

REQUEST FOR Call for Proposals

Name of Project: Xamahar Challenge Fund

Amendment No: 1

Date 21/01/2022

S.No	Page Numbers	Original clause	Changes / Modifications
1	Page No: 1	The complete proposal is to be submitted latest by January 22, 2022 on or before 06:00 PM Indian Standard Time in digitally signed soft copy through the website http://assam-agrifin.in/ .	The complete proposal is to be submitted latest by February 4, 2022 on or before 06:00 PM Indian Standard Time in digitally signed soft copy through the website http://assam-agrifin.in/ .
2	Page No: 8	Section 3: Please refer to Xamahar's Strategy document for more details on the themes	Section 3: Please refer to Xamahar's Operations Manual document for more details on the themes
3	Page No: 12	Section 5.2: a. All Consortium partners should fulfill the eligibility criteria under Eligibility Criteria under Section 5.1 above b. The Lead member should be a "for profit" entity, and cannot be a Not for profit entity	Please find the revised clause: a. All Consortium partners should fulfill the eligibility criteria under Eligibility Criteria under Section 5.1 above b. The Lead member should be a "for profit" entity, and cannot be a Not for profit entity c. Consortium partners other than the Lead organization can be: <ul style="list-style-type: none"> • Legally registered organization in any form in India (including non-profits such as section 8 Company, Society, Trusts, etc.) • Legally registered Foreign entities with operations in India d. All Consortium partners should fulfill the eligibility criteria 6, 7 and 8 under Eligibility Criteria in 2.1
4	Page No: 12	Section 5.2: The consortium agreement between the partners should have a validity period of 5 years including the project period	Under Section 5.2, in consortium agreement sub-section, the following change has been made: The consortium agreement between the partners should have a validity period of 5 years including the 2 year project period

5	Page No: 13	Clarification	The dates have been modified in Figure 3: Sub-project life cycle
6	Page No: 15	Section 8: Earlier the submission of ESMP template was required at the business proposal stage	Under Section 8, the time of submission of ESMP template is modified and the proposals are required to submit before grant signing stage.
7	Page No: 35	<p><u>Appendix IV: Annexure 4.2</u></p> <p>Financial Capability of the Applicant will be evaluated based on the above 4/5 financial parameters depending upon the type of entity/organization type as defined under Appendix V. Each financial parameter will have their own set of sub parameters/financial ratios as again defined under Appendix V.</p> <p>The financial ratios will be calculated for the last 2 years for which Audited Financial Statements are available submitted at the concept note stage.</p> <p>All the parameters listed above will be considered as an average of last 2 years as per the information provided in Appendix V.</p> <p>The applicants will have to ensure that Appendix V are certified by practicing Chartered Accountant or the Statutory Auditor (as applicable). The method of calculation for each of the above parameters should be detailed out in the certificate.</p> <p>The method for calculating the Financial Ratios is provided in Appendix X. If there is any deviance from the stated method of calculating the Financial Ratios, the rationale for the same should be provided in the certificate along with the alternate calculation method</p> <p>The above parameters will only be evaluated of the lead partner, in case of consortium.</p>	<p><u>Appendix IV: Annexure 4.2</u></p> <p>Financial Capability of the Applicant will be evaluated based on the above 4/5 financial parameters depending upon the type of entity/organization type as defined under Appendix VII. Each financial parameter will have their own set of sub parameters/financial ratios as again defined under Appendix VII.</p> <p>The financial ratios will be calculated for the last 2 years for which Audited Financial Statements are available submitted at the concept note stage.</p> <p>All the parameters listed above will be considered as an average of last 2 years as per the information provided in Appendix VII.</p> <p>The applicants will have to ensure that Appendix VII are certified by practicing Chartered Accountant or the Statutory Auditor (as applicable). The method of calculation for each of the above parameters should be detailed out in the certificate.</p> <p>The method for calculating the Financial Ratios is provided in Appendix XII. If there is any deviance from the stated method of calculating the Financial Ratios, the rationale for the same should be provided in the certificate along with the alternate calculation method</p> <p>The above parameters will only be evaluated of the lead partner, in case of consortium.</p>



ARIAS Society,
Agriculture Complex, Next to Krishi Bhawan,
Khanapara, G S Road, Guwahati - 781022

December 8, 2021

CALL FOR PROPOSAL FOR APPLICANTS FOR THE ASSAM AGRIFIN XAMAHAR

The Government of Assam (GoA) through the Government of India has received a loan from the World Bank (WB) for implementation of the Assam Agribusiness & Rural Transformation Project (APART). The ARIAS Society has intended to apply a portion of the loan for launching of the Assam Agrifin Xamahar - Challenge Fund under the World Bank financed APART. ARIAS Society invites proposals from Applicants interested to receive the Challenge Fund as outlined in this document.

The complete proposal is to be submitted latest by February 4, 2022 on or before 06:00 PM Indian Standard Time in digitally signed soft copy through the website <http://assam-agrifin.in/>. Proposals received after the stipulated date/time shall not be accepted. ARIAS shall not be responsible for failure in receipt of the submitted proposals. The responsibility of submitting the proposals, in the correct format, within the stipulated time/date rests with the Applicant.

For any clarifications, please reach out to the State Project Director, ARIAS Society, Agriculture Complex, Khanapara, GS Road, Guwahati - 781022 (Assam) Tel: 0361-2332125; website: <http://assam-agrifin.in/>; email: xamahar@assam-agrifin.in.

Sd/-

State Project Director, ARIAS Society

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Abbreviations and Definitions

List of Abbreviations

Abbreviation	Description
AAU	Assam Agricultural University
AC	Advisory Committee
ACFIFA	Assam Challenge Fund for Innovative Finance in Agriculture
AIP	Agriculture Input Suppliers
AOP	Agriculture Output Buyers
APART	Assam Agribusiness and Rural Transformation Project
ARIAS	Assam Rural Infrastructure and Agricultural Services
ATMA	Agricultural Technology Management Agency
BOD	Board of Directors
CFM	Challenge Fund Manager
CHC	Custom Hiring Centres
CIG	Common Interest Groups
CSC	Common Service Centres
DD	Due-Diligence
DoH&FP	Directorate of Horticulture and Food Processing
FPC	Farmer Producer Companies
FPO	Farmer Producer Organizations
FSS	Financial Software & Systems
GI	General Insurance
IC	Investment committee / Jury
ICT	Information Communication Technologies
IPM	Integrated Pest Management
IRDA	Insurance Regulatory Development Authority
LAMPS	Large Area Multipurpose Societies
MFI	Microfinance Institution
NBFC	Non-Banking Financial Company
PACS	Primary Agricultural Credit Societies
PDO	Project Development Objective
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
WorldVeg	World Vegetable Centre

Definitions of commonly used terms

Xamahar	Assam Challenge Fund for Innovative Finance in Agriculture (ACFIFA) has been named as Assam AgriFin - Xamahar and has been referred as "Xamahar" in this document
Subprojects	Project proposals that are selected through the selection procedure of the fund and receive grant funding have been referred to as Subprojects as they are constituents of a larger project - ACFIFA.
Innovative solutions	A proposed solution is considered innovative, if it goes beyond what exists. The innovation could be in the form of a completely new product or service for Assam or changes in product attributes, process, technology leading to improvements in access, costs, processing time, convenience or customer experience.
Beneficiaries	A group of people, e.g., farmers and agro-entrepreneurs, including women, who are intended to be finally impacted by the subprojects supported by the fund.
Challenge Fund Manager	The organization that will design, plan, execute and manage the challenge fund implementation shall be known as the Challenge Fund Manager.
Investment committee / Jury	A committee of experts, which will evaluate and select the proposals of the applicant organizations based on the established criteria and professional judgments. The committee will be independent of the donor and the manager and include investment experts and specialists in the field finance, investment and agriculture.
Grantee / Investee	The Grantee/Investee is an applicant organization, whose project proposal has been finally selected for funding from the challenge fund, after due diligence. A grantee will enter into a binding agreement for executing the "subproject".

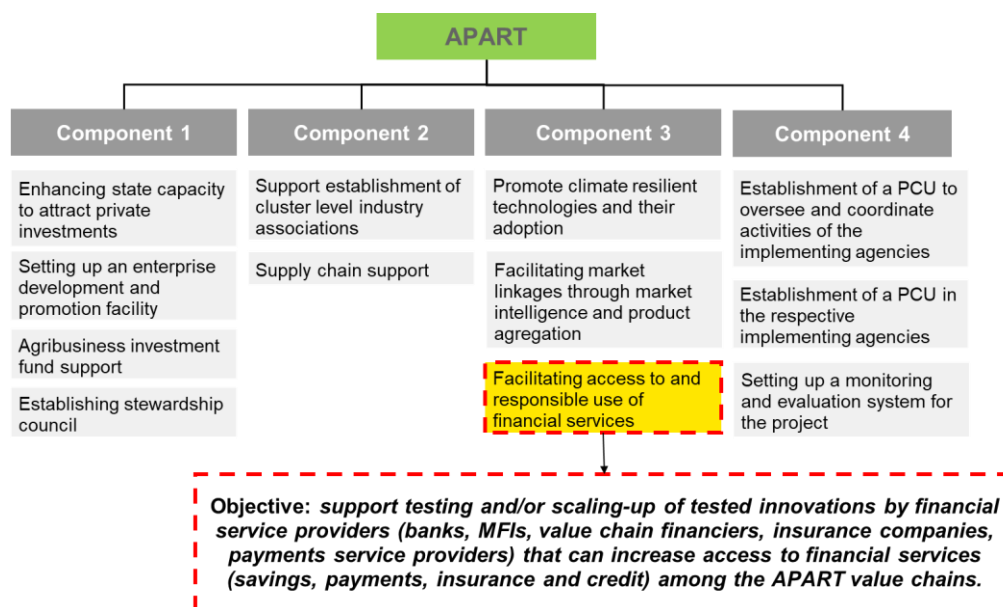
1. Background

The Government of Assam (GoA) through Government of India (GoI) has received a Loan from the World Bank for implementation of Assam Agribusiness and Rural Transformation Project (APART). The Project Development Objective (PDO) is to “add value and improve resilience of selected agriculture value chains focusing on smallholder farmers and agro-entrepreneurs in targeted districts of Assam.” The project will achieve the PDO by: (i) promoting investments in agri-enterprises, reducing the business and transaction costs, facilitating access to finance for agribusiness entrepreneurs, and, where appropriate, push for process, regulatory and/or policy change; (ii) supporting the development of a modern agri supply chain; improved information communication technologies (ICT) based farm information and intelligence services, and alternative marketing channels; and (iii) improving producers’ access to knowledge, technologies and infrastructure so that they are better able to respond to market opportunities and climate variability. The project aims to reach five lakh farmers with assets or services over a period of seven years and organize around 100 Farmer Producer Organizations (FPOs) along with corresponding number of Common Service Centres (CSCs) (aggregation, and primary processing hubs of agri produce by FPO farmer members).

Assam Rural Infrastructure and Agricultural Services (ARIAS) Society is the apex coordinating and monitoring agency for the project. The project is being implemented by eight-line departments of GoA including their Directorates/Agencies/Commissionerate. The project interventions are being taken up in 23 prioritized Districts of Assam.

APART has four components. Under the third component Fostering Market Led Production and Resilience Enhancement, subcomponents (iii) Facilitating access to and responsible use of financial services, ARIAS Society wants to setup the ‘Assam Challenge Fund for Innovative Finance in Agriculture (ACFIFA)’ for supporting innovative approaches to deliver financial services at scale for farmers, FPOs and associated entities. EY has been hired as an ‘Challenge Fund Manager’ for ACFIFA. ACFIFA has been named **Assam AgriFin - Xamahar**. In this document, ACFIFA is addressed as “**ACFIFA**” or “**Xamahar**” or “**the Challenge Fund**” or “**the Fund**”.

Figure 1: Components of the Apart Project



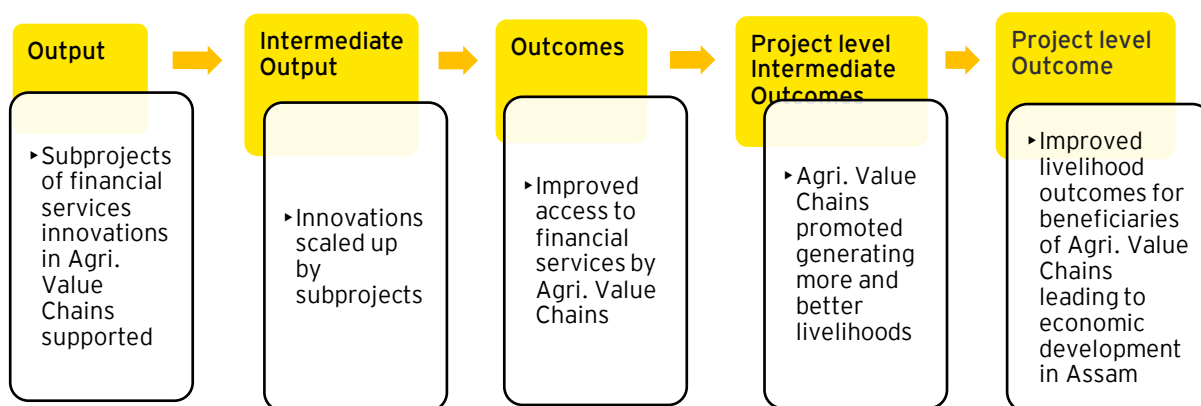
2. Objective of Xamahar

The objective of the Xamahar is to support tested innovations by financial service providers (banks, MFIs, value chain financiers, insurance companies, payments service providers) that can increase access to financial services (savings, payments, insurance and credit) for farmers and enterprises involved in agriculture value chains in Assam.

Xamahar aims to act as a catalyst for financial services innovations that are aligned to its objective. It is expected that the applicant organizations will scale up the innovations commercially as a part of their business model, leading to improved access to financial services in agriculture for many beneficiaries across Assam. Therefore, the applicant organizations must see the innovations as long-term business opportunity and not just for implementing a limited time subproject.

The subprojects supported by Xamahar are also expected to create a demonstration effect for other financial institutions to scale such innovations, leading to improved access to financial services for all actors involved in agriculture value chains across Assam. Xamahar's Theory of Change (ToC) is presented in Figure 2.

Figure 2 : Theory of Change for Xamahar



2.1 Brief overview of Xamahar

- ▶ Competitively select 8-12 subprojects to partially cover the cost of developing, testing and/or scaling-up innovations in products or process that improve access to finance in agriculture value chains in Assam over a period of 2 years
- ▶ Support subprojects that present higher probability of success and potential for scaling, for example:
 - Innovations that are past proof of concept (concept already established/ validated).
 - Innovations already used in rest of India and applicable to /relevant to the APART value chains in Assam.
- ▶ The subprojects will be implemented or scaled up in one or more of the 23 priority districts of APART
- ▶ The grant provided Average grant provided for subprojects is expected to be ~INR 3 Cr with a maximum of INR 5 Crore for any project.
- ▶ Cost share requirement: The grantees are required to contribute minimum of 20% of the subproject.
- ▶ Incentive payments: The Grantee(s) shall be entitled for the incentive payments only if the % of beneficiaries are 50% higher than originally envisaged. The incentive payment can be a maximum of 10% of originally sanctioned grant amount (subject to availability of funds). The incentive payment will be in the same proportion as agreed milestone payments.

3. Financial Service Themes

Xamahar has identified four thematic areas, in which innovations are needed. The subprojects supported could include, but are not limited to one or more of the themes below:

Theme 1 - Savings including access to long term savings / micro pensions

Last mile savings and payment services through non-bank networks such as Business Correspondents

Theme 2 - Digitization of agriculture payments

Sub theme 2.1 Digitization of all transactions including adoption of cashless transactions

Sub theme 2.2 Digital interventions to facilitate payments

Theme 3 - Insurance (Crop, livestock, life, other perils)

Supporting risk management & insurance for agriculture

Theme 4 - Credit (Production and Investments)

Sub theme 4.1 Delivering financing services through Aggregator(s) and Buyer(s) of Agri produce (Production)

Sub theme 4.2 Financing post-harvest infrastructure like small agri warehouses/godowns/cold chains (Investment)

Sub theme 4.3 Financing farm mechanization and agriculture assets (Investment)

Sub theme 4.4 Receivables and Dealer financing

Please refer to Xamahar's Operations Manual document for more details on the themes

4. Key attributes of Xamahar

4.1 Target Institutions

The Xamahar will support organizations who have developed technological and business innovation to deliver financial services at scale for farmers/ farmer collectives or agriculture enterprises indirectly supporting farmers. The Fund is looking for organizations intending to expand their businesses or organizations commercially, using a for-profit business model. The prospective applicants should propose innovations that are demonstrably sustainable and financially viable and with a well-defined plan for expansion beyond the Xamahar funding.

The proposals are invited from financial institutions (viz, banks, NBFCs, MFIs, insurance companies, payment service providers/fintech and as more particularly specified at section 5.1 hereto) who undertake financial operations/business in whole or any part of agriculture value chain. Applicants may submit a proposal as single entity "for profit" organization or in consortium of entities (in which case the lead member should be a for profit entity).



4.2 Target Beneficiaries

The target group of beneficiaries that Xamahar ultimately wants to impact include:

- a. Small and marginal farmers
- b. Landless agriculture laborers,
- c. Tenant farmers, oral lessees, and sharecroppers.
- d. Farmer Collectives (FPOs/FPCs, FSS, PACS, LAMPS, Farmer Cooperatives, Unions and Federations)

Xamahar aims to directly benefit at least 125,000 producers over the fund life including at least 30% women beneficiaries.

4.3 Target Districts based on value chain analysis

APART has prioritized 23 districts. These districts are Kokrajhar, Barpeta, Nalbari, Darrang, Sonitpur, Goalpara, Nagaon, Cachar, Karbi Anglong, Golaghat, Dhubri, Morigaon, Jorhat, Sivasagar, Hojai, Biswanath Chariali, West Karbi Anglong, Kamrup(M), Kamrup(R), Mancachar, Charaideo, Majuli and Lakhimpur. The XAMAHAR subproject interventions are expected to be implemented in one or more of these districts based on the agro climatic zones and production clusters identified. However, the subprojects may eventually expand to cover entire Assam and geographies, beyond.

Agro climatic zones of Assam¹

Agro Climatic Zones	Potential Horticultural crops grown	Districts / Areas
North Bank Plain zone	Banana, Potato, Vegetables, Lemon, Orange	Darrang, Sonitpur, Dhemaji, Lakhimpur
Upper Brahmaputra	Banana, Potato, Vegetables, Lemon, Orange, Areca nut, Jackfruit, Pineapple, Guava, Litchi, Mango	Sibsagar, Tinsukia, Dibrugarh, Jorhat, Golaghat
Central Brahmaputra	Banana, Potato, Vegetables, Lemon, Orange, Areca nut, Jackfruit, Pineapple, Guava, Litchi, Mango	Nogaon, Morigaon, Kamrup
Lower Brahmaputra	Banana, Potato, Vegetables, Lemon, Orange, Areca nut, Jackfruit, Pineapple, Guava, Litchi, Mango	Nalbari, Barpeta, Bongajgaon, Kokrajhar, Goalpara, Dhubri
Barak Valley	Banana, Potato, Vegetables, Lemon, Orange, Areca nut, Jackfruit, Pineapple, Guava, Litchi, Mango	Cachar, Karanganj, Hailakandi

Identified Production clusters in Assam¹

Crops	Production Clusters

¹ Value Chain Analysis of Select crops in North Eastern States, Report by SFAC

Citrus	Kamrup (R), Kamrup (M), Tinsukia, Karbi, Anglong, NC Hills
Pineapple	Cachar, Kamrup, Karbi Anglong, N.C. Hills
Ginger	N C Hills, Karbi Anglong, Golaghat, Sonitpur
Turmeric	Kamrup, Barpeta, Sonitpur, Nagaon, Baksa, Golaghat, Lakhimpur, Karbi Anglong
Vegetables	Kamrup, Barpeta, Sonitpur, Nagaon, Baksa, Golaghat, Lakhimpur, Karbi Anglong

XAMAHAR will give priority to subprojects in APART focus Agriculture Value Chains. The prioritized Value chains include banana, brinjal/egg plant, cabbage, cauliflower, ginger, potato, pulses viz. Black gram, lentil and pea, pumpkin, silk (sericulture and handloom), fishery and dairy.

The key attributes of these value chains and support activities under the project are summarized in the Call for Proposal: Appendix I.

5. Eligibility Criteria

5.1 General Eligibility

The eligible entities who can submit proposal are enumerated in table below. Eligible entities would be required to submit such supporting documents/self - certification for Concept note stage as is enumerated in table below in order to demonstrate fulfillment of the following eligibility norms:

Table 1 : General criteria for applicants

Sl. No	Particulars	Eligibility Norms
1	Constitution	any business which is a tax assesee
2	Eligible entities (as read with clause at S.No 8 of this table) (hereinafter "company")	<ul style="list-style-type: none"> a. Commercial Banks - Public Banks, Private Banks, Regional Rural Banks & Indian subsidiaries of Foreign Banks b. Small Finance Banks c. Payment Banks d. Financial Institutions as recognized by the Department of Financial Services - GOI e. Non-Banking Finance Company f. NBFC - MFI g. General Insurance companies registered with IRDA h. Insurance Intermediaries registered with IRDA i. Business Correspondent companies j. Any other company engaged directly or indirectly in provision of financial services. k. Technology Service Providers in Financial Services l. Brokers, Agencies, Web Aggregators, Insurance Marketing Firm, and other intermediaries m. Direct Sales Agent (s) of Lending companies n. Other Companies who have entered business partnerships with Banks, NBFCs, NBFC MFIs or GI companies for providing financial intermediation services

Sl. No	Particulars	Eligibility Norms
		<ul style="list-style-type: none"> o. Agriculture Input Suppliers (AIPs) that sell farm inputs like seeds, pesticides, fertilizers, farm equipment etc to producers on credit p. Agriculture Output Buyers (AOPs) that provide inputs or financing to producers
3	Capital Requirements (paid up capital)	In compliance with applicable regulatory Guidelines (RBI, IRDA, SEBI etc) or a minimum of Rs 1 Lakh as of March 31, of last financial year preceding concept note due date. Self -declaration in this regard to be submitted along with Appendix III: Annexure 3.1.
4	Net Worth	Tangible Net Worth of the organization should be positive in last financial year (Please provide the exact value of the Networth) . Self-declaration to be submitted at Concept note stage along with Appendix III: Annexure 3.1, and auditor certificate to said effect to be submitted at detailed proposal/ business plan stage.
5	Cost Share / Matching Commitments	The applicant organizations must undertake to fund at least 20% of the Total Project cost. Self-undertaking to be submitted at concept note stage.
6	Vintage	The company should have been incorporated at least 2 year prior to the Concept Note submission date
7	Audited Accounts	Copy of Auditor certified financial statements should be available for a minimum of 2 financial years preceding the concept note due date.
8	Excluded Companies	<ul style="list-style-type: none"> a. Companies undergoing insolvency and bankruptcy proceedings under the Insolvency and Bankruptcy Code, 2016 b. Companies on RBI Willful Defaulter List c. Blacklisted companies by any of the regulatory agencies in India or by any Central and/or State Government Departments d. Promoters having Civil and Criminal records e. The applicant companies must provide an Affidavit that they are not under the category of "Excluded companies" along with Appendix III: Annexure 3.1.

5.2 Applicants under Consortium Arrangement

Two or more companies can apply for the Xamahar program in a consortium arrangement. The consortium of entities is required to meet (besides criteria at section 5.1 above) further eligibility criteria as provided in the table below.

Table 2: Criteria for consortium applicants

Sl. No	Particulars	Eligibility Norms
1	Number of Consortium partners	Minimum: 2 Maximum: 4
2	Lead Applicant in Consortium	The Consortium members will designate, constitute and nominate one of its members as their authorized agency, which would be the Lead Applicant

		<ul style="list-style-type: none"> a. All correspondence under the Xamahar Fund will be conducted only with the Lead Applicant. It will be the responsibility of the Lead Applicant to share all pertinent information with other partners. b. All financial transactions between APART/ARIAS and the Consortium will be carried out only with the Lead Applicant
3	Eligibility Criteria for Consortium partners	<ul style="list-style-type: none"> a. All Consortium partners should fulfill the eligibility criteria under Eligibility Criteria under Section 5.1 above b. The Lead member should be a “for profit” entity, and cannot be a Not for profit entity c. Consortium partners other than the Lead organization can be: <ul style="list-style-type: none"> o Legally registered organization in any form in India (including non-profits such as section 8 Company, Society, Trusts, etc.) o Legally registered Foreign entities with operations in India d. All Consortium partners should fulfill the eligibility criteria 6, 7 and 8 under Eligibility Criteria in 2.1
4	Consortium Agreement	<ul style="list-style-type: none"> a. Selection and Finalization of consortium partners is a precondition for applying to Assam AgriFin Xamahar b. The consortium partners are required to enter into a legally binding consortium agreement, detailing their respective roles and responsibilities. c. The consortium agreement between the partners should have a validity period exceeding the 2 year project period
5	Change of consortium partners	Only allowed prior to conduct of Due Diligence of the grant funding proposal by Challenge Fund Manager
6	Submission of Financial and other documents	Each Consortium partner is required to submit the documents as mentioned in Appendix III: Annexure 1

5.3 What Xamahar Will Not Fund

1. Fixed Cost like Plant & Machinery, Computers and IT Equipment, Office Equipments, Vehicles and Furniture and Fittings exceeding 30% of the grant/support
2. Debt Repayment
3. Core costs (costs for staff and office rent beyond what can be associated with the project)
 - a. Existing staff costs to be capped at max 20% of the cost of employees (fully dedicated) of the applicants.
4. Items already financed or expenses related to already incurred CAPEX e.g., Depreciation or Amortization
5. On lending
6. Costs associated with the preparation and submission of applications, including information gathering, staff time, and travel. Such costs may not be included in the application.

6. Selection process

Figure 3 summarizes the key steps in the sub-project cycle. As can be seen from Figure 3, the selection process will be two staged. In the first stage, applicants must submit a Concept Note in the format provided in Appendix III, Annexure 3.1. The CFM will screen the concept notes based on general eligibility criteria in 5.1 and shortlist the applicants based on concept note evaluation criteria in 6.1. In the second stage, short-listed applicants

must submit a Business Proposal in the format provided in Appendix III, Annexure 3.2, which would be evaluated by the Investment Committee (IC) using the criteria described in 6.2.

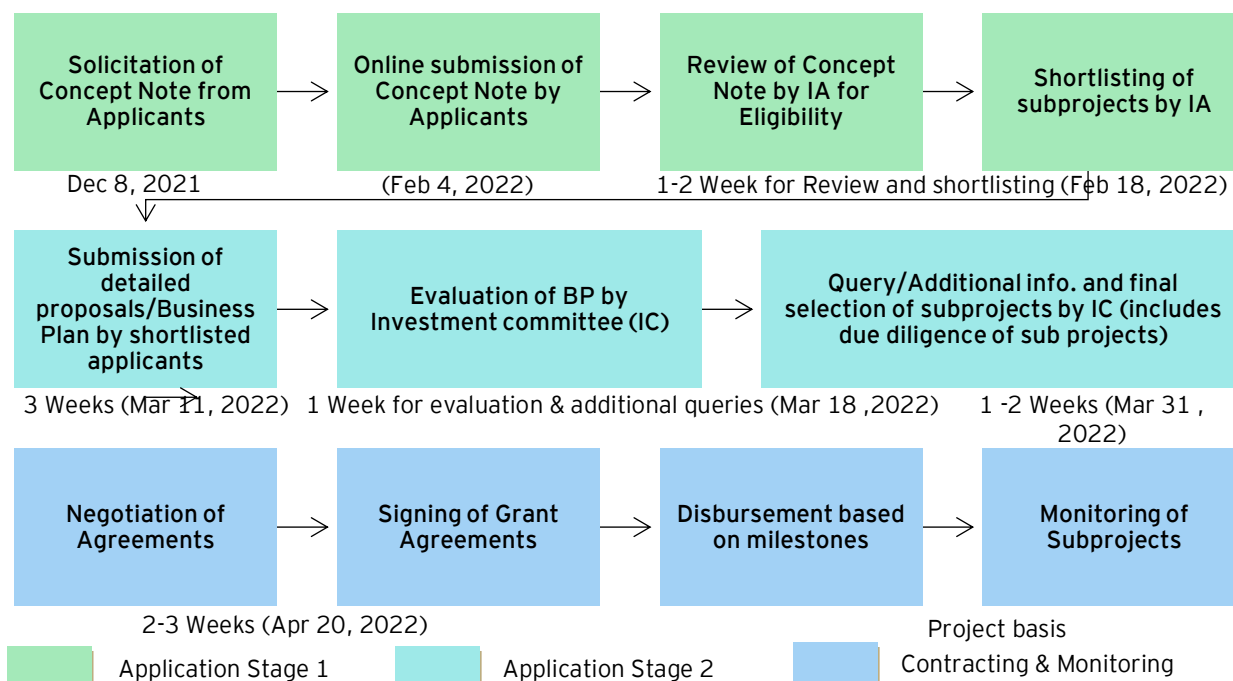
The IC would comprise of no more than 5 (five) professionals with local, financial or investment and agri-financing domain expertise as listed below. At least one IC member will have working knowledge in North East.

- a. Investment / venture capital / credit / agri-business experts, including association with another investment or challenge fund (preferably with experience in financial services / agriculture)
- b. Professionals from banks or financial institutions with experience of financing financial services firms or agri-businesses (e.g. from SIDBI, NABARD)
- c. Expert or academician from the industry (financial services / Agri-value chains)
- d. Government officer having significant experience in agriculture and/or financial services

Once the IC has made its recommendations, the CFM will undertake a due diligence (DD) of the selected applicants, covering financial and business issues. This will involve review of the business plan, past financials, discussion with the management and review of policies and documents of the applicant. If the winner is a consortium, the DD will be focused on the lead applicant. Lastly, the CFM will facilitate ARIAS' negotiation with entities who clear the due diligence and signing of sub-grant agreements (see template in Appendix XI Grant Agreement Format).

The entire application process for the fund will take place online. Submission of proposals including concept note, business plan and other required documents will be completed online through a dedicated portal created for the fund. **Any proposal received outside the platform will not be accepted.**

Figure 3: Sub-project cycle (stage by stage)



6.1 Concept Note Evaluation Criteria

The Eligible Concept Note submitted by the applicants will be evaluated on the following criteria and respective weightages:

- a) Alignment with XAMAHAR objectives (20%): Create or improve access to financial services for APART agriculture value chains
- b) Innovation (25%): Going beyond what exists now, in terms of the product /service, attributes of the product, process or technology and/or model to improve access, reduce costs, processing time, convenience or customer experience.
- c) Organization & Business Strength (25%): Strong Board or Promoter background, strong financials and historical success
- d) Impact & inclusiveness (20%): Does it improve access to financial services to the excluded and underserved (small & marginal farmers)? Does it incorporate gender issues?
- e) Additionality (10%): the project would not have taken place without the challenge fund support or would happen much later or have a lower impact

The concept notes will be scored on these criteria by the IA and the format for the concept note is provided in Appendix III - Annexure 3.1: Concept Note Format in RfP.

Scoring Process

The Concept Notes will be scored by a panel of at least 3 CFM team members to enable shortlisting of the top eligible subprojects and the short list will be reviewed and approved by the IC. The scores obtained on each criterion will be multiplied with the weightage. The sum of the weighted scores for each criterion will yield the final score of the Concept Note. The eligible Concept Notes will be ranked on descending order based on the final scores, highest scorer being ranked first as provided in Appendix IV: Annexure 4.1 - Concept Note Scoring process.

Initial E&S Screening, Classification:

Once the CFM completes the shortlisting of the applicants based on the general eligibility criteria and the concept note evaluation criteria, APART's Environment and Social (E&S) Specialists will screen the shortlisted Concept Notes and categorize them into any of the category -A, B and C as per Xamahar's ESG framework. Sub-projects classified as belonging to Category A will be excluded from proceeding to the next stage while those classified as Category B or C will be considered for evaluation to the next stage (See Appendix IV: Annexure 4.3.1 - ESG Framework for criteria used for classification).

6.2 Business Proposal Evaluation Criteria

The business proposals will be evaluated against the following criteria and respective weightages:

1. Innovation & Market demand (30%): The proposed solution must be innovative going beyond the current options in terms of product, services, technology, or process. There must be a clear commercial driver and demand for the solution with a potential for commercial viability.
2. Organizational Capability (10%): A market-oriented organisation and team with enough capability and background for executing and scaling up the project
3. Financial Capability (10%): The applicants should evidence strength on financial parameters and have demonstrated capability of managing finances historically.
4. Sustainability (25%): All applicants should operate a financially sustainable business model and have a well-defined plan for expansion. They should be able to demonstrate that they can remain financially viable without grant funding beyond XAMAHAR and achieve scale based on commercial market principles.
5. Development Impact (25%): What level of development impact/output does the project promise? It should have a potential to impact farmers at scale, especially the financially excluded small and marginal farmers. XAMAHAR program intends to have at least 30% women beneficiaries. Applicants should be able to demonstrate how their innovation benefits women by addressing their needs. The project must

have the potential for development impact at a 'Systemic level' to improve agriculture value chains in the long term.

Scoring Process

The business proposals will be evaluated by the Investment Committee and the evaluation process will be facilitated by the CFM. Each of the scoring criterion has multiple components, which will be rated on a scale of 1 to 10 based on the information in the proposal as well as expert's own assessment. The scores of the various components will be averaged to arrive on the score for the Criterion. The scores of all the components are multiplied by their weightages and added, to arrive at the weighted average score for the proposal. The criteria, their weightages and their components are given in Appendix IV: Annexure 4.2 - Business Proposal Scoring process.

Final E&S Classification, ESMP preparation

The Business plan will include a declaration on exclusion list and confirmation or disagreement of the categorization. Once the BP evaluation process is completed, APART's Environment and Social (E&S) Specialists will screen the selected BPs to confirm or revise their initial E&S categorization . BPs classified as belonging to Category B will be required to submit an Environment and Social Management Plan (ESMP) acceptable to APART before a sub-grant agreement with them can be signed. See Appendix IV: Annexure 4.3.3 for ESMP Template.

7. Sub-grant implementation and Results reporting

The selected applicants / grantees at the business plan stage should submit reports during the project implementation stage which can be referred to Appendix XI: Grant Agreement Format.

8. Summary of documents required

Before the applicants submit the proposal, here is a checklist to verify the list of documents.

Table 3: Documents to be submitted by the Applicants

SI No	Parameters	Criteria
1	Documents need to be submitted during the Concept Note Stage	<ul style="list-style-type: none"> Appendix II - Letter Comprising the Application Appendix III - Annexure 3.1 - During Concept Note stage (including Capital paid up self declaration, networth self-declaration and affidavit. Please refer to Section 5.1 for further details) Appendix V - Power of Attorney for Signing of the Application Appendix VA: Power of Attorney for Lead Member of Consortium (In case of Consortium) Appendix VI: Technical Capacity of the Applicant along with annexures as applicable Appendix VIII: Application Checklist Appendix IX: Joint Bidding agreement (for Consortium only) Appendix X: Bid declaration form
2	Documents to be submitted during the Business Plan stage	<ul style="list-style-type: none"> Appendix III: Annexure 3.2 - During Business plan stage Appendix IV: Annexure 4.3.3 - ESG Self Declaration Appendix VIA: Technical Capacity of the Applicant Appendix VII: Financial Capacity of the Applicant

SI No	Parameters	Criteria
3	Contract stage and grant implementation stage	<ul style="list-style-type: none"> Appendix IV: Annexure 4.3.2 - ESMP Template (To be Approved before signing of the grant agreement) Refer to Appendix XI: Grant Agreement Format

9. Terms and Conditions

- a) Right to accept Proposal: ARIAS Society reserves the right to accept or reject any proposal, and to annul the selection process and reject all proposals at any time prior to the selection of the Grantee, without thereby incurring any liability to the affected Applicant(s) or any obligation to inform the affected Applicant(s) of the grounds for such decision.
- b) Amendments in RFP: At any time prior to deadline for submission of proposal, ARIAS Society may for any reason, modify the RFP. The modifications will be notified on Xamahar's website and such amendments shall be binding on the Applicant(s).
- c) Pre-Proposal Queries: The Applicants, requiring any clarification on the RFP may notify the same in the form of query to ARIAS Society latest by December 24, 2021. Queries can be sent to xamahar@assam-agrifin.in. ARIAS Society would respond to the queries at the earliest. Pre-proposal clarifications shall also be placed on Xamahar's website for the purpose of downloading by all the Applicants. All such clarifications shall form part of this RFP.
- d) Confidentiality Information relating to the examination, clarification and comparison of the proposals shall not be disclosed to any Applicants or any other persons not concerned with such process. The undue use by any Applicant of confidential information related to the process may result in rejection of its Proposal.
- e) Interpretation of the RFP: In case of any conflict of interpretation of any clause in the RFP, the interpretation of ARIAS Society shall be final and binding on the Applicants.



APPENDIX I: Target Value chains

4.4.1 Banana

The uniqueness of banana sector in Assam, a natural home of this crop, is its diverse characteristics - i.e., varietal strength - numbering 15 to 20 which are either cultivated or partially domesticated or still in wild form. Some of the excellent traits of these varieties may be lucrative for the breeders - but, at present, these crops are not commercialized. Assam is the one of the leading banana cultivating states in India with 51279 hectares of area yet the productivity of banana is very low in Assam i.e., around 17.69 tons/hectare compared to all India average of 37 tons/hectare.

In Assam, the most important variety of Banana is "Malbhog". Although the demand of this variety is very good in the state, the Malbhog variety doesn't qualify the international export standard of banana. Export potential varieties like G9 and Cavendish has been promoted extensively to FPCs who deal with bananas by companies like Keventer Agro Ltd from Kolkata. Along with yield issues, Banana farmers of Assam struggles to get access to finance for mainly two field operations - Planting Material purchase and for the construction of Ripening Chambers and Pack Houses. In addition, they also need support for the following activities in the post-production phase: purchase of transport vehicles, setting up of Banana Chips Processing Unit and Banana Fiber Processing Units.

4.4.2 Brinjal/Egg Plant

Brinjal is one of the most common vegetables grown for its purple, green or white pendulous fruit. In Assam, Brinjal is grown in two seasons-Winter (Sep-Oct) & Spring (Jan-Feb), covering an approximate area of 17,800 hectares with an average yield of 172.25 quintals/hectare against the national average yield of 176.69 quintals/hectare. In Assam, districts of Bongaigaon, Kamrup (R), Cachar, Barpeta, Morigaon and Dhubri, each produces more than 18500 tons/annum with an average yield of 20-24 Metric Ton/hectare, which are approximately 25% higher than national average. The production and consumption pattern of Brinjal clearly depicts a surplus of 6-7% of total production for sale in outside Assam for food processing.

APART and WorldVeg have been promoting the cultivation of Brinjal in Assam. Since 2018, World Veg has organized more than 150 farmer training programs and in the year 2020-21 it has planned to organize 162 farmer training programs to promote climate resilient good practices. According to the World Veg figures, the training activity results from the previous year has shown an increase in production between the range of 27% to 46% among farmers adopting the revised techniques of production compared to the normal production techniques. Economic analysis of the demonstration i.e., cost: benefit has been pegged at 5:30. Close to 80 farmers have been trained on implement integrated pest management (IPM) systems between 2019 -20 and 2020-21 aimed to reduced pesticide usage, for improved product quality of the vegetable.

With regards to the assistance required, brinjal Farmers mainly need support for setting up of Greenhouse/ Polyhouse, Nursery, Sorting, Grading & Aggregation Unit, Pack Houses and Cold Storages. They also need support for the purchase of Refrigerated Vans and Transport Vehicles.

4.4.3 Cabbage

In Assam, multiple activities are centered around the cabbage value chain through the involvement of various agencies including the World Vegetable Centre (WorldVeg), Directorate of Horticulture and Food Processing (DoH&FP), Assam Agricultural University, ARIAS Society and Value Chain Stakeholders: Farmers, input suppliers, aggregators, transporters and traders.

The activities include training the farmers on trails and selection of optimum varieties, climate resilient good practices, integrated pest management, providing general technical support services, and enterprise development through vegetable seedling nurseries. 168 climate resilient production demonstrations have been



completed in the last two financial year. In the current financial year, another 168 demonstrations are planned to be executed to help farmers evolve better techniques to produce higher quality vegetables. Farmers adopting the revised techniques of production compared to the normal production techniques have shown 26.34% higher yield in cabbage production in 2019-20.

The activities mentioned above have led to identify the following targeted deliverables of the value chain

- ▶ Promoting the adoption of good agricultural practices through Integrated Pest Management (IPM) and reduced pesticide usage.
- ▶ Adequate input supply for supporting adoption
- ▶ Post-harvest management for better handling and keeping quality for longer scope of marketing.
- ▶ Adequate market price gathering through current and alternative market channels.
- ▶ Technical training to stakeholders for continuity of the practices after exit of the project.
- ▶ Trials on off-season production.

Support for cabbage farmers: Cabbage Farmers mainly need support for setting up of Sorting, Grading & Aggregation Unit, Pack Houses and Cold Storages. In addition, they also require substantial amount of support for the purchase of Refrigerated Vans and Transport Vehicles.

4.4.4 Cauliflower

Like the training activities adopted in Cabbage value chain, similar activities have been taking place with the World Vegetable Centre (WorldVeg), Directorate of Horticulture and Food Processing (DoH&FP), Assam Agricultural University, ARIAS Society and Value Chain Stakeholders: Farmers, input suppliers, aggregators, transporters and traders for improvement of the entire value chain in the state.

With respect to results achieved through the training activities, farmers adopting the revised techniques of production compared to the normal production techniques have shown 21.43% higher yield in cabbage production in 2019-20.

- The activities have led to identify the following targeted deliverables of the value chain
- Promoting the adoption of good agricultural practices through Integrated Pest Management (IPM) and reduced pesticide usage.
- Adequate input supply for supporting adoption
- Post-harvest management for better handling and keeping quality for longer scope of marketing.
- Adequate market price gathering through current and alternative market channels.
- Technical training to stakeholders for continuity of the practices after exit of the project.
- Trials on off-season production.

Cauliflower Farmers mainly need support for setting up of post- harvest infrastructure and marketing facilities including Sorting, Grading & Aggregation Unit, Pack Houses and Cold Storages. They also need support for the purchase of Refrigerated Vans and Transport Vehicles.

4.4.5 Ginger

Ginger Cultivation is primarily carried out by the small and marginal farmers and Assam is famous for its less fibred "Nadia" variety of ginger. Almost half of the production in Assam comes from hilly & tribal areas of Karbi Anglong & Dima Hasao districts where it is produced under Jhoom cultivation conditions. Productivity of ginger ranges from 9-11 Metric Tonnes/hectare. Majority of the farmers preserve rhizomes from the previous seasons for sowing in the next season. The use of chemical fertilizers is very minimal. The harvest season is usually between November and January depending upon the maturity of variety. Ginger is a tuber crop and extracts nutrients and moisture directly from the soil. However, Ginger is often cultivated along with legumes to combat



loss of nutrient in the soil. Market Linkages facilitated in Ginger value chain through the WorldVeg Centre have been promising. For instance, Ginger processors like Bazaari Funde who has agreed to procure 200 Kg dry ginger directly from the farmers (approximately 1280 Kgs of fresh ginger) can provide better prices compared to the regular way of selling.

Ginger farmers in Assam need financial support for Construction of Primary Processing Centers (for washing, grading and packing of fresh ginger) as traders who procure ginger from NER, transport ginger to Siliguri for Primary Processing. Along with that, farmers also need access to finance for the construction of Integrated Processing Units, Pack Houses and Transport Vehicles.

4.4.6 Potato

Analysis of potato value chain in Assam revealed that potato yield in Assam is very low. The major reasons for low productivity in Assam were found to be poor quality seed, high disease incidence, low knowledge about scientific methods of cultivation, lack of storage facilities, fragmentation of value chain, poor farm mechanization and above all large area under low yielding local landraces like Rangpuria, Badami, Lal Pahari etc. Therefore, value chain development plan was developed by the state government to tackle the above-mentioned issues to increase the productivity and profitability of potato. The development plan included capacity building through demonstrations, trainings, workshops, introduction of high yielding table and processing varieties, introduction of climate resilient technologies like Zero tillage with paddy mulching, best management practices for scientific cultural practices and disease management, mechanization of planting and harvesting, design of country stores for short term storage of potatoes immediately after harvest, group farming, market linkages, enterprise development through value chain schools and introduction of local seed multiplication system. Average yield obtained in demonstrations by the various agencies involved was 18 MT during 2018-19 and 19 MT during 2019-20.

International Potato Center - Contract Farming in Potato
<p>As per Department of Horticulture under GOI advance estimates for FY20, Assam currently contributes to 2.25% of the horticulture crops production in the country. During FY18, the state contributed to 1.4% of the total potato production in the country though its land share under potato cultivation was 4.80%. The yield/Ha for Assam was 7 MT compared to a national average of 23.96 MT.</p> <p>The major impediment in Assam is the lack of quality seeds and infrastructure facilities for irrigation. Hence, most farmers in Assam grow potatoes with inferior seeds under rain-fed conditions, which often results in low yields.</p> <p>International Potato Center (CIP) in collaboration with APART is undertaking multiple initiatives to promote potato cultivation in Assam. One such initiative is Value Chain Schools (VCS), a project to foster entrepreneurship among small and marginal farmers by developing the potato value chain and bringing in innovations in potato farming practices. One such innovation introduced in Assam is zero tillage potato farming done between two rice harvesting seasons. Till May 2020, the initiative has supported 14 schools in 7 districts with 20-25 farmers per group, including more than 30% women in each of the groups.</p> <p>CIP is also introducing contract farming in potato cultivation in Assam in collaboration with PepsiCo and Haldiram. Under such contracts, quantity and price is assured by the off taker. Financial Service Providers can explore collaboration with CIP, PepsiCo and/or Haldiram with the objective of delivering credit, insurance and other financial services to the potato farmers. Lending agencies will face minimal Credit Risk due to assured buyback mechanism under contract farming. Further transaction costs can also be reduced by delivering all services only through farmer collectives.</p>



4.4.7 Pulses viz. Black Gram, Lentil and Pea

Under APART three pulse crops a) Black Gram, b) Lentil and c) Pea have been taken up for their value chain development based on area and production of project districts. Black Gram, Lentil and Pea are important source of protein and can improve soil fertility by fixing atmospheric nitrogen in the soil. Value chain development interventions of Black Gram are initiated in 16 clusters covering five districts (Dhubri, Jorhat, Darrang, Golaghat and Sonitpur), Lentil in 10 clusters covering four districts (Barpeta, Dhubri, Morigaon and Sonitpur) and Pea in 10 clusters covering five districts (Golaghat, Jorhat, Darrang, Sonitpur and Barpeta).

Critical Constraints and strategies identified in the value chain are:

1. **Low area coverage** - Extensive awareness camp to educate farmers about benefits and economics of pulses production following harvest of rice (encourage to grow pulses as rice fellow crop)
2. **Unavailability of improved seed** - Seed production capacity of AAU and farmers will be augmented. Technical assistance from World Vegetable Centre and Indian Institute of Pulses Research (IIPR) Kanpur will be taken.
3. **Lack of adoption of Package of Practices (PoP)** - On-farm crop demonstrations and farmer trainings will be organized to promote adoption of recommended PoP developed by AAU
4. **Inadequate extension and marketing support** - ATMAs (Agricultural Technology Management Agency) will be strengthened to provide improved production and marketing support to farmers and promote adoption of updated PoP. Warehouse receipts will also be operationalized to mitigate market risks
5. **Lack of farm level post-harvest management and value addition** - Farmer operated Common Service Centers (CSCs) will be set up for post-harvest management and value addition; and for better access to input and output markets. Basic milling will be planned at selected CSCs where arrivals are in sufficient volumes and electric power is available. Post-Harvest management Demonstrations of pulses (Black Gram, Lentil, Pea) will be taken up in respective cluster along with PHM machinery demonstrations.

4.4.8 Pumpkin

Under APART and World Veg Centre partnership, 14 clusters were identified from five districts to carry out different demonstrations and trainings in pumpkin. Varietal assessment of four open pollinated Yellow Mosaic Resistant (YMR) lines were conducted in 2018-19 and 2019-20 and two trails are planned in the year 2020-21. 100% target is achieved in climate resilient production demonstrations for 2018-19 and 2019-20. It was observed that demonstration plots had better yield than control plots in these demonstrations.

In the year 2019-20, Integrated Pest Management (IPM) demonstrations were taken up in Jorhat and different technologies were introduced to reduce usage of chemicals. Among different technologies, sticky traps, bio-fertilisers and bio-pesticides, seed trays and pheromone traps had the highest adoption rate. A new activity on seed production of pumpkin OP line has been taken up for 2020-21 under the Department of Horticulture & Food Processing. Technical training and field days were carried out on climate resilient and IPM technologies for farmers and district teams and 100% target is achieved in 2018-19 and 2019-20 as per the plan. Similarly, 100% target is achieved in IPM demonstrations for 2019-20, with a focus to improve grading, handling and shelf life.

Assam is one of the best pumpkins producing state of NER with Jorhat and Nalbari are the main producing centres and nowadays, some of its FPCs are also exporting their certified organic pumpkin from Assam to Gulf countries. Pumpkin farmers in Assam need support on the construction of pack house and purchase of transport vehicles.

4.4.9 Silk (Sericulture & Handloom)

Will focus on end to end interventions to strengthen sericulture in Assam. The seed to raw silk part of the value chain will target about 16,000 producers and the raw silk to fabric part of the value chain will target about 10,000 weavers. The broad objectives Sericulture Value Chain include:

1. Increase production of raw silk,
2. Increase area under plantation,
3. Increase cocoon yield and reeling efficiency, and quality of silk; and
4. Increase incomes of producer-entrepreneurs and create employment opportunities across the value chain.

The major investments will be in

1. Organizing producer-entrepreneurs into Producer Groups and Farmer Producer Organization;
2. Establishing community-run Common Services Center (CSCs) to facilitate collective actions and provide extension services and handholding support
3. Creating cluster level infrastructure such as community jali houses, nurseries, cocoon houses, eri rearing houses, cocoon drying chambers, grain-age houses, and
4. Providing support through technical assistance and financial intervention packages that facilitate creation of productive assets by farmers.
5. End-to-end interventions: The component will make interventions at every stage of the silk value chain, from silkworm seed production for creation of a panoply of handloom woven silk products, with equal emphasis on addressing supply-side and demand-side gaps.

4.4.9 Fishery

Fishery sector has been recognized as a key sector for its role in economic development, income generation and scope for generation of employment in Assam. With abundant water resources, Assam has great potential and prospects for the development of the fishery sector. The state has a water spread area of 4820 sq km and combined with wetlands, low-lying areas, derelict water bodies, beels, tanks, add up, to its vast potential for fish production covering an area of 2.62 lakh hectares of water resources. Fish production in the State was recorded as 3.27 lakh metric tonnes during 2019. There was a demand and production shortage of 0.29 lakh metric tons. While the production in the state is rising, it's still a net importer of fish due to high demand. There is potential to increase production by 3 lakh metric tonnes, with an increase in price realization of INR 900 crores.

To improve the value chain of Fishery in the state APART is emphasising on the following points.

- (i) Improving the quality of the inputs such as fish seed and feed for aquaculture
- (ii) Increasing the fish productivity and production from the pond/tank aquaculture systems,
- (iii) Increasing fish production through culture-cum-capture fisheries activities in the beels,
- (iv) Promoting diversification of fish species - particularly genetically improved strains - in combination with Indian major carps in the culture systems,
- (v) Improved post-harvest management, value addition and marketing of produce by setting up fish farmer common service centres (CSC).

Following are the untapped areas in the Assam Fisheries sector which the grantees should consider actively:

- (i) Though there is no closed value chain but fishery co-operatives play a very big role in the fishery value chain in Assam. There are about 137 active co-operatives in Assam with about 10,000 members on average. These co-operatives have established market linkages for distribution and marketing of pawns and fresh fish. The co-operatives can be utilized as a mechanism to partner as

consortiums members to forward financial benefits to the farmers of the co-operatives. The idea is to make the co-operatives assume a greater role in the value chain.

- (ii) Prawn farming has been introduced by APART in the state with the aim to develop the potential of freshwater prawn and to develop a more mature value chain with products acceptable in all markets.
- (iii) Insurance is lacking in Fishery. In 1980s, government insurance providers had provided insurance products to the fisheries of the state from their product portfolio. However, these products have been ended now, strangling the flow of finance to the sector from the organized financial products delivery system. There is an urgent requirement to cater to the sector with insurance products as fish farmers devise innovative techniques to save the smaller and larger fish during perennial floods in the state.

4.4.10 Dairy

In Assam, of the total volume of milk produced, around 60 percent gets consumed at the production level and only remaining 40 percent volume becomes available as marketable surplus. Of this surplus, more than 90 percent volume is being collected by the players in the informal sector, mostly bulk aggregators. Hence, the share of marketable surplus being procured by organized/ formal players, other village level DUSs and the Department of Dairy Development is restricted to less than 10 percent of marketable surplus. Currently there is a shortfall of around 1600 million liters in the milk requirement in the state presenting huge potential in the sector. There is a huge scope of further development of the sector and finance remains a key resource for the same. There is scope of linking farmers to the market through societies that can market the milk at a profitable price and make the business commercially viable. Banks will also be more comfortable financing farmer groups/ societies and co-operatives rather than individual farmers.

APART Interventions are focusing on


- (i) providing artificial insemination services, feeding and animal health;
- (ii) capacity building through skills training, demos and exposure visits.

The Interventions are also focusing on the following objectives

- (a) The main objective is the better health care and management to the animals of APART districts, both under formal and informal sector.
- (b) To provide training to the farmers under informal sector with the help of competent departmental experts in order to enhance the farmer's capability to adopt new practices of animal health care and management, breeding, feeding etc.
- (c) To provide information to the farmers about the better feeding practices in time for better production and productivity and thereby reducing the cost of milk production.
- (d) Creation of gainful employment in the organized dairy sector

West Assam Milk Producers Cooperative Union Limited (WAMUL) - Dairy Sector

The dairy sector in Assam has the potential to support a large number of livelihoods. As per the Department of Animal Husbandry under GOI, the per capita availability of milk in Assam was 71 gms/day in FY19 which is very low compared to the national average of 394 gms/day. In Assam, of the total volume of milk produced, around 60 percent gets consumed at the production level and only remaining 40 percent volume becomes available as marketable surplus. Of this more than 90 percent volume is being collected by the players in the informal sector, mostly bulk



aggregators. This showcases a huge gap in commercialization of a potential sector in the state. ARIAS estimates a shortfall in milk production at 1,872 million liters by FY22.

ARIAS plans to promote the dairy sector in Assam through the provision of financial, institutional and technical assistance to dairy farmers associated with FPOs/Cooperatives. 5 districts (Sonitpur, Nagaon, Kamrup, Jorhat and Lakhimpur) have been identified for dairy intervention based on milch cattle population.

Financial Services Providers (FSPs) can explore collaboration with West Assam Milk Producers' Co-operative Union Ltd. (WAMUL), to deliver customized financial services to dairy farmers associated with WAMUL including cattle loans, livestock insurance, personal loans, savings and investment services, payments etc. Such services can be delivered through the Dairy Cooperative Societies (DCS) /FPOs at the village level to reduce credit and transaction costs. The HDFC Bank Milk2Money program documented later as a Case Study in Annexure 4 is one such suggested model for dairy value chain intervention in Assam.

WAMUL is the largest dairy cooperative in Assam which was instituted in 1976 and is currently under the management of National Dairy Development Board (NDDB). As per the FY19 Annual Report of NDDB, WAMUL procured 32,540 kg of milk per day from 12,365 dairy farmers through 224 milk collection centres in FY19. The average milk procurement price paid by WAMUL to its associated dairy farmers was Rs 36.00 per kg of milk, which is among the highest in the country. During the same year, WAMUL sold around 54,000 litres of packed liquid milk per day under the brand 'Purabi' besides selling paneer, sweet curd, plain curd and ghee. It registered a sales turnover of Rs 102 crores in FY19, a growth of 9% over the previous year.

WAMUL also provides other services to dairy farmers like input delivery, artificial insemination, training programs etc. APART has been supporting WAMUL in the in the areas of milk procurement, institutional building, and input services.

APPENDIX II: Letter comprising the application

To:
State Project Director, ARIAS,
Agriculture complex, Khanapara, G.S. Road,
Guwahati-781022, Assam, India.
Tel: +91 361-2332125; Fax: +91 361-2332564

Sub: Application for Selection of Eligible Entities for Xamahar.

Dear Sir,

1. With reference to your Call for proposal document dated **/**/2021, I/We, having examined the Application Documents and understood their contents, hereby submit our Application for the Project. The Application is unconditional and unqualified.
2. I/We acknowledge that the Authority will be relying on the information provided in the Application and the documents accompanying such Application for Selection of the Selected Applicant for the aforesaid Project, and we certify that all information provided in the Application and in Appendix I are true and correct; nothing has been omitted which renders such information misleading; and all documents accompanying such Application are true copies of their respective originals.
3. This statement is made for the express purpose of our selection for undertaking the Project.
4. I/We shall make available to the Authority any additional information it may find necessary or require supplementing or authenticate the Application.
5. I/We acknowledge the right of the Authority to reject our Application without assigning any reason or otherwise and hereby waive, to the fullest extent permitted by applicable law, our right to challenge the same on any account whatsoever.
6. We certify that in the last 3 (three) years, we have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award, nor been expelled from any project or contract nor have had any contract terminated for breach on our part
7. I/We declare that
 - a) I/We have examined and have no reservations to the Application Documents, including any Addendum issued by the Authority;
 - b) I/We do not have any Conflict of Interest;
 - c) I/We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, in respect of any Xamahar or Call for proposal issued by or any agreement entered into with the Authority or any other public-sector enterprise or any Authority, Central or State; and
 - d) I/We hereby certify that no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice
8. I/We understand that you may cancel the Application Process at any time and that you are neither bound to accept any Application that you may receive nor to select any Applicants for selection for the Project, without incurring any liability to the Applicants.

9. I/We believe that we meet all the requirements related to Technical Capacity and Financial Capacity as specified in this Call for proposal. I/We certify that if declared as the Selected Applicant I/ We shall fund at least 20% of the TPC which will be evidenced by a certificate from a practicing Chartered Accountant/Statutory Auditor
10. I/We certify that in regard to matters other than security and integrity of the country, I/We have not been convicted by a Court of Law or indicted or adverse orders passed by a regulatory authority which could cast a doubt on our ability to undertake the Project or which relates to a grave offence that outrages the moral sense of the community
11. I/We further certify that in regard to matters relating to security and integrity of the country, I/We have not been charge-sheeted by any agency of the government/Authority or convicted by a Court of Law for any offence committed by us
12. I/We further certify that no investigation by a regulatory authority is pending either against us or against our CEO or any of our Directors
13. I/We undertake that in case of any change in facts or circumstances during the Application Process, we are attracted by the provisions of disqualification in terms of the Call for proposal, we shall intimate the Authority of the same immediately
14. I/We undertake that the Power of Attorney for Signing of Application, as per the format provided at Appendix III of the Call for proposal, is also enclosed.
15. I/We understand that the Selected Applicant shall be a company incorporated under [insert name of law], as of the Application Due Date.
16. I/We hereby irrevocably waive any right which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Authority in connection with the selection of the Applicant, or in connection with the Application Process itself, in respect of the Project and the terms and implementation thereof
17. In the event of my/our being declared as the Selected Applicant, I/we agree to not seek any changes in the Xamahar Grant Agreement issued by the Authority and agree to abide by the same.
18. I/We have studied all the Application Documents carefully. I/We understand that except to the extent as expressly set forth in the Xamahar Grant Agreement to be executed with the Authority, I/We shall have no claim, right or title arising out of any documents or information provided to us by the Authority or in respect of any matter arising out of it.
19. I/We have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India and on sub-contracting to contractors from such countries as provided in Order (Public Procurement No. 1) dated 23rd July 2020 issued by the Ministry of Finance, Department of Expenditure Public Procurement Division; I/We certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority as defined in the aforesaid Order and will not sub-contract any work to a contractor from such countries unless such contractor is registered with such Competent Authority. I/We hereby certify that this bidder fulfils all requirements in this regard as mentioned in the aforesaid Order and is eligible to be considered.²
20. I/We agree and understand that the Application is subject to the provisions of the Application Documents. In no case, I/We shall have any claim or right of whatsoever nature if the Project is not awarded to me/us or our Application is not opened
21. I/We agree and undertake to abide by all the terms and conditions of the Call for proposal

² The above undertaking shall be accompanied by, wherever applicable, evidence of valid registration by the Competent Authority, in the manner provided in the Order (Public Procurement No. 1) dated 23rd July 2020 issued by the Ministry of Finance, Department of Expenditure Public Procurement Division, which shall be attached along with this Undertaking, in order to demonstrate compliance with Clause 2.1.14 of the Call for Proposal

In witness thereof, I/We submit this Application under and in accordance with the terms of the Call for proposal.

Yours faithfully,

Date: (Signature of the Authorised signatory)

Place: (Name and designation of the of the Authorised signatory)

Name and seal of Applicant

APPENDIX III: Format for Concept note and Business Plan

Annexure 3.1: Concept Note Format

Applicants are required to submit online the Concept Note in the format provided below.

Name of the lead organization		
Address		
Telephone	email	
Name of Partner Organizations in case of a Consortium:		
Summary Financial Performance for last two financial years		
Particulars (INR '000)	Year 1	year 2
Revenues		
EBITDA		
PAT		
NetWorth		
Total Assets		
About the lead organization, its promoters, Board of Directors (BOD), and business (500 words) (Kindly attach the CVs)		
Have you ever received donor or grant funding? If Yes, please provide donor / project details		
Brief about other consortium partners (200 words)		
Identify the problem area/s or Theme/s your innovation addresses		

Project Description: Describe your innovation and how it can increase access to financial services among the agriculture value chains in Assam (1000 words)

What value chains and target groups does your innovation or solution impact? (200 words)

Existing status of your innovation (What has been achieved so far?) (200 words)

Why is XAMAHAR funding required for the project?

Budget: Major category wise budget for the project, cost share and funding requested

Expenditure Categories	Year 1	Year 2	Total
1			
2			
3			
4			
5			
Total			
Cost borne by other sources			
Cost Share by Applicant			
Funding Requested from XAMAHAR			
% Cost Share by Applicant (atleast 20%)			

Declaration:

I hereby certify that we are:

registered as a.....(type of organisation/ company/institution),
under..... (relevant legislation), since.....(date)

- ▶ have been in existence for a minimum of 2 years as of the Concept Note Submission date and have audited financials for the period
- ▶ are a going concern
- ▶ have not been blacklisted by any government department
- ▶ have the relevant permissions to introduce the products/services as described in this note
- ▶ willing to abide by the requirements of the XAMAHAR CHALLENGE FUND and its managers
- ▶ willing to provide all reasonable information as requested by XAMAHAR CHALLENGE FUND, its managers or their representatives

Signed:

Date:

Annexure 3.2: Business Plan Format

The format for Business Plan is provided below.

SI No	Particulars	Remarks
1	Business Plan for subproject under XAMAHAR CHALLENGE FUND program	<ol style="list-style-type: none"> a. Brief Profile of the subproject under Xamahar Challenge Fund program including Rationale b. Industry Overview with market opportunity c. Detail of Products/Services to be delivered d. Target Customers and Customer Segmentation e. Target Districts for Project Implementation f. Proposed Technology and/or Business Partnerships for the Project (if any) g. Proposed business process - Customer Lead Generation, Customer Onboarding, Account Servicing, Customer Grievance Redressal Mechanism, After Sales Service etc h. Projected Infrastructure Requirement - land, buildings, plant and machinery, vehicles etc i. Projected Manpower Requirement j. Sales & Marketing Plan k. Technology Platform - Software/MIS/Mobile l. Key Innovation in Products/Process m. Profitability Projections for 5 years including Project Period of 2 Years which should include the following information: <ol style="list-style-type: none"> i. Customer, Cost and Revenue Projections with rationale ii. Detailed Project Cost Breakup iii. Means of Finance - Equity, Debt, Xamahar Challenge Fund grant, others etc iv. P&L Projections v. Balance Sheet Projections vi. Cash Flow Projections vii. PIRR and/or EIRR viii. Summary of Projected Financials as provided in <p>All Financial Projections are required to be provided in Excel format.</p>
2	Key Performance Indicators (including development indicators)	<p>The proposal must identify the key performance indicators (KPIs) of the subproject and provide reasonable projections for monitoring purposes. These may include:</p> <ol style="list-style-type: none"> a. Planned project related expenses on a quarterly basis

SI No	Particulars	Remarks
		<ul style="list-style-type: none"> b. Planned branch and personnel expansion on quarterly basis c. Total number of beneficiaries d. Number of small & marginal farmers as beneficiaries e. Number of women beneficiaries f. Planned loan/crop insurance portfolio details on a quarterly basis <p>Applicants are expected to make realistic and conservative estimates of the above 3 variables based upon their own assumptions and market research</p>

APPENDIX IV: Evaluation criteria for Concept note and Business proposal

Annexure 4.1: Concept note Scoring process

Rating →		1	2	3	4	5	
	Criteria	Weightage					
1	Alignment with XAMAHAR objectives	20%	Offers/impacts a financial service suitable for less than 2 APART value chains AND less than 5 districts of Assam	Offers/impacts a financial service suitable for more than 2 and less than 4 APART value chains AND More than 5 districts of Assam	Offers/impacts a financial service suitable for more than 4 and less than 6 APART value chains AND More than 10 districts of Assam	Offers/impacts a financial service suitable for more than 6 and less than 8 APART value chains AND More than 15 districts of Assam	Offers/impacts a financial service suitable for 10 of APART value chains and more than 20 districts of Assam
			<p>If both the conditions are satisfied then full marks within a category will be awarded. If one condition is satisfied then 50% of the marks will be awarded.</p> <p>For example: if an innovation impacts financial services for more than 2 and less than 4 of APART value chains, then 1 mark. If it impacts more than 15 districts of Assam then 2 additional marks.</p>				
2	Innovation: Going beyond what exists now, in terms of the product /service, process or technology and/or model to have transformational effect	25%	Similar products or services available	Improves convenience	Improves access	Creates significant time/cost advantage compared to alternate	Offers a needed product or service unavailable in Assam Key technological/ knowledge advantage

	Rating →		1	2	3	4	5
3	Organization & Business Strength of Applicant: Long history, strong Board or Promoter background, strong financials (In Case of Consortium evaluate the combined strength of partners, with primacy to lead organization)	25%	If one of the following criterion is met	If two of the following criterion is met	If three of the following criterion is met	If four of the following criterion is met	If five of the following criterion is met
			Criterion for Organization & Business Strength of applicant: i) In Operation for more than 3 years ii) Net worth > Rs 5 Cr iii) Revenues > Rs 20 cr iv) Promoters / BOD with strong background ((B.Tech./ MBA from premiere institute) Promoters / BOD with strong background (experience > 15 years)				
4	Impact & inclusiveness: Does it improve access to finance to the excluded and underserved (small & marginal farmers)? Does it incorporate gender issues?	20%	Indirect impact	Impacts agriculture sector with limited outreach potential	Benefits farmers in general	Impact on small & marginal farmers, but gender agnostic	Impacts small, marginal &/or tenant farmers, sharecroppers, with focus on women
5	Additionality: the project would not have taken place without the challenge fund support or would happen much later or have a lower impact	10%	Subjective assessment with relative rating from 1 (no additionality) to 5 (It would not be possible without XAMAHAR)				

Annexure 4.2: Business Proposal Scoring process

S. No.	Criteria	Weightage	Component
1	<u>Innovation & Market demand:</u> Clear commercial driver and potential for commercial viability	30%	Innovation that solves issues in access or utilization of financial services Market demand for the innovation and it does not lead to market distortion
2	<u>Organizational Capability:</u> A market-oriented organization and team with enough capability and background for executing and scaling up the project	10%	Promoter / BoD Background Management Profile Current Business Profile
3	<u>Financial Capability:</u> Financial strength and demonstrated capability of managing finances	10%	Revenue / Income Asset Quality Solvency Liquidity Profitability <u>Financial Capability of the Applicant will be evaluated based on the above 4/5 financial parameters depending upon the type of entity/organization type as defined under Appendix VII. Each financial parameter will have their own set of sub parameters/financial ratios as again defined under Appendix VII.</u> <u>The financial ratios will be calculated for the last 2 years for which Audited Financial Statements are available submitted at the concept note stage.</u> <u>All the parameters listed above will be considered as an average of last 2 years as per the information provided in Appendix VII.</u>

			<p>The applicants will have to ensure that Appendix VII are certified by practicing Chartered Accountant or the Statutory Auditor (as applicable). The method of calculation for each of the above parameters should be detailed out in the certificate.</p> <p>The method for calculating the Financial Ratios is provided in Appendix XII. If there is any deviance from the stated method of calculating the Financial Ratios, the rationale for the same should be provided in the certificate along with the alternate calculation method</p> <p>The above parameters will only be evaluated of the lead partner, in case of consortium.</p>
4	<u>Sustainability</u> : A potential for expansion beyond grant funding and achieve scale based on commercial market principles	25%	<p>Break-even period</p> <p>Projected EBITDA Margins at steady state</p> <p>Project IRR and Equity IRR</p>
5	<u>Development Impact/Output</u> : What level of development impact/output does the project promise?	25%	<p>Outreach - projected total no. of ultimate beneficiaries</p> <p>% of Women Beneficiaries</p> <p>Total Amount of Services - Total Loans Disbursed / Total Insured Value or Risk Covered</p> <p>Potential for Systemic Impact</p>

Due to lack of standard industry benchmarks on the parameters, Xamahir will implement Relative Scoring where the Applicant with the highest achievement on a parameter will get the highest score of 10 and the rest of the Applicants will be scored based on their relative achievement to the highest achievement.

Innovation & Market Demand

Innovation: A proposed solution is considered innovative, if it goes beyond what exists. The innovation in financial services may be in the form of a completely new product or service or changes in product attributes, process, technology leading to improvements in access, costs, processing time, convenience or customer experience. The proposed solution must be contextualized to Assam. A solution available locally and in local languages will be rated higher. The scoring is based on subjective assessment of the proposal and the experts own analysis. The most innovative solutions are to be scored '10' and least innovative ones, '1'.

Market Demand: Being innovative alone may not be enough. The solution must solve a genuine problem, which would create demand for it without creating market distortions such as subsidies or subvention (Promotional pricing as a marketing strategy is acceptable). The more useful or higher the demand for a solution, the higher it will be scored on market demand.

The composite score for the criteria will be the average of the score of the two components above.

Organization Capability

Organization Capability of the Applicants will be measured on the following 3 components:

SI No	Parameter	Guiding Principles for Scoring
1	Promoter Background	Promoters will be scored on relevant education and experience in financial services, technology or agriculture. Promoters with proven track record in the relevant fields such as Financial Services or Agritech industry will get highest scores.
2	Management Profile	The Management Profile scoring will depend on following attributes: 1. Relevant Education 2. Track record in the relevant fields such as Financial Services or Agritech industry 3. Previous work experience matching the skillsets required for implementing the project in Assam
3	Current Business Profile (How does it relate to the proposed subproject?)	Attributes which will fetch higher scores: 1. Organizations having current business profile similar to the proposed subproject under XAMAHAR 2. Companies already into Financial Services/Fintech or Agribusiness/Agritech 3. Companies already having operations in Assam 4. Companies with previous track record of innovation and scaling up

Financial Capability

1. We expect 3 to 5 Applications per Entity Type to be shortlisted at the Concept Note Stage which will be followed by the Detailed Proposal Stage
2. One of the five criteria for scoring of the Detailed Proposals as Financial Capability as stated in section 6.2

3. Financial Capability Scoring: At the Detailed Proposal Stage, each shortlisted Application will be relatively scored/rated on 4/5 parameters against other shortlisted applications under the same entity type i.e., banks will be relatively rated against banks, NBFCs will be relatively rated against NBFCs, etc. The applicable parameters and their sub parameters/financial ratios for each entity type is provided in Appendix VII.
4. Method of Calculating Composite Score under Financial Capability: As an example, the method for calculating the composite score for Banks is provided in the table below. The same method will be used for other entity type based on their applicable parameters and sub parameters/financial ratios.

Table: Example for Calculating Composite Score under Financial Capability

Sl. No	Evaluation Parameters	Sub Parameters (Financial ratios) /For the Year Ending March 31	Indicator	2019	2020	Average of 2 Years
1	Revenue/Income	Gross Loan Portfolio Outstanding		7	8	7.5
2		Growth in GLP over previous year		4	6	5
3	Asset Quality	GNPA		6	6	6
4		NNPA		8	9	8.5
5	Solvency	Total Debt/Tangible Networth (Gearing Ratio)		5	4	4.5
6		CRAR		8	7	7.5
7	Liquidity	CASA Ratio		7	8	7.5
8		LCR		6	7	6.5
9	Profitability	ROA		6	7	6.5
10		ROE		7	8	7.5
	Evaluation Parameters	Average Score of Sub Parameters				
A	Revenue/Income	6.25				
B	Asset Quality	7.25				
C	Solvency	6.00				
D	Liquidity	7.00				
E	Profitability	7.00				
	Composite Score	6.70				

Green Indicator: Higher the Better

Red Indicator: Lower the Better

The Company with the best sub parameter/financial ratio indicator will be rated 10 and other applications will be relatively rated against the best.

5. In case of less than 3 applications under an Entity Type, the applications will be relatively rated against 3 non applicant companies (Proxy applicants) of the same Entity Type whose financial data is publicly available

6. Public financial data for organizations under “Others” is not readily available except in a very few cases (those who have filed for IPOs like Mobikwik). Therefore, it might not be possible to compare Applicants under “Others” with Proxy Applicants. Therefore, such companies will be given a rating on Financial Capability after internal discussion with ARIAS and World Bank. Or they will be rated only on the other 4 Evaluation Criteria as stated under Section 6.2.

The process for selecting the Proxy Applicants is provided in the table below.

Table: Criteria for selecting Proxy Applicants

Type of Entity	Proxy Applicant 1	Proxy Applicant 2	Proxy Applicant 3	Remarks
Universal Banks	AAA Rated	AA+/AA/AA- Equivalently Rated	or A+/A/A- Equivalently Rated	Listed Companies only.
Small Finance Banks	AAA Rated	AA+/AA/AA- Equivalently Rated	or A+/A/A- Equivalently Rated	Only publicly listed companies will be selected as Proxy Applicants. If a particular rating is not available, then a company with lower rating will be selected. If all companies have similar rating, then the proxy applicants will be selected based on the Total AUM.
NBFCs	AAA Rated	AA+/AA/AA- Equivalently Rated	or A+/A/A- Equivalently Rated	Only publicly listed companies will be selected as Proxy Applicants. If a particular rating is not available, then a company with lower rating will be selected. If all companies have similar rating, then the proxy applicants will be selected based on the Total AUM.
NBFC MFIs	AAA Rated	AA+/AA/AA- Equivalently Rated	or A+/A/A- Equivalently Rated	Only publicly listed companies will be selected as Proxy Applicants. If a particular rating is not available, then a company with lower rating will be selected. If all companies have similar rating, then the proxy applicants will be selected based on the Total AUM.

GI Company	AAA Rated	AA+/AA/AA- Equivalently Rated	or A+/A/A- Equivalently Rated	Due to lack of listed companies in the GI sector, both listed and unlisted companies can be selected as Proxy Applicants. If a particular rating is not available, then a company with lower rating will be selected. If all companies have similar rating, then the proxy applicants will be selected based on the GDPI for Crop Insurance
Others				Will be rated based on internal discussion with World Bank and ARIAS due to lack of publicly available financial related information on Fintech, Insuretech, Agritech and startup companies. Or they will be rated only on the other 4 Evaluation Criteria as stated under Section 6.5.

- Only Long-Term Rating will be considered
- CRISIL, India Ratings and Research Private Limited, CARE Ratings, ICRA, Brickwork Ratings, Acuite Rating and Research Limited and Infomerics Valuation and Ratings Private Limited will be considered

Sustainability

Applicants should be able to demonstrate that their proposed project is financially viable in the long run and can be scaled up after the project period of 2 years without any grant/subsidy support. Applicants will be required to submit a 5- year Financial Projections including the 2-year Project Period under Xamahar program. The purpose of the 5 Year projections is to evaluate the financial sustainability of the project once the grant money is utilized completely.

SI No	Parameter	Scoring Parameters
1	Break-Even Period	Lower the Better
2	Projected EBITDA Margins at steady state	Higher the Better
3	Project IRR or Equity IRR	Higher the Better
4	Other aspects that enhance sustainability of the provision of financial services	Higher the Better

Development Impact / Output

SI No	Parameter	Scoring Parameters
1	Total Number of projected Beneficiaries for 5 years	Higher the Better
2	% of Women Beneficiaries projected for 5 years	Higher the Better

3	Total Amount of Services (e.g. Loans Disbursed)	Higher the Better
4	Potential for Systemic Impact	Subjective - Higher the Better

Annexure 4.3: E&S Categorization and ESMP Template

Annexure 4.3.1: E&S Categorization

Category (Risk Rating)	Nature of Impact	Course of Action
Category A (with potential significant impacts)	Impacts that are irreversible, diverse, or unprecedented. May affect an area larger than the sites or facilities subject to physical works.	<ul style="list-style-type: none"> • Concept Note Stage: Categorization of project into A,B or C by Project Environment and Social (E&S) specialist • Sub-projects confirmed under category A to be excluded
Category B (with less significant impacts)	Impacts are site-specific Only a few impacts may be irreversible. Mitigation measures can be designed more readily than for category A projects.	<ul style="list-style-type: none"> • Concept Note Stage: Categorization of project into A,B or C by Project Environment and Social (E&S) specialist • Business proposal stage: <ul style="list-style-type: none"> ○ Submit a certificate /declaration confirming or disagreeing with the categorization provided by the Project E&S specialist ○ The applicant can provide a rationale for disagreeing with the categorization and Project E&S specialist to assess the documents submitted • Selection stage (Before grant agreement signing): <ul style="list-style-type: none"> ○ Submission of draft ESMP • Signing of grant agreement: <ul style="list-style-type: none"> ○ ESMP to be cleared by the project's Environment and Social Specialist before sub-grant agreement is signed
Category C	Subprojects with minimal risk.	<ul style="list-style-type: none"> • Concept Note Stage: Categorization of project into A,B or C by Project

(with minimal or no impacts)		Environment and Social (E&S) specialist <ul style="list-style-type: none">• Business proposal stage:<ul style="list-style-type: none">○ Submit a certificate / declaration confirming with the categorization provided by the Project E&S specialist
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Annexure 4.3.2 - Self-declaration form

ESG Self-certification/Self Declaration
On appropriate letterhead of the applicant

Date: _____

To

State Project Director,

Assam Rural Infrastructure and Agricultural Services (ARIAS) Society,

State Government of Assam,

Agriculture Complex, Khanapara, G.S. Road,

Guwahati - 781022, Assam

Unit Sub: Declaration of Self-Certification

This is to certify that our project falls under Category C based on the ESG framework of the APART project and does not include any activities from the negative list/exclusion list (With Ref to: EMF, APART).

OR

This is to certify that our project falls under Category B based on the ESG framework of the APART project. We will submit the following documents before the grant agreement signing:

- Submission of Environmental and Social Management Plan
- Capacity Building and monitoring plan

Regards,

<Applicant Details>

Annexure 4.3.3 - ESMP Template

Templates (indicative) for Integration of Environmental Safeguards into Challenge Fund Sub-projects
Declaration on Negative List, Legal and Regulatory requirements and the Environment Management Plan (to be attached with proposal)

1. Exclusion List: Declaration

The proposal does not include any of the activities that are listed in the 'Negative List' of EMF document OR any other activities that are not permissible under WB safeguard policies, GOI and GOA regulations concerning environment, health and safety.

2. Environmental Category of the Project: (B, C):

Explanation:

3. Applicable Legal and Regulatory Requirements:

The proposed activities will have to comply with the following (applicable) Legal and Regulatory Requirements (Ref: EMF document, section 2.2, table 2). Necessary actions, permits, licenses etc. will be taken/renewed for compliance.

Activity, Intervention	Applicable Legal and Regulatory Requirements	Proposed Action

4. Potential Impacts and Mitigation Measures - Environment and Social Management Plan (ESMP):

The proposed activities are likely to have the following negative impacts and the following mitigation measures are being proposed to mitigate the impacts (Ref: APART EMF document, Annexure 7).

Activity, Intervention	Potential negative impacts/risks	Mitigation Measures	Responsibility	Capacity Building and Monitoring Plan

5. Positive Impacts:

The proposed activities are likely have positive impacts on environment as listed below, by means of employing green technologies, eco-friendly measures etc.

APPENDIX V: Power of Attorney for Signing of Application

Know all men by these presents, We, _____(name of the entity and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorize Mr. _____/ Ms _____(Name), son/daughter/wife of _____and presently residing at _____, who is {presently employed with us and holding the position of _____,} as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our Application for *Selection of Eligible Entities for Assam AgriFin - Xamahar* ("Project") proposed or being developed by the Assam Rural Infrastructure and Agricultural Services Society (ARIAS) (the "Authority") including but not limited to signing and submission of all Applications and other documents and writings, participation in Applicants' meetings and other conferences and providing information/responses to the Authority, representing us in all matters before the Authority, signing and execution of all documents and undertakings consequent to acceptance of our Application, and generally dealing with the Authority in all matters in connection with or relating to or arising out of our Application for the Project and/or upon award thereof to us and/or till the completion of the Project as per the contract(s) to be signed with the Authority or any entity representing the Authority.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE, _____, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF _____, 20**.

For

.....

(Name, Designation & Signature of person executing the PoA on behalf of Applicant)

Witnesses:

(Name, Signature, Title and Address)

- 1.
- 2.

[Notarised]

Accepted

.....

(Signature)

(Name, Title and Address of the Attorney)

Notes:

- ▶ The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.
- ▶ Also, wherever required, the Applicant should submit for verification the extract of the charter documents and documents such as a resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Applicant.
- ▶ Power of Attorney should be executed on a non-judicial stamp paper of appropriate value as relevant to the place of execution (if required under applicable laws).

APPENDIX VA: Power of Attorney for Lead Member of Consortium

Whereas the Assam Rural Infrastructure and Agricultural Services Society (ARIAS) (the “Authority”) has invited Applications for Selection of Eligible Entities for Assam AgriFin - Xamahar, 2021 (“Project”).

Whereas, _____, _____, and _____ (collectively the “Consortium”) being Members of the Consortium are interested in Application for the Project in accordance with the terms and conditions of the Request for Qualification and other connected documents in respect of the Project, and

Whereas, it is necessary for the Members of the Consortium to designate one of them as the Lead Member with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium’s Application for the Project and its execution.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

We, _____ having our registered office at _____ and M/s. _____, _____ and M/s. _____, having our registered office at _____ and. _____ respectively, {insert the respective names and addresses of the registered offices of the Consortium Members} (hereinafter collectively referred to as the “Principals”) do hereby irrevocably designate, nominate, constitute, appoint and authorise M/s _____, having its registered office at _____, being one of the Members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the “Attorney”) and hereby irrevocably authorise the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and any one of us during the Application process and, in the event the Consortium is awarded the Project, during the execution of the Project until the expiry of the Term of the Xamahar Grant Agreement, and in this regard, to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the submission of its Application for the Project, including but not limited to signing and submission of all applications, Applications and other documents and writings, participate in Applicants’ meetings and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of the Application of the Consortium and generally to represent the Consortium in all its dealings with the Authority, and/ or any other Authority agency or any person, in all matters in connection with or relating to or arising out of the Consortium’s Application for the Project and/ or upon award thereof till the completion of the Project as per Xamahar Grant Agreement entered into with the Authority.

AND hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/ Consortium.

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF 20**.

For _____

(signature)

(Name & Title)

For _____

(Signature)

(Name & Title)

(Executants)

(To be executed by all the Members of the Consortium)

Witnesses:

[Notarised]

1.

2.

Notes:

- ▶ The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the Applicable Law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.
- ▶ Also, wherever required, the Applicant should submit for verification the extract of the charter documents and documents such as a resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Applicant.
- ▶ Power of Attorney should be executed on a non-judicial stamp paper of appropriate value as relevant to the place of execution (if required under Applicable Laws).

APPENDIX VI: Technical Capacity of the Applicant (Concept note Stage)

Applicant to demonstrate the compliance of technical capacity as per the submissions to be made in accordance with above referred clause, and compliance check detailed in the table below:

Documents to be Submitted

The following documents needs to be submitted by the Applicant on the Xamahar website

SI No	Documents	Particulars
1	KYC Documents of the Company	a. Entity proof and Address proof of the Entity b. Certificate of Incorporation c. PAN Card in the name of the company
2	Financial Documents	a. Audited Financial Statements/Annual Report for the last 2 Financial Years preceding the concept note due date b. Information Memorandum / Corporate Presentation c. Latest Shareholding Pattern of the company certified by Chartered Accountant

Note: The above documents are required to be provided by all the Consortium partners

APPENDIX VI A: Technical Capacity of the Applicant (Business plan stage)

SI No	Documents	Particulars
1	KYC Documents of the Company	<ul style="list-style-type: none"> a Memorandum of Association (MOA) or e-form INC 33** b Articles of Association (AOA) or e-form INC 34** c Board Resolution (BR) duly signed for availing Xamahar Grant Funding d Any documents as mentioned above (except BR) containing address will be acceptable as address proof also. e Certificate of Commencement of Business OR Form INC-21 & INC 22 along with the challan for Companies registered under the Companies act 2013 prior to May 26, 2015 OR Form INC 29 or INC 22 along with the challan for Companies incorporated post the Companies (amendment) act, 2015 coming in to force on or after the 26th May 2015 or e-form INC 32** along with ROC challan (Only for Public Limited Company)
2	KYC Documents of the Directors and Key Management Personnel	<ul style="list-style-type: none"> a. Address Proof b. Identify Proof c. PAN Card

Appendix VII: Format for Business Plan Summary Financials

To be certified by the statutory auditor/ chartered accountant during final submission.

The Financial Parameters and Sub Parameters /Financial Ratios mentioned below will be used for scoring of the Financial Capability under Appendix VI: Annexure 4.2.

For all Commercial Banks including SFBs, RRBs, CBs and LABs

(Rs Lakhs)

	Particulars/Year over last two financial years	1	2
	For the Year Ending March 31 preceding the concept note due date	Year 1	Year 2
Revenue / Income	Gross Loan Portfolio (GLP) Outstanding		
	Growth in GLP over previous years		
Asset Quality	GNPA		
	NNPA		
Solvency ratio	Total Debt / Tangible Net worth (Gearing ratio)		
	CRAR		
Liquidity ratio	CASA Ratio		
	LCR		
Profitability	Return on Average Asset (ROA)		
	Return on Average Equity (ROE)		

For NBFCs and NBFC MFIs

(Rs Lakhs)

	Particulars/Year	1	2
	For the Year Ending March 31 preceding the concept note due date	Year 1	Year 2
Revenue / Income	Gross Loan Portfolio (GLP) Outstanding		
	Growth in GLP over previous year		
Asset Quality	GNPA		
	NNPA		
Solvency	Total Debt/Tangible Net worth (Gearing Ratio)		
	CRAR		
Liquidity	LCR		
Profitability	Return on Average Assets ROA		
	Return on Average Equity (ROE)		

For General Insurance Companies

(Rs Lakhs)

Particulars/Year		1	2
	For the Year Ending March 31 preceding the concept note due date	Year 1	Year 2
Revenue / Income	Gross Direct Premium Income (GDPI) - Crop Insurance		
	GDPI growth over previous year- Crop Insurance		
	Total Number Policies Issued - Crop Insurance		
	Total Sum Insured - Crop Insurance		
Solvency	Solvency margin		
Liquidity	Current ratio		
Profitability	Combined ratio		
	Return on Average Assets (ROA)		
	Return on Average Equity (ROE)		

Organizations Other than Banks, NBFCs, NBFC MFIs and Insurance Companies

(Rs Lakhs)

Particulars/Year		1	2
	For the Year Ending March 31 preceding the concept note due date	Year 1	Year 2
Revenue / Income	Total Operating Income (TOI)		
	Growth in TOI over previous year		
Solvency	Long term Debt / Tangible Net worth (TNW)		
	DSCR		
Liquidity	Current Ratio		
	Quick Ratio [(Current Assets-Inventory - Prepaid Expenses)/Current Liabilities]		
	Sundry Debtor/Receivable Days		
Profitability	EBIDTA %		
	Return on Average Assets (ROA)		
	Return on Average Equity (ROE)		

Project Expenses for All types of Companies (On a forward looking basis)

Year	1	2
Periodic Basis	1	2
PROJECT EXPENSES - PLANNED/ACTUAL		
Fixed Assets - IT Equipment		
Fixed Assets - Vehicles		
Fixed Assets - Furnitures and Fixtures		
Fixed Assets - Others		
Office Rent		
Electricity & Water		
Salary & Perquisites		
Travel, Boarding and Lodging		
Communication		
Printing & Stationary		
MIS & Software		
Sales/Marketing/Promotion		
Other Project Related Expenses		
Technical Assistance Expenses		
Capacity Building of Farmers		
TOTAL		

Signature of Statutory Auditor / Authorized signatory

Name of Authorized Signatory Statutory Auditor / Authorised signatory

Name of Company

APPENDIX VIII: Application Checklist

S. No	Item	Checked Applicant	by	Checked CFM	by
Concept Note stage					
1	Letter comprising the Application (Appendix II)				
2	Format for Concept note (Appendix III : Annexure 3.1)				
3	Power of Attorney for signing of Application (Appendix V)				
4	Power of Attorney for Lead Member (Appendix V A) (only in case of Consortium)				
5	Technical Capacity of the Applicant (Appendix VI) including all supporting documents				
6	Joint Bidding Agreement (Appendix IX)				
7	Bid Declaration (Appendix X)				
Business plan stage					
1	Format for Business Plan (Appendix III: Annexure 3.2)				
2	ESG Self Declaration Form (Appendix IV: Annexure 4.3.2)				
3	ESMP Template (Appendix IV: Annexure 4.3.3)				
4	Technical Capacity of the Applicant (Appendix VIA) including all supporting documents				
5	Financial Capacity of the Applicant (Appendix VII) including all supporting documents				

APPENDIX IX: Joint Bidding Agreement

(To be executed on Stamp paper of appropriate value)

THIS JOINT BIDDING AGREEMENT is entered into on this the day of 20...

AMONGST

1. {....., a company incorporated/registered under the} and having its registered office at (hereinafter referred to as the "**First Part**" which expression shall, unless repugnant to the context include its successors and permitted assigns)

AND

2. {....., a company incorporated/registered under the}, {....., a company incorporated/registered under the} and {....., a company incorporated/registered under the} having its registered office at and (hereinafter referred to as the "**Second Part**" which expression shall, unless repugnant to the context include its successors and permitted assigns)

WHEREAS,

- (A) Assam Rural Infrastructure and Agricultural Services Society ("**ARIAS**") (hereinafter referred to as the "**Authority**" which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns) has invited Applications (the "**Applications**") by its Request for Qualification No. dated (the "Call for proposal") for selection of Applicants for (the "**Project**").
- (B) The Parties are interested in jointly applying for the Project as members of a Consortium and in accordance with the terms and conditions of the Call for proposal and other Application Documents in respect of the Project, and
- (C) It is a necessary condition under the Call for proposal that the members of the Consortium shall enter into a Joint Bidding Agreement and furnish a copy thereof with the Application.

NOW IT IS HEREBY AGREED as follows:

1. Definitions and Interpretations

In this Agreement, the capitalised terms shall, unless the context otherwise requires, have the meaning ascribed thereto under the Call for proposal.

2. Consortium

- 2.1 The Parties do hereby irrevocably constitute a consortium (the "**Consortium**") for the purposes of jointly participating in the Application Process for the Project.
- 2.2 The Parties hereby undertake to participate in the Application Process only through this Consortium and not individually and/ or through any other consortium constituted for this Project, either directly or indirectly or through any of their Associates.

3. Covenants

The Parties hereby undertake that in the event the Consortium is declared the Selected Applicant and awarded the Project, it shall enter into a Xamahar Grant Agreement with the Authority and perform all its obligations in terms of the Xamahar Grant Agreement for the Project.

4. Role of the Parties

The Parties hereby undertake that Party of the First Part shall be the Lead Member of the Consortium and shall have the power of attorney from all Parties for conducting all business for and on behalf of the Consortium throughout the contract period.

The Lead Member M/s would be responsible for the following obligations in the Xamahar Grant Agreement for the Project

.....
.....

The other member M/s would be responsible for the following obligations in the Xamahar Grant Agreement for the Project.

.....
.....

The other member M/s would be responsible for the following obligations in the Xamahar Grant Agreement for the Project.

.....
.....

The other member M/s would be responsible for the following obligations in the Xamahar Grant Agreement for the Project.

.....
.....

The Parties are together responsible for performing all its obligations in terms of the Xamahar Grant Agreement for the Project.

5. Joint and Several Liability

The Parties do hereby undertake to be jointly and severally responsible for all obligations and liabilities relating to the Project and in accordance with the terms of the Call for proposal and the Xamahar Grant Agreement.

6. Representation of the Parties

Each Party represents to the other Parties as of the date of this Agreement that:

- (a) Such Party is duly organized, validly existing and in good standing under the laws of its incorporation and has all requisite power and authority to enter into this Agreement;
- (b) The execution, delivery and performance by such Party of this Agreement has been authorized by all necessary and appropriate corporate or authority action and a copy of the extract of the charter documents and board resolution/ power of attorney in favour of the person executing this Agreement for the delegation of power and authority to execute this Agreement on behalf of the Consortium Member is annexed to this Agreement, and will not, to the best of its knowledge:

- (i) require any consent or approval not already obtained;
 - (ii) violate any Applicable Law presently in effect and having applicability to it;
 - (iii) violate the memorandum and articles of association, by-laws or other applicable organisational documents thereof;
 - (iv) violate any clearance, permit, concession, grant, license or other Governmental authorisation, approval, judgement, order or decree or any mortgage agreement, indenture or any other instrument to which such Party is a party or by which such Party or any of its properties or assets are bound or that is otherwise applicable to such Party; or
 - (v) create or impose any liens, mortgages, pledges, claims, security interests, charges or encumbrances or obligations to create a lien, charge, pledge, security interest, encumbrances or mortgage in or on the property of such Party, except for encumbrances that would not, individually or in the aggregate, have a material adverse effect on the financial condition or prospects or business of such Party so as to prevent such Party from fulfilling its obligations under this Agreement;
- (c) this Agreement is the legal and binding obligation of such Party, enforceable in accordance with its terms against it; and
- (d) there is no litigation pending or threatened, to the best of such Party's knowledge, which it or any of its Associate/affiliates is a party that presently affects or which would have a material adverse effect on the financial condition or prospects or business of such Party in the fulfilment of its obligations under this Agreement.

7. Termination

This Agreement shall be effective from the date hereof and shall continue in full force and effect until five (5) years from the date of signing of the Xamahar Grant Agreement. However, in case the Consortium does not get selected as the Selected Applicant for the Project, post physical verification, the Agreement will stand terminated.

8. Miscellaneous

- 8.1 This Joint Bidding Agreement shall be governed by the laws of India.
- 8.2 The Parties acknowledge and accept that this Agreement shall not be amended by the Parties without the prior written consent of the Authority.

IN WITNESS WHEREOF THE PARTIES ABOVE NAMED HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

SIGNED, SEALED AND DELIVERED

For and on behalf of

LEAD MEMBER by:

(Signature)

(Name)

(Designation)

(Address)

SIGNED, SEALED AND DELIVERED

For and on behalf of

PARTY OF THE SECOND PART by:

(Signature)

(Name)

(Designation)

(Address)

In the presence of:

- 1.
- 2.

Notes:

1. *The mode of the execution of the Joint Bidding Agreement should be in accordance with the procedure, if any, laid down by the Applicable Law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
2. *Each Joint Bidding Agreement should attach a copy of the extract of the charter documents and documents such as resolution / power of attorney in favour of the person executing this Agreement for the delegation of power and authority to execute this Agreement on behalf of the Consortium Member.*

APPENDIX X: Bid declaration form

(To be forwarded on the letterhead of the Applicant/ Lead Member of Consortium)

To

State Project Director, ARIAS
Agriculture complex, Khanapara, G.S. Road, Guwahati-781022
Assam, India
Tel: +91 361-2332125; Fax: +91 361-2332564
E-MAIL ADDRESS: spd@arias.in

Sub: Application for selection of Eligible Entities for Assam AgriFin - Xamahar

I/We hereby declare that:

I/We understand that the Application must be supported by a Bid-Security Declaration.

I/We accept that I/We may be suspended from being eligible for bidding for any Xamahar with ARIAS for the period as decided by ARIAS starting from Application Due Date/Date of award of contract/Effective date, whichever is later if we are in breach of our obligation(s) under the bid conditions, because we:

- a) have withdrawn or modified our Application during the period of bid validity specified in the RFP; or
- b) having been notified of the acceptance of our Application by ARIAS during the period of bid validity, (i) fail or refuse to execute the Contract, if required, or (ii) fail or refuse to furnish the Performance Security, in accordance with the requirements under the Call for proposal and Xamahar Grant Agreement.

We understand this Bid Declaration shall cease to be valid if we are not the Selected Applicant, upon the earlier of:

- c) the issuance of Letter of Award to the Selected Applicant; or
- d) thirty days after the expiration of our Application.

We understand this Bid Declaration shall cease to be valid if we are the Selected Applicant, upon the submission of Performance Security in accordance with the provisions of the Call for proposal and Xamahar Grant Agreement.

We agree that the decision of ARIAS regarding invocation of the Bid Declaration shall be final and binding on us and shall not be called upon in question under any circumstances.

Name and Signature of Authorized Signatory of Applicant along with seal of Applicant

Appendix XI: Grant Agreement Format

GRANT AGREEMENT

This Grant Agreement (“**Agreement**”) is entered into on this [*] day of [*], 2021

BETWEEN

Assam Rural Infrastructure and Agricultural Services (ARIAS) Society, an autonomous body of the State Government of Assam, having its principal office at Project Coordination Unit, Agriculture Complex, Khanapara, G.S. Road, Guwahati - 781022, Assam, India (hereinafter referred to as the “**Society**”, which expression shall, unless the context otherwise requires, include its successors and assigns);

AND

[*], a company registered under the Companies Act, [*], having its registered office at [*] (hereinafter referred to as the “**Grantee**”, which expression shall, unless the context otherwise requires, include its successors and permitted assigns).

{Consortium of [*], a company registered under the Companies Act, [*], having its registered office at [*], [*], a company registered under the Companies Act, [*], having its registered office at [*], and [*], a company registered under the Companies Act, [*], having its registered office at [*] (hereinafter collectively referred to as the “**Grantees**” or “**Consortium**”, which expression shall, unless the context otherwise requires, include its successors and permitted assigns).}³

The Society and the Grantee(s) shall be individually referred to as a “**Party**” and collectively as the “**Parties**”.

WHEREAS

- A. The State Government of Assam, through the Government of India, has received a loan from the World Bank for implementation of the Assam Agribusiness and Rural Transformation Project (“**APART**”), with the objective of adding value and improving resilience of selected agriculture value chains, focusing on smallholder farmers and Agro-entrepreneurs in targeted districts of Assam;
- B. The Society, as the apex coordinating body for APART, is responsible for fostering market led production and resilience enhancement, including facilitating access to and promoting responsible use of financial services;
- C. In furtherance of the above, the Society has established the Assam Challenge Fund for Innovative Finance in Agriculture (“**ACFIFA**”) for supporting innovative approaches to deliver financial services at scale for small & marginal farmers/ landless laborer’s/ sharecroppers/ farmer cooperatives/ primary agricultural credit societies/ farmer producer organizations/ farmer producer companies, *inter alia*.
- D. The ACFIFA seeks to provide Grants to approximately eight (8) to twelve (12) subprojects in agriculture financial services relating to agriculture credit and crop insurance to partially cover the cost of developing, testing and/or scaling-up financial products or process innovations that have the potential of acting as catalyst for the growth of certain value chains in the agriculture sector in any of the identified 23 priority districts in Assam.
- E. For this purpose, the Society has appointed EY LLP as the fund manager for ACFIFA (“**Consultant**”). Pursuant to the proposals solicited by the Consultant on behalf of the Society through Expression of Interest No. [*] dated [*] for identification of eligible subprojects under ACFIFA (“**EoI**”), the Proposal of

³ To be deleted if the Grantee is not a Consortium.

the Grantee(s) was shortlisted and the same was determined to be an eligible Subproject for the award of Grant, in terms of the scoring and selection criteria prescribed in the EoI.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth in this Agreement, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1. Definitions

1.1. Throughout this Agreement, the following expressions shall (unless the context otherwise requires) have the following meaning:

1.1.1. **"ACFIFA"** shall have the meaning ascribed thereto in Recital C;

1.1.2. **"Affected Party"** shall have the meaning ascribed thereto in Clause 10.1;

1.1.3. **"APART"** shall have the meaning ascribed thereto in Recital A;

1.1.4. **"Applicable Laws"** shall mean all laws, brought into force and effect by Government of India or the State Government of Assam, including rules, regulations and notifications made thereunder, and judgements, decrees, injunctions, writs and orders of any court of record, applicable to this Agreement and the exercise, performance and discharge of the respective rights and obligations of the Parties hereunder, as may be in force and effect during the subsistence of this Agreement;

1.1.5. **"Applicable Permits"** shall mean all clearances, licenses, permits, authorizations, no objection certificates, consents, approvals and exemptions required to be obtained or maintained under Applicable Laws in connection with the implementation of the Subproject, during the subsistence of this Agreement;

1.1.6. **"Bank Rate"** shall have the meaning ascribed thereto in Clause 5.4;

1.1.7. **"Conditions Precedent"** shall have the meaning ascribed thereto in Clause 2.1;

1.1.8. **{"Consortium Agreement"}⁴** shall mean the binding agreement executed by all the members of the Consortium, conveying their intent to jointly undertake the Subproject and carry out the responsibilities of the Grantee(s) in accordance with this Agreement and the Call for proposal;

1.1.9. **"Consultant"** shall have the meaning ascribed thereto in Recital E;

1.1.10. **"Current Account"** shall have the meaning ascribed thereto in Clause 2.1 (a);

1.1.11. **"Damages"** shall mean the mutually pre-agreed genuine estimate of the loss suffered by either Party on account of non-performance and/or non-observance of obligation(s) or any covenants by the other Party Grantee;

1.1.12. **"Dispute"** shall have the meaning ascribed thereto in Clause 12.1;

1.1.13. **"EoI"** shall have the meaning ascribed thereto in Recital E;

⁴ To be deleted if the Grantee is not a Consortium.

- 1.1.14. **"Execution Date"** shall mean the date of execution of this Agreement by the Parties;
- 1.1.15. **"Effective Date"** shall have the meaning ascribed thereto in Clause 2.2;
- 1.1.16. **"Financial Year"** shall mean the period commencing from the first day of April of any calendar year and ending on the thirty-first day of March of the following calendar year;
- 1.1.17. **"Force Majeure Event"** shall have the meaning ascribed thereto in Clause 10.1;
- 1.1.18. **"Good Industry Practice"** shall mean the practices, methods, techniques, designs, standards, skills, diligence, efficiency, reliability and prudence which are generally and reasonably expected from a reasonably skilled and experienced service provider engaged in the same type of services as envisaged by the Subproject and which would be expected to result in the performance of its obligations by the Grantee(s) in accordance with this Agreement, Applicable Laws and Applicable Permits in reliable, safe, economical and efficient manner;
- 1.1.19. **"Grant"** shall have the meaning ascribed thereto in Clause 3.1;
- 1.1.20. **"Implementation Period"** shall have the meaning ascribed thereto in Clause 3.2;
- 1.1.21. **"Indicators"** shall have the meaning ascribed thereto in Clause 4.11.7;
- 1.1.22. **"KYC Documents for Grantee(s)"** shall mean the documents prescribed at [*] of the EoI;
- 1.1.23. **"KYC Documents for Individual"** shall mean identity proof, address proof and PAN card;
- 1.1.24. **"Material Adverse Effect"** shall mean a material adverse effect of any act or event on the ability of either Party to perform any of its obligations under and in accordance with the provisions of this Agreement and which act or event causes a material financial burden or loss to either Party;
- 1.1.25. **"Performance Guarantee"** shall have the meaning ascribed thereto in Clause 2.1 (b);
- 1.1.26. **"Proposal"** shall mean the proposal bearing number [*] dated [*], containing the concept plan and business plan, *inter alia*, submitted by the Grantee(s) in furtherance of the EoI and accepted by the Society;
- 1.1.27. **"Statutory Auditors"** shall mean a reputable firm of chartered accountants acting as the statutory auditors of the Grantee(s) under the provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force;
- 1.1.28. **"Subproject"** shall have the meaning ascribed thereto in Clause 3.2;
- 1.1.29. **"Termination Notice"** shall mean the communication issued in accordance with Clause 11.3, Clause 11.4 or Clause 11.6 of this Agreement by the Society to the Grantee(s), terminating this Agreement and revoking the Grant;
- 1.1.30. **"Total Project Cost"** shall have the meaning ascribed thereto in Clause 3.2.
- 1.2. Unless the context otherwise requires, in this Agreement:
- 1.2.1. references to laws of India or Indian law or regulation having the force of law shall include the laws, acts, ordinances, rules, regulations, bye laws or notifications which have the force of law in the

territory of India and as from time to time may be amended, modified, supplemented, extended or re-enacted;

- 1.2.2. the words “include” and “including” are to be construed without limitation and shall be deemed to be followed by “without limitation” or “but not limited to” whether they are followed by such phrases;
 - 1.2.3. any approval, consent, permit, or no-objection, required to be obtained under or pursuant to this Agreement, shall, unless specifically agreed to by the Parties, be required to be obtained in writing;
 - 1.2.4. a reference to “person” and words denoting a natural person shall be construed as a reference to any individual, firm, company, corporation, society, trust, government, or agency of a government or any association or partnership (whether or not having a separate legal personality) of two or more of the above and shall include successors and assigns;
 - 1.2.5. a reference to any statutory body or authority includes a reference to any successor as to such of its functions as are relevant in the context in which the statutory body or authority was referred to;
 - 1.2.6. a reference to any document, agreement, deed or other instrument (including, without limitation, references to this Agreement) means a reference to such document, agreement, deed or other instrument and to all annexures and parts attached or relatable thereto, all of which shall form an integral part of such document, agreement, deed or other instrument, as the case may be;
 - 1.2.7. Any reference to articles, clauses or annexures, shall unless repugnant to context, mean a reference to the relevant articles, clauses or annexures of this Agreement;
 - 1.2.8. any reference to “day” shall mean reference to a calendar day;
 - 1.2.9. any reference to month shall mean a reference to a calendar month as per the Gregorian calendar;
 - 1.2.10. references to any date, period, shall mean and include such date, period as may be extended pursuant to this Agreement;
 - 1.2.11. materials or works described in words which so applied have a well-known technical or trade meaning shall be held to refer to such recognized standards;
 - 1.2.12. words importing the singular number shall also include the plural and vice versa where the context requires.
- 1.3. The EoI and the Proposal shall be deemed to be incorporated by reference in this Agreement and both the EoI and the Proposal shall form an integral part hereof. The priority of this Agreement, the EoI and the Proposal forming part hereof shall, in the event of any conflict between them, be in the following order:
 - a. Proposal;
 - b. EoI;
 - c. This Agreement.

2. Conditions Precedent

2.1. Within [*] days of the Execution Date, the Grantee(s) shall have fulfilled the following (“**Conditions Precedent**”):

- a. opened and operationalized a current account with a Scheduled Commercial Bank in any of its branches located at Guwahati (“**Current Account**”), and furnished to the Society, details of such Current Account;
- b. furnished to the Society, an irrevocable and unconditional bank guarantee from a Scheduled Bank for a sum equivalent to [*](1% per cent) of the Grant, as per the format prescribed in [*, valid for a period of 2 (two) years commencing from the Execution Date (“**Performance Guarantee provided in Schedule 1**”);
- c. procured all Applicable Permits unconditionally or if subject to conditions, then all such conditions required to be fulfilled under such Applicable Permits, have been fulfilled as on date the Grantee(s) claim satisfaction of all the Conditions Precedent under this Agreement;
- d. {furnished to the Society, duly executed Consortium Agreement, valid for a period of not less than 5 (five) years from the Execution Date}};⁵
- e. furnished to the Society, KYC Documents for Grantee(s) and KYC Documents for its/ {their} directors and key management personnel;
- f. furnished to the Society, audited financial statements and annual report for the preceding 2 (two) Financial Years, investor/analyst presentation (if any), latest shareholding pattern and latest net-worth statement of the Grantee(s) certified by its/{their} Statutory Auditor;
- g. contributed at least 20% (twenty per cent) of the Total Project Cost for the Subproject and furnished to the Society, proof as per Certificate provided from a Chartered Accountant;
- h. furnished to the Society, proof of means of finance towards meeting the Total Project Cost not covered by the Grant and the Grantee(s)’ contribution;
- i. furnished to the Society, implementation schedule of the Subproject, detailing the specific dates for the completion of each milestone in the implementation of the Subproject.

2.2. The Grantee(s) shall, upon satisfaction or waiver, as the case may be, of all the Conditions Precedent, notify the Society of the date on which the Grantee(s) achieved the satisfaction or waiver of all the Conditions Precedent, as the case may be (“**Effective Date**”).

3. Grant

3.1. The Society agrees to provide to the Grantee(s), financial assistance of INR [*] (Rupees [*] only), in accordance with the provisions of the EoI, Project Implementation Plan - APART and this Agreement (the “**Grant**”).

The Grantee(s) shall be entitled for the incentive payments only if the % of beneficiaries are 50% higher than originally envisaged. The incentive payment can be a maximum of 10% of originally sanctioned grant amount (subject to availability of funds). Moreover, the incentive payment will be in the same proportion as mentioned under Clause 5 of this Agreement.

⁵ To be deleted if the Grantee is not a Consortium.

- 3.2. The Grant shall be provided for the purpose of [*] (“**Subproject**”), having total project cost of INR [*] (Rupees [*] only) (“**Total Project Cost**”) and which shall be implemented by the Grantee(s) within a period of 2 (two) years from the Effective Date (“**Implementation Period**”).
- 3.3. The Grant shall be disbursed into the Current Account of the Grantee(s) in accordance with Article 5, and shall be utilized by the Grantee(s) exclusively towards meeting the Total Project Cost of the Subproject, including technical assistance services, capacity development training, and capital investments, subject to the following exclusions:
- a. Costs associated with the preparation and submission of Proposal, including information gathering, staff time, and travel;
 - b. Cost incurred towards purchase of land or any real estate property;
 - c. Debt repayment;
 - d. Core costs relating to staff and office rent beyond which does not directly arise from the Subproject⁶;
 - e. Items already financed or expenses related to already incurred capital costs, such as depreciation or amortization.

4. Terms & Conditions of Grant

- 4.1. The capital expenditure on the Subproject shall not exceed 30% of the Total Project Cost.
- 4.2. The Grantee(s) shall not utilize the Grant for any purpose other than for which the Grant has been sanctioned by the Society.
- 4.3. In utilizing the Grant disbursed, the Grantee(s) shall not enter into cash transactions with vendors/ suppliers/ service providers towards payment for the goods and/or services delivered by them.
- 4.4. The Grantee(s) shall not divert the Grant to any third party and entrust the execution of the Subproject to another entity.
- 4.5. The Grantee(s) shall not dispose of assets created out of the Grant or encumber or utilize for purposes other than those for which the Grant has been sanctioned, without obtaining the prior approval of the Society.
- 4.6. At any stage of implementation of the Subproject, if there is any change in the Total Project Cost or any component(s) thereof due to any reason, the Grantee(s) shall intimate the Society of the change(s).
- 4.7. The Grantee(s) shall undertake to meet the shortfall in means of finance from own sources and/or borrowings in the event of shortfall in the Grant or any future reduction in the Grant or due to any escalation caused in the Total Project Cost.
- 4.8. The Grantee(s) shall not be eligible to avail any other benefits or incentives other than the Grant and incentives specified at Clause 3.1.
- 4.9. The Grantee(s) shall not be eligible for reimbursement or subsidization of recurrent expenditure, including operating expenses and working capital.

⁶ Existing staff costs to be capped at max 20% of all the existing employees of the applicants.

4.10. The Grantee(s) shall inform if any change in its shareholding pattern (or the composition of the Consortium) leads to drop below 51% in the holdings of majority shareholders throughout the Implementation Period.

4.11. The Subproject shall:

4.11.1. obtain and keep valid all Applicable Permits and ensure compliance with all Applicable Laws throughout the Implementation Period;

4.11.2. strive to have a gender balanced beneficiary;

4.11.3. subject to Article 10, achieve the following implementation milestones within the time prescribed hereunder

Milestone	Timeline

4.11.4. commence commercial operations not later than the date of expiry of the Implementation Period and shall remain in commercial operation for a period of [*] years thereon;

4.11.5. successfully integrate the products/ services of the Grantee(s) into the existing social and institutional ecosystems of Assam;

4.11.6. demonstrably benefit women by addressing their practical needs;

4.11.7. Carried out as per the applicable safeguard documents provided by the APART project team;

4.11.8. ensure and procure compliance with each of the following key performance indicators (“Indicators”)

Key Performance Indicators

5. Disbursement of Grant

5.1. Subject to the terms and conditions contained herein and in the EoI, the Society shall disburse the Grant by way of deposit of the Grant into the Current Account of the Grantee(s) as per the following schedule:

5.1.1. Mobilization advance of 30% (thirty per cent) of the Grant within 10 (ten) days of the Effective Date;

5.1.2. Second tranche of 30% (thirty per cent) of the Grant upon attainment of 30% (thirty per cent) of the Indicators OR as per agreed milestones between the parties;

5.1.3. Third and final tranche of 40% (forty per cent) of the Grant upon attainment of 60% (sixty per cent) of the Indicators OR as per agreed milestones between the parties.

5.2. Within 7 (seven) days of the achievement of each of the milestones in Clause 5.1 above, the Grantee(s) shall intimate the Society along with the following necessary particulars and request disbursement of the relevant tranche of the Grant:

[*]

5.3. The Society shall release the payment of the relevant tranche of the Grant to the Current Account of the Grantee(s) no later than 30 (thirty) days from the receipt of request from the Grantee(s) along with the necessary particulars.

5.4. For any reason, other than those attributable to the Grantee(s), if the Society fails to disburse the Grant within the period specified in Clause 5.3 above, without assigning any reason or giving advance communication of delay in payment, then the Society shall be liable to pay interest @ Bank Rate per annum for the period of delay in payment of the relevant tranche of the Grant. For the purpose of this Agreement, "**Bank Rate**" means the rate of interest specified by the Reserve Bank of India from time to time in pursuance of Section 49 of the Reserve Bank of India Act, 1934 or any replacement of such Bank Rate for the time being in effect.

5.5. [Intentionally Left Blank]

5.6. The Grantee(s) shall withdraw such amounts from the Current Account towards meeting the Total Project Cost of the Subproject, provided that the funds in the Current Account shall not be utilized towards meeting the cost of any of the components listed at Clause 3.3.

5.7. The Grantee(s) shall furnish to the Society, utilization report of the funds prior to each withdrawal as per the format prescribed at Annexure 2.9 in XAMAHAR Operations Manual, duly certified by its Statutory Auditors. Such reporting such also include periodic and annual reporting.

5.8. If a part of the Grant is left unspent after the expiry of the Implementation Period, the Grantee(s) shall be liable to refund such unspent amount of Grant to the Society,

5.9. Grantee shall be called upon whenever considered appropriate to share the experience and knowledge of implementing the Subproject for the APART project communication and reporting.

6. Representations & Warranties

6.1. The Grantee(s) hereby represents, warrants and undertakes to the Society that:

- a. it is duly organized and validly existing under the laws of India, and has full power and authority to execute and perform its obligations under this Agreement and to implement the Subproject contemplated by the Proposal, the EoI and this Agreement;
- b. it has taken all necessary corporate and other actions under Applicable Laws to authorize the implementation of the Subproject as per the Proposal, the EoI and this Agreement, and to validly exercise its rights and perform its obligations under the Proposal, the EoI and this Agreement;
- c. it has the financial and technical standing and capacity to undertake the Subproject and discharge its obligations hereunder, in accordance with the terms of the Proposal, the EoI and this Agreement;

- d. this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms hereof, and its obligations under this Agreement and the EoI will be legally valid, binding and enforceable obligations against it in accordance with the terms hereof;
- e. it is subject to the laws of India, and hereby expressly and irrevocably waives any immunity in any jurisdiction in respect of this Agreement or matters arising thereunder, including any obligation, liability or responsibility;
- f. the information furnished in the Proposal and as updated on or before the date of this Agreement is true and accurate in all respects as on the date of this Agreement;
- g. the execution, delivery and performance of the obligations under this Agreement, the EoI or the Proposal will not conflict with, result in the breach of, constitute a default under, or accelerate performance required by any of the terms of its memorandum and articles of association or any Applicable Laws or any covenant, contract, agreement, arrangement, understanding, decree or order to which it is a party or by which it or any of its properties or assets are bound or affected;
- h. there are no actions, suits, proceedings, or investigations pending or, to its knowledge, threatened against it at law or in equity before any court or before any other judicial, quasi-judicial or other authority, the outcome of which may result in the breach of this Agreement, the EoI or the Proposal or which individually or in the aggregate may result in any material impairment of its ability to perform any of its obligations under this Agreement, the EoI or the Proposal;
- i. to the best of its knowledge, it has not violated or defaulted on any order, writ, injunction or decree of any court or any legally binding order of any government instrumentality which may result in any Material Adverse Effect on its ability to perform its obligations under this Agreement, the EoI or the Proposal and no fact or circumstance exists which may give rise to such proceedings that would adversely affect the performance of its obligations under this Agreement, the EoI or the Proposal;
- j. it has complied with Applicable Laws in India, in all material respects and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities which in the aggregate have or may have a Material Adverse Effect on its ability to perform its obligations under this Agreement, the EoI or the Proposal;
- k. no representation or warranty by it contained herein or in any other document furnished by it to the Society, or to any government instrumentality in relation to Applicable Permits, contains or will contain any untrue or misleading statement of material fact or omits or will omit to state a material fact necessary to make such representation or warranty;
- l. no sums, in cash or kind, have been paid or will be paid, by it or on its behalf, to any person by way of fees, commission or otherwise for securing award of the Grant or for influencing or attempting to influence any officer, employee, agent or advisor of the Society in connection therewith;
- m. it shall be solely and fully responsible for the acts, defaults, omissions and neglects of its personnel, including any sub-contractors deputed for undertaking, performing and executing the Subproject; and

n. it shall be solely and fully responsible for all payments, salaries, costs, expense and liabilities of its employees, vendors and any other personnel engaged by it for the purposes of implementing the Subproject.

6.2. In the event that any occurrence or circumstance comes to the attention of the Grantee(s) that renders any of its aforesaid representations or warranties untrue or incorrect, the Grantee(s) shall immediately notify the Society of the same. Such notification shall not have the effect of remedying any breach of the representation or warranty that has been found to be untrue or incorrect nor shall it adversely affect or waive any obligation of the Grantee(s) under this Agreement, the EoI or the Proposal.

7. Accounts & Audit

7.1. The Grantee(s) shall maintain books of accounts of the Subproject recording all its receipts, income, expenditure, payments, assets and liabilities, in accordance with this Agreement, Applicable Laws, Applicable Permits and Good Industry Practice.

7.2. The Grantee(s) shall furnish to the Society, its provisional financials within 90 days including its balance sheet, cash flow statement and profit and loss account, along with a report thereon by its Auditors, within 180 (one hundred and eighty) days of the close of the Financial Year to which they pertain.

7.3. The Grantee shall: (i) establish and/or maintain policies and procedures that would allow the Project Implementing Entity/Loan recipient and/or the Bank to carry out supervision and monitor the implementation of the Sub-Project; (ii) prepare and furnish to the Project Implementing Entity/Loan recipient and/or the Bank, all such information that it shall reasonably request in relation to the Grant; and (iii) accept random and/or unannounced physical or documentary inspections by the Project Implementing Entity/Loan recipient and/or the Bank for the monitoring of, and in relation to, the carrying out of the Sub-project.

7.4. The Society shall have the right to inspect the books of accounts relating to the Subproject during office hours and require copies of relevant extracts of books of accounts, duly certified by the Statutory Auditors, to be provided to the Society for verification of heads of expenditure.

8. Monitoring, Reporting & Access to Information

8.1. The Society or the Challenge Fund manager / Consultant shall carry out review of the progress in the implementation of the Subproject on a periodic , annual basis or as agreed. Grantee shall ensure availability of senior management for review meetings and high level visits.

8.2. Grantee shall provide to Society/Consultant, as appropriate, access to its facilities, employees and all information requested by it for the purpose of fulfilling its responsibility.

8.3. Grantee shall monitor the Project's performance based on the performance indicators ("Indicators") as agreed between parties. Grantee should provide full access to the data generated during the project, to support monitoring and learning.

8.4. The Grantee(s) shall submit the following information on periodic/annual basis for review of the Society:

- a. Actual expenditure incurred on the Subproject, as per the formats prescribed in Annexure 2 of XAMAHAR Operations Manual;
- b. Actual branch and personnel expansion, as per the formats prescribed in Annexure 2 of ACFIFA Operations Manual;
- c. Actual loan/crop insurance portfolio details, as per the formats prescribed in Annexure 2 of XAMAHAR Operations Manual;
- d. any other documents required by the Society, or any person authorized in this behalf by the Society, from time to time.

8.5. Grantee shall submit two annual result reports for the project implementation period after the grant closure

8.6. The Society or the Consultant, shall also be entitled to undertake surprise inspection and surveys of the beneficiaries of the Subproject, as and when it deems necessary.

9. Indemnity

The Grantee(s) hereby indemnifies and shall keep indemnified the Society from and against all actions, demands, claims, liabilities, losses, damages, costs, expenses and other liabilities whatsoever brought against, suffered or incurred by the Society resulting from or by reason of (i) any breach of any representation, warranty or covenant of the Grantee(s) in this Agreement; and (ii) any breach, non-observance or non-performance by the Grantee(s) of any of its obligations under this Agreement or those required by Applicable Law in relation to the Subproject.

10. Force Majeure

10.1. For the purposes of this Agreement, “**Force Majeure**” or “**Force Majeure Event**” means an event or circumstance or combination of events or circumstances which prevents the Party claiming Force Majeure (the “**Affected Party**”) from performing its obligations under this Agreement, and which event or circumstance: (i) is beyond the reasonable control and not arising out of the default of the Affected Party; (ii) which the Affected Party has been unable to overcome by the exercise of due diligence and reasonable efforts, skill and care; and (iii) which has a Material Adverse Effect on the subsistence of this Agreement or the performance of obligations thereunder.

Such events or circumstances shall include, without limitation:

- a. war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, in each case involving or directly affecting India;
- b. revolution, riot, insurrection or other civil commotion, act of terrorism or sabotage, in each case within India;
- c. nuclear explosion, radioactive or chemical contamination or ionizing radiation directly affecting the Subproject, unless the source or cause of the explosion, contamination, radiation or hazardous thing is brought to or near the Subproject by the Grantee(s) or any such affiliate or any of their respective employees, servants or agents;
- d. strikes, working to rule, go-slows and/ or lockouts, which are in each case widespread, nationwide or political;
- e. any effect of the natural elements, including lightning, fire, earthquake, unprecedented rains, tidal wave, flood, storm, cyclone, typhoon or tornado, within India;
- f. explosion (other than a nuclear explosion or an explosion resulting from an act of war) within India;
- g. epidemic or plague within India;

- h. any judgement or order of any court of competent jurisdiction or statutory authority made against the Grantee(s) in any proceedings for reasons other than (i) failure of the Grantee(s) to comply with any applicable law or applicable permit, or on account of any breach thereof, or of any contract by the Grantee(s), or (iii) enforcement of this Agreement, or exercise of any of its rights under this Agreement or the EoI;
- i. unlawful or unauthorized or without jurisdiction revocation of, or refusal to renew or grant without valid cause, any clearance, license, permit, authorization, no objection certificate, consent, approval or exemption required by the Grantee(s) to perform its obligations under this Agreement; provided that such delay, modification, denial, refusal or revocation did not result from the Grantee(s)' inability or failure to comply with any condition relating to grant, maintenance or renewal of such clearance, license, authorization, no objection certificate, exemption, consent, approval or permit; and
- j. any event or circumstances of a nature analogous to any events set forth in Clauses 10.1 (a) to (i), above.

10.2. Measures to be taken by Affected Party

10.2.1. The Affected Party shall take all reasonable measures to remove such Party's inability to fulfil its obligations hereunder with minimum delay.

10.2.2. The Affected Party shall notify the other Party of the Force Majeure Event as soon as possible, and in any event not later than 7 (seven) days following the occurrence of such Force Majeure Event:

- a. providing evidence of the nature and cause of such Force Majeure Event;
- b. the estimated duration and the effect or probable effect which such Force Majeure Event is having or will have on the Affected Party's performance of its obligations under this Agreement;
- c. the measures which the Affected Party is taking or proposes to take for alleviating the impact of such Force Majeure Event; and
- d. any other information relevant to the Force Majeure Event.

10.2.3. The Affected Party shall similarly give notice of the restoration of normal conditions as soon as possible and in no case later than 7 (seven) days from the cessation of a Force Majeure Event.

10.2.4. The Affected Party shall not be entitled to any relief for or in respect of a Force Majeure Event unless it shall have notified the other Party of the occurrence of the Force Majeure Event and shall have given particulars of the probable Material Adverse Effect that the Force Majeure Event is likely to have on the performance of its obligations under this Agreement.

10.3. Allocation of costs

Save and except as expressly otherwise provided in this Agreement, neither Party shall be liable in any manner whatsoever to the other Party in respect of any loss, damage, cost, expense, claims, demands and proceedings relating to or arising out of occurrence or existence of any Force Majeure Event or exercise of any right pursuant thereto.

11. Termination

11.1. Without prejudice to any other remedy available under this Agreement or the Applicable Laws or otherwise, the Society shall be entitled to terminate this Agreement and recall the Grant in the following circumstances:

- a. the Performance Guarantee has been encashed and appropriated and the Grantee(s) fails to replenish or provide fresh Performance Guarantee within a cure period of 15 (fifteen) days;
- b. subsequent to the replenishment or furnishing of fresh Performance Guarantee, the Grantee(s) fails to cure the default for which whole or part of the Performance Guarantee was appropriated, within a cure period of 120 (one hundred and twenty) days;
- c. the Grantee(s) fails to implement the Subproject or any milestone thereof, within the respective timelines prescribed for the same, including any extension thereof, and the default continues for a period of 90 (ninety) days;
- d. if the Subproject fails to commence commercial operations within two (2) years from the Execution Date
- e. the Grantee(s) abandons or manifests intension to abandon the Subproject without the prior written consent of the Society;
- f. the Grantee(s) creates any encumbrance, assigns or disposes of the Grant or assets created from the Grant in breach of this Agreement;
- g. the Grantee(s) repudiates this Agreement or otherwise takes an action or evidences or conveys an intention not to be bound by this Agreement;
- h. the Grantee(s) commits a default in complying with any other provisions of this Agreement if such default causes or may cause a Material Adverse Effect on the Society;
- i. In case, the Grantee did not inform within 14 days of the change in shareholding pattern of the Grantee(s) {or change in the composition of the Consortium} leading to drop below 51% of the majority shareholder which would be detrimental to the subproject implementation
- j. if it comes to the notice of the Society that the Grant has been availed by manipulating/ concealing information;
- k. any representation or warranty of the Grantee(s) herein contained which is, as of the date hereof, found to be materially false, incorrect or misleading or the Grantee(s) are at any time hereafter found to be in breach thereof;
- l. the Grantee(s) submits to the Society any statement, notice or other document, in written or electronic form, which has a material effect on the Society's rights, obligations or interests and which is false in material particulars;
- m. if it comes to the notice of the Society that the Grant has been utilized for purposes other than those for which it was sanctioned;
- n. there is a transfer, pursuant to law of all or part of the assets or undertaking of the Grantee(s), and such transfer causes a Material Adverse Effect;
- o. an execution levied on any of the assets of the Grantee(s) has caused a Material Adverse Effect;
- p. the Grantee(s) has been included in the Reserve Bank of India list of willful defaulters;

- q. the Grantee(s) has been blacklisted or debarred by any of the regulatory agencies in India or by any departments of the State Government of Assam or the Government of India;
 - r. in regard to matters other than security and integrity of the country, the Grantee(s) has been convicted by a court of law or indicted or adverse orders passed by a regulatory authority which could cast a doubt on its ability to undertake the Subproject or which relates to a grave offence that outrages the moral sense of the community;
 - s. in regard to matters affecting the security and integrity of the country, the Grantee(s) has been charge-sheeted by any agency of the State Government of Assam or the Government of India or convicted by a court of law;
 - t. the Grantee(s) is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Grantee(s) or for the whole or material part of its assets that has a material bearing on the implementation of the Subproject;
 - u. a resolution for winding up of the Grantee(s) is passed, or any petition for winding up of the Grantee(s) is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 15 (fifteen) days of the date thereof or the Grantee(s) is ordered to be wound up by court except for the purpose of amalgamation or reconstruction; except that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Grantee(s) are transferred to the amalgamated or reconstructed entity and the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Grantee(s) under this Agreement, provided further that:
 - i. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under this Agreement in terms of eligibility criteria prescribed in the EoI; and
 - ii. the amalgamated or reconstructed entity has the financial standing to perform its obligations under this Agreement and has a credit worthiness at least as good as that of the Grantee(s) as at the Effective Date.
 - v. in case the Bank declares the IC, or any of its members benefiting from the Grant provided under this contract ineligible under the Bank's Anti-Corruption Guidelines.
- 11.2. Upon the occurrence of any of the events listed in Clause 11.1 above, the Society shall, by a notice, inform the Grantee(s) of its intention to terminate this Agreement and recall the Grant, providing 15 (fifteen) days to the Grantee(s) to make a representation.
- 11.3. After the expiry of such time, whether or not it is in receipt of such representation, the Society shall be entitled to issue Termination Notice to the Grantee(s) and demand the repayment of the entire Grant, or such amount of the Grant as has been disbursed to the Grantee(s) till date, within 30 (thirty) days of the Termination Notice.
- 11.4. Notwithstanding anything contained hereinabove, the Society shall be entitled to terminate this Agreement for its own convenience by giving 30 (thirty) days' notice to the Promotor(s) by issuing a Termination Notice. The Society shall not be liable to the Grantee(s) for Damages in the event of termination of this Agreement for convenience by the Society. Grantee shall not make any refund to the Society in such case.

- 11.5. The Grantee(s) shall also be entitled to terminate this Agreement by giving 90 (ninety) days' notice to the Society by issuing a Termination Notice and repaying within such period and subject to the following conditions:
- a. the entire Grant, or such amount of the Grant as has been disbursed to the Grantee(s) till date, if the Grantee(s) have achieved less than 50% (thirty per cent) of the Indicators;
 - b. the entire Grant, or such amount of the Grant as has been disbursed to the Grantee(s) till date, excluding the amount of Grant allocated by the Grantee(s) towards meeting the Indicators, if the Grantee(s) have achieved at least 50% (thirty per cent) of the Indicators;
- 11.6. In case of the failure of the Grantee(s) to refund the Grant, as specified in Clauses 11.3, 11.4 and 11.5 above, the said amount shall be recovered as an arrear of land revenue as per Applicable Laws.

12. Dispute Resolution

- 12.1. Any dispute, difference or controversy of whatever nature howsoever arising under or out of or in relation to this Agreement or the EoI (including their interpretation), and so notified in writing between the Grantee(s) and the Society ("**Dispute**") shall, in the first instance, be resolved by the Parties through amicable settlement. Either Party may call upon the designated official of the Society to assist the Parties in arriving at an amicable settlement thereof.
- 12.2. Any Dispute which is not resolved amicably by conciliation, as provided in Clause 12.1 above, shall be finally decided by reference to arbitration. Such arbitration shall be held in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as amended from time to time. The venue and seat of such arbitration shall be Guwahati, and the language of arbitration proceedings shall be English.
- 12.3. The arbitration shall be conducted by a sole arbitrator who shall be mutually appointed by the Parties and whose decision shall be final and binding on both the Parties. The arbitrator shall make a reasoned award and such award shall be carried out without any delay.
- 12.4. Notwithstanding any of the foregoing, but subject to Clause 12.2 and Clause 12.3 above, the courts in Guwahati shall have exclusive jurisdiction over any Disputes.
- 12.5. This Agreement shall be construed and interpreted in accordance with and governed by the laws of India.

13. Severability

The invalidity or enforceability, for any reason, of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder. For abundant caution, it is expressly clarified that if any provisions of this Agreement are declared to be invalid, unenforceable or illegal by any competent arbitral tribunal or court, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of this Agreement, which shall continue in full force and effect. The Parties undertake to negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to the dispute resolution procedure set forth under Article 12.

14. Waiver

- 14.1. Waiver, including partial or conditional waiver, by either Party of any default by the other Party in the observance and performance of any provision of or obligations under this Agreement:
- a. shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement;
 - b. shall not be effective unless it is in writing and executed by a duly authorized representative of the Party; and
 - c. shall not affect the validity or enforceability of this Agreement in any manner.

14.2. Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

15. Exclusion of Implied Warranties

This Agreement expressly excludes any warranty, condition or other undertaking implied at law or by custom or otherwise arising out of any other agreement between the Parties or any representation by either Party not contained in a binding legal agreement executed by both Parties.

16. Entire Agreement

This Agreement, Recitals and the Annexures together constitute a complete and exclusive statement of the terms of the agreement between the Parties on the subject hereof, and no amendment or modification hereto shall be valid and effective unless such modification or amendment is agreed to in writing by the Parties and duly executed by persons especially empowered in this behalf by the respective Parties. All prior written or oral understandings offers or other communications of every kind pertaining to this Agreement are abrogated and withdrawn.

Provided however that the EoI and the Proposal shall be deemed to be incorporated by reference in this Agreement and both the EoI and the Proposal shall form an integral part hereof.

17. Survival

Termination shall:

- a. not relieve the Grantee(s) or the Society, as the case may be, of any obligations hereunder which expressly or by implication survive termination hereof; and
- b. except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of, or caused by, acts or omissions of such Party prior to the effectiveness of such termination or arising out of such termination.

18. No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties, or to impose any partnership obligation or liability upon either Party, and neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19. Third Parties

This Agreement is intended solely for the benefit of the Parties, and their respective successors and permitted assigns, and nothing in this Agreement shall be construed to create any duty to, standard of care with reference to, or any liability to, any person not a Party to this Agreement.

20. Assignment

This Agreement and/or the rights and benefits accruing thereunder shall not be assigned by the Grantee(s) to any person, save and except with the prior consent in writing of the Society, which consent the Society shall be entitled to decline without assigning any reason.

21. Notices

21.1. Any notice or other communication to be given by any Party to the other Party under or in connection with the matters contemplated by this Agreement shall be in writing and shall:

- a. in the case of the Grantee(s), be given by facsimile, e-mail, post or by letter delivered by hand to *[specify name and address of the Grantee(s)' contact person]* or to such other person as the Grantee(s) may from time to time designate by notice to the Society;
- b. in the case of the Society, be given by facsimile, e-mail, post or by letter delivered by hand and be addressed to *[specify name and address of the Society's contact person]* with a copy delivered to such other person as the Society may from time to time designate by notice to the Grantee(s);

21.2. Any notice or communication by a Party to the other Party by post shall be deemed to have been delivered when in the normal course of post it ought to have been delivered and in case of delivery by hand, it shall be deemed to have been delivered on the actual date and time of delivery; provided that in the case of facsimile or e-mail, it shall be deemed to have been delivered on the working day following the date of its delivery.

22. Language

All notices required to be given by one Party to the other Party and all other communications, documentation and proceedings which are in any way relevant to this Agreement shall be in writing and in English language.

23. Counterparts

This Agreement may be executed in two counterparts, each of which, when executed and delivered, shall constitute an original of this Agreement.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

SIGNED, SEALED AND DELIVERED

For and on behalf of

Assam Rural Infrastructure and Agricultural Services Society by:

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)
(e-mail address)

SIGNED, SEALED AND DELIVERED

For and on behalf of

[*] by:

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)
(e-mail address)

IN THE PRESENCE OF:

1.

2.

SCHEDULE 1

PERFORMANCE GUARANTEE

To

[*],
Assam Rural Infrastructure and Agricultural Services Society,
Project Coordination Unit,
Agriculture Complex, Khanapara, G.S. Road,
Guwahati - 781022, Assam, India

Subject: Performance Bank Guarantee

This **PERFORMANCE BANK GUARANTEE** is made at [Guwahati] on the [*] day of [*] 2021

WHEREAS

- A. [*], a company registered under the Companies Act, [*], having its registered office at [*] (hereinafter referred to as the “**Grantee**”, which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns)⁷ has entered into the Grant Agreement dated [*] with **Assam Rural Infrastructure and Agricultural Services (ARIAS) Society** (hereinafter referred to as the “**Society**”, which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) for undertaking [*] (“**Subproject**”).
- B. As per the terms and conditions of the Grant Agreement, the Grantee is obliged to furnish to the Society a performance security in the form of an irrevocable and unconditional bank guarantee from a scheduled commercial bank in India, of a value and validity as set forth hereunder.
- C. [*] having its registered office at [*] and a branch office at [Guwahati], India, (hereinafter referred to as the “**Bank**”, which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors), being a schedule commercial bank in India, has at the request of the Grantee, agreed to issue this performance bank guarantee, in accordance with the terms and conditions set forth hereunder, in favor of the Society.

NOW THEREFORE, the Bank hereby undertakes the pecuniary responsibility of the Grantee to the Society for the due performance of the obligations set forth in the Grant Agreement and hereby issues in favor of the Society, this irrevocable and unconditional performance and payment bank guarantee (hereinafter referred to as the “**Guarantee**”) on behalf of the Grantee.

1. The Bank for the purpose hereof unconditionally and irrevocably undertakes to pay to the Society without any demur, reservation, caveat, protest or recourse; immediately on receipt of first written demand from the Society, a sum or sums (by way of one or more claims) without the Society needing to prove or to show to the Bank grounds or reasons for such demand for the sum specified therein and notwithstanding any dispute or difference between the Society and the Grantee in respect of the performance of the obligations under the Grant Agreement or moneys payable by Grantee to the Society or any matter whatsoever.
2. The Bank acknowledges that this Guarantee may be invoked more than once and each one of such demands by the Society of the amounts payable by the Bank to the Society shall be final, binding and conclusive evidence in respect of the amounts payable by the Grantee to the Society.

⁷ {Consortium of [*], a company registered under the Companies Act, [*], having its registered office at [*], [*], a company registered under the Companies Act, [*], having its registered office at [*], and [*], a company registered under the Companies Act, [*], having its registered office at [*] (hereinafter collectively referred to as the “**Grantees**”, which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns)}

3. The Bank hereby waives the necessity for the Society from demanding the aforesaid amount or any part thereof from the Grantee and also waives any right that the Bank may have of first requiring the Society to pursue its legal remedies against the Grantee, before presenting any written demand to the Bank for payment under this Guarantee.
4. The Bank further unconditionally agrees with the Society that the Society shall be at liberty, without the Bank's consent and without affecting in any manner the Bank's obligation under this Guarantee, from time to time to:
 - (i) vary and/or modify any of the terms and conditions of the Grant Agreement;
 - (ii) extend and/or postpone the time for performance of the obligations of the Grantee under the Grant Agreement; or
 - (iii) forbear or enforce any of the rights exercisable by the Society against the Grantee under the terms and conditions of the Grant Agreement;

and the Bank shall not be relieved from its liability by reason of any such act or omission on the part of the Society or any indulgence by the Society to the Grantee or other thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of relieving the Bank of its obligations under this Guarantee.

5. The Bank's obligations under this Guarantee shall not be reduced by reason of any partial performance of the Grant Agreement. The Bank's obligations shall not be reduced by the failure of the Society to timely pay or perform any of its obligations under the Grant Agreement.
6. Any payment made hereunder shall be made free and clear of and without deduction for, or on account of, any present or future charges, fees, commissions, deductions whatsoever and by whomsoever imposed.
7. This Guarantee shall be a continuing bank guarantee and shall not be discharged by the change in constitution of any member of the Grantee and the Guarantee shall not be affected or discharged by the liquidation, winding up, bankruptcy, reorganization, dissolution or insolvency of the Grantee or any member of the Grantee or any other circumstances whatsoever.
8. The quantum of the Guarantee shall be INR [*]/- (Rupees [*] only)⁸ and shall be valid for the project period, or the full utilization of the Grant in accordance with the Grant Agreement, whichever is earlier (such amount being the "Full Amount" of the Guarantee). In the event any portion of the Guarantee is encashed pursuant hereto, then immediately following such encashment, the Bank shall replenish the Guarantee to its Full Amount. In the event the Guarantee is not replenished to its Full Amount within three (3) months of its encashment in any part, the Society shall have the right to encash the entire Guarantee.
9. This Guarantee shall remain valid and subsisting until released by the Society in writing.
10. This Guarantee shall be in addition to and not in substitution or in derogation of any other security held by the Society to secure the performance of the obligations of the Grantee under the Grant Agreement.
11. The Bank agrees that the Society at its option shall be entitled to enforce this Guarantee against the Bank, as a principal debtor in the first instance without proceeding at the first instance against the Grantee or any other security/ guarantee that the Society may have.
12. This Guarantee is subject to the laws of India. Any suit, action, or other proceedings arising out of this Guarantee or the subject matter hereof shall be subject to the exclusive jurisdiction of courts at Guwahati, India.

⁸ 1% (one per cent of the Grant)

13. Capitalized terms not otherwise defined herein shall have their respective meanings given to such terms as set forth in the Grant Agreement.
14. The Bank has power and authority to validly to execute and issue this Guarantee and the undersigned is duly authorized to execute and deliver this Guarantee pursuant to the power granted under _____ and its obligations under this Guarantee will be legally valid, binding and enforceable against the Bank.
15. Any demand certificate, notice or any other communication under this Guarantee shall be in writing and faxed or sent by person, or overnight courier or by registered letter, at the following address:

[*]
16. All such demand certificates, notices and communications shall be effective (i) if sent by fax, when sent (with the correct answerback), (ii) if sent by person, when delivered, (iii) if sent by courier, one (1) business day after deposit with an overnight courier, and (iv) if sent by registered letter when the registered letter would, in the ordinary course of post, be delivered whether actually delivered or not.

In witness whereof the Bank, through its authorized officer, has set its hand and stamp on this [*] day of [*], 2021.

In presence of:

(1)

(2)

SCHEDULE 2: UTILIZATION CERTIFICATE

Utilization certificate for Challenge fund

Utilization certificate for the year

1. Lead Organization Name:
2. Consortium members, if any:
3. Brief Project Details (including the type of product offered):

4. Details of expenditure, grants received, and cost share (actuals):

Total XAMAHAR grant received		Unspent balances of grants received earlier	Total available grant funds (1+2)	Total Eligible Project Expenditure	Expenditure from Own Contribution (Cost Share)	Expenditure from XAMAHAR grant	Ineligible expenditure	Closing balance (3-6+7)
1		2	3	4	5	6	7	8
Date	Amount							

% Cost Share ($\Sigma 5 / \Sigma 4$)	
--	--

5. Component wise utilization of grants

Year (1/2/3)	1		2		3		4	
Quarter	XAMAH AR	Cost Share	XAMAH AR	Cost Share	XAMAH AR	Cost Share	XAMAH AR	Cost Share
Project expenses - planned/actual								
Fixed Assets - IT Equipment								
Fixed Assets - Vehicles								
Fixed Assets - Furnitures and Fixtures								
Fixed Assets - Others								
Office Rent								
Electricity & Water								
Salary & Perquisites								
Travel, Boarding and Lodging								
Communication								
Printing & Stationary								
MIS & Software								
Sales/Marketing/Promotion								
Other Project Related Expenses								
Technical Assistance Expenses								
Capacity Building of Farmers								
TOTAL								

Certified that I have satisfied myself that the conditions on which grants were sanctioned have been duly fulfilled/are being fulfilled and that I have exercised following checks to see that the money has been actually utilized for the purpose for which it was sanctioned:

- ▶ The main accounts and subsidiary accounts and registers are maintained as prescribed in the relevant Act/Rules/Standing instructions (mention the Act/Rules) and have been duly audited by designated auditors. The figures above tally with the audited figures mentioned in financial statements/accounts.
- ▶ To the best of our knowledge and belief, no transactions have been entered that are in violation of relevant Act/Rule/standing instructions and fund guidelines.
- ▶ The benefits were extended to the intended beneficiaries and only such area/districts were covered where the fund was intended to operate.

Date:

Place:

Signature

Name

Designation

To be filed by the Auditing Company

Certified that the company has satisfied the conditions on which the grand-in-aid was sanctioned during the financial year and that they have exercised the checks as are found necessary to ensure that the money was actually utilized for the purpose for which it was sanctioned as per data furnished above.

(Auditing officer)

Appendix XII: Glossary of Financial Terminology/Method of calculation of financial ratios

Terminology	Meaning	Formula
ROE	Return on Average Equity	PAT/Average of Opening and Closing Equity (Annual Basis)
ROA	Return on Average Assets	PAT/Average of Opening and Closing Assets (Annual Basis)
GNPA	Gross Non-Performing Assets at the end of Financial Year	As per RBI Definition
AUM	Asset Under Management at the end of Financial Year	On Book, Off Book and Total AUM should be mentioned separately
GLP	Gross Loan Portfolio at the end of Financial Year	
NNPA	Net Non-Performing Assets at the end of Financial Year	As per RBI Definition
EBIDTA	Earnings Before Interest Depreciation and Tax Allowance	
LCR	Liquidity Coverage Ratio at the end of financial year	As per RBI Definition
CRAR	Total Capital Adequacy Ratio at the end of Financial Year	As per RBI Definition. Companies should also provide information on Tier 1 and Tier 2 capital separately.
CASA	Current Account Savings Account Ratio at the end of Financial Year	As per RBI Definition
Current Ratio	Current Assets/Current Liabilities	
Sundry Debtor Days (Receivable Days)	Accounts Receivable Days	Sundry Debtors/Annual Credit Sales *365
LTD	Long Term Debt	Debt having tenor > 1 Year
Total Debt	Secured Debt + Unsecured Debt (all tenor)	
TNW	Tangible Net worth	Total Net worth less Intangibles, Revaluation Reserves, Patents, Goodwill, Intellectual Rights etc.
Combined Ratio		Loss Ratio + Expense Ratio (or as reported to IRDA)
Solvency Ratio/Margin		As reported to IRDA
GDPI	Gross Direct Premium Income	As reported to IRDA