

### **1. What is AgriFin Xamahar Challenge Fund?**

The Assam AgriFin Xamahar Challenge Fund is a Challenge Fund, set-up under Assam Agribusiness and Rural Transformation Project (APART). The Fund intends to support innovative approaches to deliver financial services at scale for farmers/FPOs/FPCs.

### **2. What does this Fund aim to achieve?**

Xamahar aims to support, through initial funding, testing and/or scaling-up of tested innovations by financial service providers (banks, MFIs, value chain financiers, insurance companies, payments service providers) that can increase access to financial services (savings, payments, insurance and credit) among agriculture value chains in Assam.

### **3. What is the instrument of funding?**

The Instrument for the fund will be grant. The Xamahar fund will provide partial financial assistance in the form of grant to cover the initial risk and/or ensure viability for the selected subprojects. Among others, the fund intends to support subprojects that present higher probability of success and potential for scaling.

### **4. Who can apply for the grants?**

For profit entities registered in India with audited financials of minimum 2 years and a project involving provision of financial services (saving, credit, insurance, payments) for agriculture and allied sector in Assam can apply for the grants, individually or as part of consortia (Please see eligibility criteria). Example of eligible entities include:

- a. Commercial Banks – Public Banks, Private Banks, Regional Rural Banks & Indian subsidiaries of Foreign Banks
- b. Small Finance Banks
- c. Payment Banks
- d. Financial Institutions as recognized by the Department of Financial Services - GOI
- e. Non-Banking Finance Company
- f. NBFC – MFI
- g. General Insurance companies registered with IRDA
- h. Insurance Intermediaries registered with IRDA
- i. Business Correspondent companies
- j. Any other company engaged directly or indirectly in provision of financial services.
  - a. Technology Service Providers in Financial Services
  - b. Brokers, Agencies, Web Aggregators, Insurance Marketing Firm, and other intermediaries
  - c. Direct Sales Agent (s) of Lending companies
  - d. Other Companies who have entered business partnerships with Banks, NBFCs, NBFC MFIs or GI companies for providing financial intermediation services
  - e. Agriculture Input Suppliers (AIPs) that sell farm inputs like seeds, pesticides, fertilizers, farm equipment etc to producers on credit
  - f. Agriculture Output Buyers (AOPs) that provide inputs or financing to producers

The Companies must fulfil the following criteria to apply.

- a. NetWorth as per Regulatory Guidelines (RBI, IRDA, SEBI etc) or a minimum of Rs 1 Lakh as of March 31, 2020.
- b. Tangible Networth of the organization should be positive as of March 31, of last financial year preceding concept note due date . If Tangible Networth is not positive as on the above

date, the Promoter (s) will make it positive by bringing in the required funds prior to signing of the Xamahar Grant Agreement.

- c. The company should have been incorporated atleast 2 years before the Concept Note submission date
- d. Certified Audited Accounts should be available for a minimum of 2 financial years

Following entities can apply as consortium partners, but not as Lead Applicant:

- a. Legally registered organization in any form in India (including non-profits such as section 8 Company, Society, Trusts, etc.)
- b. Legally registered Foreign entities with operations in India

#### **5. How long does the programme last?**

The fund is a four-year challenge fund. The maximum tenure for any subproject will be 24 months.

#### **6. Can partnerships/consortiums apply for the fund?**

Yes, two or more companies can apply for the Xamahar Fund in a consortium arrangement. Kindly refer to Call for Proposal document for more details on the eligibility criteria.

#### **7. Our business is not in Assam. Can we still bid?**

Yes, an applicant can replicate a successful business innovation in Assam, provided the innovation is contextualized to Assam. At the same time, the applicant must also have sound historical financials and demonstrate the financial resources to undertake agriculture finance activities in Assam.

#### **8. Can the international business partner participate in the fund?**

Yes, A legally registered Foreign entities with operations in India can participate in consortium.

#### **9. Are we required to show proof of consortium agreement?**

Yes. The consortium partners are required to enter into a legally binding consortium agreement on or before the date of signing of grant funding agreement. The consortium agreement between the partners should have a validity period of 5 years including the 2-year project period

#### **10. Can one organisation make multiple applications on its own? or be part of more than one consortium?**

No one organisation is allowed to present a single proposal only. An organisation cannot be a party in more than one applications.

#### **11. What should be the format for my concept note?**

Please refer to Call for Proposal

#### **12. Are we required to include budget details at the concept note stage?**

A detailed budget is not required however the concept note must provide category wise budget for the project, cost share and funding requested details

#### **13. Are there any restrictions on what the funding can be spent on e.g. salaries, capital?**

- Kindly refer to the section "What Xamahar will not Fund" under Operations Manual

#### **14. Are applicants expected to provide matched funding? How much of the project cost will the applicant have to bear?**

Yes, the applicant organizations must undertake to fund at least 20% of the total project cost. This should be spent on proportionate basis of grant funding being made available.

**15. What is the proportion in which grant funding will be made available to grantee companies over 24 months?**

Mobilization advance of upto 30% (thirty per cent) of the Grant within 10 (ten) days of the Contract Effective Date; Second tranche of 30% (thirty per cent) of the Grant upon attainment of agreed 'milestone 1' between the parties; Third and final tranche of 40% (forty per cent) of the Grant upon attainment of agreed 'milestone 2' between the parties.

**16. If I cannot continue the project after receiving the first instalment of grant funding, will I have to return the funds?**

Yes. The entire Grant, or such amount of the Grant as has been disbursed to the Grantee(s) till date, if the Grantee(s) have achieved less than 30% (thirty per cent) of the Indicators.

**17. How do I apply for the fund?**

Submission of proposals including concept note, business plan and other required documents will be completed online through the dedicated website created for Assam Agrifin Xamahar program. **Any proposal received outside the platform will not be accepted.**

**18. When and how will we know if our Concept Note has been selected?**

Successful applicants will be communicated via email on the selection, within 6 weeks of Concept Note deadline. Applicants may also see the status of their Application on the portal using their login credentials.

**19. We have a question about our application. How can we get help?**

Applicants can directly communicate with us through our social media handles in LinkedIn and Twitter. They may also write to us [xamahar@assam-agrifin.in](mailto:xamahar@assam-agrifin.in) with queries and we will be happy to help.