



SFAC
लघु कृषक
कृषि व्यापार संघ



Memorandum of Understanding
Between
State Bank of India
And
Small Farmer Agri-Business Consortium
For
Comprehensive Growth and Development
of
Farmer Producer Companies





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Memorandum of Understanding

THIS MEMORANDUM OF UNDERSTANDING made this First day of June, 2018

BETWEEN

State Bank of India, incorporated under the State Bank of India Act, 1955, having its Corporate Office at Madame Cama Road, Nariman Point, Mumbai – 400021, (hereinafter referred to as the Bank which expression shall unless repugnant to the context shall always mean and include its successors and permitted assigns), through Shri Alok Kumar Choudhary, Chief General Manager, a duly authorized officer in this behalf of the other PART.

AND

Small Farmers' Agribusiness Consortium), a Registered Society promoted by the Department of Agriculture, Cooperation & Farmers Welfare (DAC&W), Ministry of Agriculture & Farmers Welfare, Govt. of India, represented by its Managing Director having its Head Office at NCU Auditorium, August Kranti Marg, Hauz Khas, New Delhi-110016, INDIA (hereinafter referred to as SFAC)

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 State Bank of India 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, State Bank of India and SFAC agree as follows:

1.0 ESSENCE OF THE RELATIONSHIP

- 1.1 This Memorandum of Understanding (MOU) establishes a commitment of State Bank of India and SFAC to achieve meaningful collaboration to mutually support and advance the respective initiatives for the development of Farmer Producer Companies (FPCs).
- 1.2 This MOU is intended to establish cooperation between State Bank of India 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

State Bank of India 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 Companies (FPCs) in the country as well as strengthening of the existing FPCs. State Bank of India shall explore the possibility of extending credit to Farmer Producer Companies in the states of Karnataka, West Bengal and Madhya Pradesh. SFAC in turn shall extend Credit Guarantee Scheme to these Farmer Producer Companies on merits under the scheme.
- 2.2 Development of sustainable financing mechanisms for FPCs, partnering with other financing institutions and setting bench marks/ standards for efficient functioning of FPCs.
- 2.3 Provision of support services for FPCs including training, HRD, marketing linkages and any other form of capacity building necessary for effective management of FPCs.
- 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 FPCs 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 FPCs.
- 2.7 To support and facilitate preparation of Bankable Project Reports/ DPRs, etc. And access funds for promotion and strengthening of FPCs.
- 2.8 To facilitate monitoring of business performance of FPCs, 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 FPCs and strengthen their functioning in the country.
- 2.10 Extending benefit of relevant schemes/ other initiative of SFAC to projects funded directly by State Bank of India or to such other initiatives concerning development of FPCs.





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3.0 FINANCIAL OBLIGATIONS

- 3.1 This MOU shall not impose any financial commitment or financial liability on State Bank of India and SFAC of any nature, whatsoever.
- 3.2 State Bank of India and SFAC shall bear their own costs and expensed unless otherwise mutually arranged and agreed to in writing. Neither State Bank of India 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 State Bank of India 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 State Bank of India and SFAC.
- 4.2 All Specific Agreements shall clearly set out the rights and obligations of State Bank of India & 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 date of execution and shall be valid for 3 (Three) years, unless renewed in writing by the mutual consent between State Bank of India and SFAC.
- 5.2 During the term State Bank of India and SFAC may terminate this MOU by giving thirty (30) days written notice to the other.
- 5.3 State Bank of India 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 State Bank of India 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.





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7.0 GENERAL

- 7.1 No change or amendment to this MOU is valid unless it is agreed to in writing by both, State Bank of India and SFAC.
- 7.2 No part of this MOU may be assigned to a third party either by State Bank of India or SFAC without the written consent of the other.
- 7.3 This MOU constitutes the entire understanding between State Bank of India and SFAC. State Bank of India shall be a preferred banker for SFAC in the state of Karnataka, West Bengal and Madhya Pradesh for promotion of FPCs. SFAC shall not in any way be bound not to enter into similar agreement with other entities.

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

Small Farmers' Agribusiness Consortium

State Bank of India

Signature

Signature

Name: **Sumanta Chaudhuri**

Name: **Alok Kumar Choudhary**

Title: Managing Director

Title: Chief General Manager

Date: 1st June, 2018

Date: 1st June, 2018

Place: New Delhi

Place: New Delhi

