

Venture Capital Assistance Scheme

- **Venture Capital Assistance**

Small Farmers' Agri-Business Consortium (SFAC) would provide Venture Capital to qualifying projects on the recommendations of the bank/financial institution financing the project. This venture capital will be repayable back to SFAC after the repayment of term loan of lending bank/financial institution as per original repayment schedule or earlier.

Qualifying Projects

- The project should be in agriculture or allied sector or related to agricultural services. Poultry and dairy projects are also covered under the scheme.
- The project should provide an assured market to farmers/producer groups.
- The project should encourage farmers to diversify into high value crops.
- The project should be accepted by banks/financial institutions for grant of term loan.

Eligible Cost of Project

- Minimum Rs. 10.00 lakh
- Maximum upto Rs. 500.00 lakh

Higher Venture Capital Assistance can be considered by SFAC to deserving projects on merit provided:

- Provision for higher VCA has been appraised and approved by the sanctioning authority of term loans, subject to a maximum of Rs. 3.00 crore.
- The total cost of the project is not more than Rs. 10.00 crore.
- The projects are located in the North Eastern Region (NER) and other pre-identified districts declared backward by the Backward Regions Grant Fund Scheme.

The beneficiary will repay the Venture Capital in lump sum to SFAC after full repayment of the bank's term loan as per the original schedule, or earlier.

Eligible Financing Institutions

All banks/financial institutions notified by the Reserve Bank of India where the ownership of the Central/State Governments is more than 50% such as nationalised banks, SBI & its subsidiaries, IDBI, SIDBI, NABARD, NCDC, NEDFi, RRBs & State Financial Corporations.

Implementation Period

The Scheme will be implemented during 2012-17 in the XII Plan with a central assistance of Rs. 500.00 Crores.

Implementation Agency

The Scheme will be implemented by Small Farmers' Agribusiness Consortium (SFAC), a registered society functioning under Department of Agriculture & Cooperation, Ministry of Agriculture.

Arbitration

In any case of dispute, if any, arising out of this MOU may be resolved through mutual consultation failing which it may be done by way of arbitration by a sole arbitrator chosen by the bank/FI and SFAC as per arbitration and conciliation Act, 1996 and venue of the Arbitration will be New Delhi.