

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

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

21 October, 2019

Secretary In-charge of Cooperation,
All State Governments and Union Territories

Sub: Interest rates on NCDC loans

Sir,

In modification of letter of even reference dated 23 August 2019, interest rates for NCDC loans are revised with immediate effect as follows:

Scheme	Effective rate of interest *
A. Term Loans:	
(a) Through State Government	
(i) Weaker section programmes	10.20%
(ii) Other programmes	10.45%
(b) Direct funding	
(i) Weaker section programmes	
- upto project cost of ₹50 lakh	10.50%
- above project cost of ₹50 lakh	10.85%
(ii) Other Programmes	10.98%

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



Effective rate of interest * for working capital loan through State Government and under Direct funding w.e.f. 21 October, 2019

B. Working Capital Loans:	Amount-wise period-wise Rate of interest for disbursement of working capital loans through State Government/Direct funding	Upto 30 days		31 days - 120 days		121 days - 180 days		181 days - 270 days		271 days - One year		One year - Two years	
		Through State Govt	Direct Funding	Through State Govt	Direct Funding	Through State Govt	Direct Funding	Through State Govt	Direct Funding	Through State Govt	Direct Funding	Through State Govt	Direct Funding
(i)	upto 50 crore	8.06%	8.26%	8.21%	8.36%	8.48%	8.54%	8.63%	8.69%	8.99%	9.04%	9.61%	9.66%
(ii)	> 50 crore and upto 100 crore	8.05%	8.23%	8.20%	8.33%	8.44%	8.49%	8.59%	8.64%	8.97%	9.02%	9.61%	9.66%
(iii)	> 100 crore and upto 300 crore	8.04%	8.21%	8.19%	8.31%	8.41%	8.46%	8.56%	8.61%	8.95%	9.00%	9.61%	9.66%
(iv)	> 300 crore and upto 1000 crore	8.04%	8.18%	8.19%	8.28%	8.39%	8.44%	8.54%	8.59%	8.93%	8.98%	9.61%	9.66%
(v)	> 1000 crore	8.03%	8.16%	8.18%	8.26%	8.36%	8.41%	8.51%	8.56%	8.91%	8.96%	9.61%	9.66%
(vi)	For MSP operations by authorised bodies for amount < 2000 crore	8.01%	8.14%	8.16%	8.24%	8.34%	8.39%	8.49%	8.54%	8.89%	8.94%	9.51%	9.61%
(vii)	For MSP operations by authorised bodies for amount ≥ 2000 crore and drawal @ tranches not < 500 crore	7.99%	8.10%	8.11%	8.16%	8.29%	8.34%	8.44%	8.49%	8.84%	8.89%	9.46%	9.56%
(viii)	For Cold Chain projects	8.03%	8.16%	8.18%	8.26%	8.36%	8.41%	8.51%	8.56%	8.91%	8.96%	9.61%	9.66%

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

2. **Interest shall be charged on monthly compounding basis.** In case of:

- i. Term Loans through State Govts., payment of interest shall be made annually,
- ii. Term Loans under Direct Funding, payment of interest shall be made half yearly; and
- 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
 - (iv) Poultry
 - (v) Handloom
 - (vi) Coir, Jute and Tobacco
 - (vii) Sericulture
 - (viii) Women Cooperatives
 - (ix) Labour Cooperatives

3. Period of Term Loan will be upto 8 years. Period for margin money assistance (loan) will be upto 5 years and working capital loan will be provided upto 2 years.

4. Moratorium on term loans for the projects/ godowns will be upto 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 lakhs (0.5% of Rs.6 crores) plus tax in each case. However, processing fee shall not be charged for working capital loans upto one year.

6. Other terms and conditions as contained in Corporation's letter of even reference dated 15 October, 1984 of shall continue to be applicable.

Yours faithfully,

(Sudhir Kumar Sharma) 21/10/2019
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, Tamilnadu, Andhra Pradesh, Telangana, Orissa, Manipur, Tripura, Assam, Nagaland.
3. Addl. Secretary (Cooperation and Credit),
Ministry of Agriculture & Farmers' Welfare, Department of Agriculture & Cooperation and Farmers' welfare, Krishi Bhawan, New Delhi.
4. Joint Secretary (Cooperation and Credit),
Ministry of Agriculture & Farmers' Welfare, Department of Agriculture & Cooperation and Farmers' welfare, Krishi Bhawan, New Delhi.
5. Director of Fisheries, State Government of West Bengal, Maharashtra, Karnataka, Gujarat, Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Orissa, Manipur, Tripura, Assam, Nagaland.
6. Director of Textiles, State Government of Maharashtra, Tamil Nadu, Andhra Pradesh, Telangana, Kerala, Gujarat, Madhya Pradesh, Karnataka, West Bengal.
7. PPS to Secretary to the Government of India, Ministry of Agriculture & Farmers' Welfare, Krishi Bhawan, New Delhi.
8. SPS to MD/SPS to FA/PS to EDs.
9. All Chief Directors/Directors, NCDC, H.O.
10. Chief Director (LINAC), NCDC, Gurugram.
11. All Regional Directors, NCDC.
12. All Advisers, NCDC, New Delhi.

With the request for wide
publicity of the revised rates.

(Sudhir Kumar Sharma) 21/10/2019
Financial Adviser