

Annex-V

PATTERN OF ASSISTANCE IN RESPECT OF SCHEMES ASSISTED

NCDC provides financial assistance in the form of loans (both Term Loans and Investment Loans) and subsidy to the cooperative societies for their development. The assistance is provided under the Central Sector Integrated Scheme on Agricultural Cooperation (CSISAC) & other Central Sector Schemes and NCDC Sponsored Scheme. The loan component is provided from out of NCDC's own funds while the subsidy is provided from outlay earmarked under the CSISAC and other Central Sector Schemes. Subsidy is provided subject to availability from Government of India otherwise equivalent amount is provided as loan in lieu of subsidy. The subsidy under CSISAC is for agriculture and allied activities.

2. For the purpose of NCDC funding, the States/Union Territories are categorised as under:

- **Cooperatively Least Developed States/Union Territories** {Arunachal Pradesh, Assam, Bihar, Jharkhand, Jammu & Kashmir (UT), Ladakh (UT), Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura};
- **Cooperatively Under Developed States/Union Territories** {Andhra Pradesh, Chhattisgarh, Goa, Himachal Pradesh, Madhya Pradesh, Odisha, Rajasthan, Telangana, Uttar Pradesh, Uttarakhand, West Bengal, Andaman & Nicobar Islands (UT) and Lakshadweep (UT)};
- **Cooperatively Developed States/Union Territories** {Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab, Tamil Nadu, Chandigarh (UT), Dadra & Nagar Haveli and Daman & Diu (UT), Puducherry (UT), Delhi (UT) }

3. **Weaker Section** Programme shall include programmes related to (i) Marketing, (ii) Processing (Small & Medium sized processing units related to agriculture and allied activities), (iii) Storage including Cold Chain and (iv) Consumer business and activities related to agriculture & allied activities taken up by (a) Fisheries, (b) Dairy & Livestock, (c) Poultry, (d) Coir, (e) Jute, (f) Sericulture, (g) Handloom & (g) Tobacco Cooperatives. Apart from these programme/activities, Weaker Section benefits will also be extended to Tribal / Scheduled Caste/ Scheduled Tribe/ Hill area, Labour and Women Cooperatives for undertaking the above activities.

4. **The pattern of funding is given under:**

A. BUSINESS DEVELOPMENT:

For All kinds of National, State, District, Regional and Primary level cooperatives for sectors/activities funded by NCDC.

Activity	Developed States/UTs			Under developed States/UTs			Least Developed States/UTs		
	NCDC to S/Govt.	S/Govt. to Society	Direct Funding	NCDC to S/Govt.	S/Govt. to Society	Direct Funding	NCDC to S/Govt.	S/Govt. to Society	Direct Funding
Margin Money	(For Weaker Section Programme only as detailed at Para 3 above)								
	Loan 85% Sub 15%*	Loan and /or SC 85% Sub 15%	Loan 85% Sub 15%*	Loan 80% Sub 20%	Loan and/or SC 80% Sub 20%	Loan 80% Sub 20%	Loan 75% Sub 25%	Loan and/or SC 75% Sub 25%	Loan 75% Sub 25%
	For all other Programmes								
	Loan 100%	Loan or SC	Loan 100%	Same as for developed states					
Working Capital	Loan 100%	Loan	Loan	Same as for developed states					
Share Capital	IL 100%	SC	—	Same as for developed states					

Note: SC- Share Capital; Sub- Subsidy; IL- Investment Loan; * - Cap of ₹5 crore per project/per proposal



B. INFRASTRUCTURE CREATION (Project Facilities)

- ✓ All types of small and medium sized units (other than agro-processing units) including small scale industrial units, cottage & village industries, handicrafts, allied industries for other products, cane and bamboo units, Coir Units etc,
- ✓ Plant & Machinery/equipment including integrated projects (other than ICDP),
- ✓ Establishment/ renovation/ expansion/ upgradation & modernisation of Godowns and Storages,
- ✓ Construction of Cold Storages / expansion / modernization of cold storages,
- ✓ Cold Chain components - Integrated pack house / Reefer transport / Cold storage (Bulk-near farm gate)/ Cold storage (Hub-near market) / Ripening units etc,
- ✓ Worksheds, purchase of looms, cooperatives/industrial estates,
- ✓ Service and repair centres, showrooms, showrooms-cum-godowns,
- ✓ Market yards, rearing units and granaries,
- ✓ Fish tanks/farms, boat building including inputs and other infrastructure for fisheries,
- ✓ Poultry farms,
- ✓ Rearing and breeding of livestock animals, setting up of slaughter houses, purchase of livestock animals for breeding, rearing, meat, fleece, skin, wool & other by products, establishment of seed farms etc,
- ✓ Furniture and fixtures,
- ✓ Transport vehicles including refrigerated and insulated vehicles,
- ✓ Installation of/purchase of computers/computerization etc.,
- ✓ Setting-up of agro-service/farmers service centres,
- ✓ Insecticides/pesticides formulation units,
- ✓ Units to manufacture inputs like bio-fertilizers/granular fertilizers, organic manure,
- ✓ Creation of water harvesting/irrigation infrastructural facilities,
- ✓ Creation of infrastructure of PACS as Modern Banking Unit,
- ✓ Services Cooperatives etc,
- ✓ And **ANY OTHER RELATED ACTIVITIES MANDATED TO NCDC.**

Developed States/UTs			Under Developed States/UTs			Least Developed States/UTs		
NCDC to S/Govt.	S/Govt. to Society	Direct Funding	NCDC to S/Govt.	S/Govt. to Society	Direct Funding	NCDC to S/Govt.	S/Govt. to Society	Direct Funding
(For Weaker Section Programme only as detailed at Para 3)			For all programmes and for activities as detailed at Para 3			For all programmes and for activities as detailed at Para 3		
Loan 75% Sub 15%	Loan 50% SC 25% Sub 15%	Loan 65% Sub 15%	Loan 70% Sub 20%	Loan 50% SC 20% Sub 20%	Loan 65% Sub 20%	Loan 70% Sub 25%	Loan 50% SC 20% Sub 25%	Loan 65% Sub 25%
MC	10%	20%		10%	15%		5%	10%
For all other Programmes			For all other Programmes - same as for developed States/UTs					
Loan 90%	Loan 50% SC/Sub 40%	Loan 65%						
MC	10%	35%						
<ul style="list-style-type: none"> ✓ S/Govt. - State Government; Sub - Subsidy; SC - Share Capital; MC- Members Contribution ✓ Subsidy subject to availability from Govt. of India otherwise equivalent loan from NCDC; ✓ In case of “Computerisation” programme 100% assistance (i.e. as loan / Subsidy/ Share Capital) may be provided through State Govt.to the beneficiary in all States. 								

C. PROCESSING**(i) Sugar Mill**

Activities	NCDC to State Govt.	S/Govt. to Society	Direct Funding
New Unit	TL- 60%; IL -30% MC-10%	TL - 60%; SC – 30% MC-10%	TL- 70% MC-30%
Modernisation/ Expansion Upto 5000 TCD	Loan 50% plus Loan 40% from SDF as sanctioned by GOI	On same terms as received from NCDC	Loan 50% of PC plus 40% loan from SDF as sanctioned by GOI
Sugar By-Products -Cogeneration & Ethanol Units- Same as above			
Expansion beyond 5000 TCD	Loan 65%	-do-	Loan 65%
Working Capital	Loan as per requirement	-do-	Loan as per requirement

(PC- Project Cost; TL- Term loan; IL-Investment loan; SC- Share Capital; MC- Member's contribution; SDF-Sugar Development Fund)

Note: Investment loan to State Governments will be provided only for those sugar cooperatives which have secured firm sanction of term loan from financial institutions/ banks and orders for plant and machinery are finalised etc. Term loan component for new sugar cooperatives is to be provided by financial institutions / banks etc. With effect from 01.01.2015, SDF stopped providing assistance for exclusive expansion projects. However, SDF assistance is available for projects, if expansion of capacity is upto 5000 TCD alongwith co-generation or ethanol project.

SDF assistance for bagasse based cogeneration project is based on normative cost for different configurations.

Boiler pressure/ Temp. Ata/°C	Installed Capacity (MW)	Total Project Cost (₹ In lakh)	Project Cost per MW Generation (₹ in lakh/MW)
67/510	84.5	32496	385
87/515	159.5	70565	442
110/540	110.95	60285	543

(ii) Small & Medium Sized Agro-Processing Units:

Assistance is provided for establishment of new units, expansion, modernization, diversification etc. by oil mills, foodgrains units, fruits & vegetable units, plantation crops processing units, dairy units, fishery units, silk reeling/twisting, silk spinning, wool spinning and jute processing and any other agro-processing activity by cooperatives mandated to NCDC.



Developed States/UTs			Under Developed States/UTs			Least Developed States/UTs		
NCDC to S/Govt.	S/Govt. to Society	Direct Funding	NCDC to S/Govt.	S/Govt. to Society	Direct Funding	NCDC to S/Govt.	S/Govt. to Society	Direct Funding
(For Weaker Section Programme only as detailed at Para 3)			For all programmes and for activities as detailed at Para 3			For all programmes and for activities as detailed at Para 3		
Loan 75% Sub 15%	Loan 50% SC 25% Sub 15%	Loan 65% Sub 15%	Loan 70% Sub 20%	Loan 50% SC 20% Sub 20%	Loan 65% Sub 20%	Loan 70% Sub 25%	Loan 50% SC 20% Sub 25%	Loan 65% Sub 25%
MC	10%	20%		10%	15%		5%	10%
For all other Programmes			For all other Programmes – same as for developed States/UTs					
Loan 90%	Loan 50% SC/Sub 40%	Loan 65%						
MC	10%	35%						
✓ S/Govt. – State Government; Sub - Subsidy; SC - Share Capital; MC-Member's Contribution; ✓ Subsidy subject to availability from Govt. of India otherwise equivalent loan from NCDC; # Debt equity ratio may vary depending upon viability of the proposed project.								

(iii) Cooperative Spinning & Ginning Programmes

The activities covered and pattern of funding are as under:

From NCDC to State Government	From State Government to Society	Direct Funding
(a) Establishment of New Cooperative Spinning Mills		
Term Loan 50% Investment Loan 25% Subsidy 15%	Term Loan 50% Share Capital 25% Subsidy 15% Members Contribution 10%	Term Loan 60% Subsidy 15% Members Contribution 25%
(b) Modernisation / Expansion of Existing Spinning Mills		
Term Loan 45% Investment Loan 30% Subsidy 15%	Term Loan 45% Share Capital 30% Subsidy 15% Members Contribution 10%	Term Loan 60% Subsidy 15% Members Contribution 25%
(c) Margin Money Assistance for Cooperative Spinning Mills & State Cooperative Cotton Federation		
Term Loan 85% Subsidy 15%	Term Loan 85% Subsidy 15%	Term Loan 85% Subsidy 15%
(d) Establishment of Modern Ginning & Pressing Units, Modernisation / Expansion of Existing Units		
Term Loan 50% Investment Loan 25% Subsidy 15%	Term Loan 50% Share Capital 25% Subsidy 15% Members Contribution 10%	Term Loan 50% Subsidy 15% Members Contribution 35%
(e) Rehabilitation of Sick Cooperative Spinning Mills		
Investment Loan 75% Subsidy 15%	Investment Loan 75% Subsidy 15% Members Contribution 10%	Not Applicable (State Government's involvement is mandatory)
Subsidy subject to availability from Govt. of India otherwise equivalent loan from NCDC		

D. INTEGRATED COOPERATIVE DEVELOPMENT PROJECTS (ICDP)

SN	Activity	From NCDC to S/Govt.			From S/Govt. to Cooperatives			
		Loan	Sub	Total	Loan	S/cap.	Sub.	Total
A. Cooperatively Least Developed States								
i)	Infrastructure Creation (Component I & II)	75%	25%	100%	50%	25%	25%	100%
ii)	Margin money to beneficiaries societies	75%	25%	100%	-	75%	25%	100%
iii)	Share capital to DCCBs	100%	-	100%	-	100%	-	100%
iv)	Manpower Development & Training	-	50% [@]	50% [@]	-	-	100%	100%
v)	Managerial assistance to PIA and Monitoring Cell etc.	-	50% [@]	50% [@]	-	-	100%	100%
B. Cooperatively Under-Developed States								
i)	Infrastructure Creation (Component I & II)	80%	20%	100%	50%	30%	20%	100%
ii)	Margin money to beneficiaries societies	80%	20%	100%	-	80%	20%	100%
iii)	Share capital to DCCBs	100%	-	100%	-	100%	-	100%
iv)	Manpower Development & Training	-	50% [@]	50% [@]	-	-	100%	100%
v)	Managerial assistance to PIA and Monitoring Cell etc.	-	50% [@]	50% [@]	-	-	100%	100%
C. Cooperatively Developed States								
a) Weaker Section Programme / Activities								
i)	Infrastructure Creation (Component I)	85%	15%	100%	50%	35%	15%	100%
ii)	Margin money to beneficiaries societies	85%	15%	100%	50%	35%	15%	100%
iii)	Share capital to DCCBs	100%	-	100%	-	100%	-	100%
iv)	Manpower Development & Training	-	50% [@]	50% [@]	-	-	100%	100%
v)	Managerial assistance to PIA and Monitoring Cell etc.	-	50% [@]	50% [@]	-	-	100%	100%
b) Other than Weaker Section Programme / Activities								
i)	Infrastructure Creation (Component I & II)	100%	-	100%	50%	50%	-	100%
ii)	Margin money to beneficiaries societies	100%	-	100%	50%	50%	-	100%
iii)	Share capital to DCCBs	100%	-	100%	-	100%	-	100%
iv)	Manpower Development & Training	-	50% [@]	50% [@]	-	-	100%	100%
v)	Managerial assistance to PIA and Monitoring Cell etc.	-	50% [@]	50% [@]	-	-	100%	100%

Note:

- ✓ Total subsidy component under any project shall, however, not exceed 30% of the total project cost.
- ✓ Subsidy assistance available from any department / ministries / agencies shall be dovetailed for passing on to the cooperatives.
- ✓ The subsidy is shared between the NCDC and the State Government on 50:50 basis.
- ✓ In case of special category states indicated as **@ in the table above**, entire subsidy component is provided by the NCDC. The special category states are all North-Eastern States, Sikkim, Himachal Pradesh, Jammu & Kashmir and Uttarakhand.

E. YUVA SAHAKAR- -COOPERATIVE ENTERPRISE SUPPORT AND INNOVATION SCHEME

The scheme aims at enabling Start-Ups in the Cooperative sector covering all types of activities.

Eligibility

- a) Any type of cooperative society with new, innovative and value chain enhancement intended projects.
- b) The cooperative society should be in operation for a minimum of three months.
- c) The cooperative society should have positive net-worth.
- d) 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

- a) Project cost should not exceed ₹ 3.00 crore in case of a cooperative society which is in operation for one year or more.
- b) Project cost should not exceed ₹ 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.
- c) 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.

Subsidy:

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

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.

F. AYUSHMAN SAHAKAR

The objectives of the scheme are:

- a) To assist provision of affordable and holistic healthcare through hospitals / healthcare / education facilities by cooperative societies,
- b) To assist promotion of AYUSH facilities by cooperative societies,
- c) To assist cooperative societies meet the objectives of the National Health Policy,
- d) To assist cooperative societies participate in the National Digital Health Mission,
- e) To assist cooperative societies provide comprehensive healthcare including education, services, insurance and activities related thereto.

Activities covered:

1) Infrastructure: For creation, modernization, expansion, repairs, renovation of hospital, healthcare and education infrastructure covering-

- a) All types of infrastructure for:
 - Hospitals and/ or Medical/ AYUSH/ Dental/ Nursing/ Pharmacy/ Paramedical/ Physiotherapy colleges for running UG and /or PG programmes
 - Yoga Wellness Centre
 - Ayurveda, Allopathy, Unani, Siddha, Homeopathy other traditional medicine healthcare centres
 - Health care services for elderly
 - Palliative care services



- Health care services for Persons with Disabilities
- Mental healthcare services
- Emergency Medical Services / Trauma centre
- Physiotherapy centre
- Mobile Clinic Services
- Health Club and Gym
- AYUSH pharmaceutical manufacturing
- Drug testing laboratory
- Dental care centre
- Ophthalmic care centre
- Laboratory services
- Diagnostics services
- Blood Bank / Transfusion services
- Panchkarma/ Thokkanam/ Kshar sutra therapy centre
- Regimental Therapy of Unani (IlajBilTadbeer) centre
- Maternal health and Childcare services
- Reproductive and Child Health services
- Any other related centre or services as may be deemed fit by NCDC for assistance

- b) Telemedicine and remote assisted medical procedures,
- c) Logistics health, healthcare and education,
- d) Information and Communication Technology related to digital health,
- e) Health insurance accredited by Insurance Regulatory and Development Authority (IRDA).

2) Margin money for raising working capital required for day-to-day operations in respect of those mentioned in the para 1 above.

3) Working capital for day-to-day operations.

Eligibility

Any Cooperative Society registered under any State/ Multi State Cooperative Societies Act in the country, with suitable provision in the bye-laws to undertake services related to hospital/ healthcare/ health education, shall be eligible for financial assistance subject to fulfilment of the guidelines of the scheme. NCDC assistance shall be provided either through the State Governments/ UT Administrations or directly to the cooperatives, which fulfil NCDC Direct Funding guidelines. Dovetailing with other schemes or programmes of Government of India/ State Government/ Other funding Agency is permitted.

Project Cost

As per actual requirement.

Loan Period

Period of loan will be for 8 years, including 1-2 years moratorium on repayment of principal, depending on the type of project and its ability to generate revenue.

Rate of Interest

As per the NCDC circular for interest rate as amended from time to time. As an incentive, NCDC will provide 1% less than applicable rate of interest on the term loan for project activities in case of borrower

cooperative society where women members are in majority for the entire tenure of the loan, only if timely repayments are made.

Security

NCDC assistance is provided either through the State Government or under Direct Funding. In case of direct funding, 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 project, to the extent of 1.5 times of NCDC loan;
- b. Guarantee by State/ Central Government;
- c. Pledge of FDRs of scheduled banks/ nationalized banks, to the extent of 1.2 times of NCDC loan;
- d. Guarantee by Central PSUs/ Statutory bodies/ CSR Foundations of Central PSUs;
- e. Guarantee from Scheduled Banks/ Nationalized Banks;
- f. Hypothecation and assignment of Government bonds/ securities to the extent of 1.2 times of NCDC loan.

Subsidy

NCDC loan assistance is proposed to be dovetailed with subsidy/ grant/ VGF/ any other mechanism of Government of India or State Government or any other Funding Agency.

Funding Pattern

The projects would be supported with the following funding pattern:

Funding through State Government		Direct Funding
NCDC to State Government	State Government to Society	NCDC to Society
Infrastructure Creation (Project Facilities):		
Loan - 90%	Loan - 50%; Share Capital - 40%	Loan- 70%
Society's Share - 10%	Society's Share - 10%	Society's Share - 30%
Margin Money:		
Loan for availing Bank credit. 100%	Loan* or Share Capital or Loan-cum-Share capital 100%	Loan 100%
Working Capital:		
Loan as per requirement	Loan	Loan

G. NANDINI SAHAKAR

The scheme aims to improve the socio-economic status of women. It supports entrepreneurial dynamism of women through women cooperatives. It will converge critical inputs of women's enterprise, business plan formulation, capacity development, credit and subsidy and / or interest subvention of other schemes. NCDC, on its own, or as agency of flagship programs of many Ministries has been implementing sectoral schemes. Nandini Sahakar would be a focused framework and would aim at extending financial assistance exclusively to women cooperatives involved in activities coming under the purview of NCDC credit linkage.

Eligibility:

Any Women Cooperative Society registered under any State / Multi State Cooperative Societies Act in the country is eligible. Any cooperative society with minimum 50% women members at primary level is also eligible. In case of projects related to new and/ or innovative activities, women cooperatives which

are in operation for at least three months, are also eligible for assistance under the scheme as per applicable NCDC guidelines.

Activities covered under the scheme:

- ✓ **Infrastructure:** For creation, modernization, expansion, repairs, renovation of infrastructure.
- ✓ **Margin money** for raising working capital required for day-to-day operations.
- ✓ **Working Capital** to run day-to-day business operations.

Indicative business activities: The Scheme will assist, except urban housing, any business plan based activity / service mandated to NCDC, for example, agro-processing, supply chains, value addition, logistics, farm mechanization, retail, marketing of food grains, input supply, plantation, horticulture, rural housing, weaker section programs, tribal cooperatives, dairy, poultry, livestock, fishery, handloom, coir, jute, sericulture, computerization, textiles, infrastructure of PACS/ credit / marketing cooperatives, agriculture insurance, water conservation works / services, tourism, hospitality, transport, hospital / health care/ Yoga wellness facility, education, generation & distribution of power, new, non-conventional and renewable sources of energy etc.

Mode of assistance:

NCDC assistance will be provided either DIRECTLY or through State Government / UT Administration to eligible cooperatives. Convergence of NCDC credit linkage with schemes of Government of India (such as AIF, CSISAC, DIDF, FIDF, 10,000 FPO, FFPO, PMMSY, PM FME, MSME etc.) or with any scheme of State Government / UT / Development Agencies or with bilateral / multilateral assistance/ CSR Foundations etc is encouraged.

Project Cost:

There would be no minimum or maximum cap on project cost in case of viable proposals by women cooperative societies which are operating successfully for at least 3 years. The project cost would include infrastructure, margin money and working capital. The project cost limits would be as follows:

S. No.	Tenure of Operation of the Applicant Society	Maximum Project Cost (₹ in crore)
1.	> 3 months and < 1 year	1.00
2.	> 1 year and < 3 years	3.00
3.	> 3 years	As per actual requirement (no limit)

Loan period:

Period of loan will be of 5-8 years, including 1-2 years of moratorium on repayment of principal, depending on the type of project and revenue streams.

Rate of Interest and interest subvention:

For credit linkage, NCDC circular on interest rate published from time to time depending on market conditions shall be applicable.

Assistance in the form of interest subvention shall be as follows depending on the nature of activities:

- a. **Interest subvention for new and innovative activities:** NCDC will provide 2% interest subvention on its rate of interest on term loan portion for new and innovative activities.
- b. **Interest subvention for activities other than new and innovative activities:** NCDC will provide 1% interest subvention on its rate of interest on term loan portion for all activities.

NCDC interest subvention incentive shall be applicable for timely repayments. Interest subvention or subsidy or support from other schemes of Government of India or any scheme of State Government / UT / Development Agencies or bilateral/ multilateral assistance shall be encouraged and permitted.

Security:

NCDC assistance is provided either through Direct Funding to the cooperative society or through State Government / UT. In case of direct funding, cooperative society may offer security for 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 project, to the extent of 1.5 times of NCDC loan;
- b) Guarantee by State / UT / Central Government;
- c) Pledge of FDRs of Scheduled banks/ Nationalized banks, to the extent of 1.2 times of NCDC loan;
- d) Guarantee by Central PSUs / Statutory bodies/ CSR Foundations of Central PSUs;
- e) Guarantee from Scheduled Banks/ Nationalized Banks;
- f) Hypothecation and assignment of Government bonds/ securities to the extent of 1.2 times of NCDC loan;
- g) Guarantee of credible cooperative institutions, that is, institution with sound financial condition and proven track record;
- h) Guarantee of Small Farmers' Agri Business Consortium (SFAC)/ North Eastern Development Finance Corporation (NEDFi)/ Small Industries Development Bank of India (SIDBI)/ Credit Guarantee Fund;
- i) Personal guarantee of Board of Directors / members in the form of Fixed Deposit Receipts (FDR).

Subsidy

Nandini Sahakar shall be dovetailed with existing schemes of Government of India / State Government / UT Admn. or with any future scheme or with bilateral / multilateral assistance or development agencies/ CSR mechanisms, as credit linkage. However, if the project cost includes working capital loan component, the 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.

Funding Pattern:

Funding through State Government		Direct Funding
NCDC to State Government	State Government to Society	NCDC to Society
Infrastructure Creation (Project Facilities):		
Loan - 90%	Loan - 50%; Share Capital - 40%	Loan- 70%
Society's Share - 10%	Society's Share - 10%	Society's Share - 30%
Margin Money:		
Loan for availing Bank credit. 100%	Loan* or Share Capital or Loan-cum-Share capital 100%	Loan 100%
Working Capital:		
Loan as per requirement	Loan	Loan

In case of new and innovative project activities, women cooperatives would be supported with pattern of funding as debt: equity 80:20 under Direct Funding.

H. DAIRY SAHAKAR

Dairy Sahakar by NCDC is a cooperative dairy business focused framework of financial assistance for encouraging cooperatives to achieve higher outcomes in ESG (environmental, social, governance) linked activities. It includes creation of infrastructure by cooperatives for new projects and modernization and/or expansion of existing projects.

Activities covered: Under Dairy Sahakar, financial support by NCDC to eligible cooperatives for activities such as bovine development, procurement, processing, quality assurance, value addition, branding, packaging, marketing, transportation and storage of milk and milk products, exports of dairy products, within the overall objectives of “Atmanirbhar Bharat”.

Financial support by NCDC also covers supporting activities and services, such as, renewable energy, ICT, manufacturing of cattle feed / feed supplements, R&D, PET bottle / packaging material manufacturing, manufacturing of dairy equipment and machinery, dairy related maintenance services, manufacturing of veterinary drugs, delivery of veterinary healthcare services, veterinary / dairy education, capacity development, etc.

Eligibility

Any Cooperative Society registered under any State / Multi State Cooperative Societies Act in the country, with suitable provision in the bye-laws.

Project Cost

There is no minimum or maximum limit on financial assistance to projects submitted by eligible cooperatives.

Loan period

Period of loan can be up to 5 to 8 years, including 1 to 3 years moratorium on repayment of principal.

Rate of Interest

Rate of interest will be applicable as notified from time to time by NCDC.

Security

The cooperative society may offer security for the loan to the satisfaction of NCDC.

Subsidy

Subsidy under the flagship schemes of Government of India or any other source will be applicable, if eligible.

I. DIGITAL SAHAKAR

Aligned with the principles of Digital India, NCDC has conceived a focused financial assistance framework for Digitally Empowered Cooperatives for handholding and credit linkage by NCDC, dovetailed with grant, subsidy, incentives etc. from Government of India / State / UT / agencies with the objective of cooperatives actively partaking in Digital India.

Eligibility

Any Cooperative Society registered under any State / Multi State Cooperative Societies Act are eligible for financial assistance under the scheme. FPOs, FFPOs, federated SHG cooperatives are also eligible.

Mode of assistance

Assistance is provided by NCDC either directly to the cooperatives or through State Governments / UT Administrations.

Project Cost

S. No.	Tenure of operation of Applicant Society	Maximum Project Cost(₹ in crore)
1	> 3 months and < 1 year	1.00
2	> 1 year and <3 years	3.00
3	> 3 years	As per actual requirement (no limit)

Loan Period

Period of loan can be up to 5 to 8 years, including 1 to 2 years moratorium on payment of principal.

Rate of Interest

Rate of interest will be applicable as notified from time to time by NCDC.

Security

The cooperative society may offer security for the loan to the satisfaction of NCDC.

Subsidy

Subsidy under the flagship schemes of Government of India or any other source will be applicable, if eligible.

J. TECHNICAL AND PROMOTIONAL CELL**i. All state level cooperative federations (excluding those connected with the weaker sections programmes):**

Under - Developed States	Least - Developed States
Subsidy for employment of professionals to be provided for a period of 5 years on a tapering scale. i) 100% in the first 2 years. ii) 80% in the 3 rd & 4 th year. iii) 70% in the 5 th year.	Subsidy for employment of professionals to be provided for a period of 7 years on a tapering scale. i) 100% for the first 5 years. ii) 80% for the subsequent 2 years.

ii. All Federations connected with the weaker sections programmes:

Subsidy for employment of professionals to be provided for a period of 7 years on a tapering scale.

i) 100% for the first 5 years.

ii) 80% for the subsequent 2 year.

Qualifications and scales of pay and other emoluments for the various experts/professionals would be determined by the concerned federations in consultation with NCDC. **Subsidy, if available from the Central Government**, is proposed to be provided only for Pay, HRA, and DA for 5 to 7 years. The assistance will be sanctioned by the Corporation only after careful consideration of the proposal of the institutions and assessing the need for appointment of such experts.

OTHER CENTRAL SECTOR SCHEMES

NCDC dovetails assistance under the following Central Sector Schemes:

K. AGRICULTURAL MARKETING INFRASTRUCTURE (AMI) - other than Storage Infrastructure, Sub-Scheme of Central Sector Integrated Scheme for Agricultural Marketing (CS-ISAM)

Erstwhile AMIGS Scheme implemented from 20.10.2004 by GOI has been subsumed into AMI – Other than Storage Infrastructure Sub-Scheme of “CS-ISAM” from 01.04.2014.

NCDC is one of the implementing agencies to provide funds to the cooperative societies for creation of marketing infrastructure under above scheme. Under AMI – other than Storage Infrastructure, 33.33% subsidy is available for North Eastern, Hilly & tribal areas, Women & SC/ST Cooperatives and 25% subsidy is available for other category of beneficiaries. Term loan assistance is provided by NCDC under the Corporation Sponsored Scheme.

Subsidy pattern under AMI – other than Storage Infrastructure

Category		Rate of Subsidy (on capital cost)	Maximum Subsidy Ceiling# (₹ in lakh)
A)	North Eastern States, Sikkim, States of Uttarakhand, Himachal Pradesh, Jammu & Kashmir, UTs of Andaman & Nicobar and Lakshadweep Islands, hilly* and tribal areas	33.33%	30.00
B)	In other Areas:		
1.	For Registered FPOs, Women, Scheduled Caste / Scheduled Tribe beneficiaries and their cooperatives**	33.33%	30.00
2.	For all other categories of beneficiaries	25%	25.00

* Hilly area is a place at an altitude of more than 1,000 meters above mean sea level.

** SC/ST Cooperatives to be certified by the concerned officer of the State Government.

For the projects of pulse splitting and oil crushing, the maximum subsidy for 25% category is ₹12.50 lakh and 33.33% category is ₹16.66 lakh only.

- Minimum 20% of the block cost to be met by beneficiary society/State Government.

Subsidy Ceiling

- (i) The total subsidy which can be availed of by promoter for all its projects in a Districts since inception of the scheme (erstwhile GBY) up to the end of 2021-22 will be restricted to a maximum capacity ceiling of 10,000 MT. If a promoter intends to have more than one project of different type including storage project in the same District it will be eligible for a maximum subsidy upto ₹75 lakh or ₹133.20 lakh as the case may be.
- (ii) To determine the eligibility of projects for maximum permissible subsidy, the date of sanction of loan by Financial Institutions should be between 22.10.2018 to 31.03.2022.

L. AGRICULTURAL MARKETING INFRASTRUCTURE (AMI) - Storage Infrastructure, Sub-Scheme of Central Sector Integrated Scheme on Agriculture Marketing (CS-ISAM)

Construction of Godowns

Capital cost of the project for the purpose of subsidy will be calculated on the project cost as appraised by financial institution or actual cost of eligible components as certified by a Chartered Accountant, whichever is lower subject to the subsidy ceiling per MT.

Subsidy Pattern under AMI – Storage infrastructure:

Capital cost of the project for the purpose of subsidy will be calculated on the project cost as appraised by NCDC or actual cost of eligible components as certified by a Chartered Accountant whichever is lower subject to the subsidy ceiling as given below:

Category	Rate of Subsidy (on capital cost)	Subsidy Ceiling		
		50 - 1000 MT in ₹/MT	More than 1000 MT and upto 10,000 MT in ₹/MT	Maximum Ceiling (₹ in lakh)
A. North Eastern States, Sikkim, UTs, of A&N and Lakshadweep Islands and hilly* areas	33.33%	1333.20	1333.20	133.20
B. In other Areas				
(i) For Scheduled Caste (SC) / Scheduled Tribe (ST)** cooperatives	33.33%	1166.55	1000.00	100.00
(ii) For all other categories of beneficiaries	25%	875.00	750.00	75.00

* Hilly area is a place at an altitude of more than 1,000 meters above mean sea level.

** SC/ST cooperatives to be certified by the concerned officer of the State Government.

- Cost norms for computing subsidy for silos will be same as for other storage infrastructure.

- Minimum 20% of the block cost to be met by beneficiary society/State Government.

M. Assistance for Boosting Seed Production component under Sub-Mission for Seed and Planting Material (SMSP) of National Mission on Agricultural Extension and Technology (NMAET)

The Corporation is implementing the above said component under Sub-Mission for Seed and Planting Material (SMSP) of National Mission on Agricultural Extension and Technology (NMAET). Under the component, the assistance would be limited to creation of infrastructure facilities relating to seed cleaning, grading, processing, seed treating, packaging and storage units as well as for seed testing facilities including R&D. National Seeds Corporation will be the nodal agency for implementation and monitoring of this component.

Credit linked back ended subsidy will be available @ 40% of the capital cost of the project in general areas and 50% in case of hilly and scheduled areas subject to an upper limit of ₹ 150 lakh per project. Two percent (2%) of the total fund utilized under the component will be allowed as administrative charges to the Nodal Agency. Assistance for construction of seed godowns and creation of other infrastructure facilities mentioned above is provided by NCDC. The pattern of funding will comprise term loan to the extent of maximum 52% of block cost, subsidy of 38% of block cost (subject to maximum block cost of ₹ 150.00 lakh) and society share of minimum 10% of blockcost.

N. Dairy Processing and Infrastructure Development Fund (DIDF) Scheme Implemented by NCDC

The Department of Animal Husbandry & Dairying, Ministry of Fisheries, Animal Husbandry and Dairying, Government of India had identified NCDC as a Nodal Loaning Entity (NLE) under DIDF and to finance the projects submitted by the Eligible End Borrowers (EEBs).

Components of DIDF:

The broad investment activities eligible under DIDF are:

- i) Modernization & creation of new milk processing facilities
- ii) Manufacturing facilities for value added products.
- iii) Milk Chilling infrastructure
- iv) Setting up electronic milk testing equipment
- v) Project Management and Learning
- vi) Cattle feed/feed supplement plants



- vii) Milk transportation system (Refrigerated van/insulated tankers etc.)
- viii) Marketing infrastructure (including e-market system, bulk vending system, Parlour, deep freezer, cold storage etc.)
- ix) Commodity and Cattle feed go-downs
- x) ICT (e.g. block chain technology, servers, IT solutions, Near Rear Time devices etc.)
- xi) R&D (lab & equipment, new technology, innovations, product development etc.)
- xii) Renewable energy infrastructure/plants, trigen/ energy efficiency infrastructure. In all three cases, the energy generated or saved must be for the benefit of running cost of the existing plant/BMC unit/ Milk collection unit etc.
- xiii) Pet bottle/packaging material manufacturing units for dairy purposes etc.
- xiv) Training centre (complete with civil and other necessary infrastructure)
- xv) Any other activity related to the dairy sector targeted to contribute to the objectives of DIDF and decided by Government of India in consultation with the stakeholders.

Eligible End Borrowers:

NCDC assists the following beneficiaries under DIDF:

- Co-operative Milk Unions
- State Cooperative Dairy Federations
- Multi State Milk Cooperatives
- Farmer Producer Organizations registered under State Cooperative Act

Financial assistance under DIDF will be given to those eligible end borrowers (EEBs) who are making profit and is having positive net worth and willing to avail funds.

Interest rates on Loans by NABARD to NCDC and to End Borrower

NCDC lends to Eligible End Borrowers at the rate on the basis of NABARD lending rate (after deducting interest subvention of 2.5%) to NCDC plus fund management cost of 0.5%. In this regard, guidelines issued from time to time by DAHD, GoI can be referred.

O. Mission for Integrated Development of Horticulture (MIDH) / National Horticulture Board (NHB) / National Horticulture Mission (NHM)

Credit linked back ended subsidy @ 35% of project cost in general areas and @ 50% of project cost in Hilly, North East & Scheduled Areas, is provided under MIDH/NHB/NHM schemes for establishment of integrated pack house, pre-cooling units, cold room, mobile pre-cooling unit, ripening chambers and refrigerated transport vehicle. Pattern of assistance under MIDH/NHB/NHM schemes will be as under:

General Areas			North East, Hilly and Scheduled Areas		
NCDC to State Government	State Government to Society	Direct Funding	NCDC to State Government	State Government to Society	Direct Funding
Loan 55% BES* 35%	Loan 45% SC 10% BES* 35%	Loan 55% BES* 35%	Loan 40% BES* 50%	Loan 30% SC 10% BES* 50%	Loan 40% BES* 50%
Members* Contribution	10%	10%	10%	10%	10%

* Back Ended Subsidy subject to availability from Government of India / NHM / NHB otherwise equivalent loan from NCDC for that particular Coldchain component.

However, higher subsidy is available for some small components, like small pack house with size of 9 M*6 M, evaporative/low energy cool chamber (8 MT), preservation unit (low cost), low cost onion storage structure (25 MT) and Pusa Zero energy cool chamber (100 kg), and in their cases 50% of the total cost is provided as subsidy. The details of cost norms, pattern of assistance, operational guidelines, etc. may be seen at websites like www.midh.gov.in, www.nhb.gov.in.

- a) Should be legal entity and have raised equity from its members as per the Bye-laws
- b) Number of share holders are in accordance with the scheme
- c) Minimum 50% share holders from small and marginal and landless tenants
- d) Maximum share holding per member should not have exceeded 10% of total equity
- e) Board of Director and Governing Body should have women participation
- f) Having business plan and budget for next 18 months based on sustainable revenue model.

P. Scheme for Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs) – DAC&FW, MoA&FW

NCDC has been tasked by the Department of Agriculture, Cooperation & Farmers Welfare, Government of India (GoI) with the responsibility of an Implementing Agency (IA) under its Scheme “Formation and Promotion of 10,000 Farmer Producer Organisations” initiated in July 2020. With this initiative, GoI hopes to catalyse the transformation of the agriculture sector, where small and marginal holdings less than 2 hectares constitute over 80% of the farmer population and distressingly have ownership of a minor share of land.

The Scheme

The Scheme aims to achieve inclusive and sustainable transformation through the creation of a holistic and supportive ecosystem for the formation of 10,000 FPO by 2023-24, and their nurturing, handholding and capacity building over a five year period from their inception, to facilitate the development of vibrant and sustainable income oriented farming that would lead to the overall socio-economic development and wellbeing of agrarian communities.

The Role of NCDC in promoting FPOs

As Implementing Agency under the Scheme, the NCDC, in accordance with its mandate, will form and promote the allocated number of FPOs, which would be registered under the State Cooperative Societies Acts. In addition to the earlier State Cooperative Acts, these include the Mutually Aided or Self Reliant Cooperative Societies Acts or by whatever name called, or the Multipurpose Cooperative Societies Act (MSCS Act).

NCDC will promote FPO through its empanelled Cluster Based Business Organisations (CBBOs), who would function at the block level and be responsible for the formation of FPO allocated to NCDC under the Scheme. At the Block level where these FPO would be formed, NCDC would function through its empanelled Cluster Based Business Organisations (CBBO).

Aims and objectives of the scheme

Before launch of this scheme more than 6500 FPO are operating on ground. With an objective of bringing more farmers, particularly marginal and small farmers under FPO formed for addressing the challenges being faced by them viz. Lack of market access, credit linkages, inadequate financial support, lack of managerial skill etc. DA&FW has launched a dedicated Central Sector Scheme on Formation and Promotion of 10000 FPO. The main aims and objectives of the Scheme are as follows:

- (i) To provide a holistic and broad based supportive eco system to 10000 FPO, to facilitate vibrant and sustainable income oriented farming and for overall socio economic development.



- (ii) To enhance productivity through efficient cost effective and effective resource use and realize higher return through better liquidity and market linkages for their produce.
- (iii) To provide hand holding and support to new FPO for upto 5 years from the creation in all aspects of Management of FPO, Input, Production, Processing and Value Addition, Market Linkages, credit Linkages and use of Technology etc.
- (iv) To provide effective capacity building of FPO to develop agri entrepreneurship skills, to become economically viable and self sustaining beyond the period of support from the Government.
- (v) The programme will be implemented under the overall guidance of National Project Management Advisory and Fund Sanctioning Committee (N-PMAFSC) constituted under the Chairmanship of Secretary DAC&FW with Joint Secretary (Marketing), DAC&FW as Member Secretary.

Cluster Based Business Organisation (CBBO)

- (i) Implementing Agencies will be identifying Cluster Based Business Organisation (CBBO) at the State / Cluster level to form FPO;
- (ii) In a given State, based on geography produce clusters, cropping pattern etc there can be one or more CBBO and a CBBO can also work in more than one State.
- (iii) CBBO should have professional expertise and requisite experience information of FPO in agriculture and allied sector and should have a panel of specialists.

Benefits available under the Scheme to different stake holders**A. Incentive to Cluster Based Business Organisation (CBBO)**

The formation and incubation cost of CBBO, limited to maximum of ₹ 25 lakh / FPO of support or actual whichever is less is provided for five years from the year of formation. It includes cost towards undertaking baseline survey, mobilisation of farmers, organising awareness programmes and conducting exposure visits, professional hand holding incubation and other overheads.

Payment will be made to the CBBOs by Implementing Agencies by Implementing Agencies and shall be disbursed after receiving the utilisation certificate of previously disbursed amount.

B. FPO Management Cost

Under the scheme, financial support upto a maximum of ₹ 18.00 lakh / FPO or actual, whichever is lesser is to be provided to FPO for three years from the year of formation. From fourth year onwards, the FPO has to manage their own business activities.

The indicative financial support is as under:-

- Salary of CEO / Manager Maximum upto ₹ 25000 p.m
- Salary of Accountant Maximum upto ₹ 10000 p.m.
- One time Registration Cost Maximum upto ₹ 40000
- Travel and Meeting Cost Maximum upto ₹ 18000 per year
- Office Rent Maximum upto ₹ 48000 per year
- Utility Charges (mobile & electricity) Maximum upto ₹ 12000 per year
- One time cost for Furniture & fixtures Maximum upto ₹ 100000
- Miscellaneous (cleaning/stationery) Maximum upto ₹ 12000 per year

Any expenditure of operations, management, working capital requirement and infrastructure development etc. over and above this is to be met by the FPOs from their sources.

C. Equity Grant to FPO

- (i) Equity grant shall be in the form of the matching grant upto ₹ 2000 per farmer member of FPO subject to a maximum limit of ₹ 15.00 lakh per FPO
- (ii) Objectives of Equity Grant
 - a) Enhance viability and sustainability of FPO
 - b) Increase Credit worthiness of FPO
 - c) Enhance share holding of members to increase their ownership and participation in their FPO.

Broad Eligibility Criteria

- (iii) Within 45 days of the receipt of the Equity grant, the FPO will have to issue additional shares to share holder members.
- (iv) The FPO can draw the Equity Grant in a maximum of 3 tranches (with in a period of 4 years of the first application) subject to the cap and the extent it is able to raise additional member equity to qualify for additional marketing grant.
- (v) In the event of violation of any of the terms and conditions, the Implementing Agency will have right to demand and enforce the repayment of the entire amount of Equity Grant sanctioned along with appropriate damages.

D. Credit Guarantee Facility for Lending Institutions

Providing a Credit Guarantee Cover to Eligible Lending Institutions (ELI) enabling them to provide collateral free credit to FPO minimising their lending risks.

- (i) NABARD will create and maintain as ₹ 1000 crore Credit Guarantee for FPO promoted and Registered under both Cooperative Societies Act and Companies Act.
- (ii) Credit facility (term loan, working capital or composite loan) sanctioned within 6 months from date of application for guarantee, without any collateral security and / or their party guarantee.
- (iii) Credit Guarantee Cover per FPO Limited to project loan of ₹ 2.00 crore:
 - a. Loan upto ₹ 1 crore – guarantee cover 85% of the project loan with ceiling of ₹ 85 lakh (maximum guarantee fee 0.75% of credit facility)
 - b. For ₹ 1-2 crore, guarantee cover to be 75% with a maximum ceiling of ₹ 150 lakh (maximum fee 0.75% of credit facility)

Operational Guidelines of the Scheme available at (<https://agricoop.nic.in/en>)

NOTES FOR AVAILING NCDC ASSISTANCE:**5. GENERAL CRITERIA**

- i) Debt-Equity ratio in case of processing units and other infrastructural facilities can be adjusted keeping in view the viability of the projects. Members' contribution could be reduced provided the State Government makes good the members' part of the share.
- ii) In case of projects funded under specific schemes of the Government of India/other Institutions, their pattern of assistance will apply.
- iii) The Schemes of NCDC could be dovetailed with the schemes of Govt. of India/Departments of Government/any other source(s). The pattern of assistance will be adjusted accordingly; with the condition that only one central subsidy shall be available. State Governments can however contribute subsidy from their sources, if considered desirable.
- iv) Assistance to cooperatives having area of operations in more than one state could be provided



directly subject to suitable security by way of mortgage of assets etc.

- v) Direct funding will be as per the guidelines decided by NCDC from time to time.
- vi) Pattern of assistance indicates the maximum limit of financial assistance that can be provided.
- vii) Programme/Project should meet the Statutory/Obligatory requirements viz. pollution, environment, hygiene etc.
- viii) Cooperatives shall normally have a democratically elected Board, professionally managed and proper arrangements for forward and backward linkages.

NORMS FOR DIRECT FUNDING

6. ELIGIBILITY CRITERIA

6.1 NCDC may extend direct assistance to existing cooperatives in operation fulfilling the following conditions:

- i) The society seeking assistance should have positive net-worth and its share capital should not have been eroded;
- ii) The debt equity ratio considering all long term loans should normally be in the range from 65:35 to 70:30 for projects involving manufacturing/processing activities;
- iii) Audit of account should be complete upto previous year within 6 months of close of the financial year. In case where audit is undertaken by Government auditors and is not completed, accounts audited by Chartered Accountant will be submitted. In the case of newly formed society the 6 months period will be reckoned from the date when it is due as per the Act under which the society is registered;
- iv) The cooperative seeking NCDC assistance, or any other cooperative on which directors of this cooperative have been directors, should not have any major default in repayment of loans to NCDC/Banks/Financial Institutions;
- v) Value of assets to be mortgaged to NCDC as security against the loans should have adequate security margin, normally not less than 1.25 to 1.5 times. (Shortfall in the security may be made good by way of guarantee of a scheduled bank or an FDR of scheduled bank endorsed in favour of NCDC). Margin in case of security of FDR may not be less than 1.1 times for Working Capital loans and 1.2 times for Project Loans;
- vi) Working capital loans to cooperative societies/federations may be secured by hypothecation of stocks/debtors/other assets, keeping a minimum margin of 20%. If considered necessary, NCDC may ask for additional security of first or second charge on the fixed assets. In case of working capital loan for government procurement or Price Support operations, no minimum margin may be insisted;
- vii) NCDC may ask for additional securities by way of one or more of the following:
 - Government Guarantee
 - Guarantee of a scheduled bank
 - Personal guarantee of the Directors and collateral security

6.2 Mere fulfilment of eligibility criteria does not entitle the cooperative to be eligible for direct funding from NCDC. NCDC would examine viability of the projects with regard to various parameters as detailed below:

- (a) Technical feasibility & financial viability of project;
- (b) Financial soundness of the cooperative;
- (c) Past financial & operational performance of the cooperative (wherever applicable);
- (d) Professional expertise of the Management/employees of the cooperative;

- (e) Experience of the management of the cooperative in handling similar projects;
- (f) Part loan repayment performance of the cooperative (wherever applicable);
- (g) Capacity of the cooperative to raise its share of project cost;
- (h) Availability of adequate security for the loans sought from NCDC

Only such projects which, in opinion of NCDC, are viable based on these parameters shall be eligible for direct funding assistance from NCDC. Further, the cases of Cooperatives which do not have track record will be carefully appraised, and the background & capability of promoters of cooperative would be assiduously assessed.

6.3 The other terms, conditions and criteria are available at NCDC's website www.ncdc.in

6.4 Disbursement:

- a) NCDC will consider disbursement of 25% ways & means advance only after the society has raised 50% and utilized 40% of equity portion of the project by way of members/state govt. share capital and internal accruals.
- b) As per existing procedure, subsequent disbursements will normally be considered based on the expenditure incurred and committed expenses for one month as certified by a Chartered Accountant. For the projects involving NCDC assistance above ₹ 10 crore or as decided by MD, NCDC, such certification may be carried out by a Chartered Accountant from the panel approved by NCDC.
- c) **Processing fee:** In case of direct funding, a processing fee shall be charged for NCDC sanction @ 0.5% of the sanctioned amount, not exceeding ₹ 3.00 lakh (0.5% of ₹ 6.00 crore) in each case. However, processing fee shall not be charged for working capital loans of upto one year.