

**National Cooperative Development Corporation**  
**Finance Division**  
**4, Siri Institutional Area, Hauz Khas, New Delhi - 110 016**

No. NCDC: 1-1/90-Budt.

27 March, 2024

Secretary, Cooperation, Government of India,  
All State Governments and Union Territories

**Sub: Fixed Interest rates on NCDC loans**

Sir,

In supersession of letter of even no. dated 26<sup>th</sup> December 2022, Fixed Interest Rates for NCDC loans are revised with immediate effect as follows:

Scheme	Effective rate of interest *
<b>A. Term Loans:</b>	
<b>(a) Through State Government</b>	
(i) Weaker section programmes	11.50%
(ii) Other programmes	11.70%
<b>(b) Direct funding</b>	
(i) Weaker section programmes	
- upto project cost of ₹100 lakh	11.80%
- above project cost of ₹100 lakh	11.92%
(ii) Other Programmes	11.97%

\* Subject to payment of installments on or before due date.



**Effective rate of interest\* for working capital loans through State Government# and under Direct Funding w.e.f. 27 March 2024**

<b>B. Working Capital Loans:</b>		<b>Upto 180 days</b>	<b>181 days - One year</b>	<b>One year - Two years</b>
<b>Amount-wise period-wise rate of interest for disbursement of working capital loans</b>		<b>Direct Funding</b>	<b>Direct Funding</b>	<b>Direct Funding</b>
(i)	Upto ₹100 crore	9.36%	9.56%	9.91%
(ii)	> ₹100 crore	9.35%	9.55%	9.90%
(iii)	For MSP operations by authorised bodies for amount up to ₹1000 crore	9.07%	9.27%	9.62%
(iv)	For MSP operations by authorised bodies for amount above ₹1000 crore	8.87%	9.07%	9.48%

\* Subject to payment of installments on or before due date.

# In cases of financial assistance through State Government, a discount of 10 basis points less than the rate prescribed as above shall be applicable.




2. **Interest shall be charged on monthly compounding basis.** In case of:
- i. Term Loans through State Governments, payment of interest shall be made annually;
  - ii. Term Loans under Direct Funding, payment of interest shall be made half yearly;
  - iii. Working capital Loans, payment of interest shall be made at such intervals as indicated in the letters indicating Sanction/Disbursements.

Note:

- (a) Interest will be charged as applicable at the time of disbursement of funds.
  - (b) In case payment of the installment is not received on or before due date, Normal Rate (effective + 1%) would be applicable.
  - (c) Penal rate of interest in case of default will be @ 2.5% over and above Normal Rate.
  - (d) Weaker section programmes:
    - (i) Fisheries
    - (ii) Scheduled Castes/Scheduled Tribes/ Hill Area Cooperatives
    - (iii) Dairy and Livestock
    - (iv) Poultry
    - (v) Handloom
    - (vi) Coir, Jute and Tobacco
    - (vii) Sericulture
    - (viii) Women Cooperatives
    - (ix) Labour Cooperatives
3. Period of Term Loan will be up to 8 years. Period for margin money assistance (loan) will be up to 5 years and working capital loan will be provided up to 2 years.
4. Moratorium on term loans for the projects/godowns will be up to 3 years, depending on gestation period of the project. There will be no moratorium in margin money, working capital and investment loan to State Governments for share capital participation.
5. In case of direct funding, processing fee shall be charged @ 0.5% of the sanctioned amount, not exceeding Rs.3.00 lakhs (0.5% of Rs.6.00 crores) plus tax in each case. However, processing fee shall not be charged for working capital loans up to one year.
6. Other terms and conditions as contained in Corporation's letter of even reference dated 15 October, 1984 shall continue to be applicable.

Yours faithfully,

  
27/2/2024  
Sudhir Kumar Sharma  
Financial Adviser

Copy to:

1. Registrar of Cooperative Societies,  
All States and Union Territories.
2. Secretary In-charge, Fisheries Department, State Government of West Bengal,  
Maharashtra, Karnataka, Gujarat, Kerala, Tamil Nadu, Andhra Pradesh, Telangana,  
Odisha, Manipur, Tripura, Assam, Nagaland.
3. Addl. Secretary (Cooperation),  
Ministry of Cooperation, Atal Akshay Urja Bhawan, New Delhi.
4. Director of Fisheries, State Government of West Bengal, Maharashtra, Karnataka,  
Gujarat, Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Odisha, Manipur,  
Tripura, Assam, Nagaland.
5. Director of Textiles, State Government of Maharashtra, Tamil Nadu, Andhra  
Pradesh, Telangana, Kerala, Gujarat, Madhya Pradesh, Karnataka, West Bengal.
6. PPS to Secretary to the Government of India, Ministry of Cooperation, New Delhi.
7. SPS to MD/SPS to DMDs/SPS to EDs.
8. DG (LINAC), NCDC, Gurugram
9. All Chief Directors/Directors, NCDC, H.O.
10. All Regional Directors, NCDC.

} With the request for wide  
publicity of the letter.



27/03/2024  
Sudhir Kumar Sharma  
Financial Adviser