



SFAC
लघु कृषक
कृषि व्यापार संघ



बैंक ऑफ़ बड़ोदा
Bank of Baroda
India's International Bank

Memorandum of Understanding

Bank of Baroda

And

Small Farmer Agri-Business Consortium (SFAC)

For

**Comprehensive Growth and Development of
Farmer Producer Organizations**





Memorandum of Understanding

THIS MEMORANDUM OF UNDERSTANDING made this Seventh day of February, 2018

BETWEEN

Bank of Baroda, having its Head Office at Mandvi, Baroda-390006, India

AND

Small Farmers' Agribusiness Consortium (SFAC), a registered Society promoted by the Department of Agriculture and Cooperation, Ministry of Agriculture, Govt. of India, having its Head Office at NCUI Auditorium, August Kranti Marg, HauzKhas, New Delhi-110016, INDIA (hereinafter referred to as SFAC)

Whereas Bank of Baroda constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970, having its Head Office at Mandvi, Baroda and its Corporate Office at Baroda Corporate Centre, C-26, G-Block, BandraKurla Complex, Bandra (East), Mumbai, (hereinafter referred to as the bank which expression unless repugnant to the context shall always mean and include its successors and permitted assigns), through a duly authorized officer in this behalf of the other PART.

Whereas SFAC, a society involved in Agri-business promotion by encouraging institutional and private sector investments and linkages to ensure the empowerment of farmers in India.

AND WHEREAS Bank of Baroda and SFAC are desirous of entering into a collaborative relationship for promoting interest of the Indian farming community.

NOW THEREFORE in consideration of the undertakings set forth herein, Bank of Baroda and SFAC agree as follows:

1.0 ESSENCE OF THE RELATIONSHIP

- 1.1 This Memorandum of Understanding (MOU) establishes a commitment of Bank of Baroda and SFAC to achieve meaningful collaboration to mutually support and advance the respective initiatives for the development of Farmer Producer Organizations (FPOs).
- 1.2 This MOU is intended to establish cooperation between Bank of Baroda and SFAC without leading to creation of any legally binding obligation whatsoever, on either Party. Each Party to this MOU is free to undertake similar initiatives with any other organization engaged in promoting common interests.



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2.0 AREAS OF COLLABORATION

Bank of Baroda and SFAC agree to explore innovative and effective strategies for joint action mainly in the following areas:

- 2.1 Promotion of new and vibrant Farmer Producer Organizations (FPOs) in the country as well as strengthening of the existing FPOs. Bank of Baroda shall explore the possibility of extending credit to Farmer Producer Companies in the state of Maharashtra. SFAC intern shall extend Credit Guarantee Scheme to these Farmer Producer Companies on merits under the scheme.
- 2.2 Development of sustainable financing mechanisms for FPOs, partnering with other financing institutions and setting bench marks/ standards for efficient functioning of FPOs.
- 2.3 Provision of support services for FPOs including training, HRD, marketing linkages and any other form of capacity building necessary for effective management of FPOs.
- 2.4 Documentation of successful models, knowledge sharing, publication of reports, newsletters, other relevant publications, etc. for wider dissemination of information.
- 2.5 Policy advocacy at the State and National level to enhance support for FPOs among diverse stakeholders.
- 2.6 Collaboration with academic institutions, international organizations, civil society organizations and other stakeholders to promote and strengthen agri value chain through the concept of FPOs.
- 2.7 To support and facilitate preparation of bankable Project Reports/ DPRs, etc. And access funds for promotion and strengthening of FPOs.
- 2.8 To facilitate monitoring of business performance of FPOs, member's empowerment/ growth and socio-economic impact of aggregation/ collectivization model.
- 2.9 To undertake all other necessary measures which directly or indirectly contribute in the overall development of FPOs and strengthen their functioning in the country.
- 2.10 Extending benefit of relevant schemes/ other initiative of SFAC to projects funded directly by Bank of Baroda or to such other initiatives concerning development of FPOs.



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3.0 FINANCIAL OBLIGATIONS

- 3.1 This MOU shall not impose any financial commitment or financial liability on Bank of Baroda and SFAC of any nature, whatsoever.
- 3.2 Bank of Baroda and SFAC shall bear their own costs and expensed unless otherwise mutually arranged and agreed to in writing. Neither Bank of Baroda nor SFAC is authorized or empowered to obligate or to incur any costs or expenses on behalf of the other.

4.0 SPECIFIC AGREEMENTS

- 4.1 Any agreement reached between Bank of Baroda and SFAC as a result of collaborative efforts outlined under section 2 of this MOU shall be the subject of a separate Specific Agreement between Bank of Baroda and SFAC.
- 4.2 All Specific Agreements shall clearly set out the rights and obligations of Bank of Baroda & SFAC and shall constitute a separate and distinct agreement between the parties.

5.0 TERM

- 5.1 This MOU shall come into force and effect from the data of execution and shall be valid for three years, unless renewed in writing by the mutual consent between Bank of Baroda and SFAC.
- 5.2 During the term Bank of Baroda and SFAC may terminate this MOU by giving thirty (30) days written notice to the other.
- 5.3 Bank of Baroda and SFAC agree that any Specific Agreement reached between the Parties as a result of this MOU, is not impacted by the termination of this MOU and the terms of such Specific Agreement are binding on Bank of Baroda and SFAC.

6.0 DISPUTE RESOLUTION

- 6.1 Any dispute concerning the interpretation and implementation of this MOU shall be resolved through mutual consultation and shall not be referred to a court, tribunal or any other third party for settlement without first having resort to the provisions therein.

7.0 GENERAL

- 7.1 No change or amendment to this MOU is valid unless it is agreed to in writing by both, Bank of Baroda and SFAC.



Handwritten signature





- 7.2 No part of this MOU may be assigned to a third party either by Bank of Baroda or SFAC without the written consent of the other.
- 7.3 This MOU constitutes the entire understanding between Bank of Baroda and SFAC. Bank of Baroda shall be a preferred banker for SFAC in the state of Maharashtra for promotion of FPOs. SFAC shall not in any way be bound not to enter into similar agreement with other entities.

IN WITNESS WHEREOF, Bank of Baroda and SFAC have caused this MOU to be executed by the duty authorized individuals named hereunder as of the day and year first written above.

Bank of Baroda

Signature



Name: Shri B.R. Patel

Title: General Manager
Head-Rural & Agri Banking and CSR

Date: 07.02.2018

Place: Pune, Maharashtra

Small Farmers' Agribusiness Consortium

Signature

Name: Shri Sumanta Chaudhuri, IAS

Title: Managing Director

Date: 07.02.2018

Place: Pune, Maharashtra

SUMANTA CHAUDHURI, IAS
Managing Director
Small Farmers Agri-Business Consortium
Ministry of Agriculture & Farmers' Welfare
Government of India