

Memorandum of Understanding

This Memorandum of Understanding (“MoU”) is executed on this day 13th of September, 2021, by and between:

SMALL FARMERS AGRIBUSINESS CONSORTIUM, an Autonomous Society promoted by the Ministry of Agriculture and Farmers Welfare, Government of India, registered under the Societies Registration Act, 1860 (XXI of 1860), having its registered office in NCUI Auditorium Building, 5th Floor, 3, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi – 110016 (hereinafter referred to as the “**SFAC**” which expression shall, wherever the context permits and requires and unless repugnant to the context or contrary to the meaning thereof, be deemed to mean and include its successors-in-interest and permitted assigns) of the **FIRST PART**.

and

SAMUNNATI AGRO SOLUTIONS PRIVATE LIMITED, a company registered under the Companies Act, 2013, having its registered office at Baid Hi Tech Park, 8th Floor, No.129-B, East Coast Road, Thiruvanniyur, Chennai-600 041 (hereinafter referred to as the “**Samunnati**” which expression shall, wherever the context permits and requires and unless repugnant to the context or contrary to the meaning thereof, be deemed to mean and include its successors-in-interest and permitted assigns) of the **SECOND PART**.

The expressions SFAC and Samunnati shall be individually referred to as a “**Party**” and collectively referred to as “**Parties**”, wherever the context requires and permits.

Background

A. Whereas SFAC is a pioneer in organising small and marginal farmers as Farmers Interest Groups, Farmers Producers Organisation (“**FPO**”) and Farmers Producers Company (“**FPC**”) for endowing them with bargaining power and economies of scale. It provides a platform for increased accessibility and cheaper availability of agricultural inputs to small and marginal farmers and in establishing forward and backward linkages in supply chain management;

and

B. Whereas Samunnati is a subsidiary of Samunnati Financial Intermediation & Services Private Limited (“**SamFin**”), a non-banking financial company registered under Section 45-IA of the Reserve Bank of India Act, 1934. Samunnati is an organization having a mission to make markets work for

smallholder farmers, and since inception, Samunnati Group (Samunnati and SamFin) has provided customized financial and non-financial solutions to 1000+ FPOs, FPCs, and farmer collectives and 1000+ agri enterprises;

C. Whereas Samunnati through its AMLA (Aggregation, Market Linkage and Advisory) approach has worked on building an enabling ecosystem for FPOs and other small farmer collectives. Samunnati's customized agri-finance solutions and advisory services are made to suit the specific requirements of individual FPOs. In the past three years, Samunnati has financed over 250 FPOs, disbursing over INR 150 crores. The most recent initiative, FPOnEXT, is a platform to provide access to financial solutions, market linkages, value added services, technology interventions and other on-tap services to member FPOs. FPO Gateway allows FPOs to capture and manage member farmer data digitally and manage business operations in a transparent and seamless manner. Samunnati's innovative approach to support FPOs enables the organization to deliver a bouquet of products in a structured manner, aligning to the goals and mission of growth of the agricultural ecosystem of India.

C. Whereas SFAC has created various schemes for the benefit of FPOs and farmer collectives including but not limited to:

- (i) Credit Guarantee Fund Scheme;
- (ii) Equity Grant Scheme;
- (iii) Agri-Business Development through Venture Capital Assistance and Project Development Facility; and
- (iv) Extending financial support for preparation of bankable Detailed Project Reports. (collectively referred to as "Schemes");

D. Whereas Samunnati wishes to collaborate with SFAC, as it recognizes the various benefits that such Schemes would bring to FPOs, and has approached SFAC to offer its assistance in order to increase the access of such Schemes to the FPOs in the manner contemplated in this MoU and

E. Whereas the Parties wish to record their understanding, in writing, of the proposed collaboration and the roles and responsibilities of each of the Parties.

IN CONSIDERATION OF THE TERMS, CONDITIONS AND COVENANTS CONTAINED HEREIN, NOW, THEREFORE, THIS MEMORANDUM OF UNDERSTANDING WITNESSETH AND IT IS HEREBY MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. Support to be provided by Samunnati:

Samunnati will provide the following support to SFAC under this MoU:

- (a) Samunnati to assist SFAC in originating and on-boarding eligible beneficiaries for the Schemes, including but not limited to Credit Guarantee Fund, Equity Grant Scheme, etc.
- (b) Collaborate with and on-board Scheduled Commercial Banks to become Eligible Financial Institutions in the Credit Guarantee Fund.
- (c) Leverage Samunnati's strong network of FPOs, other farmer collectives and Agri SMEs to increase penetration of the Schemes to the targeted beneficiaries.
- (d) Assist the FPOs and other beneficiaries in processing the applications under the relevant Scheme and working with financial institutions, in this regard, thus handling the end-to-end process at Samunnati's own cost.
- (e) Facilitate sanction of loans to FPOs and other beneficiaries by Eligible Financial Institutions and present such cases to SFAC for obtaining benefits under the applicable Scheme of assistance from SFAC.
- (f) Any other activity that SFAC and Samunnati can mutually agree on, that would be beneficial in propagating the Schemes and their benefits to the agri eco-system.

2. It is agreed by the Parties that all of the aforementioned support provided by Samunnati will be done at no cost to SFAC or to the FPOs brought under the purview of various schemes by SFAC. Thus, there is no consideration attached to the present MoU.

3. This MoU shall be valid for a period of three years from the date of signing unless terminated earlier by either party on providing 30 days prior notice.

4. Each of the Parties will do as is necessary and possible in good faith and in compliance with the laws, rules and regulations applicable to such Party to give effect to the terms of this MOU.

5. Dispute Resolution

It is agreed between the Parties that all disputes arising out of and pertaining to this MoU shall be resolved amicably between the parties.

6. Representations And Warranties

Each Party hereby represents and warrants to the other Party that:

- a) it has full power and authority to enter this MOU and to perform its obligations under this MOU;
- b) the execution, delivery and performance by such Party of this MOU and the acts and transactions contemplated hereby do not and will not, with or without the giving of notice or lapse of the or both, violate, conflict with, require any consent under or result in a breach of or default under:
 - (i) any applicable law; or
 - (ii) any order, judgment or decree applicable to it; or
 - (iii) any term, condition, covenant, undertaking, agreement or other instrument to which it is a party or by which it is bound.

7. Limitation of Liability

In no event shall either party be liable to the other party, for punitive, exemplary, incidental, indirect, special or consequential damages of any kind, including, without limitation, the cost of cover, loss of profit, use, savings or revenue, or the claims of third parties, whether based on breach of contract, tort (including negligence), product liability or otherwise, and whether or not the party has been advised of the possibility of such loss.

8. No Binding Effect

This MOU does not create any legally binding obligation upon the Parties. Notwithstanding anything to the contrary of this MOU, the Parties shall not have any obligation to negotiate and execute any other agreements.

9. No Partnership

Nothing in this MOU shall be deemed to constitute a partnership between the Parties or constitute any Party the agent of any other Party for any purpose or entitle any Party to commit or bind any other Party in any manner or give rise to fiduciary duties by one Party in favour of any other.

10. Severability

If any provision embodied in this MOU appears to be legally invalid or null/void, the Parties will replace such provision, considering the nature and contents of this MOU, the way consensus is reached, the mutually known interests of both Parties as well as the other relevant circumstances, by a provision which is not unreasonably onerous to any party and approximates

the meaning of the legally invalid provision as closely as possible.

11. Assignment

Neither Party shall be entitled to assign or transfer or purport to assign or transfer any of its rights or obligations under this MOU, except with the prior written consent of the other Party concerned.

12. Amendment

This MOU may be amended, supplemented or modified only by a written instrument, duly executed by each Party.

For and on behalf of **SMALL FARMERS AGRIBUSINESS CONSORTIUM**

Name: *Mr. (Neel Kamal Darbari) IAS*

Designation: *MD - SFAC.*

NEEL KAMAL DARBARI, IAS
Managing Director

Small Farmers Agri-Business Consortium
Ministry of Agriculture & Farmers Welfare
Govt. of India

For and on behalf of **SAMUNATI AGRO SOLUTIONS PRIVATE LIMITED**

Name: *SG Anil Kumar*

Designation: *Founder & CEO.*

