

**Agenda item: Meeting with W/ACS(I&C) on 23.01.2023 at 01.00 PM on Setting up of Venture Capital Fund to promote entrepreneurship and support to youth in establishing start-ups in terms of financial assistance as well as developing market linkages across Haryana.**

**General Components of Agenda:**

**Agenda Item 1: Subject**

Setting up of a Venture Capital Fund to promote entrepreneurship and support the youth in establishing start-ups in terms of financial assistance as well as developing market linkages across Haryana.

**Agenda Item 2: Background**

- The Directorate of MSME undertook series of discussions with Small Industries Development Bank of India (SIDBI) and subsequent discussions with the SIDBI Venture Capital Limited (SVCL) for setting up of the Atmanirbhar Fund, which will be managed by SVCL.
- The fund will have a targeted corpus of Rs.350 Crores (including green shoe option of Rs.100 Crores) as per the following details:
  - i. SIDBI – Rs.50 Crs.
  - ii. Govt. of Haryana - Rs.100 Crs.
  - iii. Fund of Funds for Start-ups – Rs.50 Crs.
  - iv. Other Investors/ PSUs/Multilateral Investors – Rs.150 Crs.

SIDBI has already given in-principal approval for contribution of Rs.50 Crores (including sponsor commitment) and is acting as sponsor to Aatmanirbhar Fund. Hon'ble Chief Minister of Haryana has approved both the proposal for setting up of a Venture Capital Fund and formation of a committee for the Venture capital Fund on 16.12.22. The proposed committee is as follows

<b>Sr. No.</b>	<b>Officer</b>	<b>Designation</b>
1	Additional Chief Secretary to Government of Haryana, Industries and Commerce	Chairman
2	Additional Chief Secretary to Government of Haryana, Technical Education & Higher Education	Member
3	Special Secretary to Government of Haryana (IT)	Member
4	Representative of Additional Chief Secretary (Planning)	Member
5	Director General, Directorate of MSME, Haryana	Member Secretary

This fund shall be actively engaged in providing the seed capital and revenue capital funding for promoting the start-up ecosystem in Haryana and for focusing on bringing investments in Haryana by providing a conducive environment for business development.

### **Agenda Item 3: Current Status**

The Atmanirbhar Fund has already been registered with SEBI – Registration number IN/AIF1/22-23/1117 dated August 18, 2022. The Fund has already executed Contribution Agreement (CA) with SIDBI on November 17, 2022, for ₹50 crore. The Fund has also applied to SIDBI FoF for Start-ups and an amount of ₹62.50 crore is expected to be sanctioned shortly. The Fund has also applied to various multi-lateral Agencies viz. IFC, DEF, KFW, etc. for contribution to the Fund.

The contribution Agreement Format and the letter of intent format has been shared with the Directorate of MSME, Haryana.

### **Agenda Item 4: Way forward (steps)**

1. Haryana Govt. to issue the Letter of Intent indicating the amount sanctioned.
2. Haryana Govt. to approve the Contribution Agreement (CA) format, already shared.
3. Haryana Govt. to nominate an official of the Govt. to execute the Contribution Agreement.
4. Contribution Agreement to be executed between SIDBI Venture Capital Limited (SVCL), SIDBI Trustee Company Limited (STCL) and Haryana Govt. / designated Govt. department, by the hands of the nominated official.
5. Fund to be immediately operationalized with the announcement of initial close under intimation to SEBI.
6. Investment Committee of the Fund to be constituted (simultaneously with the above step), consisting of independent members, Contributor representative and SVCL CEO/representative.
7. After initial closing, the Fund over a period would issue a drawdown notice to the contributors and draw the Funds as and when they make investments.