

01. Government of Maharashtra is implementing the State of Maharashtra's Agribusiness and Rural Transformation (SMART) Project. This World Bank funded project proposes to support the development of inclusive and competitive agriculture value chains, focusing on small holder farmers and agri-entrepreneurs in Maharashtra.

This would be achieved by expanding access to new and organized markets for producers and enterprises with complementary investments in technical services and risk management capabilities through the productive partnership scheme and market access plan. The SMART Project intends to provide business development grants to the business proposals (VGF upto 60%) to the target beneficiaries of the project i.e. Community Based Organizations (CBOs), which includes Farmer Producer Organizations (FPO), Primary Agriculture Cooperative Societies (PACS), Cluster Level Federations (CLFs) and Community Managed Resource Centre's (CMRCs).

02. This agreement between the SMART Project, CBO and Bank will govern the funding ratio and release of tranches for execution of the sub-project.
03. The project grants provided under this Agreement shall be used only in respect of the sub project objectives as per the conditions stipulated by the concerned State Project Approval Committee (SPAC) and as per terms and conditions laid down in the FPP Sanction letter.

WHEREAS

Pursuant to this Agreement, the Parties involved in this Agreement, are hereby covenant, agreed with the following obligations, terms & conditions as stated herein below.

A) TERMS & CONDITIONS WITH RESPECT OF EXECUTION OF THE SUB-PROJECT:-

01. The total amount of the sub-project cost is Rs118.56(in words)One Hundred Eighteen Lakh Fifty Six Thousand Only and the breakdown of contributions is listed below:

(Rs. Lakh)

Sr No.	CBO's Subproject Components	Cost Total	SMART Grant	CBO Equity
1	Onion Storage 1000 MT	105.00	63.00	42
2	Electronic Weighbridge 60MT	7.00	4.20	2.8
3	Electric connection (DP)	0.91	0.54	0.37
13	5% Operative Cost	5.65	3.39	2.26
	TOTAL (A,B,C,D)	118.56	71.13	47.43

Note: Extension activities i.e. Value Chain Development School-VCDS will not be part of the sub-project proposal.

02. This Agreement constitutes the sole and entire Agreement between all the parties. There will be no oral or written agreements, understandings,

**B) THE RESPONSIBILITIES OF PARTY OF THE FIRST PART
HEREINAFTER REFERRED TO AS 'PROJECT')**

01. The Project will provide grants to the CBO of in the form of VGF (Subsidy/Grants) up to 60% of project cost. The subsidy is calculated in the sanction order of sub-project and that will be applicable, which is Rs.49.08 (Words in Rupees – Seventy One Lakh Thirteen Thousand only). Grants will be released to Bank account of the CBO in tranches, linked to the progress of the sub-project as specified in the Clause A-1 of this Agreement. This will be subject to the beneficiary raising their part of share in agreed upon ratio.
02. The fund flow to beneficiary CBO will be in 4 tranches by respective PIU as follows:-

Sr. No.	Particulars	Percentage the Proj grants	Amount Rs. in lacs	Remarks
1.	First Tranche	50%	35.57	Advance (subject to 50% of equivalent equity raised /assured by CBO &lending Bank).
2.	Second Tranche	30%	21.34	Advance (subject to 70% of subsidy and own contribution is spent).
3.	Third Tranche	10%	7.11	Advance (subject to 70% of subsidy and own contribution is spent).
4	Fourth Tranche	10%	7.11	Reimbursement (after execution of entire sub-project)
	Total	100%	71.13	

03. In exceptional situation, the Project will have the right to stagger Project grants up to five tranches. This may occur in a situation when there is a paucity of Project funds or doubt in CBO expending Project grants at an expected pace. In such case when the number of tranches has been increased, the conditions applicable to the fourth tranche in normal case will apply to the last tranche.
04. The Project along with the Bank or independently, as the case may be, has every right to supervise/monitor the project implementation as and when necessary. It is obligatory on the CBO to co-operate and provide all such information that may be required at the time of inspection.
05. The Project/World Bank has right to conduct random and/or unannounced physical or documentary inspections related to the sub-project.

01. CBO do hereby declare that the following statements are true, complete and correct to the best of his/her knowledge and belief. Any misrepresentation of facts, information and documents may ipso facto lead to termination of this agreement
- i. CBO has obtained Permanent Account Number (PAN) from Income Tax department.
 - ii. CBO has not received any grant for same activity/asset from any source of Government of India/ Government of Maharashtra. If CBO has received grants for same activity/asset then, it has to declare in advance and such amount will be deducted from total subsidy applicable under SMART and only remaining part of subsidy would be disbursed to such CBO.
02. Banking arrangement at CBO level - For SMART Project purposes, each CBO will have to open a separate Current Bank account especially for SMART Project purposes. It will be operated under the joint signatures of any two CBO Authority. The authorized signatories of CBO are as follows:-

i. **Authorised Signatory No.1 Mangal Sundardas Birangal, ,Director**
 ,Avadhut Farmer Producer Company Limited C/o Mangal Sundardas Birangal,
 A/P Jamkhed, Tal- Jamkhed, Dist Ahmednagar 413201

ii. **Authorised Signatory No.2 Asmita Manojkumar Shinde, Director**
 Avadhut Farmer Producer Company Limited C/o Asmita manojkumar Shinde,
 A/P Jamkhed, Tal- Jamkhed, Dist Ahmednagar 413201

The Bank A/c of the CBO would be linked with Project Selected Bank developed MIS by the CBO.

03. Under exceptional circumstances, CBO, with prior permission of the Head of PIU, can prolong or shorten the duration in writing, through an addendum to this Agreement. The permission may be granted by Project and a no cost extension with justification may be provided.
04. For any payment at the level of CBO above Rs.5000/-, the bank will incur payments to the vendors of CBO through the mechanism NEFT/RTGS.
05. CBO also agrees that no payment will be done directly to CBO's sister concerns /Directors/Officials, who are not selected as per the project selected procurement procedure. The list of CBO's sister concerns/

Directors/Officials is attached as Annexure A. The grants in the bank account will not be utilized for any other activities other than sub project activities by the CBO.

06. If instances of confiscation, compensation, allotment or seizure arise with respect to CBO (for other than SMART activities), this will not lead to attachment of bank account opened for SMART Project purposes.

07. The CBO agrees to maintain Tally based accounting for all SMART related transactions.

08. CBO shall provide or make available monthly/quarterly/six monthly or as



09. The CBO will be exclusively liable for the proper use of the Grant in accordance with the Agreement. In case the Grant is, totally or partially, improperly used and declared ineligible by the Project/World Bank, the CBO will immediately deposit the objected amount in the respective Bank account, as directed by the Project.
10. Leasing and/or credit is not allowed under project financing. Procurement of second-hand equipment is not allowed. All procurements should be done with due prudence and open for verification by project authorities.
11. The CBO shall preserve and use the equipment and the goods acquired within the Sub Project with the diligence of a good owner. CBO shall refrain from any action which has object and/or affects the damage, the value decrease and/or the making of any pledge or guarantee over the equipment's or goods procured from the project funds. Details of the Pledge/ Mortgage/ Charges shall also be informed to Project by CBO within 30 days of creating the Pledge/ Mortgage/ Charges.
12. In carrying-out/performing the Sub-Project, the CBO will:
 - i) Exercise the degree of skill, care, and diligence reasonably
 - ii) As expected by the State Project Approval Committee and Sub-Project in similar circumstances, and in accordance with the agreed Schedule, unless this Agreement is terminated earlier as provided for in this Agreement.
 - iii) Comply with all provisions of all statutes, regulations and rules of government, local or public authority and any professional code of conduct or practice that may be applicable to the Sub Project.
 - iv) Observe the Project directives in relation to the Sub Project.
 - v) Be reasonably available for consultation with the Project during the term of this Agreement on the conduct and progress of the Sub Project.
13. The CBO will give full access to the Project as well as to any monitoring consultants hired by the project, for the equipment, services and goods acquired under the sub-project, at all reasonable times, at the premises or the sites at which the sub-project is being carried out, to inspect the progress of the Sub-Project.
14. The CBO will ensure the implementation of the Sub-project under satisfactory performance conditions and make best efforts to achieve the objectives and fulfill all other obligations as detailed in the Agreement.
15. CBO is responsible and liable for all acts or omissions in the performance of the Sub Project. It will indemnify the Project for any loss or damage that the Project suffers (as quantified and intimated by the Project) as a consequence of their acts or omissions.



17. In cases where the Grant has been spent on ineligible items i.e. not in accordance with the agreement and are identified by Project Authorities /Auditors/World Bank, the CBO will be liable to deposit such funds in the bank account opened specifically for Sub Project Purpose.
18. If the CBO's performance indicates that the Sub-project objectives are not likely to be achieved, are superseded, or may be achieved by another preferred route, the Grant Provider will give the CBO written instructions/recommendations for improvement. The Recommendation for improvement should be addressed by the CBO in maximum thirty (30) calendar days. In case of disagreement between the CBO and the Project, this should be discussed and agreed upon; if the disagreement could not be solved, such dispute shall be resolved by complying with SMART Grievances Redressal Mechanism.
19. The Activity Schedule, budget and time frame for completion of tasks in sub-project proposal is attached herewith as ANNEXURE 'B'.
20. The CBO will ensure that all service provider eventually hired for project implementation follow the *conflict of interest* rules as per Community Operation Manual.
21. The Project have every right to call for such relevant data and interpretations made in relation to the Sub project, which may include survey information, ground investigations and other data, calculations, plans, drawings, designs, maps, specifications, reports, instructions and decisions.
22. The CBO has to update the Project, in case, there are any hurdles, or foreseen situations or any of the technical/non- technical difficulties arose while implementing the project well in advance.
23. It will be a condition of the Agreement that all environmental and social safeguards indicated in the Project Implementation Plan and Community Operation Manual are followed. CBO will be held accountable for non-compliance with the relevant environmental and social safeguards applicable to this sub-project and therefore the CBO is required to implement all mitigation measures identified, including those on waste water management, if applicable.
24. The CBO cannot change the proposed value chain in a joint proposal and the ownership of any partner cannot be transferred to others unless otherwise particularly instructed or agreed upon by Project.
25. Since Project and CBO are different entities, project will in no way be liable for any acts of the CBO so far as legal, environmental and financial aspects etc. are concerned.
26. If any savings towards sub-project proposal occur, then the excess proportionate project grants should be refunded to the Project directed Bank Account.
27. It is obligatory for the CBO to follow the rules, regulations and guidelines,



possible to dispose of the construction /machinery/equipment/ amenities/materials of the capital project from the sub-project without prior permission of SMART society or the responsible authority decided as per the exit policy of Project.

29. The CBO will provide all the necessary data / documents/information required by the project for its monitoring and evaluation/study purpose. Wherever required in the MIS of the Project data / information will be recorded by the CBO on the directions of the Project Authority.

D) THE RESPONSIBILITIES OF PARTY OF THE THIRD PART (HEREINAFTER REFERRED TO AS 'BANK')

01. Bank has financed the CBO after completion of all necessary procedure as per the bank's policy. Based on the sub-project sanction letter issued by the Project, the Bank has issued the Loan Sanction Letter to the CBO. As per the project mandate, the Credit Linked Subsidy Model has been adopted in cases where CBO opts for loan. In pursuance to this, the Bank has the following obligations:
02. The Bank will open a separate current account exclusively for the SMART project in the name of the concerned CBO.
03. As per the sub-project proposal approved, the overall funding pattern will be as follows:-

Sr. No.	Name of the Party	Percentage of the total sub-project cost	Amount involved (Rs. In lacs)
1	SMART Project	60% (indicative)	71.13
2	Avdhut Farmer Producer Company Ltd	20% (indicative)	31.85
3	Bank Of Maharashtra Branch-Jamkhed Tal-Jamkhed Dist-A.Nagar	20% (indicative)	15.58
4	Total	100%	118.56

The release of Project Grants (the number of Tranches as well as whether in advance/reimbursement) will be as mentioned in the Clause B-2 of this Agreement

04. As per the Credit Linked subsidy modality, Bank has to monitor each vendor payment associated with the sub-project as per the activities mentioned in Annexure B of this Agreement.
05. The physical verification of the assets generated through this sub project proposal will be the responsibility of the Bank.
06. As per the Credit Linked subsidy modality, no interest will be charged by the Bank to the extent of Project funds lying interest free with the Bank.
07. In case where, the entire sub-project is not executed in entirety as per the grant Agreement, then Bank will be liable to refund proportionate Project grants back to the SMART Project within 15 working days from the date of receipt of project communication in this regard. Failure to refund this within stipulated time by the Bank will attract 10% p.a. interest.

08. Bank has to ensure that all sub-project payments are done on pro-rata basis i.e. total loan sanctioned: margin money.

09. The Bank of Maharashtra has the right but not the obligation to insure the



10. If instances of confiscation, compensation, allotment or seizure arise with respect to CBO (for other than SMART activities), this will not lead to attachment of bank account opened for SMART Project purposes.

E) OTHER TERMS & CONDITIONS, WHICH ARE BINDING UPON ALL THE PARTIES INVOLVED IN THIS AGREEMENT.

01. The abbreviations and acronyms used in the Project Implementation Plan and Community Operation Manual & Financial Management Manual will be used in this Agreement with the same meanings assigned in there.
02. Any communication between the parties is effective only if it is in writing by fax or e-mail, by speed post, registered A.D. etc., using the contact details mentioned below:

Contact Details		
	Authorized Representative of CBO (legally responsible person)	Authorized Representative of Grant Provider (Head/Nodal officer of concerned Grant Provider*) *If the signatory of this agreement get retired/transferred ensuing officiating officer will be responsible for legal compliances
Name:	Mangal Sundardas Birangal	Shivaji Shrirang Jagtap
Address:	A/P Jamkhed, Tal- Jamkhed, Dist Ahmednagar 413201	District Implementation Unit (DIU), AATMA AHMEDNAGAR
Phone / e-mail:	9423160255 avadhutfarmer@gmail.com	7774895077 Atma.pdnagar@gmail.com

F). TERMINATION /CANCELLATION OF AGREEMENT/DISPUTE RESOLUTION

01. The Project may terminate this Agreement by giving 45 days' notice in writing to the CBO, if the CBO becomes unable to perform the activities/complete the construction/procurement of movable & immovable assets in scheduled time and no substitute arrangements satisfactory to the SMART can be made to continue satisfactory implementation of the Sub project.

02. In case any issue, dispute, controversy arises, the same will be tried to be resolved as per the Grievance Redressal Mechanism of the Project. Any



will be finalized amicably by all the parties, and the said Arbitrator will be based at Pune. The arbitral award will be final and binding, subject to legal remedies available under the law.

03. The jurisdiction for all the parties and for all the purposes will be Pune.
04. In the normal course, other than reasons/ circumstances mentioned above, this Agreement shall not be terminated by either of the parties, however, due to any serious reasons, either party, if decides to terminate the Agreement shall give 3 months' notice to the other party. The provisions of the agreement, shall be governed by and interpreted in accordance with the laws of India.
05. Notwithstanding anything contained elsewhere in this agreement, Project reserves the right to terminate the Grant Agreement with immediate effect, in either of the following cases:-

If the demand for 1st installment is not raised by CBO within one year after signing of the grant agreement

Or

If within the agreed delays, Project establishes that there is no likelihood that the sub project will be completed within a reasonable delay.

In case of termination of this agreement under this Clause, the CBO will not be able to make any claim against Project or any of its Agency and staff in respect to this agreement.

06. This Agreement will terminate upon completion of the Sub Project in accordance with the Activity Schedule mentioned in above unless terminated earlier, or when the Project officially notifies about termination or cancellation of the Sub Project.
07. Either of the parties may terminate this Agreement, by written notice to the other, if:
- i. The CBO becomes unable to perform the required activities and no substitute arrangements satisfactory to the Project can be made to continue satisfactory implementation of the Sub project.
 - ii. One of the parties is in a material breach of any provision of this Agreement and is unable to remedy such breach within 30 days (or a lesser time, if a lesser time is proposed by the project) of being notified of the breach by the other.
 - iii. The CBO commits an act of bankruptcy (or become insolvent);
 - iv. The World Bank declares the CBO ineligible under the Anti-Corruption Guidelines;
 - v. One of the parties commits an act of serious misconduct which, in the reasonable opinion of the other, may bring either the the SMART into dispute; or
 - vi. The CBO could cancel the contract if the finance demand is delayed for over one year.

08. In case of cancellation of the Agreement as a consequence of non-fulfillment, the CBO shall transfer an amount of Grant not utilized towards meeting the objectives of Sub Project into the account of the Project.



Provider any Grant amount with respect to which fraud and corruption has occurred, or with which an ineligible expenditure has been paid, within five days of receiving such notice from the Grant Provider.

10. If this Agreement is terminated for any reason, the CBO will immediately cease to use Confidential Information and intellectual property of Project.
11. In case of termination of this Agreement before completion of the Sub-project, due to default by buyer, the SMART shall pay the CBO only such amount (on pro-rata basis) that is the value of the Sub Project actually performed and of any materials and services ordered by the CBO in anticipation of full performance of the Sub Project. All remaining or uncommitted Amounts, other than those above mentioned, will be immediately returned by the CBO to the account indicated by the SMART.
12. In case the CBO does not pay within the terms above mentioned the claimed amounts according to the written notification sent to him/her by the SMART, the respective Amounts would be recovered pursuant to prevailing law.
13. Any failure by SMART to enforce any of the provisions of this Agreement shall not constitute a waiver of any rights to future enforcement.

G) Force Majeure

01. Neither the CBO nor the SMART will be responsible to the other for delay or failure in performance of any of the obligations imposed by this Agreement when such failure is occasioned by unintentional fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, court order or government interference, civil commotion, riot, war, strikes, labor disturbances, natural genetic variations of any living matter or by clause of like or unlike nature beyond the reasonable control and without the fault or negligence of either of the CBO or the SMART.
02. All notices under this Agreement shall be in writing and personally delivered, or sent by prepaid post or by facsimile or e-mail to the address of the party to whom the notice is to be given as specified in the Agreement.
03. Variations, waivers, and modifications of this Agreement shall only be valid if in writing and signed by, or on behalf of all parties involved in this Agreement.
04. The provisions of this Agreement relating to responsibility reporting, confidentiality, intellectual property, publication, termination, and governing law shall not expire when this Agreement ends.



H) RECOVERY MECHANISM

If, anyone activity of the CBO's sub-project proposal remains incomplete, then that complete component of sub-project proposal will be treated as incomplete. The grant given for the activity will be recovered as per land revenue mechanism. Similarly, the project grant



IN THE WITNESS WHEREOF parties hereto have set and subscribe their respective hands and seal on the day in the year first hereinabove written.

SIGNED, SEALED AND DELIVERED For and on behalf of

<p>Project Implementation Unit (PIU), Agriculture Director, (ATMA) Pune on Behalf of District Implementation Unit (DIU), Project Director ATMA, Ahmednagar Mr. Shivaji S. Jagtap</p> <p>PARTY OF THE FIRST PART</p>	<p><i>[Signature]</i> 19/2/2023 Chief District Implementation Unit (SMART) As, Project Director, ATMA, A'Nagar</p>	<p><i>Photo</i></p>
<p>M/s Avadhut Farmer Producer company Ltd PAN : AARCA9580D Through its Director Mrs. Mangal Sundardas Birangal</p> <p>PARTY OF THE SECOND PART</p>	<p><i>[Stamp: Avadhut Farmer Producer Company Ltd, Reg. No. UP-09FA, 2019-20, 180328]</i> AVDHUT FARMER PRODUCER COMPANY HALGAON AVDHUT FARMER PRODUCER BIRANGAL, HALGAON TAL. JAMKHED BIRANGAL, MS. DIRECTOR</p>	
<p>Bank of Maharashtra, Jamkhed Branch Mr. Sudarshan Khadake</p> <p>PARTY OF THE THIRD PART</p>	<p><i>[Signature]</i> <i>[Stamp: Bank of Maharashtra, 1865, Jamkhed Br., (A'Nagar), M.S., RAJASTHAN]</i></p>	

Witness 1:

(For Party of First Part)

Name: S. P. Birangal

R/o :

[Signature]

Witness 2:

(For Party of Second Part)

Name: Pawan R.M.

[Signature]

Witness 3:

(For Party of Third Part)

[Signature]

ANNEXURE A

List of CBO's Sister Concerns/ Directors/ Officials

Sr.No.	Name and Address	PAN No.
1)	Mangal Sundardas Birangal (Director) A/P Jamkhed Tal- Jamkhed Dist Ahmednagar 413201	ANMPB9668E
2)	Anjali Tatyaram Kale(Director) A/P Halgaon Tal- Jamkhed Dist Ahmednagar 413205	DIUPK5803A
3)	Asmita Manojkumar Shinde(Director) A/P Jamkhed Tal- Jamkhed Dist Ahmednagar 413201	BBSPB8309M
4)	Sunita Ghansham Lekurwale(Director) A/P Halgaon Tal- Jamkhed Dist Ahmednagar 413205	BJHP7595Q
5)	Komal Bandu Shinde(Director) A/P Halgaon Tal- Jamkhed Dist Ahmednagar 413205	FHYPS5065M



AVDHUT FARMAR PRODUCER COMPANY
HALGAON TAL. JAMKHED Dis. Anagar
Birangal.ms,
DIRECTOR DIRECTOR

AVDHUT FARMAR PRODUCER COMPANY
HALGAON TAL. JAMKHED Dis. Anagar
Birangal.ms,
DIRECTOR DIRECTOR



[Signature]
Chief 15/12/2013

District Implementation Unit (SMART)
As, Project Director, ATMA, A'Nagar

ANNEXURE B

The Activity Schedule, budget and time frame for completion of tasks in sub-project proposal.

Sr.No.	Name of the task/ component	Sub-Activity of the component	Timeline	Budget in lack.
1	Onion Storage 1000 MT	Onion Storage 1000 MT	Within 6 Months from Date of Agreement	105
2	Electric Connection (DP)	Electric Connection (DP)	Within 3 Months from Date of Agreement	0.91
3	Electronic Weighbridge 60 MT	Electronic Weighbridge 60 MT	Within 3 Months from Date of Agreement	7.00
4	Operative / Preliminary Expenses 5%	Operative / preliminary Expenses 5%	Within 3 Months from Date of Agreement	5.65
TOTAL (A,B,C,D)				118.56



AVDHUT FARMER PRODUCER COMPANY
HALGAON TAL. JAMKHED Dis. Anagar

Bisangal.ms
DIRECTOR
Bisangal.ms
DIRECTOR

S. Lepi
18/12/2020
Chief
District Implementation Unit (SMART)
As, Project Director, ATMA, A'Nagar

