

Initiative for Development of Entrepreneurs in Agriculture (IDEA)

Northeastern States of India is blessed with varied agro-climatic conditions suitable for cultivation of diverse crops and rearing of different livestock. In spite of being a production area for most of the high value fruits, flowers, spices etc., agriculture has not taken off on a commercial scale in the Northeast.

NEDFi, the premier financial institution of the region, recognizing the potential that remains untapped, is shouldering the responsibility to give a fillip to the Agriculture sector of the region by promoting suitable entrepreneurs for profitable Agri-Business ventures.

Entrepreneurs in the Agri-business Sector face difficulty in getting timely and adequate finance at a reasonable rate. As a special step to encourage entrepreneurs in the Agri-business sector, NEDFi has launched this scheme called **IDEA - Initiative for Development of Entrepreneurs in Agriculture**.

Objectives of the scheme

- To promote Agri-business ventures in North East Region
- To assist in establishing Agri-business as a profitable venture.
- To provide gainful employment opportunities in Agri-business Ventures.
- To make available supplementary sources of input supply and services.

The Salient Features of the Scheme

Eligibility Conditions

- Graduates and Post graduates in agriculture and allied subjects.
- Graduates, Post-graduates from other disciplines having experience and skill to undertake Agri Business ventures can also be considered.
- The proposed units could be proprietorship, partnership or a company.
- The promoter or their units must not be a defaulter in any government scheme and /or with any bank or any other agencies.

Nature and Extent of Finance

- Composite loan comprising Term Loan and Working Capital
- Financial assistance will be extended on need-based basis, depending upon the nature of the projects and competence of the promoters.

- Maximum project size could be Rs.25 lakhs for individual and in case of projects undertaken by a partnership firm or a company, the maximum size could be Rs.50 lakhs.
- NEDFi would provide assistance upto 25% of the project cost as Soft Loan for project size upto Rs.25 lakhs.
- No Soft Loan will be provided for project cost beyond Rs.25 lakh
- The promoter's contribution will be at least 15% of the project cost for Project cost upto Rs.25 lakh
- The promoter's contribution will be at least 35% of the project cost for Project cost beyond Rs.25 lakh.

Rate of Interest

- Service charge @ 1.00% p.a. on the Soft Loan
- Interest @ PLR p.a. on the Term Loan

At present PLR= 11.25% per annum, Effective Interest Rate=8.24% p.a. for project cost of Rs.25 lakh

Special incentives

- NEDFi will buy Term Coverage (insurance) policy of Rs.2 lakh to cover the life of the selected entrepreneurs and the policy will be Lien to NEDFi till liquidation of all the liabilities. For partnership and Company, insurance cover will not be given to all the promoters and partners, but coverage will be given to the main promoter or partner only.
- NEDFi will re-imburse 50% of the annual premium on insurance of assets during the tenure of the loan if the unit is not covered under NEIIPP 2007.
- NEDFi will facilitate entrepreneurs to participate in fairs and exhibitions and skill up-gradation training etc.

Repayment

5 to 7 years inclusive of a maximum moratorium of 2 years. Flexible repayment program may be made for projects with longer duration cash flows.

Security

- Mortgage / Hypothecation of the assets of the unit
- Personal guarantee of the promoters and one person having the capacity to repay the loan

List of Ventures to be considered under the scheme:

- 1) Agri-clinics
- 2) Vermi-compost units with packaging and marketing
- 3) Post harvest management centers
- 4) Bio-fertilizer or bio-pesticide production and marketing
- 5) Horticulture Nursery.
- 6) Commercial production of Medicinal and Aromatic plants (MAP) with processing.
- 7) Aquaculture
- 8) Hatchery for poultry
- 9) Agri-allied sector
- 10) Agro Processing Unit

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