owned by Mrs.Prabha Dattatray Wasade. CERSAI Search: 09.06.2021. No existing charge on the property.	Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore	Report dated 07.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	46.21 (FMV) 41.59 (RV) 39.28 (DV) 18.29 (GRR)

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<p>5. Registered/Equitable mortgage of Residential diverted plot situated at S.No:264, Plot No: 7, At Mouza Khanji, Tahsil: Warora, District: Chandrapur with land admeasuring 187.50 Sq.m owned by Mr.Ashok Baliram Dongarkar, Ms.Ushatai Baliram Dongarkar and Mr.Baliram Kisan Dongarkar.</p> <p>CERSAI Search: 09.06.2021. No existing charge on the property.</p>	<p>Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore</p>	<p>Report dated 07.05.2021 from Panel Valuer Mr.Vijay.R.Ghate</p>	<p>40.36 (FMV) 36.33 (RV) 34.31(DV) 3.30(GRR)</p>
<p>6. Registered/Equitable mortgage of Residential diverted plot situated at S.No:111, Plot No: 5, At Mouza Chinora, Tahsil: Warora, District: Chandrapur with land admeasuring 616.25 Sq.m owned by Mr.Baliram Kisanrao Dongarkar and Ms.Ushatai Baliram Dongarkar.</p> <p>CERSAI Search: 09.06.2021. No existing charge on the property.</p>	<p>Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore</p>	<p>Report dated 06.05.2021 from Panel Valuer Mr.Vijay.R.Ghate</p>	<p>99.50 (FMV) 89.55 (RV) 84.57(DV) 9.31(GRR)</p>
<p>7. Registered/Equitable mortgage of Residential diverted plot situated at S.No:111, Plot No: 6, At Mouza Chinora, Tahsil: Warora, District: Chandrapur with land admeasuring 170.02 Sq.m owned by Mr.Baliram Kisanrao Dongarkar.</p> <p>CERSAI Search: 09.06.2021. No existing charge on the property.</p>	<p>Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore</p>	<p>Report dated 06.05.2021 from Panel Valuer Mr.Vijay.R.Ghate</p>	<p>18.30 (FMV) 16.47 (RV) 15.55(DV) 2.57(GRR)</p>
<p>8. Registered/Equitable mortgage of Residential diverted plot situated at S.No:222, Plot No: 33, At Mouza Chinora, Tahsil: Warora, District: Chandrapur with land admeasuring 204.00 Sq.m owned by Mr.Baliram Kisanrao Dongarkar.</p> <p>CERSAI Search: 09.06.2021. No existing charge on the property.</p>	<p>Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore</p>	<p>Report dated 06.05.2021 from Panel Valuer Mr.Vijay.R.Ghate</p>	<p>10.98 (FMV) 9.88 (RV) 9.33(DV) 3.06(GRR)</p>
<p>9. Registered/Equitable mortgage of Residential land and building (apartment) situated at Apartment No.505, Fifth floor of "CASPIA" in "SHIV ELITE" on Plot No.1, Khasra No. 66/1 & 66/2, P.H.No:42 having super built up area of 86.238 Sq.m</p>	<p>Report from Panel Advocate Mr.Y.L.Ingle dated 14.07.2021</p>	<p>Report dated 10.05.2021 from Panel Valuer Mr.Vijay.R.Ghate</p>	<p>39.04 (FMV) 35.14 (RV) 33.19(DV) 24.71(GRR)</p>

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	and undivided equal share of land of 40.75 Sq.m(0.647%) out of total land area of 6299.00 Sqm, Mouza Shankarpur, Tah & District: Nagpur owned by Mrs.Saroj Sanjay Dhawas. CERSAI Search: 26.07.2021. No existing charge on the property.			
	10. Registered/Equitable mortgage of Residential land and building (apartment) situated at Apartment No.302, Third floor in Wing-1(Vaishnogouri-1) of "VAISHNOGOURI Apartment" on Plot No.17, 18 & 19, bearing Khasra No.93/2, 93/3, City survey No.428 & Sheet No.36 having super built up area of 84.62 Sq.m and undivided equal share of land of 35.438 Sq.m(9.20%) out of total land area of 385.20 Sqm, Mouza Manewada, Tah & District: Nagpur owned by Mr.Yashwant Sambhaji Sayare. CERSAI Search: 26.07.2021. No existing charge on the property.	Report from Panel Advocate Mr.Y.L.Ingle dated 14.07.2021	Report dated 10.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	43.11 (FMV) 38.80 (RV) 36.65(DV) 30.90(GRR)
Total				413.09 (RV)
Collateral coverage for exposure of Rs.426.33 lakhs(CC & Term loan)				96.89% by RV

The credit facilities are secured by the personal guarantee of:

Sl.No	Name of the Guarantor/ Partner	Relationship	Net worth as on 31.03.2020 (in lakhs)
1.	Mr. Hiralal Fulchand Bhagele	Director	34.40
2.	Mr.Yeshwant Sambhaji Sayare	Director	125.00
3.	Mrs.Asha Sambhaji Sayare	Director	110.00
4.	Mr. Nitin Murlidhar Tonge	Director	15.00
5.	Mr.Anup Dattaraya Wasade	Director	120.95
6.	Mr.Sanjay Uddhaorao Dhawas	Director	244.03
7.	Mr.Ritesh Suresh Bathe	Director	10.00
8.	Mr.Sudhir Ramakrushna Matte	Director	70.00
9.	Mr.Baliram Kisanrao Dongarkar	Director	90.00
10.	Mr.Mayur Manohar Paunkar	Director	133.61
11.	Mrs.Sunanda Suresh Bathe	Guarantor (Title Holder)	100.00
12.	Mr.Murlidhar Shrihari Tonge	Guarantor (Title Holder)	125.00

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13.	Mrs.Prabha Dattatray Wasade	Guarantor (Title Holder)	22.09
14.	Mr.Ashok Baliram Dongarkar	Guarantor (Title Holder)	40.00
15.	Mrs.Ushatai Baliram Dongarkar	Guarantor (Title Holder)	50.00
16.	Mrs.Saroj Sanjay Dhawas	Guarantor (Title Holder)	36.01

Latest Net worth certificates of all the guarantors certified by CA with UDIN are submitted and held on record.

b) Status Regarding Statutory Obligations:

1. Registration under Shops & Establishment Act	Condition is stipulated to obtain registration certificate.
2. Registration under MSME (Provisional / Final)	Yes
3. Drug License	NA
4. Latest GST Return filed	Yes
5. Latest Income Tax Returns filed	Yes
6. Any other Statutory dues remaining outstanding	Reportedly None

c) CONFIRMATION:

a.	Compliance of last sanctioned terms(if No, give details)	Not applicable being a new sanction
b.	Security Documents are valid/in force	Not applicable being a new sanction
c.	Proper charge on securities created in Bank's favour	Not applicable being a new sanction
d.	Last Audited Balance Sheet submitted by the company is verified from the Balance Sheet submitted to ROC	Yes
e.	Exposure is within Bank's prudential Norms/RBI guidelines	Yes
f.	Whether company/directors are under Bank's/RBI/ECGC/CIBIL defaulter's list/Central Fraud Registry	No
g.	Any deviation from usual norms	No
h.	Whether directors are disqualified under Section 164 of Companies Act, 2013	No
i.	Any arrears in payment of statutory liabilities by the Co.	No
j.	Auditor's comments on Corporate Governance Practices followed in case of Ltd Co.s	No adverse comments
k.	Pending litigation against/by the company (If yes details to be given)	Reportedly none
l.	Whether company/directors/firm's partners/proprietor are related to Bank's director/s	No
m.	Whether Company's directors are directors in our Bank's/Other Bank's Board	No
n.	Exchange of information with participating banks has been done in the RBI prescribed format	Not applicable
o.	Whether a confirmation from the company has been obtained regarding the status of different regulatory compliances	No. Declaration to be obtained.
p.	Whether Asset Status with other Banks as per CRILC data	Not verified as the proposed exposure is less than Rs.5.00 Crores
q.	Any others	The section 6.3:'Credit delivery for term loan' of loan policy of our bank says "For agricultural term loan, borrower's contribution should be normally in the band of 15 to 25% of project cost

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	depending upon purpose & quantum of loan". Hence margin of 20% projected for term loan by the applicant is accepted.
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f) Details of regulatory declaration:

Sr no	Declaration	Remark
1	Relationship if any, of the Directors/Partners/Proprietor of the borrowing entity to any of the director's/Senior officials of the Bank. If no relationship exists, specific declaration to be made.	No relation reported. Suitable declaration to be obtained.
2	Whether exposure in the account existing as well as proposed to the borrowing entity as well as of the group is within the prudential exposure ceilings as laid down in the lending policy	Yes
3	Confirmation that an undertaking from guarantor's is obtained stating that no consideration is proposed/received from the borrower/borrowing entity for offering personal guarantees to the credit facilities.	Suitable undertaking to be obtained.
4	Confirmations that an undertaking is obtained from the borrower/borrowing entity stating that they have no objection for disclosure of the names of the directors/partners/proprietor of the borrowing entity to RBI/CIBIL as per requirements.	Suitable undertaking to be obtained.
5	Study of balance sheets of sister concerns, as far as possible on a common date else balance sheet as of not older than nine months shall be obtained to analyse interlocking of funds, diversion of funds etc. shall be done. Specific conclusions drawn on the same:	There are no sister concerns and We have not observed any interlocking or diversion of funds.
6	Reference to RBI defaulter's list & CIBIL database and full details on the director's/partner's/borrowing entity whose names appear in the defaulter's list. Financial implications of the same more particularly if personal guarantees are given by these persons in the defaulting borrower accounts:	Name of the firm or any of its partners do not appear in RBI defaulter's list and wilful defaulter's list as of Sept 2020
7	Declaration to be obtained from the borrower's / guarantors/ partners/director's that no litigation by any third party is pending against them. If there is any litigation then the details should be incorporated in the body of the note below their names.	Suitable declaration to be obtained
8	Undertaking from the company that payment to small investors (if public deposit is accepted) is up to date and dues to SSI suppliers are paid on time.	Suitable undertaking to be obtained.
9	The firm/ Company to submit a certificate at the end of every quarter furnishing details of accounts opened with other Bank/s. If no account is opened, Nil certificates should be obtained and kept on record.	Suitable undertaking to be obtained for submission of this certificate
10	An undertaking is obtained stating that the borrower is not i. Directors (including the Chairman/Managing Director) of other banks, ii. Any firm in which any of the directors of other banks is interested as a partner or guarantor; and iii. Any company in which any of the directors of other banks holds substantial interest or is interested as a Director or Guarantor.	Suitable declaration to be obtained.

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Sr no	Declaration	Remark
11	Instructions on obtaining/sharing of information relating to Credit, derivatives and un-hedged foreign currency exposures for borrowers availing credit facilities under consortium/multiple banking arrangement/ joint lending arrangement should be complied with.	Suitable undertaking to be obtained
12	Confirmation that an undertaking is obtained stating that the directors of the company are not directors / relatives of directors of banks	Suitable undertaking to be obtained
13	<p>Declaration as to statutory certificates:</p> <p>The audited Balance Sheet and the auditor's report for the year 2019-20 is perused. The report other than what is stated elsewhere in this note and the annexure does not contain any qualifying statement / remarks of the Auditors having financial implications.</p> <p>We hereby confirm that No third party is involved at any stage in the loan sanction process.</p> <p>The proposal does not violate any guidelines of the Bank / RBI / Govt.</p>	<p>Nil</p> <p>Suitable undertaking to be obtained</p> <p>Suitable undertaking to be obtained</p>

d) Early warning signals observed: Not Applicable

e) Position of Accounts: Not applicable, as it is a new account.

f) Abridged Balance Sheet

(Rs. in lakhs)

LIABILITIES	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Estimated	Projected	Projected	Projected	Projected	Projected	Projected
Capital	34.75	49.75	49.75	49.75	49.75	49.75	49.75
Grant	417.26	682.45	682.45	682.45	682.45	682.45	682.45
Unsecured loan (Quasi Equity)	279.09	450.31	450.31	450.31	450.31	450.31	450.31
Reserves	22.67	81.53	215.46	425.54	684.65	981.82	1,324.43
NET WORTH	753.77	1264.04	1397.97	1608.05	1867.16	2164.33	2506.94
Term loans	86.39	167.55	136.13	104.72	73.30	41.89	10.47
TOTAL TERM LIABILITIES	86.39	167.55	136.13	104.72	73.30	41.89	10.47
Sundry Creditors	65.00	219.80	282.78	332.83	370.96	389.34	408.42
Bank Borrowings	0.00	253.54	253.54	253.54	253.54	253.54	253.54
Provisions	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Current Liabilities	26.50	0.29	0.29	0.29	0.29	0.29	0.29
TOTAL CURRENT LIABILITIES	93.50	473.63	536.61	586.66	624.79	643.17	662.25
TOTAL LIABILITIES	933.66	1905.22	2070.71	2299.43	2565.25	2849.39	3179.66

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(Rs. in lakhs)

ASSETS	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Estimated	Projected	Projected	Projected	Projected	Projected	Projected
Fixed Assets	598.12	1005.50	973.45	921.43	869.42	817.40	765.39
Depreciation	12.49	19.95	39.91	39.91	39.91	39.91	39.91
NET BLOCK	585.63	985.55	933.54	881.52	829.51	777.49	725.48
Cash & Bank	5.97	81.31	46.50	157.12	356.81	621.38	924.10
Fixed Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stock	46.00	277.73	364.24	398.10	421.45	439.63	458.51
Receivables	253.00	444.11	610.29	731.92	819.11	862.89	907.57
Other Current Assets	26.14	95.00	100.00	120.00	133.00	148.00	164.00
TOTAL CURRENT ASSETS	331.11	898.15	1121.03	1407.14	1730.37	2071.90	2454.18
TOTAL NON CURRENT ASSETS	16.92	21.52	16.14	10.77	5.37	0.00	0.00
TOTAL ASSETS	933.66	1905.22	2070.71	2299.43	2565.25	2849.39	3179.66

Notes:

1. Net worth includes Capital, Reserves and Surplus, Grant under SMART scheme, Govt. Anudan for Tractors and unsecured loans from Directors, which is treated as Quasi-Equity as per borrower's request.
2. Term loan includes proposed term loan with us.
3. Other current liabilities include advance received from clients.
4. Fixed Assets include machineries, factory building, agricultural machineries/equipment/vehicles and furniture. The company has not availed any loan for purchase of Tractors and other implements.
5. Other current assets include advance booking made by the company to supplier and other receivables.
6. Non-current assets include investments and other intangible assets viz., preliminary expenses.

g) Profitability analysis:

(Rs. in lakhs)

Particulars	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Estimated	Projected	Projected	Projected	Projected	Projected	Projected
Gross Sales	1,182.24	3,197.58	4,394.08	5,269.85	5,897.62	6,212.82	6,534.50
Less Excise	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Sales	1,182.24	3,197.58	4,394.08	5,269.85	5,897.62	6,212.82	6,534.50
Cost of Production	1,013.00	3,074.54	3,966.75	4,694.32	5,241.17	5,505.41	5,780.49
Adjustment for Closing Stocks	109.70	(231.73)	(86.51)	(33.86)	(23.35)	(18.18)	(18.88)
Cost of Sales	1,121.20	3,043.74	4,132.77	4,935.32	5,516.98	5,797.00	6,076.11
Selling and General expenses	31.23	26.98	27.79	28.62	29.48	30.37	31.27
Total expenses before interest	1,152.43	3,070.72	4,160.56	4,963.94	5,546.46	5,827.37	6,107.38
Other operating income	7.50	0.00	0.00	0.00	0.00	0.00	0.00
Profit Before Interest & Tax	37.31	126.86	233.52	305.91	351.16	385.45	427.12
Interest	1.50	35.92	47.55	43.78	40.01	36.24	32.47
Depreciation	12.49	32.06	52.01	52.01	52.01	52.01	52.01
Profit After Interest	15.82	58.88	133.96	210.12	259.14	297.20	342.64
Total Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00

M/s.Kanchani Farmer Producer Company Limited,
Anandwan Branch, Chandrapur Zone

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Profit Before Tax	23.32	58.88	133.96	210.12	259.14	297.20	342.64
Provision for Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit After Tax	23.32	58.88	133.96	210.12	259.14	297.20	342.64
Profitability Ratios							
Raw Materials to Sales %	85.68%	96.15%	90.27%	89.08%	88.87%	88.61%	88.46%
Cost of Sales to Sales	94.84%	95.19%	94.05%	93.65%	93.55%	93.31%	92.99%
PBDIT as a % of Sales	2.52%	3.97%	5.31%	5.80%	5.95%	6.20%	6.54%
PBT as a % of Sales	1.97%	1.84%	3.05%	3.99%	4.39%	4.78%	5.24%
PAT as a % of Sales	1.97%	1.84%	3.05%	3.99%	4.39%	4.78%	5.24%

SWOT ANALYSIS:

Strength:

1. The proposed location of the unit is ideal for the business, as it is connected to Nagpur, Chandrapur and Yavatmal districts. This will facilitate movement of raw materials and end products.
2. Strong supply network of farmers and Farmer Producer companies.
3. Availability of amenities.
4. Versatile portfolio of the promoters.

Weakness:

1. Dependence on few technical key persons.
2. Seasonality of Raw materials. For example, Cotton is not available throughout the year.
3. Lack of experience of promoters in Ginning operations.
4. Promoters are from different back grounds and dependent on employees for technicalities of ginning operations.

Opportunity:

1. Regular orders from farmers/brokers in the surrounding areas and Job work from CCI.
2. Opportunity for Export of products in the future.
3. Building up value by benefitting more number of farmers and farmer producer companies.

Threats:

1. Poor environmental/climate conditions will directly affect the business.
2. Poor agricultural yield or aggressive purchase by peers will hamper the raw material available to the unit.
3. The company is proposing multiple business at the same time viz., Ginning operations, Dal grading and warehousing. Lack of planning/discrepancies in implementation will delay the commercial production.

h) **Delegation:** Proposal falls within the sanctioning power of Deputy Zonal Manager, Chandrapur zone as per circular Cir AX1/Cr. Mon/Delegation/Cir. 471/2020-21 dated 22.03.2021, as the single borrower exposure is of Rs.426.33 lakhs and group borrower exposure is of Rs.426.33 lakhs.

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DRAFT RESOLUTION

Resolved that approval is hereby accorded for sanction of fresh Cash Credit and Term loan to M/s.Kanchani Farmer Producer Company Limited on terms and conditions as mentioned here under:

Particulars	Facility I	Facility II
Facility	Term loan (New)	Cash Credit (New)
Limit	Rs.1,72,79,000/- (Rupees One Crore Seventy two lakhs seventy nine thousand only)	Rs.2,53,54,000/- (Rupees Two Crores fifty three lakhs fifty four thousand only)
Purpose	To set up i.e. construction of building and purchase of machineries for proposed Cotton Ginning & Pressing factory, Dal Grading/Processing unit and Warehousing unit.	To meet working capital requirements for Cotton Ginning & Pressing unit, Dal Grading/Processing unit and Trading of grains.
Primary Security	1.Registered Mortgage of Industrial diverted plot bearing survey no.157/2, At Chinora Village, Tahsil: Warora, District: Chandrapur with land admeasuring 1.82 HR (18200 Sq.m) belongs to Mr.Anup Dattatray Wasade, Mr.Baliram Kisanrao Dongarkar, Mr.Mayur Manohar Paunkar and Mr.Sudhir ramkrushna Matte. 2. Hypothecation of machineries/ equipment purchased out of bank finance.	Hypothecation of Stock, Receivables and Other current assets. Receivables up to 90 days shall be reckoned for DP calculation.
Margin	Minimum 20% in Bank's favour	Minimum 25% in Bank's favour
Rate of interest	RLLR (6.90%) + 3.50% +BSS (0.50%) – 0.50%(Collateral incentive)= 10.40% p.a. RLLR is subject to periodic review and is effective from such date as decided at review	RLLR (6.90%) + 3.50% +BSS (0.50%) – 0.50%(Collateral incentive)= 10.40% p.a. RLLR is subject to periodic review and is effective from such date as decided at review
Repayment	Total tenure of 84 months including moratorium of 18 months. Principal instalments of Rs.2,61,850/- + interest shall be repaid monthly. Interest to be serviced as and when applied including moratorium period.	On demand, Subject to annual review/renewal
Disbursement	To be disbursed in stages matching with the project implementation. Payment to be made directly to vendors by way of DD/NEFT/RTGS.	Cash credit limit to be made available only after obtaining completion certificate for factory premises and installation of machineries.
Review	Annual	Annual
Processing fees	1.00% of the sanctioned limit + GST	0.30% p.a. + GST

M/s.Kanchani Farmer Producer Company Limited,
Anandwan Branch, Chandrapur Zone

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Inspection/supervision charges	0.15% per annum (Maximum 20,000 /- p.a.) + GST
Documentation charges	0.25% (Maximum 50,000/-) + GST
CIC Fee	Rs. 1700/- plus GST (for 17 consumer CIBIL reports) Rs. 500/- plus GST (for one Commercial CIBIL report)
Delayed Renewal charges	12-15 months:1% p.a. over & above applicable rate of interest for quarter above 15 months:2% p.a. over & above applicable rate of interest for each quarter
Commitment Charges	Working Capital limits if not utilized within 3 months: 0.50% p.a. from date of documentation to actual date of utilization a. Utilization above 75%: NIL b. Utilization 50-75%: 0.5% p.a. of the unutilized limits c. utilization Below 50%: 1% p.a. of the unutilized limits
CERSAI search charges	Rs.600 /- + GST
CERSAI registration charges	Rs.6,000/- +GST (Rs.500 /- + GST per asset ID for 12 assets)
Mortgage creation charges	Rs.15,000/- + GST

Collateral Security:

(Rs.in lakhs)

Facility	Details of property	Title search report	Valuation details	Valuation
CC & Term loan	1. Registered/Equitable mortgage of residential diverted plot situated at S.No:107/3K, Plot No: 22, At Mouza Dewai Govindpur Rayyatwari, Tah & District: Chandrapur with land admeasuring 199.35 Sq.m owned by Ms.Sunanda Suresh Bathe.	Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore	Report dated 06.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	32.18 (FMV) 28.97 (RV) 27.36(DV) 9.91(GRR)
	2. Registered/Equitable mortgage of Residential land and building situated at S.No:19/1 (Old Survey No.1/3,4/5/1) , Plot No.4, At Mouza Dewai Govindpur Rayyatwari, Tah & District: Chandrapur with land admeasuring 387.86 Sq.m (constructed area: GF- 61.04 Sq.m & FF- 61.04 Sq.m) owned by Mr.Murlidhar Shrihari Tonge.	Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore	Report dated 08.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	98.87 (FMV) 88.99 (RV) 84.04(DV) 97.45(GRR)
	3. Registered/Equitable mortgage of Residential diverted plot situated at S.No:52/2, Plot No: 9, At Mouza Chanda Rayyatwari, Tah & District: Chandrapur with land admeasuring	Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore	Report dated 07.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	30.41 (FMV) 27.37 (RV) 25.85(DV) 7.96(GRR)

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	180.00 Sq.m owned by Mr.Sudhir Ramkrushna Matte.			
4.	Registered/Equitable mortgage of Residential diverted plot situated at S.No:12, 13/4, 18/1, Plot No: 113, At Mouza Chanda Rayyatwari, Tah & District: Chandrapur with land admeasuring 238.50 Sq.m owned by Mrs.Prabha Dattatray Wasade.	Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore	Report dated 07.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	46.21 (FMV) 41.59 (RV) 39.28 (DV) 18.29 (GRR)
5.	Registered/Equitable mortgage of Residential diverted plot situated at S.No:264, Plot No: 7, At Mouza Khanji, Tahsil: Warora, District: Chandrapur with land admeasuring 187.50 Sq.m owned by Mr.Ashok Baliram Dongarkar, Ms.Ushatai Baliram Dongarkar and Mr.Baliram Kisan Dongarkar.	Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore	Report dated 07.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	40.36 (FMV) 36.33 (RV) 34.31(DV) 3.30(GRR)
6.	Registered/Equitable mortgage of Residential diverted plot situated at S.No:111, Plot No: 5, At Mouza Chinora, Tahsil: Warora, District: Chandrapur with land admeasuring 616.25 Sq.m owned by Mr.Baliram Kisanrao Dongarkar and Ms.Ushatai Baliram Dongarkar.	Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore	Report dated 06.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	99.50 (FMV) 89.55 (RV) 84.57(DV) 9.31(GRR)
7.	Registered/Equitable mortgage of Residential diverted plot situated at S.No:111, Plot No: 6, At Mouza Chinora, Tahsil: Warora, District: Chandrapur with land admeasuring 170.02 Sq.m owned by Mr.Baliram Kisanrao Dongarkar.	Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore	Report dated 06.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	18.30 (FMV) 16.47 (RV) 15.55(DV) 2.57(GRR)
8.	Registered/Equitable mortgage of Residential diverted plot situated at S.No:222, Plot No: 33, At Mouza Chinora, Tahsil: Warora, District: Chandrapur with land admeasuring 204.00 Sq.m owned by Mr.Baliram Kisanrao Dongarkar.	Report dated 07.06.2021 from Panel Advocate Mr.Nilesh.S.Chore	Report dated 06.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	10.98 (FMV) 9.88 (RV) 9.33(DV) 3.06(GRR)
9.	Registered/Equitable mortgage of Residential land and building (apartment) situated at Apartment No.505, Fifth floor of "CASPIA" in "SHIV ELITE" on Plot No.1, Khasra	Report from Panel Advocate Mr.Y.L.Ingle dated 14.07.2021	Report dated 10.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	39.04 (FMV) 35.14 (RV) 33.19(DV) 24.71(GRR)

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	No. 66/1 & 66/2, P.H.No:42 having super built up area of 86.238 Sq.m and undivided equal share of land of 40.75 Sq.m(0.647%) out of total land area of 6299.00 Sqm, Mouza Shankarpur, Tah & District: Nagpur owned by Mrs.Saroj Sanjay Dhawas.			
10.	Registered/Equitable mortgage of Residential land and building (apartment) situated at Apartment No.302, Third floor in Wing-1(Vaishnogouri-1) of "VAISHNOGOURI Apartment" on Plot No.17, 18 & 19, bearing Khasra No.93/2, 93/3, City survey No.428 & Sheet No.36 having super built up area of 84.62 Sq.m and undivided equal share of land of 35.438 Sq.m(9.20%) out of total land area of 385.20 Sqm, Mouza Manewada, Tah & District: Nagpur owned by Mr.Yashwant Sambhaji Sayare.	Report from Panel Advocate Mr.Y.L.Ingle dated 14.07.2021	Report dated 10.05.2021 from Panel Valuer Mr.Vijay.R.Ghate	43.11 (FMV) 38.80 (RV) 36.65(DV) 30.90(GRR)
Total				413.09 (RV)
Collateral coverage for exposure of Rs.426.33 lakhs(CC & Term loan)				96.89% by RV

The above facilities are also covered by personal guarantee of below

Sl.No	Name of the Guarantor	Net worth (in lakhs)
1.	Mr. Hiralal Fulchand Bhagele	34.40
2.	Mr.Yeshwant Sambhaji Sayare	125.00
3.	Mrs.Asha Sambhaji Sayare	110.00
4.	Mr. Nitin Murlidhar Tonge	15.00
5.	Mr.Anup Dattaraya Wasade	120.95
6.	Mr.Sanjay Uddhaorao Dhawas	244.03
7.	Mr.Ritesh Suresh Bathe	10.00
8.	Mr.Sudhir Ramakrushna Matte	70.00
9.	Mr.Baliram Kisanrao Dongarkar	90.00
10.	Mr.Mayur Manohar Paunkar	133.61
11.	Mrs.Sunanda Suresh Bathe	100.00
12.	Mr.Murlidhar Shrihari Tonge	125.00
13.	Mrs.Prabha Dattatray Wasade	22.09
14.	Mr.Ashok Baliram Dongarkar	40.00
15.	Mrs.Ushatai Baliram Dongarkar	50.00
16.	Mrs.Saroj Sanjay Dhawas	36.01

M/s.Kanchani Farmer Producer Company Limited,
Anandwan Branch, Chandrapur Zone

Kanchani
21/8/21





Most important terms & conditions:

1. Only Conditional sanction is issued now. Final Sanction would be accorded only after
 - a) N.A Permission is obtained for the entire factory land of 18200 Sq.mt.
 - b) Fresh Legal search report and Valuation of the primary security after NA order are submitted to CPC and permission is obtained for final sanction for disbursement.
 - c) Submitting detailed Visit report of branch manager for the primary and collateral securities with observations, recommendations and concurrence with valuation.
 - d) Submitting Capital infusion certificate for the capital infused by the promoters so far and yet to be brought by the applicant as margin for the proposed project.
 - e) Charge of CDCC Bank on 7/12 extract of primary security i.e. factory land is removed.
2. Disbursement of Term loan should be effected only after
 - a) completing the documentation
 - b) ensuring compliance of all terms & conditions of the sanction.
 - c) Obtaining an undertaking that cost overrun in the project, if any, shall be borne by the applicant.
 - d) **Obtaining an undertaking that the unsecured loans from the directors will be maintained till the pendency of the credit limits.**
 - e) Obtaining Passport copies of all the directors and guarantors/undertaking if not available.
3. Disbursement of Cash credit should be effected only after
 - a) completing the above mentioned conditions in point 1.
 - b) **Obtaining MPCB permission (Consent to operate).**
 - c) **Obtaining MSEB connection.**
 - d) **Obtaining completion certificate from panel engineer confirming completion of construction of building and installation of machineries.**
4. Rate of interest quoted in this sanction is tentative. Borrower is advised to note that the ROI may vary at the time of final sanction based on Bank's rating/assessment.
5. Legal vetting of documents to be obtained from Panel Advocate/ Law officer to be obtained.
6. Term loan should be disbursed in stages based on project implementation. The margin necessarily to be brought by the applicant should be ensured during each part-disbursement.
7. Cash credit limit should be disbursed only after construction of Cotton Ginning unit and Dal processing unit and all the machineries are installed.
8. The loan proceeds should be directly paid to the vendors/dealers. Credit of loan disbursement proceeds to current account of the company and withdrawal thereon should be avoided strictly.
9. Necessary invoices/bills/reports for stage completion should be obtained before disbursement.
10. In case of change in vendors, necessary permission from sanctioning authority to be obtained.
11. Branch should get our charge registered with ROC immediately. Branch should follow up with the company for removing the names of the resigned directors from MCA portal.
12. Current account of the applicant with HDFC Bank, Bank of India and SBI should be closed and closure letter should be obtained.
13. Branch should follow up for early completion of compliance audit and stock audit and rectify the remarks at the earliest.
14. Necessary documents should be submitted to the sanctioning authority 2 months before renewal due date for review/renewal of the account.
15. Branch should link CIF of the directors and Guarantors to the credit facilities, so that the credit facilities are reflected in the CIBIL report.
16. Branch should get our charge over properties registered with revenue authorities.
17. CERSAI registration to be completed for Stock and Receivables, Machinery, Primary security and collateral securities.

M/s.Kanchani Farmer Producer Company Limited,
Anandwan Branch, Chandrapur Zone





18. Branch should insure stock, building and machineries for full/peak value with Bank clause. All the collateral securities should be insured for full value.
19. The branch should ensure that the firm possess all the necessary regulatory permissions/licenses for the current activity and ensure that these permissions/licenses are valid & effective.
20. The firm should undertake to infuse fresh long term sources as and when required so as to maintain current ratio of at least 1.25:1 and TOL/TNW maximum at 4:1.
21. The firm should undertake that it shall not avail any credit facility from any other bank/FI without obtaining prior approval of Bank of Maharashtra.
22. The firm should undertake to route entire business transactions through Cash Credit account with Bank of Maharashtra.
23. Branch should instruct the borrower for regular submission of stock statement i.e. before 7th of every month and ensure that the details are duly entered and authorized in CBS
24. All primary securities charged to the bank shall be comprehensively insured against all risks for the full value at firm's cost and the policy shall remain in the joint names of the firm and the bank with bank clause duly incorporated therein.
25. The unit of the firm shall be regularly visited by branch officials as per HO guidelines. Detailed visit report should be held on branch record. Pre and Post sanction visit reports verifying the end-use be held on record.
26. All the charges i.e. processing, documentation, inspection, CERSAI, insurance, CIC, mortgage and all other charges applicable shall be recovered from the applicant.
27. Compliance certificate in the format specified by the Bank shall be submitted to the Zonal office.
28. An unconditional acceptance to the terms and conditions of sanction from the borrower and guarantors should be obtained.
29. Branch should obtain statutory declarations/ undertakings mentioned in loan policy as applicable
30. Unconditional Cancelability Clause (UCC): Bank, at its sole discretion, will be entitled and at liberty to exercise its absolute right to cancel the limits, referred above, unconditionally and without any prior notice in case of occurrence of all or any of the following events:
 - a) The limits/part of limits are not utilized
 - b) Deterioration in the loan account in any manner whatsoever
 - c) Non-compliance of the terms and conditions of sanction
 - d) Any other reason which the Bank considers appropriate to cancel the facility

Other Standard terms and conditions shall be applicable.

Note prepared by:	Note Appraised by:	Note Recommended by:	Sanctioned by:
 Mr. Arunkumar Chakravarthy, Senior Manager, CPC – Commercial 03.08.2021	 Mr. Vinod Sarode, Manager, CPC – Agriculture 03.08.2021	Ms. Vidya Deshmukh, Chief Manager, CPC – Commercial, 03.08.2021	 Mr. Bhaskar Anant Deo, Deputy Zonal Manager, Chandrapur zone. 03.08.2021





Assessment of Working Capital limit:

Annexure-I
(Rs. in lakhs)

TRADITIONAL METHOD	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Actual	Provisional	Estimated	Projected
GROSS INCOME	542.40	323.73	976.23	1182.24	3197.58
STOCK	4.60	28.97	155.70	46.00	277.73
RECEIVABLES	284.87	138.24	133.01	253.00	444.11
OTHER CURRENT ASSETS	2.52	10.92	69.44	32.11	176.31
TOTAL CURRENT ASSETS	291.99	178.13	358.15	331.11	898.15
OTHER CURRENT LIABILITIES	223.64	47.21	136.70	93.50	220.09
WORKING CAPITAL GAP	68.35	130.92	221.45	237.61	678.06
25% OF TOTAL TCA	73.00	44.53	89.54	82.78	224.54
ACTUAL\PROJECTED NWC	68.35	107.25	197.58	237.61	424.52
WCG - 25% of TCA	-4.65	86.39	131.91	154.83	453.52
WCG- Actual NWC	0.00	23.67	23.87	0.00	253.54
ELIGIBLE FINANCE	-4.65	23.67	23.87	0.00	253.54

Note: The applicant is eligible for Cash credit limit of Rs.154.83 lakhs and Rs.453.52 lakhs during FY 2021-22 and FY 2022-23 respectively as per the above assessment. However, as the cash credit limit is to be availed only after construction of ginning unit, the borrower has not proposed bank borrowings for FY 2021-22. Also, as per the borrower's request and project submitted to SMART, Cash Credit limit of Rs.253.54 lakhs is considered.

Year	31.03.2022	31.03.2023	31.03.2024
	Estimated	Projected	Projected
Stock	46.00	277.73	364.24
Cost of sales	1121.20	3043.74	4132.77
Stock holding (in days)	15	33	32
Receivables	253.00	444.11	610.29
Gross Sales	1182.24	3197.58	4394.08
Receivables holding (in days)	77	50	50
Other Current Assets [OCA]	32.11	176.31	146.50
Total Current Assets [TCA]	331.11	898.15	1121.03
OCA as % of TCA	9.70	19.63	13.07
Creditors	65	219.8	282.78
Purchased	1013.00	3074.54	3966.75
Creditors holding (in days)	23	26	26

Stock holding level, debtors and creditors velocity are at acceptable levels.

M/s.Kanchani Farmer Producer Company Limited,
Anandwan Branch, Chandrapur Zone

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09/07/23





Term Loan Appraisal

Annexure-II

Name of the Unit/Borrower:

a) Proposal: Fresh Term loan of Rs.172.79 lakhs
b) Project / Purpose: Construction of building and purchase of machineries for setting up Cotton Ginning & Pressing factory, Dal grading/processing unit and warehousing unit.
c) Appraised by: Mr.Arunkumar Chakravarthy / Mr.Vinod Sarode

Assessment of Term Loan:

1. **Purpose:** Construction of building and purchase of machineries for setting up Cotton Ginning & Pressing factory, Dal grading/processing unit and warehousing unit.

2. Project Details :

(Rs. in Lakh)

Project cost	Cost	Grant under SMART	Grant (%)	Margin (%)	Margin amount	Required Bank Finance
Land & Buildings	470.79	282.47	60%	20%	94.15	94.17
Plant & Machinery	393.17	235.91	60%	20%	78.64	78.62
WC margin	84.00	0.00	0%	100%	84.00	0.00
Contingencies/ Preliminary/Pre- operative expenses	20.00	12	60%	40%	8.00	0.00
Market Access	54.13	32.48	60%	40%	21.65	0.00
Total project cost	1022.09	562.86	60%		286.44 (20%)	172.79(20%)
Means of finance						
Own funds including Quasi Capital					286.44	Debt /Equity: 0.60:1
Borrowings from friends and relatives					0.00	
Bank finance					172.79	
Others					562.86	
Total means of finance					1022.09	

3. **Ability to bring in Required Capital:** The Company has started with an authorized capital of Rs.50.00 lakhs. The company's paid-up capital has increased from Rs.19.49 lakhs to Rs.34.75 lakhs till date. As discussed above, the promoters are from various backgrounds and are having high net worth and regular income, which are confirmed with the net worth certificate and income tax returns of the promoters. Hence the promoters are capable of infusing the required capital during the implementation of the project. For now, the company has proposed to increase the paid up capital to Rs.49.75 lakhs and raise unsecured loans from directors for the remaining margin, which is considered as the Quasi Equity. Condition is stipulated to obtain an undertaking that the unsecured loans will be withdrawn during the currency of credit limits with our bank.

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4. Commercial viability:

Description	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII
Capacity utilization %	60	60	65	70	75	80	80
Sales	1182.24	3197.58	4394.08	5269.85	5897.62	6212.82	6,534.50
Net Profit	23.32	58.86	133.93	210.09	259.11	297.16	342.61
Depreciation	12.49	32.06	52.01	52.01	52.01	52.01	52.01
Interest	1.50	35.92	47.55	43.78	40.01	36.24	32.47
TOTAL	37.31	126.84	233.49	305.88	351.13	385.41	427.09
Term Loan repayments	0	5.24	31.42	31.41	31.42	31.41	31.42
Interest	1.50	35.92	47.55	43.78	40.01	36.24	32.47
TOTAL	1.50	41.16	78.97	75.19	71.43	67.65	63.89
Gross DSCR	24.87	3.08	2.96	4.07	4.92	5.70	6.68
Average Gross DSCR	4.57						
Net DSCR	NA	17.35	5.92	8.34	9.90	11.12	12.56
Comments on DSCR	<p>The average DSCR including 1st year stands at 7.47:1. DSCR is conservatively arrived at 4.57:1 by excluding 1st year, as the 1st year DSCR is not in line with other years.</p> <p>Also, the borrower has projected DSCR of 9.85:1 in the project; However, 4.14:1 arrived as per our calculation is reckoned for assessment conservatively.</p> <p>It is observed that the DSCR of the project is high, as the term loan compared to project outlay is less viz., Rs.172.79 lakhs loan for the project cost of Rs.1022.09 lakhs.</p>						
Mode of Disbursement:	Term loan shall be disbursed in stages as per project implementation. Cash credit will be disbursed only after construction of proposed unit and installation of machineries.						
Repayment schedule:	84 months with initial moratorium period of 18 months. Interest to be serviced as and when debited, even during moratorium period.						
Compliance of the project with environmental / social / statutory requirements:	<p>The company has obtained necessary registrations viz., Udyam Registration, GSTIN registration, MPCB (Consent to establish) and has applied for MSEB connection (MSEDCL application ID: 31576494). MPCB clearance (Consent to operate) to be obtained after machineries are installed. It is stipulated as a pre-disbursement condition for Cash credit limit.</p> <p>Construction plan for the proposed buildings are approved by the competent authorities and permissions in this regard are submitted.</p>						

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	The factory is proposed to be set up in S.No:157/2 of Chinora Village, Tah:Warora admeasuring 18200 Sq.m. However, N.A. order/permission is available for only part of the land i.e. 12500 Sq.m. The company has applied for N.A. order for the remaining portion of the land. Condition is stipulated to obtain the same for final sanction.
Overall viability and acceptability of the proposal :	The key financial metrics of the proposed project are satisfactory with Current ratio above 1.45:1, TOL/TNW below 0.66:1 and average DSCR of 4.57:1. All other ratios are also satisfactory. Considering the business prospects, back ground and net worth of promoter directors and available security coverage, the proposal is considered favourably for sanction.

Annexure II (B)

1. Comments on Commercial Viability:

9.1. Schedule of Cleaning and Grading Services- Grains, Cereals and Turmeric

Particulars	Y2	Y3	Y4	Y5	Y6	Y7	Y8
Machine Capacity (TPH)	2	2	2	2	2	2	2
No. of Machines	1	1	2	2	2	2	2
Total Capacity (TPH)	2	2	4	4	4	4	4
No. of hrs of operation	8	8	8	8	8	8	8
No. of days	188	250	250	250	250	250	250
CU assumed	60%	65%	70%	75%	80%	80%	80%
Particulars	Y2	Y3	Y4	Y5	Y6	Y7	Y8
Total Quantity Processed (MT)	1800	2600	5600	6000	6400	6400	6400
Assuming 10% is self utilized and Balance 90% is used in Job work							
Quantity Processed (MT) (for trading)	180	260	560	600	640	640	640
Crop							
Tur	45	65	140	150	160	160	160
Output							
Cleaned Tur	43.65	63.05	135.8	145.5	155.2	155.2	155.2
Immature Grain	0.9	1.3	2.8	3	3.2	3.2	3.2
Chana	54	78	168	180	192	192	192
Output							
Cleaned Chana	52.92	76.44	164.64	176.4	188.16	188.16	188.16
Immature Grain	0.54	0.78	1.68	1.8	1.92	1.92	1.92
Soybean	81	117	252	270	288	288	288
Quantity processed as Job work		2340	5040	5400	5760	5760	5760
	1620						
Crop							
Tur	405	585	1260	1350	1440	1440	1440
Cleaning & Grading Charges per MT	500	515	530	546	562	579	596
Revenue	2.03	3.01	6.68	7.37	8.09	8.34	8.58
Chana	486	702	1512	1620	1728	1728	1728
Cleaning & Grading Charges per MT	500	515	530	546	562	579	596
Revenue	2.43	3.62	8.01	8.85	9.71	10.01	10.3
Soybean	729	1053	2268	2430	2592	2592	2592
Cleaning & Grading Charges per MT	350	361	372	383	394	406	418
Revenue	2.55	3.8	8.44	9.31	10.21	10.52	10.83
Total Revenue from Job Work		10.43	23.13	25.53	28.01	28.87	29.71

*Figures in INR Lakh

M/s.Kanchani Farmer Producer Company Limited,
Anandwan Branch, Chandrapur Zone

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9.5. Revenue Schedule- Cotton Ginning

Ginning & Pressing	Y2	Y3	Y4	Y5	Y6	Y7	Y8
Capacity per day (MT)	110	110	110	110	110	110	110
CU assumed	45%	50%	55%	60%	60%	60%	60%
Particulars	Y2	Y3	Y4	Y5	Y6	Y7	Y8
Input Raw Cotton(MT) per day	110.00	110.00	110.00	110.00	110.00	110.00	110.00
Days of Operation	68	75	83	90	90	90	90
% Utilisation for purchase model (captive)	30%	40%	40%	40%	40%	40%	40%
% Utilisation on Job Work	70%	60%	60%	60%	60%	60%	60%
Input Raw Cotton(MT) annually	2,244	3,300	3,652	3,960	3,960	3,960	3,960
Output							
Cotton Bale (Number)	4,620	6,794	7,519	8,153	8,153	8,153	8,153
Sarki (MT)	1,414	2,079	2,301	2,495	2,495	2,495	2,495
Waste (MT)	45	66	73	79	79	79	79

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Qty Sold							
Cotton Bale (Number)	4,280	6,681	7,519	8,153	8,153	8,153	8,153
Sarki (MT)	1,310	2,044	2,301	2,495	2,495	2,495	2,495
Number of Bales prepared on Job Work	10,780	10,191	11,279	12,230	12,230	12,230	12,230
Qty of cotton seeds produced in the process of Job Work (Qti)	32,987	31,184	34,514	37,424	37,424	37,424	37,424
Rate/ MT							
Raw Cotton	54,500	56,135	57,819	59,554	61,341	63,181	65,076
Cotton Bale (per Number)	22,000	22,660	23,340	24,040	24,761	25,504	26,269
Sarki	22,000	22,660	23,340	24,040	24,761	25,504	26,269
Job Work Charges per bale of cotton	850	876	902	929	957	986	1,016
Revenue from Sale of Bales & Sarki	1,229.80	1,977.09	2,291.99	2,559.78	2,636.55	2,715.67	2,797.12
Revenue from Job work charges	91.63	89.27	101.74	113.62	117.04	120.59	124.26
Annual Revenue (in Rs. Lakh)	1,321.43	2,066.36	2,393.72	2,673.40	2,753.59	2,836.25	2,921.38

9.6. Warehouse Services

Capacity of Godown in MT per month	2,500						
No of Godowns	1						
No of Months	12		Expected service users	Rate	Total		
Total Capacity (MT)	30,000		Farmers	60%	80	1440000	
Rent Per Quintal (in Rs.)	8/15		Others	40%	150	1800000	
Total expected Receipts @ 100% CU	3,240,00					3240000	
	0.00						
Particulars	Y2	Y3	Y4	Y5	Y6	Y7	Y8
Receipts :-							
Receipts @ 100% CU	24.30	33.00	34.00	35.00	36.00	37.00	38.00
Capacity Utilization	70%	70%	75%	80%	85%	90%	90%

Godown Rent Receipts	17.01	23.10	25.50	28.00	30.60	33.30	34.20
Total Receipts	17.01	23.10	25.50	28.00	30.60	33.30	34.20

*Figures in INR Lakh

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2. Details of capital expenditure i.e. land and factory building as well as machinery proposed to purchase:

a) **Market led Production:**

1. Turmeric Boiler & Polisher
2. Tractor 55 HP + Loader

Purpose: Plugging the gap of boiler and polisher services for Turmeric at farm level and ensuring maximum capacity utilization in coordination with custom hiring centers.

b) **Value Adding Infrastructure:**

Cleaning and Grading Plant for Grains:

1. Procurement of suitable Shed (3000 sq. Ft), C & G Machinery, Grain Dryer (Conventional), Semi-Automatic Weighing & Bagging, Machine, Machine Cabling & Internal Electrical Works, Weighing Machine, Heavy Duty Hand Trolley, Loader Conveyor, Basic Lab Equipments
2. Quality Testing and assurance Charges

Purpose: Creating a nodal centre for the proposed hub and spoke model- The centre to be a one stop center for farmers- will also have warehousing and auction yard in same campus, Ensuring testing of incoming raw produce to test on compliance with standard specifications, Ensuring cleaned and graded supply of grains to buyers, leading to commensurate increase in realization, Automation to reduce man hours in lesser productive yet high cost consuming activities like loading, unloading and stacking, Drying the produce to ensure acceptable and uniform moisture percentage appropriate for storage/processing. Notably, raw produce coming in between June to November is moisture laden (due to rains) and produce coming in between November and February has inherent moisture.

c) **Ginning & Pressing Operation:**

1. Building Ginning & Pressing Machinery
2. Quady Cleaner & Ghatan Bandi machine
3. Tractor 30 HP + Accessories

Purpose: A 24-DR Ginning plant (110 TPD capacity) is proposed to enable processing raw cotton into bales and seeds. The targeted number of bales shall be supplied to Arvind. Rest products will be marketed with other linked buyers and traders. Farmers shall benefit from sale of bales and seeds (by getting higher sales realization). Tractor is required for loading of cotton in the ginning unit and for handling bales.

d) **Other Infrastructure:**

1. Warehouse Infrastructure- Shed infrastructure for storage services to farmers, Facilitating in avoiding distress sale and rather sale at remunerative prices, Facilitating inspection of material before cleaning and warehousing.
2. Pre-cleaning and pre-warehousing open shed
3. Weigh Bridge
4. Electrification (Transformer, etc)
5. Machine Cabling & Internal Electrical Works
6. Computer & Printer
7. Fire Fighting Equipment
8. Aggregation & support infrastructure (boundary wall, internal road, etc)

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e) **Market Access Initiatives:** These are not considered for financing by the bank and hence these expenses are to be borne by the borrower.

1. Print,Website,Social Media and Radio Marketing
2. Marketing Collaterals (Brochures, Flyers, etc)
3. Participation in Trade forums
4. Buyer-Seller meet at key association premises
5. Trainings on Export Marketing
6. Other enablers and engaging facilitators

f) **Remarks on cost of project & means of finance :**

Amount in Rs. lakhs

Activity	Year-1	Year-2	Year-3	Total Cost	SMART Grant	Borrower's Contribution	Bank Term loan
Market led Production	20.75	0.00	0.00	20.75	12.45	4.15	4.15
Cleaning and Grading/Processing Operations	81.78	0.00	0.00	81.78	49.07	16.36	16.36
Ginning and Pressing Operations	319.48	0.00	0.00	319.48	191.69	63.89	63.89
Enabling Infrastructure	441.95	0.00	0.00	441.95	265.17	88.40	88.39
Market Access	21.60	21.60	10.93	54.13	32.48	21.65	0.00
Preliminary & Pre-operative expenses	20.00	0.00	0.00	20.00	20.00	0.00	0.00
Working Capital Margin	0.00	84.00	0.00	84.00	0.00	84.00	0.00
Total	905.56	105.60	10.93	1022.09	562.85	286.45	172.79

g) **Details of Repayment Schedule along with moratorium to be mentioned:**

Period	Details of the Installments
84 months including initial moratorium period of 18 months.	Principal instalments of Rs.2,61,850/- + interest shall be repaid monthly. Interest to be serviced as and when applied including moratorium period.





h) **Production Factors / Technical Aspects:**Key Assumptions in the project are as follows.

No. of DR Gin Machine	24
Average Working Hour	20
Bale price /per bale	19750
Working day in Season	150
Cotton Seed Rate / Ton	18000
Raw Cotton Price /Ton	46500
Bale packing material/Bale	50
PARTICULAR	Value
No. of D.R. Gins proposed in the plant Jumbo Model	24
Approximate Raw cotton in Kgs required by each D.R. Gin per hour	210
Average Working Hours Per day	20
Ginning Outturn of the cotton Quality	33%
Number of Lint Bales of 165 Kgs each obtained / day	225
Total No. Of Bales in season (225 x 150)	33750

i) **Project implementation schedule:**

#	Project Activity	Milestone Timeline	
		Start	Completion
1	SMART Sanction		Recd.
2	Compliance of Sanction Conditions		Completed
3	Formation of Committees, Procurement Procedures		Completed
4	Preliminary and Pre-operative expenses	Dec-20	Dec-21
5	Shed (3000 sq. Ft) - C&G Plant	Sep-21	May-21
6	Aggregation & support infrastructure	Sep-21	Aug-22
7	Weigh Bridge	Oct-21	Dec-21
8	Computer & Printer	Oct-21	Oct-21
9	Transit Warehouse (2500 MT)	Nov-21	Jun-22
10	Pre-cleaning and pre-walchousing open shed	Nov-21	Apr-22
11	Buidling (Ginning & Pressing)	Nov-21	Aug-22
12	Electrification (Transformer, etc)	Nov-21	May-22
13	C & G Machinery	Mar-22	Jun-22
14	Ginning & Pressing Machinery	Apr-22	Sep-22
15	Machine Cabling & Internal Electrical Works	Apr-22	Jun-22
16	Grain Dreyer (Conventional)	May-22	Jun-22
17	Semi-Automatic Weighing & Bagging Machine	May-22	Jun-22
18	Heavy Duty Hand Trolley	May-22	Jun-22
19	Loader Conveyor	May-22	Jun-22
20	Assaring Lab	May-22	Jun-22
21	Fire Fighting Equipment	Jun-22	Sep-22
22	Quady Cleaner & Ghatan Bandi machine	Jul-22	Aug-22
23	Tractor 30 HP + Accessories for cotton	Aug-22	Sep-22
24	Turmeric Boiler & Polisher	Aug-22	Sep-22
25	Tractor 55 HP + Loader for Turmene	Aug-22	Sep-22
26	Market Access Initiatives*	FY 2021	FY 2023

* Market Access Initiatives will be spread over a period of 3 years (i.e. 2021, 2022, 2023)

j) **Disbursement schedule:** The disbursement should be made in stages based on project implementation. The actual margin necessarily to be brought by the applicant should be ensured during each part-disbursement. The loan proceeds should be directly paid to the vendors/dealers. Credit of loan disbursement proceeds to current account of the company and withdrawal thereon should be avoided strictly. Necessary invoices/bills/reports for stage completion should be obtained before disbursement.

M/s.Kanchani Farmer Producer Company Limited,
Anandwan Branch, Chandrapur Zone

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Cash credit limit should be disbursed only after construction of Cotton Ginning unit and Dal processing unit and all the machineries are installed. Condition is stipulated to obtain work completion certificate before disbursement of Cash credit limit.

k) **Security Coverage Ratio:** The proposed credit facilities shall be secured by the following securities.

S.No	Security type	Valuation (Rs. in lakhs)
1	Primary Security (Stock and Receivables)	501.68
2	Primary Security (Immovable property i.e. factory land)	195.83(MV)
3	Collateral Securities (10 immovable properties)	413.09

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Anandwan Branch, Chandrapur Zone

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I) Marketing & Selling Arrangements:

The company has planned to increase the clientele base gradually and charted out annual target buyers for 3 years. The prospective buyers/modes of sales at the end of 3 years are as follows.

Tur & Chana	Paddy	Turmeric	Soybean	Cotton Bales and Seeds
<ol style="list-style-type: none"> 1. Regional Dal Miller Associations/Industry SPV 2. Regional Dal Millers 3. Regional Traders 4. APMC 5. E-NAM 6. NCDEX(Chana) 7. NAFED 8. HORECA 9. Large Processing Groups like Patanjali,ITC,etc 	<ol style="list-style-type: none"> 1. Regional Rice Milling Associations/ Industry SPV 2. Regional Rice Millers 3. Regional Traders 4. APMC 5. FCI 6. HORECA 7. Regional Rice Exporters 8. Direct Exports 	<ol style="list-style-type: none"> 1. Regional Spice Processors Associations 2. Regional Spice processors 3. Regional Traders 4. APMC 5. Other region domestic millers 6. Ayurved or Pharma Firms like Baidyanath, Vicco, Pataanjali, etc 7. Essential Oil Processors and Curcumin Extractors like Synthite, etc 8. Regional Turmeric Exporters 9. Other region Turmeric Exporters 10. Direct Exports 	<ol style="list-style-type: none"> 1.SOPA 2. Regional SEPs 3. Regional Feed Processing Units 4. Regional Soymilk/other product processors 5. Regional Traders 6. Large Trading Groups (ADM, etc) 7. APMC 8. NAFED 9. SEPs and Feed Mill units in AP and other locations 10. Large brands in Soymilk/other value added product industry like Hershy's, Staeta, etc 	<ol style="list-style-type: none"> 1.Arvind Limited 2. Gimatex Industries Pvt. Ltd. (Wardha) 3. The Br. Sheshrao Wankhede Shetkari Sahakari Soot Girni Ltd. (Nagpur) 4. Regional Spinners Associations 5. Regional Spinners 6. Regional Traders 7. Other regions and National level Associations 8. Other region domestic Spinners





Annexure-III

Key Financial Indicators of existing business of Trading in Grains:

(Rs. in lakhs)

	2018-19	2019-20	2020-21
	Actual	Actual	Provisional
Net Sales	542.40	323.73	976.23
Growth in Net Sales (%)		(40.32)	201.56
Profit after tax	-9.45	4.47	16.89
NPAT to Sales%	-1.74	1.38	1.73
Cash Accrual	-9.32	4.63	30.40
ATNW	97.31	108.31	364.03
TOL/ATNW	2.30	0.65	0.44
Current Ratio	1.31	2.51	2.23
DSCR	NA	NA	NA
NWC	68.35	107.25	197.58
NWC to TCA%	23.41%	60.21%	55.17%

Abridged Balance Sheet of existing business of Trading in grains:

(Rs. in lakhs)

LIABILITIES	31.03.2019	31.03.2020	31.03.2021
	Audited	Audited	Provisional
Capital	97.31	108.31	364.03
NET WORTH	97.31	108.31	364.03
Deferred Tax Liability	0.03	0.02	0.00
TOTAL TERM LIABILITIES	0.03	0.02	0.00
Sundry Creditors	207.57	37.91	48.35
Bank Borrowings	0.00	23.67	23.87
Provisions	16.07	9.30	1.52
Other Current Liabilities	0.00	0.00	86.83
TOTAL CURRENT LIABILITIES	223.64	70.88	160.57
TOTAL LIABILITIES	320.98	179.21	524.60





(Rs. in lakhs)

ASSETS	31.03.2019	31.03.2020	31.03.2021
	Audited	Audited	Provisional
Fixed Assets	28.91	0.93	179.65
Depreciation	0.13	0.16	13.51
NET BLOCK	28.78	0.77	166.14
Cash & Bank	2.13	10.08	18.67
Fixed Deposits	0.00	0.00	0.00
Stock	4.60	28.97	155.70
Receivables	284.87	138.24	133.01
Other Current Assets	0.39	0.84	50.77
TOTAL CURRENT ASSETS	291.99	178.13	358.15
TOTAL NON CURRENT ASSETS	0.21	0.31	0.31
TOTAL ASSETS	320.98	179.21	524.60

Notes:

1. Bank Borrowings include short term loan of the company with M/s.Samunnati Financial Intermediation and Services Ltd, which is discharged now.
2. Other Current liabilities include advances and other payables by the company.
3. Net worth includes Paid-up Capital, Unsecured loans from directors and Govt Anudan for Tractors.
4. Fixed Assets comprise Agricultural implements, tractors and equipment and other movable assets.
5. Other current assets include advance booking by the company and GST receivable.

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CREDIT RISK RATING VALIDATION

Sr. No. CRR/46/ 2021-22

Date – 03.08.2021

We validate the Credit Risk Rating of the above account

Previous Rating: Not Applicable

Account Holder: **M/s.Kanchani Farmer Producer Company Limited - (40231772432)**

Assessment Date: 31/03/2021

CRR Model: MSME

Assessed on: 03/08/2021

Overall rating as validated by CRR approval committee of ZM, Chandrapur on the basis of the note put up for approval by CPC Commercial, Chandrapur

Risk entity	Model Grade	Common Scale Grade	Comments
Overall Risk Rating	MSME BBB+	B+	
Company Rating	MSME BBB+	BB	
Promoter Risk	MSME BBB-	B+	
Expeience and Competence of Key Personis			
Relevant Educational Qualification of the Promoter/s			
Facility Amount as proportion of Total Investment			

Remarks – CRR is based on Audited financial for FY 2019-20, FY 2020-21 and projected financials. Since Project template in ICON is under maintenance, company financial template is used for rating.

Rating Rationale and observations are as under:

1. Positive market feedback.
2. Sufficient collateral security coverage.
3. Successful FPC model
4. Strong farmer members base
5. High Raw material availability from farmers
6. High net worth and versatile background of promoters
7. Ideal unit location i.e. proximity to Nagpur, Chandrapur and Yavatmal
8. Multiple business models viz., Cotton Ginning, Dal Processing, Trading in grains and Warehouse.
9. Satisfactory TOL/TNW, Current Ratio and DSCR.
10. Transparency in accounting
11. Satisfactory credit bureau reports
12. Availability of Grant under SMART scheme
13. Regular filing of GST returns

M/s.Kanchani Farmer Producer Company Limited,
Anandwan Branch, Chandrapur Zone

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Risk Mitigations suggested:

1. Insuring stock and building for full value.
2. Ensuring achievement of projected sales.
3. Registering bank's charge over property with revenue authorities and ROC.
4. Strict monitoring of project implementation schedule.
5. Ensuring necessary statutory approvals
6. Timely completion of Compliance audit and stock audit.

CRR done by:

Mr. Arunkumar Chakravarthy

Senior Manager, CPC

03.08.2021

Taking the above in consideration, Rating is validated as "BBB" (Average Risk) for the account **M/s. Kanchani Farmer Producer Company Private Limited**, Anandwan branch by CRR approval committee of Zonal Manager, Chandrapur dated 03.08.2021 by under signed members & Chairman

Ms. Shikha Kothari, Senior Manager, CPC - Commercial	Mr. Vinod Sahl Senior Manager, Credit monitoring	Mr. Abhishek Kumar Senior Manager, Planning Department	Mr. S.V. Kalwale Zonal Manager, Chandrapur zone
Member	Member	Member	Chairman

Note: 1) AAA-Minimal Risk (Highest safety), 2) AA-Low Risk (High Safety), 3) A-Medium Risk (Adequate Safety), 4) BBB-Average Risk (Average safety), 5) BB-High Risk (Below average safety), 6) B-Very High Risk (Low safety), 7) C-Highest Risk (Lowest safety)

Rating as per Model Grade score is reckoned as per H.O instructions.

