

Sanction

- An Equity Grant Sanction Committee (EGSC) with four members, the Managing Director SFAC as Chairman, two officers of the organisation nominated by MD, SFAC and an external sector expert, also nominated by MD, SFAC, shall evaluate/sanction applications received under this Scheme. The decision of the committee in this regard shall be final.
- Equity Grant shall be a cash infusion equivalent to the amount of shareholder equity in the FPC subject to a cap of Rs. 10 lakh per FPC.
- Equity Grant sanctioned shall be directly transferred to the Bank account of the FPC.
- The FPC shall, within 45 days of the receipt of the Equity Grant, issue additional shares to its shareholder members, equivalent in value to the amount of the Grant received by it.

EQUITY GRANT SCHEME (EG SCHEME) FOR FARMER PRODUCER COMPANIES (FPCS)

What is Equity Grant Scheme?

- Equity Grant Scheme extends support to the equity base of Farmer Producer Companies (FPCs) by providing matching equity grants.
- The EGS shall be operated by Small Farmers' Agri Business Consortium (SFAC).
- The Equity Grant Scheme enables eligible FPCs to receive a grant equivalent in amount to the equity contribution of their shareholder members in the FPC subject to a maximum of Rs. 10.00 lakh per FPC in two tranches.
- The Scheme shall address nascent and emerging FPCs, which have paid up capital not exceeding Rs. 30 lakh as on the date of application.



Objectives of Equity Grant Fund Scheme

- Enhancing viability and sustainability of FPCs
- Enhancing credit worthiness of FPCs
- Enhancing the shareholding of members to increase their ownership and participation in their FPC.

Eligibility Criteria For FPCs

- It is a duly registered FPC as defined under Part IXA of the Indian Companies Act, 1956
- It has raised equity from its Members as laid down in its Articles of Association/ Bye laws.
- The number of its Individual Shareholders is not lower than 50
- Its paid up equity does not exceed Rs.30 Lakh.
- Minimum 33% of its shareholders are small, marginal and landless tenant farmers as defined by the Agriculture Census carried out periodically by the Ministry of Agriculture, GOI.
- Maximum shareholding by any one member other than an institutional member is not more than 5% of total equity of the FPC.
- Maximum shareholding of an institutional member should not be more than 10% of total equity of the FPC.
- It has a duly elected Board of Directors (BoD) with a minimum of five members, with adequate representation from member farmers and minimum one woman member.

- It has a duly constituted Management Committee responsible for the business of the FPC.
- It has a business plan and budget for next 18 months that is based on a sustainable, revenue model as may be determined by the Implementing Agency.
- The FPC has an Account with a Scheduled "Bank".
- It has a Statement of Accounts audited by a Chartered Accountant (CA) for at least one full financial year.

Application process

- Application on standard format available on our website.
- Resolution of the FPC Board/ Governing Council which shall be confirmed in next AGM of the Company.
- Audited Financial Statements of FPC.
- Photocopy of Bank Account Statement for last six months authenticated by the Branch Manager of the "Bank".
- Business Plan of FPC and Budget for next 18 months.
- Names, photographs, and identity proof (any one from among ration card, Aadhaar card, election identification card, passport) of Representatives/ Directors authorised by the Board for executing and signing all documents under the Scheme.
- Each page of the Application Form and accompanying documents shall be signed by a minimum of two Board Member /Authorised Representatives of the FPC.