

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO. 130
TO BE ANSWERED ON THE 11TH DECEMBER, 2018

LOAN TO CO-OPERATIVE SOCIETIES

130. SHRI BHARAT SINGH:
SHRI B. VINOD KUMAR:
SHRI AJAY MISRA TENI:
SHRI A.T. NANA PATIL:
SHRIMATI SANTOSH AHLAWAT:
SHRI SUMEDHANAND SARASWATI:
SHRI CHANDRA PRAKASH JOSHI:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the Government has launched a new scheme “Yuva Sahakar Cooperative Enterprises Support and Innovating Scheme” for attracting the young entrepreneurs to cooperative business ventures and promoting them in cooperative societies and if so, the details thereof;
- (b) the total amount of funds allocated by the Government under the said scheme and the names of the entrepreneurs to whom the said funds have been provided during each of the last three years, State-wise;
- (c) the details of the districts which are benefited and likely to be benefited from the said scheme in the country, State-wise including Madhya Pradesh and Rajasthan;
- (d) whether the Government has simplified the rules to provide more loans to cooperative societies to enable them to provide loans easily to the youths for self-employment in rural areas; if so, the extent to which the unemployed youths in rural areas likely to be benefited with the simplified rules; and
- (e) if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI PARSHOTTAM RUPALA)

(a) to (c): Yes, Madam. National Cooperative Development Corporation (NCDC) a statutory Corporation under the Department of Agriculture, Cooperation & Farmers Welfare has formally launched the scheme of “Yuva Sahakar Cooperative Enterprise Support and Innovating Scheme” on 14.11.2018 for extending financial assistance to cooperatives with new innovative

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and value chain enhancement intended projects to encourage youth entrepreneurs. Salient features of the scheme is annexed. No funds have yet specifically been allocated under the scheme. It is envisaged to link the scheme to a "Cooperative Startup and Innovation Fund (CSIF)" created by NCDC. Scheme is open to cooperative societies in the country. No proposal has so far been received under the scheme.

(d) & (e): No Madam, Under the existing Central Sector Integrated Scheme for Agricultural Cooperation the loans are provided as per already approved rules, however, under the "Yuva Sahakar Cooperative Enterprise Support and Innovating Scheme" the rules have further been simplified in line of the objectivity of the scheme.

“Yuva Sahakar - Cooperative Enterprise Support and Innovation Scheme”

1. To encourage newly formed cooperatives to take advantage of innovative ventures, especially by societies having new/innovative idea, NCDC introduced a new scheme titled, “**Yuva Sahakar - Cooperative Enterprise Support and Innovation Scheme**” linked to a Cooperative Startup and Innovation Fund (CSIF) which has also been created by National Cooperative Development Corporation.

2. The **salient features** of the Scheme are as under:

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| i. | Eligibility | <ul style="list-style-type: none"> a) All type of cooperative societies with new, innovative ideas and linked to value chain enhancement intended projects. b) In operation for at least one year. c) Have positive net-worth. d) Have not incurred cash loss during previous year(s) of operation and no cash loss in the past three years (if the society is in operation for more than 3 years). |
| ii. | Project Cost | Not exceeding Rs.3.00 crore. |
| iii. | Loan Period | Period of loan is upto 5 years, including 2 years moratorium on payment of principal. Period of moratorium may vary, depending on type of project and ability to generate revenue. |
| iv. | Rate of Interest | As an incentive, 2.00% less than the applicable rate of interest on term loan for the project activity. Interest incentive is applicable only for timely repayments. |
| v. | Security | <p>Societies may offer security for the loan in any one or combination of the following to the satisfaction of NCDC:</p> <ul style="list-style-type: none"> a) Mortgage of assets, including assets to be created under the proposed project. b) FDRs of scheduled banks. c) Guarantee by credible cooperative institutions, i.e. institutions which have sound financial condition and proven track record. d) Guarantee by State / Central Government e) Guarantee by Central PSUs/ Statutory bodies / CSR Foundations of Central PSUs. f) Guarantee by Small Farmers’ Agri Business Consortium (SFAC) / North Eastern Development Finance Corporation (NEDFi) / Small Industries Development Bank of India (SIDBI). |

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| vi. | Subsidy | In case subsidy is eligible for the proposed activity under the Central Sector Integrated Scheme on Agricultural Cooperation (CSISAC) or any other source, the same shall be applicable. To ensure speedy and smooth implementation of project eligible loan shall be provided in-lieu of subsidy and the subsidy, as and when received, would be adjusted against the loan account. |
| vii. | Funding Pattern | <p>Debt: Equity Ratio for funding the projects would be:</p> <p>Category-A: 80% : 20% for all types societies in North Eastern region.</p> <p>All types of cooperatives registered and operating in Aspirational Districts identified by NITI Ayog.</p> <p>All types of cooperatives with 100% women members.</p> <p>All types of cooperatives with 100% Scheduled Caste/ Scheduled Tribe/ Persons with Physical Disability (PwD) members</p> <p>Category-B: 70% : 30% in case of all those cooperatives not covered under Category-A for all types of activities.</p> <p>In case subsidy is eligible for the proposed activity, subject to availability, the loan component would be reduced proportionately.</p> |
