



Guidelines on Establishing Groundnut & Other Oilseeds Clusters



Tamil Nadu plays a **significant role** in the production of **groundnut and other oilseed crops** at the national level. Currently, oilseed cultivation is predominantly concentrated in the districts of **Tiruvannamalai, Cuddalore, Vellore, Viluppuram, Namakkal, Dharmapuri, Salem, Ariyalur, Karur, Erode, Tiruchirappalli, and Tirupattur.**

Oilseed crops in Tamil Nadu are primarily grown for their **oil content**, which is mainly processed into **vegetable oils** for **edible consumption**. In addition to their dietary use, oilseeds serve as a source of **protein-rich meals for livestock** and are also utilized in the **pharmaceutical sector** and **oleochemical industries**, including the manufacture of **soaps, cosmetics, and other oil-based products.**

1. Objectives

- a. To enhance the **income of Self-Help Group (SHG) members** by promoting **oilseed cultivation** as a viable livelihood activity.
- b. To extend **comprehensive support** to **women farmers affiliated with SHGs** for adopting oilseed crop cultivation as a **profitable and sustainable enterprise.**
- c. To encourage **collective farming practices** among SHG women—from **sowing to harvesting**, including **value addition**—by providing **capacity building, technological assistance, infrastructure support, and financial aid.**

2. Selection of Districts

Districts where **oilseed crops are predominantly cultivated** have been selected for the implementation of **groundnut and other oilseed-based clusters**. The following criteria have been used to ensure successful and sustainable outcomes:

- a. The district must have **suitable soil types** (e.g., sandy loam, red loam) and **climatic conditions** favorable for the cultivation of **groundnut, gingelly (sesame), sunflower, castor**, and other oilseed crops.
- b. **Priority shall be given to districts where women farmers are already engaged** in groundnut or oilseed cultivation, even on a small scale, to leverage existing knowledge and practices.
- c. Selected districts should have **good proximity to local markets, oil extraction units, processing mills**, and other related infrastructure to support value chain development and marketing.

3. Selection of Panchayats

3.1 Selection Committee

For the establishment of **Oilseed Cultivation Clusters** in each district, a **District-Level Selection Committee** shall be constituted to identify the most suitable **panchayats** for implementing the intervention. The committee will be responsible for assessing field conditions, SHG presence, and suitability for oilseed cultivation.

Composition of the Committee:

- a. **Project Director, Mathi** – Chairperson
- b. **Assistant Project Officer (Livelihood)** – Member
- c. **District Resource Person (Farm)** – Member
- d. **Block Mission Managers** from blocks where oilseed cultivation is significantly practiced – Members
- e. **Representative from the Department of Agriculture** – Member

3.2 Selection Criteria

- a. **Panchayats** where SHGs are **already involved in Oil seed cultivation** and have the relevant skills and knowledge to transition into or expand Groundnut and other oil seed crops cultivation.
- b. Panchayats with favourable climate (moderate temperature, adequate rainfall) and reliable irrigation sources (canals, borewells, rainwater harvesting) will be preferred
- c. Panchayats with **proximity to markets or processing centers**.

4. Selection of Beneficiaries

- a. A **meeting** will be conducted at the **panchayat level** involving representatives from PLF and Community Resource Person (Farm).
- b. To explain the project objectives, guidelines, and expected outcomes of the oilseed cultivation cluster initiative.
- c. To highlight the benefits of collective oilseed cultivation as a viable income-generating activity.
- d. To encourage participation and address queries or concerns from potential beneficiaries.
- e. Once the meeting is conducted, application needs to be obtained from the SHG members interested in taking oilseed cultivation as livelihood activity.
- f. For each cluster, select **20 women farmers** who are interested in oilseed cultivation from the same panchayat where oilseed cultivation is extensively practiced.
- g. The details of selected beneficiaries to be placed in Grama Sabha and got approved.

4.1. General criteria for selection of Beneficiaries:

- a. a. Should be SHG member for **at least two years**.
- b. The beneficiary **should not have NPA / overdue in any NRLM fund support**.

- c. The Beneficiary **should not be the President, Secretary, Joint Secretary or Treasurer of PLF / BLF.**
- d. The beneficiary **preferably not be book keeper, CST, CBC, DRP, BRP, BMM, BC or any other CRP.**
- e. **Priority** may be given for those **SHG members** who are **differently abled, destitute widow, SC, ST and poor and very poor in PIP list.**
- f. There should not be **repetition of beneficiaries** under various farm livelihood schemes in the last five years.

4.2. Specific Criteria

- a. **20 SHG women members** with minimum **0.5 acre and upto 2 acres** of land will be identified from each selected panchayat. **Leased landholders** may also be considered.
- b. Selected members must be willing to undergo structured training on Improved varieties, Integrated Nutrient Management, Irrigation & Post harvest management, etc.,
- c. Each Selected member must **contribute minimum Rs.1000/- as membership fees.**
- d. Member contribution may be used for Administrative expenses decided which may be decided by cluster based on the proper resolution.

5. Cluster - Formation

- a. A **group of 20 SHG women farmers**, each owning between **0.5 acre to 2 acres of land** and having **interest or experience in groundnut or other oilseed cultivation**, will be mobilized from the **same village** to form a **Groundnut and Oilseed Crop Cluster.**
- b. Each cluster must ensure oilseed cultivation (groundnut, gingelly, sunflower, etc.) over a **minimum total area of 10 acres**, collectively contributed by the members.

- c. The cluster members shall **elect a Secretary and a Treasurer** from among themselves to manage the **administrative, technical, and financial operations** of the cluster.
- d. A **bank account** shall be opened in the nearby **Indian Bank**, using the naming format: “[**Panchayat Name**] **TNSRLM Oilseed Crop Cluster 2025**” (*Example: Kattur TNSRLM Oilseed Crop Cluster 2025*)

6. Implementation Strategy

- a. **High quality seeds or seedlings** of the same crop (preferably same variety) shall be procured for all cluster members through the Agriculture department.
- b. Seed / seedlings and essential inputs such as bio-fertilizers, organic manures, pesticides, etc., shall be **procured in bulk** for all the members to ensure consistency and cost-effectiveness.
- c. Simultaneous planting shall be encouraged to enable synchronized harvesting and marketing.
- d. CRP (Farm) and BC(LH) to check the cultivation of oilseeds and Regular technical support and guidance shall be provided to farmers throughout the crop period by the DRP(Farm) and CFS trainer or SPARK identified by VKP.
- e. Harvesting shall be Synchronized to facilitate efficient **aggregation and collective marketing**.
- f. Hiring machinery and equipment (for land preparation, sowing, weeding, and spraying) collectively from the village panchayat’s Custom Hiring Centre/Tool Bank or private owners.
- g. The produce shall be value added using machineries and marketed using Common Facility Centre.DRP(Farm) and DSMS manager shall closely follow up to ensure that the produce is also enabled with storage facilities established under agricultural department wherever needed.

7. Registers to be maintained

- a. Beneficiaries basic Data Register
- b. Resolution Register
- c. Cash Book
- d. Loan disbursement and collection register
- e. Oil seeds crop production and sales register
- f. Asset register and Repair and maintenance register
- g. Visitor Register

8. Fund Allocation

Each Oil seeds cluster will receive a total of **Rs.15 lakhs**.

Table-1 Fund allocation breakup

S.No	Expenditure	Amount (Rs.)
1	For crop cultivation (Rs.50,000/- per member - to be repaid)	10,00,000
2	For value addition machineries (Infrastructure)) (Based on business plan) (To be repaid)	4,50,000
	Land lease rent (to set up value addition unit) for one year (To be repaid)	30,000
3	Training cost (need not to be repaid)	15,000
4	Registers and name board (need not to be repaid)	5,000
	Total	15,00,000

*As per above table Rs.14,80,000/- is to be repaid

8.1 Fund Release

- a. The CRP-Farm shall verify and confirm the selection of office bearers and the opening of cluster's bank account.

- b. The Formation of the cluster and **eligibility of selected members** will be **verified by BC (Livelihood), BMM and APO (Livelihood)** as per Annexure 2 & 3 and a recommendation will be submitted to DMMU.
- c. Rs. 10.20 lakh shall be disbursed from DMMU to the BLF within 7 days and BLF will transfer the amount to the cluster within the next 7 days following the **execution of a tripartite agreement** between BLF (agreement model given in Annexure – 4) Cluster and the Beneficiary which consists clause stating
 1. Shall utilize the funds for cultivation of oil seeds in the designated Village
 2. To follow cluster approach for procurement of fertilizers, Plant Protection inputs, aggregation marketing and to carry out value addition in the oil seeds cluster.
 3. To repay the loan with **6% interest**, starting from the fourth month.
- d. The **Remaining Rs.4.8 lakhs shall be released based on the business plan** submitted by the cluster and **verified by APO (LH), DRP (Farm) and DSMS.**
- e. Fund release to BLF should have narration with cluster name.
- f. Under this scheme Rs.0.50 lakh per acre will be provided to each members as revolving fund for Oilseeds cultivation.
- g. If the cost of cultivation exceeds above Rs.0.50 lakh per acre, The additional cost should be borne by the member.
- h. All the transactions should be only through ECS(RTGS/NEFT)

9. Training to beneficiaries

- a. A **two days** training program will be provided to the beneficiaries.
- b. The training includes indoor session on Improved varieties, Integrated Nutrient Management, Irrigation & Post harvest management, primary processing, value addition, marketing, etc.,

- c. An **amount of Rs.15,000/-** is allocated to two days training out of the Rs.15 lakhs allocated to each oil seeds cluster.

S. No.	Activity	Unit cost	No of units	Amount (Rs.)
1	Resource person fee to DRP Farm for 2 days (Rs.1,500 x 2 days)	1,500	2	3,000
2	Food & Refreshments @ Rs.250/- per head for 22 members	250	44	11,000
4	Stationery, Projector, leaflets	1000		1000
	Total			15,000

10.Marketing Strategy

Before marketing, focus should be given on production of high quality oilseeds.

- The DSMS manager shall facilitate attractive packing and branding of the products.
- The **DSMS Manager and DRP(Farm)** to identify various marketing avenues for both raw and value added oilseed products through Common Facility Centre.
- The raw and value added produce shall be packed and labelled using Common facility Centre.
- DSMS Manager** shall also facilitate marketing of the products through e-Commerce platform.

- e. **CRP Farm / BC (LP)** shall ensure **timely mobilization of products** for supply to the identified marketing channels.

11. Value addition

- a. Since value addition enhances the quality and market value of oil seeds enabling farmers to secure better prices—a detailed **proposal along with a business plan** shall be submitted by the cluster to the DMMU for any proposed value addition activities.
- b. The services of '**Mathi Siragugal Thozhil Maiyam**' may be utilized by the cluster for the preparation of the proposal and accompanying business plan.
- c. Business plan should be evaluated by **BMM, DSMS Manager and APO(LH)** and evaluation report to be **submitted to PD(Mathi)**
- d. The entire value addition of Oilseed cluster should be carried out at the **supervision of the CRP Farm** and in the absence of CRP Farm, BC LH should be responsible. BC LH should conduct a field visit and certify that all the cluster activities are completed and the cluster is ready for value addition.
- e. The **Asst. Project Officer (LH)** should conduct a **super check** through a physical field visit and recommend the release of balance second tranche.
- f. Based on the **evaluation of the proposal** and APO LH recommendation the DMMU will release funds to the cluster through the **BLF** after executing a bipartite agreement between BLF and the Cluster(Annexure-5) for the procurement of machinery required for oil seeds value addition.
- g. The **procurement process** should be followed **as per community procurement guidelines of TNVKP**.

12. Repayment

- a. All members shall repay the loan with an interest rate of **6%**.
- b. A **moratorium period of 3 months** is fixed and during this period only interest is to be repaid.
- c. Following the moratorium, repayments should be made in monthly instalments. The repayment amount, along with the applicable interest, should be paid on or before the 5th of every month to the cluster account.
- d. Repayments should be recorded in a cash Book and proper receipts are to be given to the beneficiary. Repaid amount should be deposited promptly into the Cluster's bank account.
- e. From the cluster account, **the due amount (Principal and interest) for that month should be transferred to the BLF Farm Livelihood Account through ECS.**
- f. **Repayment period should be upto maximum 12 months** after the moratorium period.
- g. The Repaid amount along with the collected interest may be re-lent for groundnut cultivation during the next season or for cultivation on additional land by the Cluster's existing members **up to two more repayment cycles.**
- h. If existing members are **not willing to continue ground nut or other oil seed cultivation** in the next season or on additional land, **eligible new members** who are interested in joining the cluster may be included **after verification by the team consisting of BC (LH), BMM and APO (LH).**
- i. If no SHG member in the panchayat is willing to cultivate groundnut and other oil seeds in later year or after 2 more repayment cycles, with approval from DMMU should release the fund to a **new cluster** willing to take up groundnut and other oil seeds cultivation as a cluster activity.

13. Monitoring & Evaluation

- a. **CRP (Farm)** shall be responsible for ensuring **timely loan repayments** by the SHG members and providing regular handholding support at the cluster level.
- b. The name of the cluster, year, beneficiary details, internal loan given details, Crop Cultivation, etc., to be maintained by the **PLF in the Livelihood register**.
- c. **BMM, Zonal BC & BC (LH) should inspect the cluster**, ensure regular meeting, and oversee the expenditure made and income generated besides maintenance of registers.
- d. BLF should also maintain a register with the cluster name and year.
- e. The **District Resource Person (Farm)** must visit members with Horticulture Department officers and provide necessary **technical advice**.
- f. The **Assistant Project Officer (Livelihood)** should conduct monthly inspections to **monitor Utilization of cluster funds**, Maintenance of records, Adherence to planned activities and timelines.
- g. The Project Director, Mathi, shall randomly visit the operational cluster.
- h. The **PD (Mathi)** should conduct **monthly review** on functioning, repayment and earnings of the oilseeds cluster with APO (LH), DRP Farm, BMM and BC(LH).
- i. **Once in six months** progress should be reviewed in **convergence meeting** with the Line departments under the chairmanship of **District collector**.

14. Expected Benefits

- a. Increased income for SHG women farmers through collective farming resulting in higher production and improved access to markets and better prices.
- b. Bulk procurement of seeds, fertilizers, and pesticides reduces individual costs, while shared use of farm equipment contributes to overall savings.
- c. Aggregation & Value addition of produce enables better price negotiation with traders and buyers.

15. Way Forward

- a. Encourage more SHG members to adopt oilseed cultivation as a sustainable, income-generating activity, thereby fostering local employment and strengthening economic resilience in rural areas.
- b. Promote value addition among SHG women with quality standardisation, certification and attractive branded packaging utilising CFC.
- c. To promote marketing of Oil seed through retail and e-commerce platforms.

Annexure -1
District wise Target

S.No	District	No. of Clusters
1.	Tiruvannamalai	5
2.	Vellore	3
3.	Viluppuram	3
4.	Dharmapuri	3
5.	Ariyalur	3
6.	Salem	2
7.	Erode	2
8.	Namakkal	2
9.	Kallakurichi	1
10.	Virudhunagar	1
11.	Tirupattur	1
12.	Tiruchirappalli	1
13.	Nagapattinam	1
14.	Sivagangai	1
15.	Pudukkottai	1
Total		30

Approved by
Managing Director

Annexure -2

Recommendation for fund release from DMMU to BLF.

S. No.	Particulars	Details
1	Name of the Block	
2	Name of the Cluster	
3	Name of the Panchayat	
4	Grama Sabha approval date of selected Beneficiaries	
5	Date of Account opening	
6	Bank Name	
7	Branch Name and IFSC code	
8	Account Name as per bank passbook	
9	Account Number	
10	Secretary Name and Mobile Number	
11	Treasurer Name and Mobile Number	
12	Beneficiary eligibility (Sub format enclosed) for number of Beneficiaries whether verified	
13	Per member contribution in (Rs.)	
14	Conduct of Regular meeting	
15	Name of the Register Maintained	
16	Near by market (mentioned name and distance)	

Cluster formation and selection of beneficiaries are verified as per guidelines and Recommended for release of funds to the _____ cluster of _____ PLF in _____ Block through BLF.

**Block Coordinator
(LH)**

**Block Mission
Manager
Annexure -3**

**Asst. Project Officer
(LH)**

Sub Format for Eligibility of Beneficiary Identified***

S. No.	Particulars	Details
1	Name of the Beneficiary	
2	Name of the Husband/ Guardian	
3	Address	
4	Date of Birth/Age	
5	Mobile Number	
6	Name of the SHG	
7	Number of years as an SHG member	
8	NRLM member ID No.	
9	Community(SC/ST/MBC/BC/Others)	
10	Whether comes under special category (Diff. abled / Widows/Destitute widows)	
11	Aadhar card Number	
12	Smart card Number	
13	Do you have MGNREGA card?,If yes provide card number	
14	PIP Number and Category	
15	Bank Account Number	
16	Bank Name	
17	Branch Name and IFSC code	

18	Total area of Land owned / leased(Acres)	
19	Whether the member presently cultivates oil seed plants?	
20	Experience in oil seeds plants cultivation	
21	Area of land where oilseeds plants cultivation done (in cents)	
22	Any loan availed under livelihood activities a. Name of the scheme: b. Loan amount availed in Rs.	
23	Any overdue / NPA in Rs.	

I declare that the above details are correct and in line with my consensus.

Date :

Beneficiary

Signature

Place:

The above details were verified by me and found correct

Name of the CRP(Farm):

CRP(Farm) Mobile Number:

Signature of CRP(Farm):

Attachment:

1. Aadhar Card Xerox Copy
2. Smart Card Xerox Copy
3. MGNREGA Xerox card
4. SHG Resolution copy for the number of years as an SHG member
5. SHG Resolution copy not to be an office bearer in BLF/PLF
6. SHG Resolution copy for No overdue or NPA in any Bank/institution
7. Patta copy/Lease agreement copy
8. Copy of Personnel Bank account book first page
9. Selected Member grama saba approval copy

******* This format to be collected for each beneficiary separately and attached to the Annexure-1 for fund release to BLF.

Annexure-4:

TRIPARTITE AGREEMENT

This Tripartite Agreement is made on this ____ day of _____, 20__ at _____

Among:

1. Block Level Federation (BLF), a community-based organization constituted under the guidelines of the [Tamil Nadu Rural Livelihoods Mission], having its office at _____, represented herein by its Secretary, Selvi/Smt. _____, and treasurer, Selvi/Smt. _____, hereinafter referred to as the "First Party" (which expression shall, unless excluded by or repugnant to the subject or context, include its successors and permitted assigns);

AND

2. _____ Cluster, a collective of _____ cultivating SHG women farmers functioning under the aegis of the First Party, with its registered/recognized office at _____, represented by its Cluster Secretary, Shri/Smt. _____, and cluster treasurer, Selvi/Smt. _____, hereinafter referred to as the "Second Party";

AND

3. Selvi/Smt. _____, daughter/wife of _____, residing at _____, a member of the Self Help Group _____ under the jurisdiction of the above-mentioned BLF, hereinafter referred to as the "Third Party" or the "Beneficiary".

WHEREAS:

- The First Party is responsible for facilitating and overseeing _____ initiatives at the Block level.
- The Second Party manages implementation and support at the cluster level.
- The Third Party is a beneficiary of the scheme, participating through her Self Help Group (SHG).

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS UNDER:

1. Roles and Responsibilities

1.1 First Party (Block Level Federation) Shall:

- Facilitate capacity building, training, and support services for _____ (Agriculture/Horticulture/Sericulture/Animal Husbandry/Agriculture Engineering)
- Mobilize and release funds/grants/subsidies received under any government or non-governmental scheme to the Second and/or Third Party, as per approved norms.
- Release the _____ cluster funds of Rs. _____ received from the District Mission Management Unit to the Second Party's bank account within 7 days from the date of receipt of funds.
- Participate (through any one of its representatives) in the monthly meeting of the cluster and monitor the cluster activities and progress.
- Monitor the proper maintenance of registers by the cluster.
- Provide conflict resolution support and maintain oversight over operations.
- Monitor and evaluate the implementation of the project and ensure adherence to prescribed guidelines.

1.2 Second Party (_____ Cluster) Shall:

- Coordinate procurement, input supply, training, and market linkages.
- Maintain records of disbursements, training, production, and sales.
- Release of Rs. _____ against cultivation assistance, purchase of fertilizers and pesticides and other equipments to the Third Party's bank account within 7 days of receiving funds from the First Party.
- Monitor the utilization of the fund released to the Third Party for the above-mentioned purposes.
- Collect 6% interest from the Beneficiary starting from the ____ month onwards, Transferred to the First Party's Farm Cluster bank account.

1.3 Third Party (Beneficiary) Shall:

- Utilize the funds strictly for the purposes they are meant for and shall not divert the funds for consumption or personal purposes.
- Repay the loan with 6% interest starting from the ____ month from the date of receiving funds from the Second Party and pay only interest during the first ____ months.
- Properly maintain all assets acquired under the scheme and shall not sell or transfer them to outsiders without prior approval from the Second and First Parties.
- Participate in training, share production data, and allow inspections as required.
- Ensure cleanliness in _____ units, and follow standard protocols.

2. Duration

This Agreement shall remain in force till the repayment of loan unless extended by mutual consent or terminated earlier as per Clause 5.

3. Financial Terms

Disbursement and utilization of funds shall follow the instalment structure detailed in Section 1.2.

All repayments with interest shall be made as per the repayment schedule.

Refer to Annexure A for detailed repayment schedule.

4. Dispute Resolution

Disputes, if any, shall be resolved amicably at the Panchayat level first. If unresolved, they shall be escalated to the Block Level Committee under the [Tamil Nadu Rural Livelihoods Mission].

5. Termination

This Agreement may be terminated:

- By mutual consent of all parties;
- By the First Party upon breach or non-performance by the Second or Third Party;
- By the Third Party upon return of all assets and repayment of funds as applicable, with 30 days written notice.

6. Miscellaneous

The Agreement does not constitute an employment or agency relationship.

All annexures, rules, guidelines, and communications relating to the scheme are binding components of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Signature of First Party (BLF Secretary)

Name: _____

Seal: _____

Signature of First Party (BLF treasurer)

Name: _____

Seal: _____

Signature of Second Party (Cluster Secretary)

Name: _____

Seal: _____

Signature of First Party ((Cluster

treasurer)

Name: _____

Seal: _____

Signature of Third Party (Beneficiary)

Name: _____

SHG Name: _____

Witnesses:

1. _____ (Name & Address)

2. _____ (Name & Address)

Annexure A: Repayment Schedule

Name of the cluster or Activity:

Name of the Beneficiary with Father or Husband Name:

Name of the SHG:

Total Loan Amount:

Interest rate:

Repayment period:

S. No.	Month	Repayment Amount (Rs.)		Total amount to be repaid
		Principal	Interest	
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
	Total			

Signature of the BLF Secretary

Signature of Cluster Secretary

Signature of the Beneficiary

Annexure-5: BIPARTITE AGREEMENT

This Bipartite Agreement is made on this ____ day of _____, 20__ at _____

Among:

1. Block Level Federation (BLF), a community-based organization constituted under the guidelines of the [Tamil Nadu Rural Livelihoods Mission], having its office at _____, represented herein by its Secretary, Selvi/Smt. _____, and treasurer, Selvi/Smt. _____, hereinafter referred to as the "First Party" (which expression shall, unless excluded by or repugnant to the subject or context, include its successors and permitted assigns);

AND

2. _____ Cluster, a collective of _____ cultivating SHG women farmers functioning under the aegis of the First Party, with its registered/recognized office at _____, represented by its Cluster Secretary, Shri/Smt. _____, and cluster treasurer, Selvi/Smt. _____, hereinafter referred to as the "Second Party or the "Beneficiary ";

WHEREAS:

- The First Party is responsible for facilitating and overseeing _____ initiatives at the Panchayat level.
- The Second Party manages implementation and support at the cluster level.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS UNDER:

1. Roles and Responsibilities

1.1 First Party (Block Level Federation) Shall:

- Release the value addition amount of Rs. _____ received from the District Mission Management Unit to the Second Party's bank account.
- Participate (through any one of its representatives) in the monthly meeting of the cluster and monitor the cluster value addition activities and progress.
- Monitor the proper maintenance of assets and registers by the cluster.
- Provide conflict resolution support and maintain oversight over operations.
- Monitor and evaluate the procurement process as per community procurement guidelines of TNVKP.

1.2 Second Party (_____ Cluster) Shall:

- Arrange Value addition infrastructure, Procurement of machinery, working space and creating market linkages.
- Maintain records of disbursements, production, and sales.
- Release of Rs._____ against procurement of Value addition infrastructure, Procurement of machinery and Lease /rent
- The procurement process should be followed as per community procurement guidelines of TNVKP.
- Repay the loan with 6% interest starting from the ____ month onwards, to the First Party's Farm Cluster bank account.

2. Duration

This Agreement shall remain in force till the repayment of loan unless extended by mutual consent or terminated earlier as per Clause 5.

3. Financial Terms

Disbursement and utilization of funds shall follow the instalment structure detailed in Section 1.2.

All repayments with interest shall be made as per the repayment schedule.

Refer to Annexure B for detailed repayment schedule.

4. Dispute Resolution

Disputes, if any, shall be resolved amicably at the Block level first. If unresolved, they shall be escalated to the DMMU under the [Tamil Nadu Rural Livelihoods Mission].

5. Termination

This Agreement may be terminated:

- By mutual consent of all parties;
- By the First Party upon breach or non-performance by the Second
- By the Second Party upon return of all assets and repayment of funds as applicable, with 30 days written notice.

6. Miscellaneous

The Agreement does not constitute an employment or agency relationship.

All annexures, rules, guidelines, and communications relating to the scheme are binding components of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Signature of First Party (BLF Secretary)

Name: _____

Seal: _____

Signature of First Party (BLF treasurer)

Name _____

Seal: _____

Signature of Second Party (Cluster Secretary) Signature of First Party ((Cluster
treasurer)

Name: _____ Name _____
Seal: _____ Seal: _____

Witnesses:

1. _____ (Name & Address)
2. _____ (Name & Address)

Annexure B: Repayment Schedule

Name of the cluster or Activity:

Total Loan Amount:

Interest rate:

Repayment period:

S. No.	Month	Repayment Amount (Rs.)		Total amount to be repaid
		Principal	Interest	
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
	Total			

Signature of the BLF

Secretary & Treasurer

Signature of Cluster

Secretary and Treasurer