

## Askari Cotton Ginning Finance

### What is the purpose of Askari Cotton Ginning Finance?

Askari Bank offers Cotton Ginning Finance (CF & RF) to meet the working capital requirements of cotton ginning factories for the procurement of phutti, in line with their milling capacity.

### What are the facilities offered under the Cotton Ginning Finance?

The following facilities are offered under Cotton Ginning Finance.

• **Cash Finance (CF)**

To meet working capital requirements of Cotton Ginning Factories for procurement of phutti, as per milling capacity

• **Cash Finance (Trading)**

To meet working capital requirements for off-season. Cotton Ginning Factories are allowed for procurement of other commodities (except wheat) for trading purpose.

• **Running Finance (RF)**

To meet working capital requirement of cotton ginning factories i.e. transportation, salary & wages, utility and other administrative expenses, Packaging Material, to finance advance payments for crop purchase etc.

• **Running Finance (Trading)**

To meet working capital requirement for trading purpose

### What are the Loan Limits of Askari Cotton Ginning Finance?

ME: Upto Rs.300M (Maximum)

SE: Upto Rs.100M (Maximum)

### Is there any minimum and maximum age to avail financing in Askari Cotton Ginning Finance?

Minimum 20 years (in case of sole proprietorship) Maximum 65 years at the time of application.

\* This criteria is not applicable if business concern is a partnership or limited company

\* This age can be relaxed in case of effective succession planning is available.

### What is the maximum tenure of Askari Cotton Ginning Finance?

Maximum 210 days for Cash Finance and 1 year for Running Finance (Cleanup corridors to be met)

### What shall be the collateral to secure the facility?

**Cash Finance** shall be secured through:

- Pledge of fresh phutti / Seed cotton or Lint (Ginned Cotton) with applicable margins. In case where finance is secured primarily against pledge of stocks, additional collateral covering 25% of limit/finance amount to be secured through Mortgage of Property Cash collateral or a combination of both.

- Personal Guarantees of Borrower/ Partners/Directors of the Company.

**Running Finance** shall be secured through:

- Hypothecation of receivable/Stocks, Mortgage of property (Land & Building only), Cash collateral or a Combination of property and cash collateral.

- Personal Guarantees of Borrower/ Partners/Directors of the Company.

### What is the current Mark-up rate of Askari Cotton Ginning Finance?

**Cash Finance**

03 months KIBOR + Minimum 4.00% p.a..

**Running Finance**

03 months KIBOR + Minimum 4.50% p.a. .

(reviewed/revised on quarterly basis)

### Any Account turnover requirement for Askari Cotton Ginning Finance?

Minimum 50% of applicant's sales to be documented through account turnover with bank(s).

### Is there any incentive for Women in Askari Cotton Ginning Finance?

Special discount of 50 bps in markup rate have been allocated to women under this product. One Partner/Director should be female to avail this discount.

### Is there any incentive on satisfactory performance of borrower in Askari Cotton Ginning Finance?

Option of Discount of 50 bps at next tenure, based on performance of facilities i.e. all adjustments of limits on time as per clean up corridors, is available.

### What are the processing charges for Askari Cotton Ginning Finance Application?

As per Schedule of Charges

**What are the service/documentation/legal charges in Askari Cotton Ginning Finance?**

At actual

**What are the insurance charges?**

At actual

<https://askaribank.com/AKBLUploads/uploads/SOC-Conv-English.pdf>