

4/ B) SEED CAPITAL

- (i) UNIT COST  
Seed Capital Assistance shall be available for projects costing upto Rs.50.00 lakhs per unit/profit centre.
- (ii) QUANTUM OF ASSISTANCE  
NSFDC may provide Seed Capital Assistance to bridge the gap in the equity required, as per normal Debt-Equity ratio norms of term lending institutions, subject to maximum of 80% of such equity required or Rs.10.00 lakhs, whichever is less.
- (iii) SERVICE CHARGES  
Seed Capital Assistance will attract service charges @ 2% per annum from the beneficiaries and channelising agencies shall pay @1% per annum to NSFDC.
- (iv) REPAYMENT PERIOD/CONVERSION INTO TERM LOAN  
Seed Capital Assistance is to be repaid within a maximum period of 5 years from the date of first disbursement. Repayment would start after a moratorium period of 2 years from the date of first disbursement/each disbursement as the case may be. In cases where Seed Capital Assistance remains unpaid beyond 5 years, the same shall be converted into term loan at the expiry of 5th year at an interest rate applicable to NSFDC term loan and shall be repaid within a period of 5 years in quarterly/half yearly instalments from the date of its conversion into term loan. Sanctioned amount of Seed Capital Assistance shall be the basis of determining the interest rates.
- (v) Project considered for Seed Capital assistance shall not be eligible for any other financial assistance from NSFDC.

C. BRIDGE LOAN

- (i) UNIT COST  
Bridge Loan may be provided against investment subsidy sanctioned or any other sources of funds sanctioned by any recognised agencies for projects costing upto Rs.30.00 lakhs, but not disbursable within implementation period of the project.
- (ii) INTEREST RATES  
Interest rates on bridge loan are at par with NSFDC's term loan assistance interest rates.
- (iii) REPAYMENT PERIOD  
Sanctioning agency should ensure to release the funds directly to State level channelising agencies or NSFDC, within a maximum period of 2 years from the date of first release of Bridge Loan by NSFDC.

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