

Scheme Guidelines

1	Name of the Scheme	Fed MAGNET Loan scheme
2	Nature of the facility	OD/CC/TL(EI)
3	Target Segment	Business units (individuals/ proprietorship/ partnership/ LLP/ Company/VCOs/FPOs) engaged in 14 selected horticulture crops (detailed below) for funding their business requirements. Also, Any other corps added to the list by the MAGNET Society time to time. (Pomegranate, Banana, Mango, Guava, Sapota, Cashew Nut, Orange, Sweet Lime, Lemon, Custard Apple, Strawberry, Red/Green Chili, Okra, Snake Gourd, and Flowers (floriculture))
4	Eligible borrowers	Borrowers passing the MAGNET eligibility criteria (subject to modification announced by MAGNET from time to time).
5	Purpose	<ul style="list-style-type: none"> • For meeting any business requirement including working capital / expenses / asset creation for post harvesting activities only. • Loans for purchasing property + construction of the unit can also be considered. <p>*List of eligible/ ineligible infrastructure components and eligible activities for WC assistance are specified as annexure I.</p>
6	Specific exclusions:	The following Industries / activities are outside the purview of the scheme: <ul style="list-style-type: none"> • Any activity of speculative nature • Activities mentioned under exclusion list in ESMS policy . • Loan for land purchase alone shall not be considered. • Consolidation of existing debts availed for the business purpose with us/other Banks. • Substitution of debts with additional finance other than takeover. • Ineligible components as per scheme document.
7	Business Vintage/ Banking Vintage	Business vintage- 3 years Banking vintage- 1 year
8	Assessment	As per Bank's norms Subsidy is available based on the eligibility decided by MAGNET. It is front end subsidy only. If the subsidy is involved, loan amount will be considered as Loan amount= (project cost- borrower margin)-subsidy from MAGNET.
9	Quantum of finance	Min: above ₹ 10L. Max: ₹ 5 Cr for CC and ₹ 10 Cr for TL
10	Tenor	OD/CC – Max 12M Term Loan - Max 84M
11	Repayment	OD/CC - Lumpsum Term loan -Equated Monthly Installments (EMI)

12	Moratorium/Repayment Holiday	Max 6 months to 2 Years
13	Rate of interest	Fixed ROI, capped at MCLR+1%
14	Primary security	Charge on assets created out of the loan - Hypothecation of Fixed assets - Hypothecation/pledge of stock/book debts
15	Primary Margin	For Fixed Assets – 15% For Stock and Book debts- 15%
16	Collateral Security	<ul style="list-style-type: none"> • EM of SARFAESI initiable residential / commercial/ Industrial property. • Collateral coverage as per Bank's norms • Collateral security is mandatory.
17	CIBIL/Experian Score	As per Bank Norms
18	Guarantors/Co obligants	<ul style="list-style-type: none"> • Personal guarantee of partners in partnership firm and majority of the directors in company. • In case of sole proprietorship firms/Individuals, co obligancy of spouse is mandatory. If the applicant is unmarried/spouse is not available co-obligancy of father/mother/brother/sister shall be insisted. • Owner of the property to join as co-obligant /guarantor to the loan
19	Credit Rating	Borrowers with internal credit rating of FBR 6 and above
20	Processing fee	1% of the sanctioned limit + applicable GST
21	In principal sanction	➤ Through Federal Insta Loan Platform/CLAPS
22	Final processing/sanction	➤ Through CLAPS
23	Other points to be checked/ norms to be complied	<ul style="list-style-type: none"> • If the loan is extended for acquisition of fixed assets, the disbursement shall be made directly to the supplier/seller directly along with borrower margin. • Security building shall be insured with bank clause. • Irrevocable authorization (auto recovery) to deduct monthly instalment from the operative account of the borrower, should be obtained. • Assets charged to the loan to be mandatorily insured. • Charges with ROC/CERSAI to be registered as per the guidelines. • Close monitoring of end use of funds in due course, whether it is utilized for the purpose for which it is disbursed. It should be clearly documented. • In case of FPO, Borrower shall maintain sole banking relationship with our bank. • Other points as per Bank's norms

24	Delegation	RCH and above subject to Credit delegation norms
25	Maintenance of DP	For CC- DP to be regulated based on monthly stock/book debt statement
26	Pre-payment penalty/Documentation fee/other charges	As per Bank norms
27	Document verification by CAD	As per Bank norms
28	Documents to be collected	<p>As per Checklist along with Basic Loan Application (available in Drisya>Forms & Stationery) and Bank's norms.</p> <p>Recommendation letter from MAGNET mentioning the eligible subsidy details (subsidy details will be mentioned for the subsidy eligible cases).</p> <p>Undertaking from borrowers ensuring that borrowers shall not create any charge on the assets hypothecated to our Bank as primary/collateral security for the credit facilities without seeking our prior permission.</p> <p>Undertaking from the borrower that subsidy /subvention and grant if any will be routed through our Bank.</p>
29	Documentation	As per Bank norms
30	Unit visit	Unit visit to be conducted as per norms
31	End use of funds	As per Bank norms
32	Financial Ratios, Past Performance, Turnover routing in A/c, Checks, Verifications, Mitigants, Other guidelines	As per Bank norms
33	Exposure limit	As per approval obtained
34	Disbursement of limit for subsidy involved cases	<ul style="list-style-type: none"> • Eligible subsidy details will be informed by MAGNET while sharing the leads to the Bank. • MAGNET will release the stage wise subsidy after submitting the loan SO details to MAGNET by the borrower. • Branches/Offices shall disburse the loan amount on a stage wise based on the confirmation from MAGNET only.
35	Applicable geography	Restricted to BUB leads of Maharashtra State

36	Acceptance/Rejection of proposal	Final selection of activities/projects for assistance to any entity will be based on meeting of lending FI's own set of criteria and will be based on complete discretion of the Bank.
37	Other Terms and conditions	<p>Refinance will be availed from MAGNET at half yearly basis for the loans sanctioned under the scheme and the release of interest/fund to MAGNET will be as per the below terms.</p> <ul style="list-style-type: none"> • Interest payout: Monthly • Fund payout: Quarterly

Annexure 1

Term Loan Assistance to Support Setting Up of Infrastructure

List of Eligible Infrastructure Components Infrastructure and Other Component

Infrastructure and Other Components Eligible for Grant				
Market Led Production Activities	Post-harvest processing facilities	Agri-Logistics	Marketing / Consumption Points	Taxes and Preliminary and Preoperative Expenses
A. Investment in: 1. Any modern technology as may be approved by MAGNET Society	A. Setting up of main infrastructure which may include: 1. Technical Civil works (to house Core Plant & Machinery and other equipment) 2. Pack-house 3. Cold Storage Unit(s) [associated with value addition] 4. Integrated Packhouse (with mechanized sorting & grading line/ packing line/ waxing line/ washing and drying line/ staging cold rooms, etc.) 5. Ripening Chamber(s)	Procurement of: 1. Retail refrigerated carts, temperature controlled solar powered retail carts 2. Controlled temperature/ Ventilated trucks with or without raking 3. Crates, rakes etc. 4. Mobile pre-coolers 2. Any other modern technology as may be approved by MAGNET Society	Setting up of: 1. Appropriate storage facility cum Distribution Center at market level 2. Retail outlets with facilities such as frozen storage/deep freezers/ refrigerated display cabinets/ cold room/ chillers, etc. 3. Creation of e-market 4. Any other modern technology as may be approved by MAGNET Society	a. Goods and Service Tax on civil works and plant and machinery etc. b. Preliminary and Pre-operative Expenses i. Stamp duty and registration fee for registered land lease deed for subproject ii. Cost of detailed project report and estimates etc. prepared for the proposed subproject. iii. Required IT equipment, Furniture and fixtures iv. Managerial support for the prescribed

	<p>6. Controlled Atmosphere (CA) storage [Associated with value addition]</p> <p>7. Frozen Storage/Deep freezers [Associated with value addition]</p> <p>8. IQF line, Tunnel Freezer, Spiral Freezer, Blast Freezer, Plate Freezer</p> <p>9. Vacuum Freeze Drying</p> <p>10. Processing Infrastructure-</p> <ul style="list-style-type: none"> • Sorting, grading, washing, peeling, cutting, sizing • Blanching, crushing, extraction, pulping, juicing • Deseeding, color sorting, pulverization, extrusion, freeze drying / dehydration, frying, etc. • Packaging facilities like canning, aseptic packaging, vacuum packaging, bottling, edible packaging, labelling, any other specialized packaging etc. • Chemical preservation, pickling, fermentation or any other specialized 			<p>subproject completion period.</p> <p>v. Expenditure incurred for MAGNET Project related meetings of the Director / Manager in connection with the subproject development.</p>
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	<p>facility required for preservation activities etc.</p> <p>11. Pre Cooling Unit(s)</p> <p>12. In-house product testing laboratory</p> <p>13. Any other modern technology for temperature controlled storage, processing, value addition and preservation infrastructure as may be approved by MAGNET Society</p> <p>B. Utilities, Material Handling Equipment, Accessories and other eligible components (required as supporting infrastructure to main facility). These will not be eligible as standalone component or for upgrading of any existing facilities.</p> <p>1. Electrification</p> <p>2. Essential power back-up</p> <p>3. Renewable/ alternate energy technologies (solar, bio-mass, wind etc.) for the project</p> <p>4. Material Handling equipment and systems like fixed</p>			
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	racking system in Cold/CA storage, forklifts, reach trucks, bins, pallets, dock levellers, etc. 5. Supporting equipment like effluent treatment plant (ETP), Waste Disposal system, Boiler, CIP unit, Water Treatment Plant, Fire fighting systems etc. 6. Toilets, Septic tank and drainage 7. Any other accessories/ equipment as may be approved by MAGNET Society			
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List of Ineligible Components

The following components are ineligible. The list is only illustrative and not exhaustive.

- (i) non-technical construction like
 - a. administrative office
 - b. approach road/internal roads
 - c. Compound wall
 - d. Cost of land
 - e. Site development
 - f. Canteen
 - g. Labour rest room
 - h. Quarters for workers
 - i. Security guard room
- (ii) preliminary and pre-operative exp. like consultancy fee, etc. other than the permitted ones.
- (iii) margin money, working capital and contingencies
- (iv) second hand/ old machines
- (v) reconditioned and refurbished plant & machinery
- (vi) ac ducting, furniture, computers and allied office items
- (vii) closed circuit tv camera and security system related equipment
- (viii) fuel, consumables, spares and stores
- (ix) non-temperature controlled transport vehicles
- (x) operational expenses
- (xi) Stationery items
- (xii) Taxes on plant and machinery, etc. other than the permitted ones.
- (xiii) All types of service charges, carriage and freight charges, etc.
- (xiv) Fly catchers, hand washer, laundry etc.

(xv) any other components not explicitly mentioned under list of eligible components and as may not be approved by MAGNET Society/Steering Committee for approval.

(xvi) In addition, prohibited investment activities as per ESMS guidelines are also ineligible for financing under the scheme

Final selection of activities/projects for assistance to any entity will be based on complete discretion of the Bank.

Working Capital Loan Assistance

List of Eligible Activities (for FIL Working Capital Assistance): Bank can extend loans to finance working capital needs of selected projects, which may include:

- (i) Raw material procurement and aggregation
- (ii) Processing, trade, including for exports (including for Purchase Order Funding)
- (iii) Contract farming working capital requirements
- (iv) Introduction of high-yielding planting material/varieties
- (v) To facilitate adoption of improved package of practices (like GAP, traceability, etc.)
- (vi) Compliance with internationally accepted norms/regulations for export of horticultural produce and for obtaining necessary certifications/ permissions.
- (vii) Other productive and operational purposes

Final selection of activities/projects for assistance to any entity will be based on complete discretion of the Bank.