



NCDC

Assisting Cooperatives. Always!



युवा सहकार

Yuva Sahakar

Entrepreneurship in Cooperatives



www.ncdc.in

NCDC

National Cooperative Development Corporation (NCDC) is an apex level statutory institution set up by the Government of India under an Act of the Parliament in 1963. NCDC has been created for the purpose of planning and promoting programmes for the production, processing, marketing, storage, export and import of agricultural produce, foodstuffs, industrial goods, livestock, certain other commodities and services on cooperative principles. NCDC extends financial assistance to cooperatives at all the three tiers, Primary, District and Apex / Multi-State. NCDC is under the administrative control of the Ministry of Agriculture and Farmers Welfare.

NCDC has emerged as a financial powerhouse giving the client cooperatives a wide range of products and services. It is an ISO 9001:2015 compliant organisation. Beginning with a meagre disbursement of Rs.2.36 crore in 1963, the year of its formation, NCDC disbursed Rs.28272.50 crore in 2018-19 and the cumulative release as on 31.03.2019 stood at Rs.124890.81 crore, 63% of which has taken place in the last five years.

NCDC follows a simple, transparent and robust system of appraisals and approvals through its 18 Regional Offices or its Head Office in New Delhi. It is the most preferred financial institution for the cooperatives.



The Revised Cooperative Enterprise Support and Innovation Scheme, 2019

Objective

Aligning itself with the focus on programmes like Start-up India and Stand-up India aimed at young entrepreneurs with new and innovative ideas NCDC had notified YUVA SAHAKAR- COOPERATIVE ENTERPRISE SUPPORT AND INNOVATION SCHEME IN 2018. Based on the implementation of the scheme, the scheme has now been made more broad based and is titled, **YUVA SAHAKAR - COOPERATIVE ENTERPRISE SUPPORT AND INNOVATION SCHEME 2019**. The scheme aims at enabling Start-Ups in the Cooperative sector covering all types of activities.



The scheme aims at encouraging newly formed cooperative societies with new and / or innovative ideas. It is linked to a Cooperative Start-up and Innovation Fund created by NCDC. It is more liberal to cooperatives in the North Eastern Region, cooperatives registered and operating in Aspirational Districts as identified by NITI Aayog, cooperatives with 100 % women / SC / ST / PwD members.

SALIENT FEATURES

Eligibility

- Any type of cooperative society with new, innovative and value chain enhancement intended projects.
- The cooperative society should be in operation for a minimum of three months.
- The cooperative society should have positive net-worth.
- The cooperative society should not have incurred cash loss during previous year(s) of operation, as applicable, and no cash loss in the past three years (if the society is in operation for more than 3 years).

Project Cost

- Project cost should not exceed Rs. 3.00 crore in case of a cooperative society which is in operation for one year or more.
- Project cost should not exceed Rs.1.00 crore in case of a cooperative society which is in operation for more than three months but less than one year. However, once the cooperative society completes one year of its operation, it would become eligible for assistance as admissible to cooperative society which is in operation for one year or more excluding assistance already availed, if any.
- Depending on the nature and activities of a project, working capital loan can be provided as part of the project, however, working capital will not be more than 20% of the total project cost.

Loan Period

Period of loan can be up to 5 years, including 2 years moratorium on payment of principal. Period of moratorium may vary, depending on the type of project and its ability to generate revenue.

Rate of Interest

As an incentive, NCDC will provide 2 % less than its applicable rate of interest on term loan for the project activities. Interest incentive shall be valid only in case of timely repayments.

Security

The cooperative society may offer security for the loan in any one or combination of the following to the satisfaction of NCDC:

- a) Mortgage of assets, including assets to be created under the proposed project.
- b) FDRs of the scheduled banks.
- c) Guarantee of credible cooperative institutions, that is, institution with sound financial condition and proven track record.
- d) Guarantee of State/Central Government.
- e) Guarantee by Central PSUs/ Statutory bodies/CSR Foundations of Central PSUs.
- f) Guarantee of Small Farmers' Agri Business Consortium (SFAC)/ North Eastern Development Finance Corporation (NEDFi)/ Small Industries Development Bank of India (SIDBI).
- g) Personal guarantee of Board of Directors/members in the form of Fixed Deposit Receipts (FDRs) and/or Guarantee of scheduled banks



Integrated Scheme on Agricultural Cooperation (CSISAC) or any other source, the same will be applicable. However, if the project cost includes working capital loan component, CSISAC subsidy would be eligible only for capital investment of the project cost (excluding working capital). To ensure speedy and smooth implementation of projects, eligible loan can be provided in-lieu of subsidy. The subsidy, as and when received by NCDC for onward disbursement, would be adjusted against the loan account.

Subsidy

In case the proposed activity is eligible for subsidy under the Central Sector-



Funding Pattern

The projects would be supported with funding pattern having debt: equity ratio as below:

Category - A:

80% : 20%

- Any type of cooperative society in the North Eastern Region.
- Any type of cooperative society registered and operating in Aspirational Districts as identified by the NITI Aayog.
- Any type of cooperative society with 100% women members.
- Any type of cooperative society with 100% Scheduled Caste / Scheduled Tribe / Person(s) with Disabilities (PwD) members

Category - B:

70% : 30%

- Any type of cooperative society which is not covered under Category-A for all types of activities.

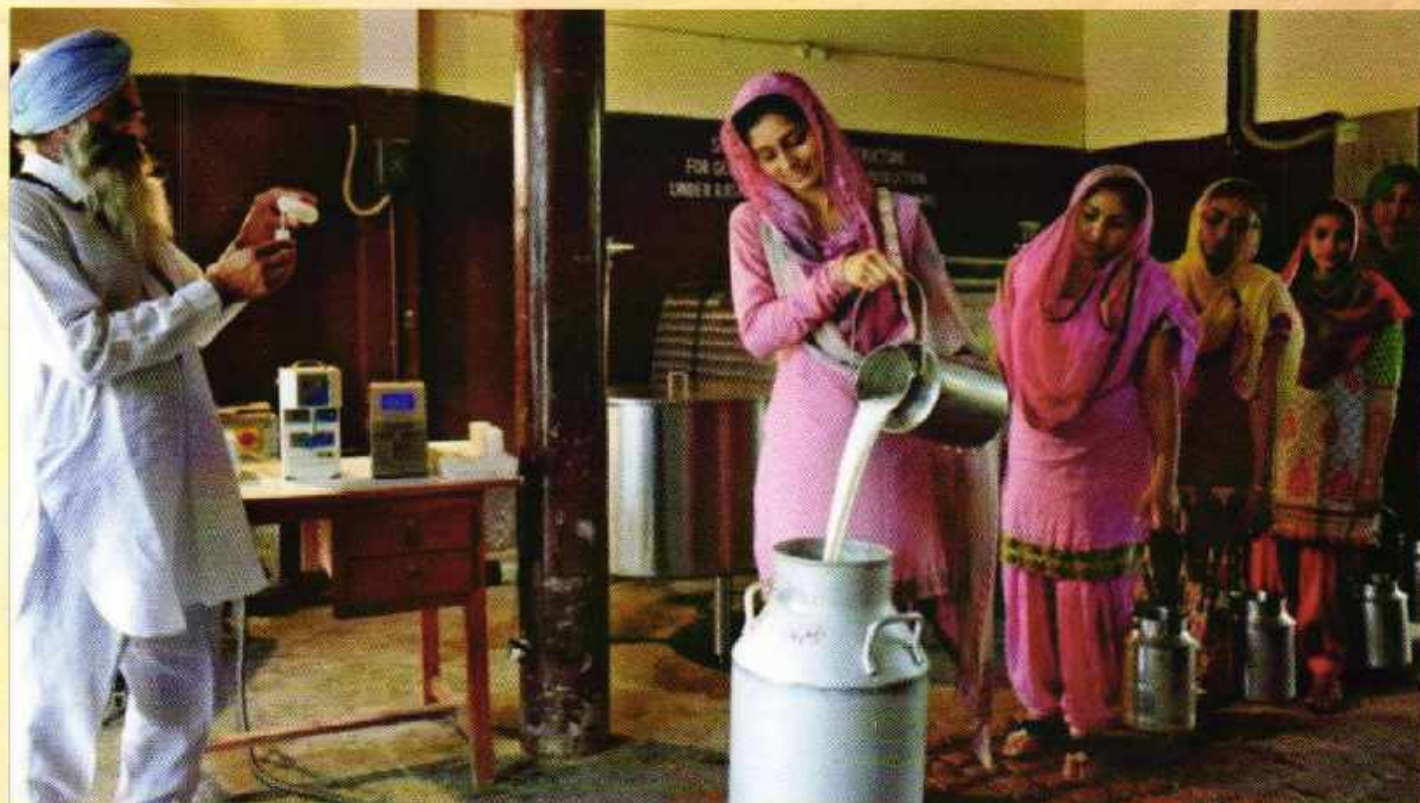
In case subsidy is eligible for the proposed activity, subject to availability, the loan component would be reduced proportionately.



Due Diligence

NCDC would adopt its standard practice of appraisal and due diligence before any project is sanctioned.

For further details of other NCDC Scheme and Pattern of assistance, norms and general criteria for availing NCDC funding, Common Application Form etc. please visit www.ncdc.in or contact NCDC Regional Offices / Head Office, at addresses and contact numbers available on the website.





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