



HON. BALASAHEB THACKERAY AGRIBUSINESS AND RURAL
TRANSFORMATION PROJECT

CBO TRANCHES VERIFICATION AND ACCOUNTING

Types Of Proposal

Sr.No.	Types of Proposal
01	Productive partnership proposal (PP)
02	Market Access Plan (MAP)
03	Collateral Management Plan (CMP)
04	Complementary Innovative Investment Plan(CII)
05	Urban Food Pilot scheme

Funding Pattern

Sr.No.	Particulars	Percentage
01.	CBO Share	40%
	- Own Contribution/ Equity	
	- Loan taken from Financial Institution	
02.	Project Share	60%

What is Pre-operative expenses/Operative Expenses?

- ▶ Pre-operative cost/contingent expenditure likely to be incurred in the sub project would include expenses for travelling, payments to consultants hired by the CBO, cost for advertisement, cost for hiring accountant/manager on a temporary basis etc. This cost will be limited to 5% of the sub project cost with a maximum threshold of Rs.20.00 lakh. per proposal

What is Loan case and No Loan case

- ▶ For ease in monitoring the CBOs have been divided into two types that is Loan case and No Loan case.
- ▶ Loan Case means the CBOs which have taken loan from financial institutions. Thus, to complete the project CBO alongwith own contribution, it will also finance the same through financial institution.
- ▶ No Loan Case means the CBO will fund the balance amount from it's own contribution and will not borrow money from financial institution.

What is Tri-partite Grant Agreement

- ▶ The tripartite grant agreement between the Beneficiary CBO, SMART Project, and the CBO bank will govern the funding ratio and release of tranches for execution of the sub-project.
- ▶ The grant agreement will clearly mention the role and responsibilities of each party

What is Special Bank account in No loan case?

- ▶ **Special bank account is current account in the project selected bank in case of No Loan Case CBOs grants will be deposited.**
- ▶ **This account is linked with bank developed MIS (MIS) and all the payments will be done through MIS.**
- ▶ **In the MIS DIU will have to verify and approve each and every payment of No Loan case CBO.**
- ▶ **Till the bank develops MIS the CBO special current account will be operated jointly with DIU authorities and CBO executives.**

Procedure to release tranches

- ▶ **The demand proposal will be submitted by CBO to the office of respective DIU.**
- ▶ **DIU will scrutinize the proposal and submit it to the office of respective RIU within stipulated working days as laid down in the operational guidelines.**
- ▶ **The office of RIU after due scrutiny will submit the proposal to the office of respective PIU within stipulated working days as laid down in the operational guidelines.**
- ▶ **The office of PIU after due scrutiny will submit the proposal for grants release to PCMU.**
- ▶ **The office of PCMU after due approval of PD, SMART, will allocate fund limit to the concerned PIU.**
- ▶ **The concerned PIU will thereafter release the share of Project grants directly in the bank account of beneficiary CBO.**

Number of Tranches

Tranche	Beneficiary contribution share as per the grant agreement	Project grants share as per the grant agreement
1st	50% of Beneficiary Contribution	50% of Project Grants in the form of advance.
2nd	30% of Beneficiary Contribution	Matching share of Project Grants in the form of advance.
3rd	10% of Beneficiary Contribution	Matching share of Project Grants in the form of advance.
4th	Expend initially both the Beneficiary and Project share.	Balance amount of Project Grants in the form of reimbursement.

Procedure to release first tranche

Sr.no	Pre requisites	Corresponding check list of documents
1	Demand from CBO.	Copy of demand letter by CBO.
2	Recommendation by respective PIU.	Copy of recommendation letter by respective PIU.
3	Grant agreement between the Project, CBO and Banker.	Copy of Grant Agreement.

Procedure to release first tranche ... contd.

Sr.n o	Pre requisites	Corresponding check list of documents
4	Opening of dedicated bank account for SMART by CBO and deposition of beneficiary share	
4a	Loan case of CBO – i) Dedicated current account for SMART ii) Equivalent share of margin money related to first tranche deposited in current account. iii) Sanction of bank loan	Attested copy of first page of passbook. Bank statement attested by bank authorities. Loan sanction letter .
4b	No Loan case of CBO - i) Special account opened for SMART. ii) Equivalent share of beneficiary contribution related to first tranche deposited in current account.	Attested copy of first page of passbook. Bank statement attested by bank authorities.

Procedure to release first tranche ... contd.

Sr.no.	Pre requisites	Corresponding check list of documents
5	If the sub project includes civil work, technical approval necessary	Approval of cost estimates, by in house technical person at PCMU/related line department.
6	Hiring of Tally literate person/CA/CA firm for accounting by the CBO.	Declaration by CBO
7	Purchase of Tally accounting /other double entry software related by the CBO.(if applicable)	Declaration by CBO

Procedure to release second tranche

Sr. no	Pre requisites	Corresponding check list of documents
1	Demand from CBO	Copy of demand letter by CBO
2	Recommendation by respective PIU	Copy of recommendation letter by respective PIU
3	<u>70% of the total amount raised for first tranche is expended</u>	
3a	Loan case of CBO	1) Utilization certificate from CA/CA firm hired by CBO. 2) Attested copy of bank pass book of loan account of CBO (attestation from bank authorities). 3) Attested copy of bank pass book of current account of CBO (attestation from bank authorities). 4) CBO attested copies of invoices for expenditure.
3b	No Loan case of CBO	1) Utilization certificate from CA/CA firm hired by CBO. 2) Attested copy of bank pass book of special account of CBO (attestation from bank authorities). 3) CBO attested copies of invoices for expenditure.

Procedure to release second tranche

	Pre requisites	Corresponding check list of documents
4	Deposition of an equivalent beneficiary contribution by CBO	
4a	a) Loan case of CBO	1) Attested copy of bank pass book of loan account of CBO (attestation from bank authorities). 2) Attested copy of bank pass book of current account of CBO (attestation from bank authorities)
4b	b) No Loan case of CBO	Attested copy of bank pass book of special account of CBO (attestation from bank authorities).
5	Inspection by the concerned DIU- Accountant.	Inspection report signed by Accountant and DIU head.
6	Field visit by the technical team of the Project.	Field visit report along with geo – tagged photographs

Procedure to release third tranche

Sr.no	Pre requisites	Corresponding check list of documents
1	Demand from CBO	Copy of demand letter by CBO
2	Recommendation by respective PIU	Copy of recommendation letter by respective PIU
3	<u>100% and 70% of the total amounts raised in the first tranche and second tranche respectively is expended</u>	
3a	Loan case of CBO	<ol style="list-style-type: none"> 1) Utilization certificate from CA/CA firm hired by CBO. 2) Attested copy of bank pass book of loan account of CBO (attestation from bank authorities). 3) Attested copy of bank pass book of current account of CBO (attestation from bank authorities). 4) CBO attested copies of invoices for expenditure.
3b	No Loan case of CBO	<ol style="list-style-type: none"> 1) Utilization certificate from CA/CA firm hired by CBO. 2) Attested copy of bank pass book of special account of CBO (attestation from bank authorities). 3) CBO attested copies of invoices for expenditure.

Procedure to release third tranche

Sr. no	Pre requisites	Corresponding check list of documents
4	Deposition of an equivalent beneficiary contribution by CBO	
4a	a) Loan case of CBO	1) Attested copy of bank pass book of loan account of CBO (attestation from bank authorities). 2) Attested copy of bank pass book of current account of CBO (attestation from bank authorities)
4b	b) No Loan case of CBO	Attested copy of bank pass book of special account of CBO (attestation from bank authorities).
5	Inspection by the concerned DIU-Accountant.	Inspection report signed by Accountant and DIU head.
6	Field visit by the technical team of the Project.	Field visit report along with geo - tagged photographs

Procedure to release fourth tranche

Sr. no	Pre requisites	Corresponding check list of documents
1	Audit by the CA appointed by the Project.	1) Audit report and Audited UC by CA appointed by the Project 2) CBO attested copies of invoices for expenditure.
2	Field visit by the technical team of the Project.	Field visit report along with geo - tagged photographs
3	Demand from CBO	Copy of demand letter by CBO
4	Recommendation by respective PIU	Copy of recommendation letter by respective PIU