

Source/Strategies for Finance and Marketing

W4L2: Venture Capital Opportunities

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Hello, friends. In today's class, we will be discussing about venture capital opportunities which are available, especially for the agriculture sector, which are being operated in exclusively in agriculture sector. The venture capital assistance scheme of government of India under the name of small farmers agribusiness Consortium. What the government has done, they have made a list of banks, and they have entered into an memorandum of understanding with this list, which is visible on the screen, so that they will be providing the necessary capital assistance for the innovative ideas, innovative ideas under this particular scheme of government of India, that is, small farmers agribusiness consortium. So when we look into salient features of the scheme, who are eligible under this scheme. Assistance under this particular scheme is available to maybe it is individuals, farmers, self help groups, companies, then farmer producer companies, Agripreneurs, units in agri export zones, partnership or proprietary firms and the agriculture graduates individually or in groups, all are eligible to get the venture capital assistance under this scheme by the list of banks that what we have already seen. So what should be the nature of qualifying projects under this particular scheme? The project should be on agriculture and allied sector related to any of the sectors associated with agriculture or related to agriculture services, also. Poultry and dairy projects are also covered under these schemes because we consider them as the allied sectors of agriculture. The project should provide an assured market to the farmers or the producer groups, or the groups of farmers, that what we can say, and the project should encourage the farmers to diversify into high value crops. May be it is an advisory service, or you can deliver some goods in the form of maybe seeds or fertilizers or whatever it is, but that should end up with diversification of high value crops. Then the project should be acceptable by the banks of the financial institutions for grant of term loans. A minimum of 15 lakhs and in case of hilly areas, especially in the North East region, it is of 10 lakhs and maximum of five crore rupees or 500 lakh financial assistance is available under this particular scheme. The higher venture capital assistance can be considered by SFSC, small farmers agribusiness consortium to diversifying projects on merits, on merit basis, provided the provision of higher venture capital assistance, which has been appraised and approved by the sanctioning authority of the terms of Loans subject to a maximum of three crores, and the total cost of the project is not more than 10 crores. So this is what is the limit that the government is fixing? So this is under special circumstances.

Then if you are not familiar with writing the project proposal, so project development facility is also being provided under this particular scheme. This PDF, any project development facility provides the financial support to the farmers or the farmer producer organizations or the companies, Agripreneurs, or the units under agri export zones, etc, so so that for preparing the bankable DPRs or the detailed project reports for which the beneficiary may approach any of the institutions, like state level, small farmers, agribusiness consortium offices or the banks or empowered consultants of SFSC, which is available on the website of SFSC, you can directly approach them or the central SFSC unit so that you can get assistance in development of detailed project report to submit to the banks and get the financial assistance. So here I am making an effort to put before you the nature of the products and the services, what the institution is financing. It may be related to the agricultural production or the processing, etc. So if you look into the activity based breakup of these projects, so it may be on agriculture sector, horticulture sector, or in animal husbandry sector, food processing sector, all these areas are covered. And if you look into the states, also, majority of the states are taking active participation. But the top among them are the Maharashtra, Gujarat, Uttar Pradesh, Karnataka, Chhattisgarh. These are most of the majority of the dominant states. The small states may be like Goa, Gujarat, sorry, Mizoram, Jharkhand, Tripura, are having the least participation under this particular scheme.

Then, if you look into the participation of the banks, State Bank of India is providing maximum number of projects, as per the data available to previous years, that is 643, projects were sanctioned by then, similarly, all the banks which are participating in this so that this gives us an idea that key financial institutions are ready to finance such ideas. So that may include the what is that the commercial banks or the public sector banks, or the corporate sector banks, are also taking role in this particular activity, this is what we can see. Then coming to another institution that is National Innovation Foundation, set up in march 2000 under Department of science and technology government of India. The basic idea behind this national innovation Foundation is to document the technological ideas and innovations by the traditional practitioners or the farmers. So as a part of this program, they have made the survey of 625 districts so far and documented more than three lakh, 25,000 technological ideas, or the innovations of the farmers, and they are being commercialized now so that is the another important part of that. This particular institution that is NIF, has filed an application for 78 varieties under PPVFR protection of plant varieties and farmers rights authority, and they have filed patent for six 1250 ideas, and of which 306 patents have already been granted, and 18 trademarks and designs have already been granted by the competent authorities, and all these ideas are of the farmers or the grass root level innovators. So their ideas are being recorded, and these ideas are

being recognized, and in the next stages, they are being commercialized. The areas in which that NIF incubation and entrepreneurship council so it is providing the technology business incubator, It is registered as the section eight company under the Companies Act 2013 so established in 2015 with the financial support from the Department of science and technology for incubation and commercialization of technological ideas and innovations of grass root innovators and students across the country. So that is, what is the unit under the NIF which is taking up this particular activity. The core offering of this particular initiative is the Business and Technology mentoring of the students, or the farmers, whosoever submitting their ideas, then business promotion and networking, because as a farmer, he might not be that he might not be having that much of power to enter into the market and enter into the networking processes. That is why these institutions is facilitating that. Then capacity building and enhancement of the skills of the stakeholders, then regulatory and compliance assistance for the specific needs of that particular venture that you are beginning with. Then technology transfer and commercialization support also is being given by this NIF incubation and entrepreneurship Council, and technology prototyping and validation is another major activity taken up by this NIF incubation entrepreneurship council. So here you can submit the ideas and you can get the support from this kind of institutions. So this is just for your information. Then, as I was mentioning about, this venture capital fund under SIDBI, small industrial development bank of India, if you visit this particular site, you can find various project reports, the models of project reports also, and how to write that project report and how to submit it, all these details, in detail that they are providing, and it is under the public domain, so that you can get the benefits out of that. With this brief background now, let us come to the private initiatives as a venture capital funding opportunities in agriculture sector. This Ankur capital is one of such companies which is having registered office in Mumbai. It provides flexible capital suited to creating the biggest impact in agriculture sector, basically they are focusing on the agritech, food, healthcare and the financial issues and the logistics, especially focusing these areas. Ankur capital is one of them. Then Captain fresh a company, Bengaluru based venture capital company. So their specialization is providing venture capital assistance for the seafood, fish and all the marine products. Then veg grow is another Bangalore based company. So they are focusing on business of fresh fruits and vegetables. So they are giving venture capital assistance in this particular sector of fruits and vegetables. Then TBH, is Noida based company near Delhi. So they have developed a technique like vacuum frying of okra, tomatoes, beetroot, sweet potato and others, and they are creating a category of processed foods, much like potato chips, and over time, creating an impact in vegetable and fruit value chains. They are enhancing their shelf life, and they are taking it to the market by providing the venture capital funds. Then Cropin is another company, so which is facilitating the data flow between the farmers and aggregators in supply chain

management, thereby benefiting both the primary producers and the aggregators, or the market institution agencies. So they are basically the database providing company so that the information shared between these two units definitely it helps in enhancing their markets. Then Suma Agro is another venture capital fund which is basically water soluble, liquid, organic, soil, nutrient and conditioners. So basically it is just like it is used as the fertilizer, and they are providing the funds under this particular sector so that you can develop these kind of products. Big

Haat is connecting the farmers to verified suppliers directly and reducing the travel periods required to procure the inputs. So this is the biggest benefit for the farmers that you can say. So they have their ventures in cities like Kota, Hyderabad, Bangalore. So basically they are establishing the multi-brand agri e-store. Also, as I mentioned earlier, so they are connecting the farmers directly to the suppliers, so that there is a buyer and there is the person who can sell his produce, and they are bringing both of them together on the common platform. So this is the biggest service that what we can think. Then Mumbai, there is another company that agricx. So they are involved in quality assessment processes with user friendly mobile application that uses computer vision and artificial intelligence basically yielding objective, accurate and faster quality assessment processes so that it can benefit the farmers, the traders and the processors. So because quality is one of the important issue for the buyers, any the processors, maybe the traders, so that they have to take the product to different levels and different markets where the quality is the basic thing. So they with these mobile applications, are helping these aggregators and the people. Then TESSOL is another member based company with the use of this fuel free refrigeration technology. It is based on energy storage and elimination of fossil fuels. So this is means they are into this particular storage of the food that is developed by the that is cultivated by the farmers, so that it their self, life can be increased, and they can take to the market for fetching the better prices.

So these are some of the companies which are providing venture capital assistance, especially on agriculture sector, wherein the budding entrepreneurs can explore and submit their ideas and get the finance and be the successful Agripreneurs or agricultural entrepreneurs.

Thank you.