



CREDIT APPRAISAL MEMORANDUM
(Renewal Cum Enhancement)

CAM Reference No.	CAM_SAMFIN_FPO_FY25_99
LOS Id.	ARNSF04181220232991EN01
Programmee	MAGNET Proposal

Borrower Name	K Producer Company Limited	Borrower Id.	1234567	CAM Date	17-05-2024
Group Name	N/A	Customer Since	Jun-22	Next Review Date	16-05-2025
Registered Office & Address	C/o Kailash Dhondu Rajput Shop No.- 40, Gujrati Complex, TQ.- Shirpur, Dhule, AP - 600041	Approving Authority	CC2- FPO	Business Head	Sai
Constitution	Private Limited	External Rating	N/A	Relationship Mgr./ Contact No.	Avinash / 12806450435
Business Description	Output Procurement, and Marketing	Unit Visit Date	10-04-2023	Associate Name	N/A
Vertical	FPO	Type of enterprise	Manufacture/ Trading (Wholesale/Retail)	MSME classification	Micro Enterprises
Security	Unsecured	RCU Screening	N/A	Credit Manager/ Contact No.	Kriti/ 12310042943
KYC AML Risk Categorization	Low	Primary/Secondary Value Chain	Banana, Maize, & Green Chilli	World Check One	No Match Found
FPO Grading and Score	Grading	A			
	Score	71%			
NABARD Grading Score	71%	Internal Dedupe	No Match	ESMS Categorization	Applicability- Full
LEI Code	N/A	Green/Social Classification	No N/A		Category - B

Facility/ Tenor	O/s as on 16-05-2024 (INR Mn)	Amount Authorized (INR Mn)	Change Inc/(dec) (INR Mn)	Amount Proposed (INR Mn)	Pricing		
Short-Term Output Loan (Revolving) Tenor: 120 Days Availability: 12 Months	-	2.50	(+) 3.80	6.30		Existing	Proposed
					Interest	15.75% p.a.	15.75% p.a.
					Proc fees	1.25% p.a.	1.25% p.a.
Total Exposure to Borrower	-	2.50	(+) 3.80	6.30			
Total Exposure to Group	-	2.50	(+) 3.80	6.30			
Samunnati Group Exposure	-	2.50	(+) 3.80	6.30			

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BORROWER PROFILE

1. Brief description of the Borrower:

1.	Name of the Company	M/s K Producer Company Limited	
2.	Date of incorporation	11-05-2018	
3.	CIN No.	U01100MH2017PTC11223344	
4.	E-mail	fpo@gmail.com	
5.	PAN No.	AABHG2344G	
6.	GST No.	12AABHG2344G2ZC	
7.	Licenses/validity	“Direct Marketing of Agricultural Produce” having License No.- DML-900/2020 issued on 11-09-2020	
8.	Account Details	Bank Name	Union Bank of India
		Acc. Type	Current Account
		Acc. No.	11111
		Branch	Chennai
		IFSC	UBIN0556734
9.	Total No. of share holders	425 (More 69 members are added as members)	
10.	Authorized Capital	INR 25,00,000/-	
11.	Paid-up Capital	INR 25,00,000/-	
12.	Promoting Institution	Self-Promoted	
13.	Commodity	Maize, and Green Chilli	
14.	Geographies Covered	1200 Acres	
15.	No. of Districts covered	1 (Dhule)	
16.	No. of Blocks covered	1 (Shirpur)	
17.	No. of Villages covered	18	
18.	No. of Active members	425	
19.	% of Small & Marginal Farmers	75%	
20.	No. of Women's	132	
21.	Clean energy/renewable energy solutions	N/A	
22.	Nature of Business Activity	Output Activity- The FPC is into procurement of Banana, Maize, and Chillies from member, and non-member farmers and sell it to few institutional, and local vendors, and makes payment to farmers within 15 days. The FPC has planned of starting primary seed production of Maize and have established seed processing plant having a capacity of 4 Tonnes per hour. Post procurement of commodities they are dried, and then graded and then transported to the vendors. From March to June procurement of maize is done and from February to April procurement of banana is done. The FPC have the capacity to procure 15-20 Tonnes every day.	

23.	Grading Tool Comment		Categories	Score		Grade
			Compliance	86.70%		A
			Accounts & Finance	63.90%		B
			Technology	43.80%		C
			Socio Economic	28.60%		C
			Management	96.30%		A+
			Operations	74.80%		A
			Governance	64.10%		B
			Outreach	73.30%		A
			Total	71%		A
			Overall Remarks	Ready to ESTABLISH		
24.	Infrastructure Details	Ownership	Sq. Ft.	Capacity	Remarks	
	Godown	Leased	1500	5000 Qtls.	-	
	Seed Processing Unit	Owned	1000	4T/ Hour	-	
	Office	Leased	500	3 Staffs	3 Permanent Employee, and 10 Employees based out of season.	
	Dryer	Owned	500	4T/ Hour	Tractor, Harvester, Rotavator, etc.	

2. Promoters/Key Management Person

Name	Age	Designation	% of share holding	CRIF Score	CRIF Comments (Report as on 16-05-2024)
M Raj	29	Director	2%	730	In total he had 12 loan accounts out of which 8 are active with an o/s balance of INR 1.75 Mn. All the closed and active accounts are held to be standard.
John	30	Director	-	14	In total he had 1 loan account which is closed, and he was guarantor to this loan which is held to be standard.
Priya	32	Director	4.80%	492	In total she had 4 loan accounts which were closed. There was 1 loan account where delayed repayment is found.
Anil	31	Director	-	425	In total he had 5 loan accounts out of which 1 is active with an o/s balance of INR 0.03 Mn. Few delayed repayments were observed, and 1 OD account was found.
Mano	34	Director	-	810	In total he had 5 loan accounts, and all are closed with standard categorization.

Key Management Person: CEO	Name: R Raj	Phone No.: 9960411241	Email Id.: kproducerlimited@gmail.com
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Key Management Person: Mr. Raj is the CEO who is the Key Management Person. He has completed his graduation (B.Ed.). He has been involved in farming for more than 10 years. All the BODs have completed their secondary education and are in farming and are actively involved in the activities of the FPC.

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3. Existing Borrowal Arrangement

a. Working Capital:

Name of the bank	Facility Type	Existing (INR Mn)				Account Classification /Conduct
		Funded		Non-Funded		
		Limit	O/s as on 16-04-2024	Limit	O/s as on 02-04-2024	
Samunnati	STL	2.50	-	-	-	Closed
AU Small Finance Bank	STL	1.00	1.00	-	-	Standard
Total		3.50	1.00	-	-	

- **Loan from Samunnati Financials:** The FPC has been our existing client since Jun-22, and they were sanctioned a limit of INR 2.50 Mn for a tenure of 90 days, further in Jan-23 the loan amount was renewed and enhanced to a limit of INR 2.50 Mn for a tenure of 90 days for output loan. Through this facility they have taken 4 disbursements for an amount of INR 5.75 Mn, and all has been closed with 100% Collection Efficiency.
- **Loan from AU Small Finance Bank:** The FPC was sanctioned an overdraft limit on 28th August-2023 for an amount of INR 1 Mn for a tenure of 12 Months at a ROI of 14% p.a. on revolving basis with a sanction validity of 12 months. The current o/s balance is INR 1 Mn.

b. Details of Term Loan with repayment schedule: No Applicable

4. **Comments on Commercial Highmark:** As per report generated on 17th May-2024, the FPC has reported a score of 696 which is described as Very Low Risk. They are having 2 lenders including Samunnati where in total 5 loan accounts are found out of which 1 are active account which is currently categorized as standard.

5. **Group Profile:** Not Applicable

6. **World Check:** As per report generated on 16th May- 2024, there are no matches found for company and directors.

7. Probe 42 Observation:

- **Related Party Transactions:** No related party transactions found.
- **MSME Supplier Payment Delays:** No delayed filings related to supplier payments found.
- **Legal Cases of Financial Dispute:** There are no legal cases of financial dispute disposed after 1st Jan-2021.
- **Related Corporates:** The FPC does not have Holding, Subsidiary, Associate Corporates and Joint Ventures.
- **Other Directorships:** There are no other corporates associated with the directors.
- **Open Charges:**

Holder Name	Status	Date	Amount
AU Small Finance Bank Limited	Creation	01-09-2023	INR 1.00 Mn
Samunnati Financial Intermediation & Services Limited	Creation	04-10-2022	INR 2.50 Mn

- **Legal History:** The are no cases failed against or by this corporate.
- **Credit Ratings:** This corporate or any of its financial instruments do not have a credit rating on or after 2015.
- **Unaccepted Ratings:** This corporate or any of its financial instruments do not have an unaccepted rating on or after 2017.

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8. **Banking Conduct:** The FPC has 1 operational bank account with Union Bank of India, Shirpur bearing Current Account Number- 567301010050240. Following are the observations:

- There have been no instances of inward cheque returns in last 12 months.
- As per the provisional report as of Mar-24 the turnover is reported to be INR 29.80 Mn whereas as per banking credits the sales through online transactions between Apr-23 to Mar-24 is reported to be INR 27.53 Mn which indicates that 92.37% of transactions are routed through banking transactions.

PURPOSE AND SUMMARY OF PROPOSAL
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Proposing a renewal cum enhancement of short-term output loan from an existing limit of INR 2.50 Mn to INR 6.30 Mn for a tenure of 120 days at a ROI of 15.75% p.a. plus 1.25% p.a. plus applicable charges on revolving basis with a sanction validity of 12 months.

- **Purpose:** The limit will be utilized for procurement of Maize, Green Chilli, and Banana from member farmers and sell it to institutional and local buyers.
- **Justification for 90 days Tenure:**
 - FPC procures the Banana, Maize, and Chillies from their member farmers as well as from non-member farmers.
 - The FPC have a capacity to procure 15-20 Tonnes every day and can store upto 5000 Qtls. and after procurement manual cleaning, grading, packaging, and weighing, after packing the FPC stores the maize for 30 days and then commodity is loaded to trucks and are supplied to institutional buyers and local traders.
 - The FPC make sale to institutions whose credit period is 45-60 days.
 - Hence, to avoid any delinquency and to guarantee prompt repayment, FPC has requested a 120-days tenor.
- **Cashflow Routing:** The loan will be disbursed directly into output suppliers/farmers account against the request received from FPC.
- **Repayment:** Customer to open a Virtual Account with Samunnati Financial Intermediation & Services Pvt. Ltd. as beneficiary. Collection of all sales receivables from the mentioned buyers should be credited to this account from which repayment for the facility will be adjusted as mutually agreed. The repayment of interest is to be done on monthly basis and principal is to be repaid at the end of tenor.
- **Security:**
 - Our loan will be secured by the personal guarantee of 5 BODs- along with CA-Certified Net-worth statement and two (2) UDCs from each guarantor.
 - Our loan will also be secured by five (5) UDC's from current account of borrower.

Working Capital Calculation:

- Total Number of days in year= 360 days
- Proposed working capital cycle days= 120 days
- Number of cycles in a year= 360 days /120 days= 3 cycles
- Projected Purchase Amount= INR 31.56 Mn

Therefore, amount required in each cycle= INR 31.56 Mn /3 cycles= 10.52 Mn.

Hence, the required amount to complete 1 cycle is INR 10.52 Mn, and our proposed limit is within the required amount.

Assessment of Limits: Purchase Method:

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FY2023 (Audited)	FY2024 (Provisional)	FY2025 (Projected)	Working Capital Limits (20% of Projected Purchase)
INR 12.50 Mn	INR 28.57 Mn	INR 31.56 Mn	INR 6.31 Mn

The eligible quantum as per the purchase method is INR 6.31 Mn whereas RM has proposed a limit was INR 10 Mn which does not qualifies the limit based on projected financials. Hence, recommending a limit of INR 6.30 Mn.

Deviations to Credit Policy

Parameters	Norms	Compliance/ Recommendations	Approving Authorities
Credit Visit	Visit to be conducted by CM for limit above INR 2.50 Mn	Non-Complied: The RM has visited the client, and CM had discussed with the client on zoom call meeting. The credit visit will be conducted before 30-06-2024. The client has a satisfactory repayment track record with us. Hence, recommending for deviation.	CC2-FPC
Consumer Highmark	CRIF score should be greater than 600 or -1	Non-Complied: Out of 5 PGs, 2 PGs have CRIF score less than 600. Priyanka Mahendrasing Rajput having a CRIF score 492, and Mahesh Sunil Dhangar having a CRIF score 425. In their closed accounts delayed repayment was found whereas all the active accounts are categorized as standard.	Head FPO Credit

HISTORICAL AND PROJECTED PERFORMANCE

Particulars (Figures in INR Mn)	31-03-2021	31-03-2022	31-03-2023	31-03-2024	31-03-2025
	(AUDITED)	(AUDITED)	(AUDITED)	(Provisional)	(Projections)
Net Sales	3.89	8.87	13.76	29.80	32.83
Other Income	-	-	-	-	-
Total Revenue	3.89	8.87	13.76	29.80	32.83
Growth in Revenues (%)	-	128.01%	55.17%	116.58%	10.16%
EBITDA	0.002	0.01	0.28	0.32	0.27
EBITDA Margin (%)	0.06%	0.15%	2.02%	1.08%	0.83%
Depreciation	-	-	-	-	0.01
Interest	-	-	0.17	0.11	-
PAT	0.002	0.01	0.08	0.21	0.27
PAT Margin (%)	0.06%	0.15%	0.55%	0.71%	0.81%
Total Outside Liabilities (a)	0.16	1.73	1.00	7.79	-
Total Bank Borrowings	-	-	0.02	-	-
Tangible Net Worth (b)	0.31	0.33	2.80	2.98	-
Current Ratio	3.00	1.19	3.78	1.38	-
TOL/TNW (a/b)	0.50	5.29	0.36	2.61	-
Debt/EBITDA	-	-	0.07	-	-

Interest Coverage Ratio	-	-	1.62	2.91	-
DSCR	-	-	1.62	2.91	-
Sundry Creditors	-	-	0.93	7.77	-
Sundry Debtors	-	-	1.74	8.33	-
Inventories	0.03	0.04	1.33	1.37	1.56
Payable No. of Days (c)	-	-	25	94	-
Receivable No. of Days (d)	-	-	46	102	-
Inventory No. of Days (e)	3	1	36	17	17
Working Capital Days (d+e-c)	3	1	57	25	17

Brief Description of Financials:

➤ **Turnover:**

As per the audited report of FY2021, the turnover is reported to be INR 3.89 Mn which increased by 128.01% and was reported to be INR 8.87 Mn as per the audited report of FY2022.

As per the audited report of FY2023 the turnover was reported to be INR 13.76 Mn with a growth rate of 55.17%.

As per the provisional report as of FY2024, the turnover is reported to be 29.80 Mn with a growth rate of 116.58%. Through support of Samunnati for a limit of INR 2.50 Mn and AU Small Finance Bank for a limit of INR 1 Mn the FPC was able to achieve sustainable growth in turnover. Maize is the major commodity of FPC.

As per the projected financials of FY2024-25, the FPC is optimistic to report a turnover of INR 32.83 Mn with a growth rate of 10.16%.

➤ **Margins:**

- **EBIDTA Margin:** Between FY2021 and FY2024, the EBITDA margin has been increasing year-on-year which indicates profitability margins are satisfactory. As per the audited report of FY2021 the FPC has reported an EBITDA margin of 0.06% which has increased to 2.02% as per audited report of FY2023. As per the provisional report of FY2024 the EBITDA Margin is reported to be 1.08%.
- **PAT Margin:** Between FY2021 and FY2024, the PAT margin has been increasing year-on-year which indicates profitability margins are satisfactory. As per the audited report of FY2021 the FPC has reported a PAT margin of 0.06% which has increased to 0.55% as per audited report of FY2023. As per the provisional report of FY2024 the PAT Margin is reported to be 0.71%.

➤ **Leverage Ratio:**

- **Total Outside liabilities by Tangible Net-worth Ratio:** The TOL of the FPC has increased from INR 0.16 Mn in FY2021 to INR 7.79 Mn in FY2024, and the TNW of the FPC has shown increasing trend and TNW was reported to be INR 0.31 Mn in FY2021 which increased to INR 2.98 Mn in FY2024 due to increase in accumulated profit, and paid-up capital.

Company has reported a net-worth of INR 0.33 Mn with TOL/TNW ratio of 5.29x as per audited financials of FY2022. As per audited report of FY2023 the tangible net worth of the company increased to INR 2.80 Mn with TOL/TNW of 0.36x. As per the provisional report of FY2024 the Net worth of the company has increased due to increase in accumulated profit and is reported to be INR 4.98 Mn with a TOL/TNW ratio of 2.61x. The TOL/TNW ratio is under acceptance grid, and which indicates that FPC is running their business while keeping satisfactory level of net worth and is doing their business operations through their own funds. The paid-up capital is reported to be INR 2.50 Mn.

- **Current Ratio:** The current ratio of the company is in the range of 1.19x to 3.78x in last 4 financial years, in FY2021 the current ratio was reported to be 3x which is reported to be 3.78x in FY2023. This indicates that

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the FPC is maintain liquidity ratio above standard. As per the provisional report for FY2024, the current ratio is reported to be 1.38x. Therefore, the FPC is maintaining satisfactory current assets and at any given point of time the FPC can meet their short-term obligations.

➤ **Coverage Ratio:**

- **Interest Coverage Ratio & DSCR:** The ratio has shown increasing trend year on year. In FY2023 the interest coverage ratio of the FPC is reported to be 1.62x which has increased to 2.91x in FY2024. The ratio indicates weather the FPC will be able to pay their financial obligations. The ideal ratio is above 1.5x which indicates that the FPC is maintain satisfactory level of profit to meet its financial obligations.
- **Debt/EBITDA:** Lower the ratio better is the profitability whereas for the company the overall debt of the company is 0.07 times of the EBITDA (Profitability) as of Mar-24 which indicates that the FPC is maintaining satisfactory profit for repaying finance cost.

➤ **Working Capital Days:** The WC days are reported to be 25 days as per the provisional report as of Mar-24 which indicates, on an average the FPC is completes their payment cycle within 25 days. After discussion with FPC their vendors take 90 days credit period for making payment.

➤ **Debtor Ageing Analysis:** As per the provisional report as of Mar-24, the total receivable is reported to be INR 8.33 Mn and the turnover is reported to be INR 29.80 Mn, which indicates 28% of sales is blocked by the debtors. Whereas the value of receivable from sale of Agri input/output in 90+ ageing bucket to be less than 3% of total sale from Agri input/output.

KEY RISK AND MITIGANTS

Risk	Mitigation
Primary Risk	The primary risk is only associated with price risk, the price volatility in the market is on the FPC whereas the FPC has a good network with local buyers due to which the price risk is mitigated.
Financial Risk	As per the repayment history of the FPC they have made all the repayments with maximum 49 days OD as their money was blocked in market, hence in this sanction their tenure has been increased to 120 days from 90 days.
Business Risk:	The crop is harvested, and produce is ready to be procured. FPC is waiting for funds to purchase commodities such as Maize from farmers so that the business is continued for whole year. Our funding is also post-harvest where loan will be availed for procurement of harvested produce after checking the quality parameters.
Management Risk	All the management persons are active and support in business activities.

COMMENTS ON PROPOSAL MEETING SAMUNNATI'S GENETIC CODE

- 1) **Social Capital:** The FPC is associated with 425 shareholders and recently 49 members have been added making their total shareholders to 474 out of which 70% are small shareholder farmers with 425 active members located in 18 villages in Shirpur block of Dhule district of Maharashtra. All the procurement is done from member farmers, and non-member farmers, and the credit period provided to farmers is 15 days.

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2) Trade Capital: The FPC has considerable business in trading with local buyers located at Dhole district.

Buyer Name	Relationship Vintage	Purchase Amount for last 12 months	Banking Debits for last 12 months	Credit Period
S Limited	4 Years	INR 24 Mn	INR 22 Mn	60 Days
A Mill	6 Years	INR 3 Mn	-	45 Days

3) Deduction at Source/Escrow: Customer will open a Virtual Account with Samunnati Financial Intermediation & Services Pvt. Ltd. as beneficiary. Collection of all sales receivables from the mentioned buyers should be credited to this account from which repayment for the facility will be adjusted as mutually agreed.

4) Buyer/Seller Relationship:

- FPC having multiple buyers (farmers) and suppliers (local buyers) and who regularly supply and purchase from FPC.
- FPC has a good buyers and suppliers including traders as well as farmers also.
- FPC is not dependent on single buyer or supplier and buyers as well as suppliers keep on changing as per the demand and availability of raw material.

5) End Use Monitoring:

- The loan will be disbursed directly into farmers and vendor's account.
- Bank statement of all operating accounts to be submitted on half-yearly basis.
- Provisional financials of the FPC should be submitted on half yearly basis to monitor the projected business growth within 30 days of half year end, i.e., 30th Sept & 31st March.
- Inspection to be carried out by Samunnati officials within 1 months of the limit set up date.
- Monitoring visit should be done by Samunnati officials on half yearly basis.

RECOMMENDATION

We are now recommending a renewal cum enhancement of short-term output loan from an existing limit of INR 2.50 Mn to INR 6.30 Mn for a tenure of 120 days at a ROI of 15.75% p.a. plus 1.25% p.a. plus applicable charges on revolving basis with a sanction validity of 12 months.

- The FPC is associated with 425 shareholders and recently 49 members have been added making their total shareholders to 474 out of which 70% are small shareholder farmers with 425 active members located in 18 villages in Pollachi district of Chennai.
- The FPC has been our existing client since Jun-22, and they have taken 4 disbursements for an amount of INR 5.75 Mn, and all have been closed with 100% Collection Efficiency.
- As per the provisional report as of FY2024, the turnover is reported to be 29.80 Mn with a growth rate of 116.58%.
- As per the audited report of FY2021 the FPC has reported a PAT margin of 0.06% which has increased to 0.55% as per audited report of FY2023. As per the provisional report of FY2024 the PAT Margin is reported to be 0.71%.
- As per the provisional report of FY2024 the Net worth of the company has increased due to increase in accumulated profit and is reported to be INR 4.98 Mn with a TOL/TNW ratio of 2.61x. The TOL/TNW ratio is under acceptance grid, and which indicates that FPC is running their business while keeping satisfactory level of net worth and is doing their business operations through their own funds. The paid-up capital is reported to be INR 2.50 Mn.

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- As per the provisional report for FY2024, the current ratio is reported to be 1.38x. Therefore, the FPC is maintaining satisfactory current assets and at any given point of time the FPC can meet their short-term obligations.
- The ratio has shown increasing trend year on year. In FY2023 the interest coverage ratio of the FPC is reported to be 1.62x which has increased to 2.91x in FY2024. The ratio indicates weather the FPC will be able to pay their financial obligations.
- Lower the ratio better is the profitability whereas for the company the overall debt of the company is 0.07 times of the EBITDA (Profitability) as of Mar-24 which indicates that the FPC is maintaining satisfactory profit for repaying finance cost.
- Our loan will be secured by the personal guarantee of 5 BODs- Mukesh Raju Pawara, Lakhan Pramod Thorat, Priyanka Mahendrasing Rajput, Mahesh Sunil Dhangar, and Ghanshyam Manohar Bari along with CA-Certified Net-worth statement and two (2) UDCs from each guarantor.

Recommended by:

Avinash (Relationship Manager)	Baban (Zonal Head-FPO)	Kriti (Credit Manager)	Kumar (Head Credit-FPO)
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Appendix I
TERMS AND CONDITIONS

Type of Facility	Short Term Loan (STL) for Output Purchase (Revolving)		
Facility Limit	Facility Details	Existing Limit	Revised Limit
	Short Term Loan (STL) for Output Purchase	INR 2.50 Mn	INR 6.30 Mn
	Aggregate Limits	INR 2.50 Mn	INR 6.30 Mn
Purpose	Procurement of agri-commodities		
Tenure	Facility Details	Tenure	
	Short Term Loan (STL) for Output Purchase	120 Days	
Validity of Limit	Facility Details	Validity of Limit	
	Short Term Loan (STL) for Output Purchase	12 Months	
Margin	Nil		
Repayment	Facility Details	Repayment	
	Short Term Loan (STL) for Output Purchase	Interest- Monthly Principal- Bullet Repayment	
Primary Security	Hypothecation of stocks and receivables financed by Samunnati		
Collateral Security	Nil		
Personal Guarantee	Personal Guarantee of 5 BODs- Mukesh Raju Pawara, Lakhan Pramod Thorat, Priyanka Mahendrasing Rajput, Mahesh Sunil Dhangar, and Ghanshyam Manohar Bari		
Specific condition	1. Five (5) Undated Cheques (UDCs) from the borrower for overall limit from Current Account of Union Bank of India, Shirpur bearing Account Number- 567301010050240 2. Two (2) Undated Cheques from the personal bank account of each Personal Guarantors		
Rate of interest	15.75% p.a. (Rupees 13.13 per Thousand per month)		

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	<i>(Interest shall be subject to revision from time to time)</i>
Additional Finance Charges	<ul style="list-style-type: none"> Any irregularity on account of non-payment of interest/charges/instalments will attract additional Finance Charge of 4% p.a. over and above the contracted rate for payments received. If non-compliance to covenants and conditions continues to persist for more than 60 days, additional Finance Charges at 4% per month over and above the contracted rate would be levied.
Processing Fee	0.25% p.a. of overall limit plus applicable taxes to be collected upfront
Monitoring Fees	1% p.a. of overall limit plus applicable taxes to be collected upfront
Documentation & Client Visit Charges	INR 10,000/- (Rupees Ten Thousand Only) plus applicable taxes to be collected from the customer in the form of an account payee cheque from their operative account favouring Samunnati
Mode of Operation	<ul style="list-style-type: none"> The loan will be credited to the Output suppliers/farmer's account as per the request letter received from FPC. Escrow Arrangement: Customer to open a Virtual Account with Samunnati Financial Intermediation & Services Pvt. Ltd. as beneficiary. Collection of all sales receivables from the mentioned buyers should be credited to this account from which repayment for the facility will be adjusted as mutually agreed.
Documentation	<ol style="list-style-type: none"> Accepted Sanction Letter duly acknowledged by the Borrower. Board Resolution DP Note for the limits Sanctioned. DPN Delivery Cum Waiver Letter Term Loan Agreement Hypothecation Deed/ Agreement Necessary charges are to be registered with respective ROC prior to disbursement. Agreement date and Document evidencing charge creation should be submitted to Samunnati. Special Power of Attorney General Declaration & Undertaking Personal Guarantee Deed from each of the Guarantors CA-certified Net-worth statement from each of the Guarantors Two (2) Undated Cheques (UDCs) from each of the Guarantors as mentioned in specific condition. Five (5) Undated Cheques (UDCs) covering the overall limit from borrower as mentioned in specific condition. E-NACH along with NACH Mandate Letter Declaration cum indemnity of ESCROW on stamp paper and Letter Head Other Document for KYC Compliance Fax cum Email Indemnity Letter. Any other documents, as may be required.
Loan Covenants	<ol style="list-style-type: none"> Inspection to be carried out by Samunnati officials to be carried out within 2 months of Limit set up date & 6 months thereafter. Customer to provide bank statement of current accounts on half-yearly basis. Customer to provide the Stock and Debtors statement on quarterly basis. Audited financials to be submitted within 6 months from the end of the financial year.

	5. Limits to be renewed on or before the limit expiry date. Non-compliance would result in the interest rates being reset higher by "Processing Fees rate" from the "limit expiry date".
Other Conditions	<ol style="list-style-type: none"> 1. In the event of non-repayment of dues on the respective due dates, M/s. Samunnati would utilize the NACH mandate to recover the overdue on the next working date. 2. The Borrower will keep Samunnati Financial Intermediation & Services Pvt Ltd advised of any circumstances adversely affecting their financial position including any action taken by any creditor, Government authorities against them. 3. The Borrower will furnish information / documents including quarterly / annual financial accounts as may be required by Samunnati for review / renewal of Credit facility. 4. The Borrower shall pay the charges as per Samunnati's standard schedule of 5. charges for various services rendered by Samunnati. 6. The Borrower Shall not include the Receivable's financed by Samunnati Financial Intermediation & Services Pvt Ltd in their Monthly Drawing Power calculation being submitted to other financial institution. 7. The loan shall be utilized for which it is sanctioned, and it should not be utilized for Extending loans to subsidiary companies / associates without written Permission, any Speculative purposes. 8. The Borrower shall maintain adequate books and records which should correctly reflect their financial position.

Appendix II – Industry Classification

MSME Classification

Enterprises	Investment in plant & machinery	Turnover
Micro Enterprises	Does not exceed one crore rupees	Does not exceed five crore rupees
Small Enterprises	Does not exceed ten crore rupees	Does not exceed fifty crore rupees
Medium Enterprises	Does not exceed fifty crore rupees	Does not exceed two hundred and fifty crore rupees

MSME Classification	
Latest Audited Turnover	INR 29.80 Mn
Latest Audited Investment in Plant & Machinery	Nil
MSME Classification	Micro Enterprises

Appendix III – Account Review

The FPC has been our existing client since Jun-22, and they were sanctioned a limit of INR 2.50 Mn for a tenure of 90 days, further in Jan-23 the loan amount was renewed and enhanced to a limit of INR 2.50 Mn for a tenure of 90 days for output loan. Through this facility they have taken 4 disbursements for an amount of INR 5.75 Mn, and all have been closed with 100% Collection Efficiency. Following are the facility wise observations:

Date: 17-05-2024

CAM Reference No.: CAM_SAMFIN_FPO_FY25_99

Repayment History:

Disb. Date	Disb. Amt. (INR Mn)	Maturity Date	A/c Closure Date	Remarks
04-06-2022	0.50	04-10-2022	25-10-2022	21 Days Late Repayment
08-11-2022	2.50	08-02-2023	29-03-2023	49 Days Late Repayment
31-03-2023	1.50	30-06-2023	12-07-2023	12 Days Late Repayment
28-06-2023	1.25	29-09-2023	04-10-2023	5 Days Late Repayment

PDD & Loan Covenant Compliance: Not Applicable as NDC was issued for last sanction.

Appendix IV – Banking Analysis Appendix

Credit Summation of Union Bank of India, Shirpur bearing Current A/c No.- 567301010050240			
Latest 12 Months	Credit Summation (INR Mn)	No. of Inward Returns	No. of Outward Returns
Apr-23	1.97	0	0
May-23	3.01	0	0
Jun-23	1.76	0	0
Jul-23	-	0	0
Aug-23	-	0	0
Sep-23	-	0	0
Oct-23	9.95	0	0
Nov-23	7.25	0	0
Dec-23	2.40	0	0
Jan-24	1.20	0	0
Feb-24	-	0	0
Mar-24	-	0	0
Total	27.53	0	0

Note:

The FPC has 1 operational bank account with Union Bank of India, Shirpur bearing Current Account Number-567301010050240. Following are the observations:

- There have been no instances of inward cheque returns in last 12 months.
- As per the provisional report as of Mar-24 the turnover is reported to be INR 29.80 Mn whereas as per banking credits the sales through online transactions between Apr-23 to Mar-24 is reported to be INR 27.53 Mn which indicates that 92.37% of transactions are routed through banking transactions.

Appendix V – Group Exposure
Samunnati Financial Intermediation & Services Pvt Limited:

Borrower Name	Amount O/s	Amount Authorized
K Producer Company Limited	Nil	INR 2.50 Mn

Samunnati Agro Solutions Pvt Limited: Not Applicable

Appendix VI - Credit Policy Compliance

Parameters	Norms	Compliance
PRODUCT DETAILS		
Sanction amount- Minimum exposure to FPO	INR 0.3 Mn	Complied
Sanction amount- Maximum exposure to FPO	<u>Short term Loan – Agri input</u> <ul style="list-style-type: none"> Not to be more than 30% of the total FPO projected sale turnover. <u>Short term Loan- Agri Output -Medium Term Loan</u> <ul style="list-style-type: none"> INR 50 Mn 	Complied
Tenor	<u>Short term Loan – Agri Input</u> <ul style="list-style-type: none"> Less than or equal to 6 months, as per cash flow of client from sale of crop for which input loan is availed. <u>Short term Loan– Agri output</u> <ul style="list-style-type: none"> Not more than 12 months Loan Repayment tenor must match with cash inflow from sale of crop for which output loan availed. <u>Medium term loan</u> <ul style="list-style-type: none"> More than 12 months and up to 36 months as per cash flow of client. 	Complied
Repayment	<ul style="list-style-type: none"> Interest should be debited Monthly and Bullet repayment of principal at the end of credit period Or Bullet repayment of both Principal and interest at the end of credit period. Option of Monthly / Quarterly / Half Yearly / Yearly/ EMI (Interest+ Principal repayment). 	Complied
Validity of Sanction limit	<ul style="list-style-type: none"> 12 Months from date of sanction 	Complied
Validity of Sanction letter	The Sanction letter shall be valid for a period of 30 days from the date of Sanction and post which the same shall automatically expire in the event of non-acceptance.	Complied
Minimum Margin.	<u>Medium term loan</u> 20% of the overall project cost	N/A
Type of Limit	<u>Short term Loan</u> <ul style="list-style-type: none"> As per working Capital requirement. For FPO that availed both input and output loan facility: The output loan should be extended to the FPO only when the input loan is closed or vice versa. <u>Medium term loan</u> <ul style="list-style-type: none"> No replenishment for Principal rundown. 	Complied
Repayment mode	<ul style="list-style-type: none"> Based on the cash flow DAS/escrow mechanism can be applied on sale receivables from aggregator/buyer. Tripartite agreement shall be considered where it is found applicable. <u>Short term Loan – Agri Input</u>	Complied

Date: 17-05-2024

CAM Reference No.: CAM_SAMFIN_FPO_FY25_99

	<ul style="list-style-type: none"> Repayment to be aligned to Crop cycle i.e. harvest along with the detailed due diligence and agreement with their member farmers. <p><u>Short term Loan– Agri output</u></p> <ul style="list-style-type: none"> Repayment of loan shall be through capturing of cash flows from receivables (of buyers) through escrow/virtual account (DAS) mechanism. <p><u>Medium term loan</u></p> <ul style="list-style-type: none"> Samunnati loan to be disbursed in the bank account of FPO or Vendor / Service Provider and repayment of Samunnati loan as per cash flow from the activity. 	
Security	<ul style="list-style-type: none"> Primary: Hypothecation of stocks and book debts financed by Samunnati. Personal Guarantee: From CEO/President of FPO and from at least two board of directors. 2 UDC from each personal guarantor along with CA certified net worth certificate is required. Security Guarantee: 3 Security cheques for the overall limit from FPO. FLDG (First Loss Default Guarantee): As applicable Collateral: As applicable Corporate Guarantee: As applicable. 	Complied
Registration of Charges	<p><u>Applicant constitution:</u></p> <p><u>Private Limited.</u></p> <p>Samunnati must have charge on stock and book debts created out of loan availed from Samunnati. Necessary charges are to be registered with respective ROC within 30 days of deed of hypothecation and document evidencing the same shall be submitted to Samunnati.</p>	Complied
NON-FINANCIAL ELIGIBILITY NORMS		
Constitution	<p>FPO must be legal entity registered under:</p> <ul style="list-style-type: none"> Cooperative societies Act/Autonomous or Mutually aided Societies act of respective state Multi state Cooperative society act,2002 Producer Company under Section 581(C) of Indian company act 1956 as amended in 2013. Section 25 Company of Indian companies act 1956 as amended as Section 8 in 2013. Society registered under Society Registration Act,1860 Public trust registered under Indian trust act, 1882 	Complied
Vintage of experience	<p><u>Short term Loan – Agri Input</u></p> <ul style="list-style-type: none"> FPO must have relevant experience of at least 2 cycle for providing Agri input service to its farmer. <p><u>Short term Loan – Agri output</u></p> <ul style="list-style-type: none"> FPO must have relevant experience of at least 2 cycle for procurement and sale of Agri output. <p><u>Medium term loan</u></p> <ul style="list-style-type: none"> FPO must have relevant experience of at least 2 years in activity / operations for which Samunnati loan shall be funded. 	Complied

Social capital	<p><u>Short term Loan</u></p> <ul style="list-style-type: none"> FPO must have minimum 250 shareholder farmers associated with FPO. Nascent FPO's may have less than 250 farmers but loan amount will be restricted basis the acreage and number of active members. <p><u>Medium term loan</u></p> <ul style="list-style-type: none"> FPO must have minimum 500 shareholder farmers associated with FPO. Exception is allowed for Horticulture FPO's. 	Complied
Trade Capital	<p><u>Short term Loan</u></p> <ul style="list-style-type: none"> FPO must have trade vintage of at least 2 cycle with its strong buyer (with more than 50 crore turnover) In last one year, more than 200-member farmer must have availed Agri Input/output services from FPO. Deviation allowed for Nascent FPO's but loan amount will be restricted. <p><u>Medium term loan</u></p> <ul style="list-style-type: none"> FPO must have trade vintage of at least 2 cycle with strong buyer (with more than 50 crore turnover) In last one year, more than 500 FPO member farmer must have availed Agri Input/output services from FPO. 	Complied
Valid License	FPO must have valid Seeds/Pesticide/ Fertilizer license/ APMC mandi license etc.	Complied
Governance	There must at least three BOD meetings in last 12 months.	Complied
Cheque bounce	Maximum no of inward cheque bounce (due to insufficient funds 5 cheques bounces in last 12 months).	Complied
Bank account conduct	Overdrawn/interest payment irregularity of not more than 10 days at a time, (Maximum 3 times in last 12 months).	Complied
Average utilization of existing loan facility from other lenders	Average utilization of existing Term loan/CC/OD/ account limit must exceed 70% of total available limit for last 18 months.	Complied
CIBIL Score	<ul style="list-style-type: none"> CIBIL score for all the directors/Key persons (CEO/COO) to be more than 650. CIBIL report must have no reporting for delay in repayment of active and closed accounts for all directors/key persons. In Commercial CIBIL, no instances of delinquency must have been reported for both active and closed credit facility. Validity of period for Credit bureau and Commercial CIBIL report should be within 30 days from the date of report. After 30 days new CIBIL report must be generated. 	Non-Complied
FINANCIAL ELIGIBILITY NORMS		
Paid Up capital	<p><u>Short term Loan</u></p> <ul style="list-style-type: none"> The minimum Paid up capital required is INR 0.1 Mn. <p><u>Medium term loan</u></p> <ul style="list-style-type: none"> The minimum Paid up capital required is INR 0.5 Mn. Less than 0.5Mn lakhs can be considered if FPO is eligible for Government Subsidy 	Complied

Ratio of total liability to total Net worth (TOL/TNW)	The maximum limit for TOL/TNW required to be maintained is 4.00x	Complied
Receivable due	Short term Loan – Agri Input <ul style="list-style-type: none"> The value of receivable from sale of Agri input/output in 90+ ageing bucket to be less than 3% of total sale from Agri input/output (in last 12 month) 	Complied
Gross profit margin	FPO must have positive profit margin for last two financial year.	Complied
Growth in sales Turnover	Growth rate of sale turnover for last two financial years must be positive.	Complied

Credit policy guidelines on Maximum Exposure: SBL/GBL Exposure – Complied.

Appendix VII – Details of Reference Check

Contacted Person	Mobile No.	Relationship	Recommendation
Jain	1230999890	Buyer- S Limited	Positive

Appendix VIII-BMIU Analysis: Not Applicable

Appendix IX- USDFC & USAID Synopsis: Not Applicable

Appendix X-Related Party Disclosure

- None of the Directors of Samunnati are Directors in the Borrowing Entity – **Complied**
- None of the Directors/employees of Samunnati have any direct or indirect interest in the proposed transaction – **Complied**

Appendix XI-SBI Co-Lending Eligibility: Client not interested.

Appendix XII – Document Checklist

S. No.	Documents	Availability
1	KYC of the Entity or CKYC Id of the entity	Yes
2	KYC of Authorised signatories or CKYC id of the signatories	Yes
3	KYC of Promoter/Director/Beneficial owner or CKYC id of promoter/Dir/Ben owner	Yes
4	Borrower Profile	Yes
5	Last three years Audited Financials	Yes
6	YTD Sales figures	Yes
7	List of Buyers against whom ARF is proposed	No
8	Bank statement for last 6 Months from all operating accounts	Yes
9	GST for the last 6 months (non-GST products - Monthly break up is required)	Yes
10	YTD P&L & (Projections /CMA if available)	Yes
11	Product wise break up of revenues (last 2 fiscal)	Yes
12	Debtors Ageing latest month	Yes
13	Top 5 Suppliers /Vintage / transaction value last 6 months	Yes
14	Top 5 Buyers/Vintage/Transaction Value last 6 months	Yes
15	Existing Sanction Letter of other Banks	Yes

16	Sanction Limit & O/s for both WC & TL	Yes
17	CIBIL Authorization Letter from client	Yes
18	ESMS Declaration Form	Yes

Appendix XIII- Impact on FPO after Samunnati Intervention

Date of Incorporation		11-05-2017	
Date of first disbursement from Samunnati		04-06-2022	
Particulars Before Samunnati Intervention		Particulars After Samunnati Intervention	
Total Membership	425	Total Membership	474
No. of Active Members	345	No. of Active Members	425
Turnover in FY2022	INR 8.85 Mn	Turnover in FY2023	INR 13.76 Mn
No. of commodities dealt with	2	No. of commodities dealt with	3
No. of major buyers dealing with FPC	2	No. of major retail buyers dealing with FPC	3
Names of major retail buyers	Sun Star Limited, and Ambika Mill	Names of major retail buyers	Sun Star Limited, and Ambika Mill
Total credit summation in bank account of FPC	INR 4.59 Mn (Between Aug-21 to Jul-21)	Total credit summation in bank account of FPC	INR 11.58 Mn (Between Apr-23 to Feb-24)
Infrastructure of FPC	Godown, Processing Unit, & Office	Infrastructure of FPC	Godown, Processing Unit, Dryer, & Office
Availability of insurance	No	Availability of insurance	No

Appendix XIV- ESMS Categorization

Vertical	No of Members Limit	Loan Exposure	Application
Single FPO	>1000 members (Single FPO) > 1500 members (Federation of FPO's)	>50 Lakhs	Full Applicability
	<1000 members (Single FPO)	>50 Lakhs	Full Applicability
	<1000 members (Single FPO)	<50 Lakhs	Limited

Appendix – XV: Green/ Social Asset classification

Green/ Social Asset Tagging Summary:

	Eligibility: (Yes/ No)	Eligibility Rationale: Eligible activities & categories (refer-LOS tagging/ Sustainable Finance Framework)	End use justification: Controls for ensuring end use of loan for green activity/ Social category
Green	No	Not Eligible	Not Eligible
Social	No	Not Eligible	Not Eligible

Green aspects of borrower business: N/A

Social aspects of borrower profile: N/A