

NCDC

Assisting Cooperatives. Always!

National Cooperative Development Corporation

Work Manual

C, IC & SC Division

(Updated April 2021)

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1. FUNCTIONS OF THE DIVISION

To plan, promote and provide financial assistance short term loans to cooperatives/ cooperative banks to meet their working capital requirements and financial assistance to cooperatives for Industrial, Service and Labour activities within the framework of NCDC Act. The scope of work is to provide financial assistance in the form of (i) Short term working capital loans to cooperatives for providing loans to cooperatives and individual for agriculture & allied and other activities coming under the purview of NCDC. (ii) Term loans to cooperatives for Creation, Modernization, Expansion, Repairs, Renovation etc. of infrastructural facilities relating to Tourism, Hospitality, Transport, Generation and Distribution of Electricity by New, Non-conventional and renewable sources of energy, Rural Housing, Hospital and Healthcare for Human beings and Education. (iii) Term loans to Agricultural Credit Cooperatives for Creation, Modernization, Expansion, Repairs, Renovation etc. of infrastructural facilities such as branch/office buildings, counters, strong rooms, safe deposit vaults, vehicles, furniture & fixtures etc. (iv) Term loan to Labour Cooperatives for purchase of construction related machines and equipment, tool & tackles, loading/unloading/packing; Establishment/Construction of Service Complex/Godown; Computerization, furniture and infrastructure for establishment of Data Bank by National, State level and District level. (v) Term loan to Cooperatives for establishment of industrial work sheds/units including plant & machinery for production/fabrication/assembling/processing of industrial goods, handicrafts, rural crafts & other products; expansion/modernization/renovation of existing industrial cooperative units; construction of marketing infrastructure including showrooms/warehouses/transport vehicles etc.; establishment of Cooperative Industrial Estates for small-scale industries The works dealt by the Division are as under:

- 1.1 Preparation of Yearly Programme of Activities (POA);
- 1.2 Generation of proposals;
- 1.3 Examination of proposals;
- 1.4 Appraisal of project & sanctioning of financial assistance;
- 1.5 Release of sanctioned assistance;
- 1.6 Revalidation of sanctioned Projects (wherever applicable);
- 1.7 Monitoring of sanctioned Projects;
- 1.8 De-sanctioning of financial assistance (wherever applicable);
- 1.9 Return of original legal documents; and
- 1.10 Preparation of Division related reports

2. PROCESSES

2.1 Preparation of Yearly Programme of Activities (POA)

Input: Previous year spill over, projects in pipeline and details of expected generation of proposals.

Source: SRDB, RO & Cooperative Societies / Cooperative Federations / State Government

2.1.1 Yearly targets are laid down in the form of Programme of Activities prepared by the Division along with State-wise / Activity-wise break up of financial outlay.

2.2 Generation of proposals

Input: Finalised Programme Outlay along with physical & financial targets.

Source: P&C Division.

2.2.1 The schemes of the C, IC & SC Division for financial assistance are circulated among all the State Governments / Union Territories / Cooperative Federations to advise the societies to formulate suitable proposals and avail financial assistance including benefits available under various schemes.

2.2.2 On receipt of the proposal from State Government / Cooperative Society, it is diarized in the Division.

2.3 Examination of Proposals

Input: Receipt of proposal.

Source: Cooperative Societies / Cooperative Banks / Cooperative Federations / State Government.

2.3.1 The proposal is scrutinized in respect of following points:

2.3.1.1 Proposal is from Registered Cooperative Society.

2.3.1.2 The proposal is in the prescribed format (Common Loan application Form).

2.3.1.3 All the rows & columns of application form are filled with the requisite information.

2.3.1.4 Last 3 year's financial statements (duly certified by CA) are enclosed with the proposal.

- 2.3.1.5 All the relevant documents are enclosed as prescribed in Common Loan application Form.
- 2.3.1.6 The accounts are audited as per statutory requirement of State Government or Cooperative Act.
- 2.3.1.7 The proposal is preliminarily examined as to whether it is submitted in the prescribed format and all the relevant information/documents such as (i) copies of last 3 years audited/ chartered accountant certified financial statements, (ii) business activities during the last 3 years (iii) loan recovery position and key financial indicators for the last 3 years in case of credit cooperatives/banks, (iv) membership & share capital position, (v) composition of Board of Directors, (vi) Dates of last Annual General Body meeting & election to the Board of Directors, (vii) no default certificate in case of direct funding proposal, (viii) requirement of assistance with justification, (ix) details of the project such as (a) project cost with break up details, (b) proposed funding pattern, (c) cash flow projections, (d) project implementation schedule etc., in case of proposals other than working capital loans.
- 2.3.1.7 In case the proposal is not received in prescribed format or there is any deficiency of necessary information, clarification is obtained through letters/over telephone/e-mail/fax etc. to facilitate early receipt of information and examination of the proposal.
- 2.3.1.8 If the cooperative is not found to be eligible for assistance, the same is communicated to the concerned cooperative/ State Govt. alongwith reason for rejection
- 2.3.1.9 Proposals, only after receipt of all the relevant information, are entered in the SRDB Module (Sanction Release Data Base System) existing in the Corporation.
- 2.3.1.10 Proposal No. is generated in SRDB system.

2.4 Appraisal of project & Sanctioning of financial assistance

Input: Examined proposal having proposal number

Source: SRDB (Sanction Release Data Base) System

- 2.4.1 After preliminary scrutiny, the proposal is placed before Pre-Screening Committee (PSC). Direct funding proposals involving NCDC assistance above ₹100.00 lakh that are placed before Pre-screening Committee (PSC) for its consideration. In case of proposal to be funded through State Govt. involving

assistance more than ₹100.00 lakh the proposal is preliminarily examined. With the approval of competent authority, the proposal is either desk appraised or field appraised.

- 2.4.2 In case of field appraisal, the appraisal team constituted with the approval of Managing Director visits the site and examines all the aspects like facilities like electricity, roads connectivity, capability of management, market and techno-economic viability etc. by following the appraisal guidelines. The appraisal report invariably includes scheduling of the project activities based on realistic assessment of ground conditions. Sensitivity analysis is also included in the report. Appraisal team submits its report to the Divisional Head.
- 2.4.3 In case of desk appraisal, the Division examines all the above said aspects at para 2.4.2 in HO itself and the project authorities may be called for desk appraisal if need be. Appraisal report will be submitted to the Divisional Head.
- 2.4.4 After preparation of the Appraisal Report, an agenda note along with summary, checklist and other requisite documents prescribed from time to time, is prepared by the concerned officer for approval of the Divisional Head / other Competent Authority for placing before the Internal Screening Committee (ISC) OR Central Screening Committee (CSC) and subsequently to Board of Management (BOM) on approval of Competent Authority depending upon the quantum of assistance involved for sanction. In case of proposals involving NCDC term loan assistance more than ₹50.00 crore, on the recommendations of ISC/CSC, draft agenda note is prepared for placing before the Board of Management for its consideration. In case of proposals for sanction of working capital loans to cooperatives which fulfil the Direct Funding criteria, Managing Director has been delegated powers to sanction working capital assistance upto ₹300.00 crore and to the Chairman, BOM, NCDC in case of loan above ₹300.00 crore. Accordingly, on the recommendation of ISC, proposals involving working capital loan assistance more than ₹ 300.00 crore, are put up on file to Chairman, BOM, NCDC for consideration. Such sanctions are placed before the BOM for information in the immediate ensuing meeting
- 2.4.5 After approval of the agenda note by the concerned Screening Committee (or) BOM, draft sanction letter is prepared and put up for approval of the Competent Authority and for allotment of Control Number by the Finance Division.
- 2.4.6 After allotment of Finance Control No. sanction letters containing details of financial assistance including pattern of assistance, schedule for release of assistance, period of loan,

rate of interest, applicable service tax, validity of sanction, repayment due date etc., and other terms and conditions are issued. Feedback form will be enclosed along with sanction letter.

- 2.4.7 In case of direct funding, formats for legal documents viz. resolution to be passed by the society for availing sanctioned assistance, loan agreement and other concerned documents are sent along with the sanction letter to the concerned beneficiary.
- 2.4.8 The Regional Directors are delegated powers to sanction projects having project cost as per latest HO circular issued by the Finance Division. The projects are required to be approved by Regional Screening Committee before issue of sanction letter by RDs.

2.5 Release of sanctioned assistance

Input: Request for release (Legal Documentation should be completed before release in case of direct funding).

Source: Cooperative Societies / Cooperative Federations / State Governments

- 2.5.1 In case of direct funding, legal documentation work is done by empanelled Advocates at the concerned Regional Office (RO) or at Head Office (HO) as per convenience of the society. After proper execution, original legal documents are kept in safe custody at RO / HO. Division submits all copies of legal documents to legal cell in HO for proper vetting. Once it is agreed, the society submits the proposal for release of financial assistance.
- 2.5.2 Proposal for reimbursement of sanctioned assistance are received from the concerned State Government / directly from society in case of direct funding and the same are examined in the Division for fulfilment of all terms & conditions of sanction.
- 2.5.3 Draft letter for reimbursement / release of eligible assistance to the State Govt. in case the assistance is sanctioned through State Govt. and to the beneficiary society, in case of direct funding, is prepared and put up to the Finance Division for approval and allotment of Finance Control number by Budget Cell. After approval of the letter for reimbursement of assistance and allotment of Finance Control number, the fair letter is prepared and ink-signed copy of the same is submitted to the Finance Division along with other copies for release of assistance.

- 2.5.4 In case the proposal is for assistance above the prescribed ceiling limit of Regional Office, the Regional Directors send copies of the Deeds / documents executed by the beneficiary to the Division in HO along with request from the beneficiary for release of eligible assistance after fulfilling the requirements mentioned in the sanction letter. The Division examines the documents including security cover (Value of assets to be mortgaged to NCDC as security against the loan should have adequate security margin as prescribed in latest guidelines for direct funding) and the request of the society for release of assistance before submission of draft release letter for approval and allotment of Finance Control number.
- 2.5.5 Fair release letter is issued along with feedback form.
- 2.5.6. The guard file is maintained containing copies of the sanction / release letters issued by Head Office as well as by Regional Directors during the financial year. Registers containing details of sanction/ release of assistance are also maintained in the Division.

2.6 Revalidation of sanctioned Projects (wherever applicable)

Input: Request for revalidation of sanction.

Source: Cooperative Societies / Cooperative Federations / State Governments

- 2.6.1 Proposal for revalidation i.e., validity extension is received from the concerned State Government / directly from society in case of direct funding and the same are examined in the Division against terms & conditions of sanction.
- 2.6.2 If validity of sanction expires due to unavoidable reasons, then draft letter is prepared and put up for approval of the Competent Authority.
- 2.6.3 After approval of Competent Authority, revalidation letter containing details of extension in validity period is issued.

2.8 Monitoring of sanctioned Projects

Input: Terms & conditions of sanction / release.

Source: Sanction letter / Release letter

- 2.7.1 Progress report in the prescribed proforma is called for from the beneficiary societies during implementation of the sanctioned projects.

- 2.7.2 These progress reports are examined in detail with particular reference to utilization of funds and physical progress of implementation of the project.
- 2.7.3 The beneficiary societies are advised to speed up implementation of project in case the project is not being implemented as per schedule.
- 2.7.4 Monitoring is also undertaken by field visits to the societies implementing the sanctioned projects, as and when required.

2.8 De-sanctioning of financial assistance (wherever applicable)

Input: Proposal for de-sanction / Non compliance of terms & conditions of sanction

Source: Cooperative Societies / Cooperative Federations / State Government and Sanction letter.

2.8.1 Proposal for de-sanction is received from the concerned State Government / directly from society in case of direct funding and the same are examined in the Division against terms & conditions of sanction.

2.8.2 If non compliance of terms & conditions of sanction is witnessed, Division may initiate the de-sanction process after obtaining due approval of competent authority. If there is any unutilized amount for longer period or if any project does not take off due to any reason, the same is also de-sanctioned after obtaining due approval of competent authority. Draft de-sanction letter is prepared and put up for approval of the Competent Authority and for allotment of Control Number by the Finance Division.

2.8.3 After allotment of Finance Control No., de-sanction letters containing details of financial assistance are issued.

2.9 Return of original legal documents (only for Direct Funding)

Input: Receipt of request for return of original legal documents after repayment of entire loan.

Source: Cooperative Societies / Cooperative Federations / State Governments

2.9.1 After repayment of entire loan assistance and interest thereon, the beneficiary societies request for return of original document viz. FDR / Original title deed of property pledged / mortgaged to the Corporation.

- 2.9.2 After confirmation of repayment of loan and upto date interest thereon by Finance Division, the original document is returned to the beneficiary society.

2.10 Preparation of Division related reports

Input: Requisition seeking information.

Source: P&C Division/ Finance Division/ Other Divisions of NCDC, DAC & FW in Ministry of Agriculture & Farmers Welfare, Other departments/Ministries of GOI & State Governments, VIPs and RTI applicants and Internal & External Auditors

- 2.10.1 Reports in the prescribed proforma are furnished to the Govt. of India / DMI / other concerned agencies.
- 2.10.2 Information as and when required by Service Divisions such as Planning and Coordination Division, Finance Division, MIS Division, GA Division, P&A Division etc and other Programme Divisions of the Corporation is furnished.
- 2.10.3 After close of the financial year, Annual Report of the Division is prepared and sent to P&C Division.
- 2.10.4 Providing inputs to DAC & FW, Ministry of Agriculture & Farmers Welfare for inclusion/modification of inputs relating to policy level changes pertaining to programmes regarding this division.
- 2.10.5 Preparation of replies to Parliament questions, VIP references, RTI and Audit queries as and when received.
- 2.10.6 Submission of quarterly Hindi Report in prescribed format; and
- 2.10.7 Compliance to provision of the Official Language Act to promote progressive use of Hindi.

3. PROCESS MEASUREMENTS:

S. No.	Measurable Process Indicator	Standard Working Days
1.	Scrutiny of proposal from date of receipt and seeking additional information / clarification.	7
2.	Preparation of Agenda on receipt of complete information for projects being desk appraised: i. Direct funding – DSC / PSC agenda ii. Through State Government DSC / ISC agenda	5
3.	Constitution of appraisal team – No. of days for submitting file in DDFS.	2
4.	Field appraisal of the projects to be completed after constitution of team.	10
5.	Preparation of appraisal report on completion of field visit and receipt of complete information.	5
6.	Preparation of Agenda Note for CSC / ISC meeting after receipt of Appraisal Note or minutes of PSC.	3
7.	Preparation of Agenda Note for BOM meeting on receipt of minutes of ISC / CSC.	2
8.	Preparation and submission of draft sanction letter on receipt of minutes of ISC/CSC/BOM.	2
9.	Issuance of sanction letter on receipt of control number from Finance Division.	1
10.	Submission of draft release letter to Finance Division from date of receipt of complete information.	2
11.	Issuance of release letter after receipt of control number from Finance Division.	1
12.	Action on request for validity extension on receipt of complete information.	2
13.	Submission of executed legal documents for vetting by Legal Cell after receipt of complete information from RO	2
14.	Parliament Questions, VIP references / other DAC&FW queries.	As per requested timeline
15.	Information called for from other Programme Divisions & Service Divisions.	As per requested timeline
16.	Reporting to P&C / Finance Division	As per requested timeline
17.	Maintaining Guard File & updation of data in Division	Immediately

**In case of delay in compliance with the process measurements, the delay shall be approved by HOD*

4. PROCESS CONTROLS

S. No.	Process	Process step	Controls Established
1	Generation of proposal	Receipt of proposal	Schemes of NCDC assistance.
2	Examination of proposal	Operational obligation of the society	Bye-laws establishment under state Cooperative Society's Act
		Receipt of relevant information for analysis of operational/financial performance	As prescribed in common loan application form
3	Sanction	Appraisal of the proposal	Field appraisal only in case of necessity as decided by PSC/ Competent Authority
		Constitution of field appraisal team	Approval from Competent Authority
		Approval of sanction in case of working capital loan	Latest circular on delegation of powers for sanction of Working Capital (WC) loans.
		Approval of sanction in case of term loans	Latest circular on delegation of powers for sanction of term loans except WC loans.
4	Disbursement	Fulfilment of terms & conditions of sanction	Sanction Letter
		Security cover against sanctioned assistance (Direct funding)	Latest guidelines for direct funding issued by Finance Division from time to time.
		Legal documentation work (Direct funding)	RO/HO and empanelled advocates (in case of mortgage of fixed assets).
5	Reporting	Compliance to statutory/regulatory queries	<ul style="list-style-type: none"> • Official Language Act, 1963 • RTI Act • Requisite information within stipulated time.

5. DETAILS OF DOCUMENTED INFORMATION RETAINED

S. No	Title	Identifi-cation	Location	Maintained By	Retention Period in Years	Disposition
1	Files					
	I. Financial Assistance files	By Title	Division	Director, Programme Officer, Sr. Assistant	Till loan is repaid	Digitization and weeding out
	II. Policy Matters and Non-Financial Files	By Title			Permanent	Digitization and weeding out as per requirement
2	Sanction / Release / De-sanction Registers	By Title	Division	Programme Officer & Sr. Assistant	15 years	Digitization and weeding out
3	Diary and Despatch Register	By Title	Division	Sr. Assistant	1 year	Weeding out
4	Peon Book	By Title	Division	Sr. Assistant	1 year	
5	Attendance Register	By Title	Division	Director	1 year	
6	File Register	By Title	Division	Programme Officer & Sr. Assistant	5 years	Digitization and weeding out
7	File Movement Register	By Title	Division	Programme Officer & Sr. Assistant	2 years	Weeding out
8	Guard File	By Title	Division	Sr. Assistant	Till the repayment of loan	Weeding out
9	Customer Feedback File	By Title	Division	Sr. Assistant	5 years	Weeding out
10	Complaint Register	By Title	Division	Sr. Assistant	5 years	Weeding out
11	RTI Register	By Title	Division	Sr. Assistant	5 years	Weeding out
12	Parliamentary question Register	By Title	Division	Sr. Assistant	5 years	Weeding out
13	Process Measureme	By Title	Division	Sr. Assistant	5 years	Weeding out

	nt Register					
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6. DETAILS OF DOCUMENTED INFORMATION MAINTAINED

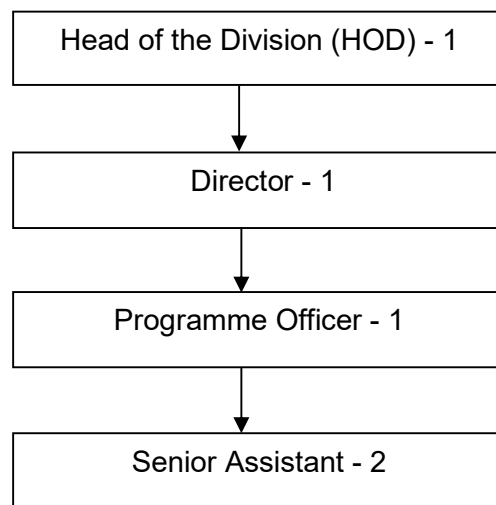
S. No.	Title	Identificat-ion	Location	Prepared by	Approved by	Revision No.
6.1	Common Loan Application Form	By Title	Division & NCDC's web site at www.ncdc.in	Finance Division	BOM	01
6.2	Form for Periodical Progress Report	By Title	Division	Division	HOD	01
6.3	Guidelines for Direct Funding	Guidelines	Division	Finance Division	MD	01
6.4	Policy Circulars	By Title	Division	Division	BOM	01
6.5	Checklist of Guidelines for assistance	Check List	Division	Finance Division	MD	01

7. REFERENCES

S. No Particulars

- 7.1 NCDC Act, Rules & Regulations;
- 7.2 NCDC's latest circular on Rate of Interest, Service Tax, Record retention etc;
- 7.3 NCDC's latest guidelines for direct funding;
- 7.4 NCDC's loan application form for submission of proposals;
- 7.5 Relevant decision of Board of Management (BOM) / General Council (GC) of NCDC;
- 7.6 Schemes/ Guidelines issued by concerned Ministries / GOI from time to time;

8. DIVISION STRUCTURE AS ON DATE



Note: (i) 2 Multi-Tasking Staff (MTS) is reporting to all the above in Division.

9. RESPONSIBILITIES & AUTHORITIES

Designation	Responsibilities	Authorities
Head of the Division (Executive Director) (C, IC & SC)	<ul style="list-style-type: none"> ➤ Overall management of entire functions of the Division. ➤ Coordination with all concerned relating to activities of the Division. ➤ Forwarding through proper channel the requests to the competent authority for approvals beyond delegated powers. ➤ Administration & supervision ➤ Planning and Policy Matters ➤ Act as designated PIO under RTI Act. 2005 for the Division. ➤ Handling customer enquires complaints and feedback. ➤ Attending to Parliament Questions, ➤ Attending to VIP Reference. ➤ Attending to Audit queries. 	<ul style="list-style-type: none"> ➤ According to approvals within defined delegation of powers. ➤ Sanction/recommending leave of officers/staffs. ➤ To allocate the work of division among the officials of the division.
Director (C, IC & SC)	<ul style="list-style-type: none"> ➤ Cross-examination of the proposal put up by AD/ PO. ➤ Coordination work including establishment and administration ➤ Attend to any other work assigned from time to time. 	<ul style="list-style-type: none"> ➤ To sign letters/circular to convey the decision/ approval of competent authority and for seeking information from divisions; ➤ To examine/ move proposal/ tour programme for approval ➤ To sanction/recommend the leave of subordinate/ supporting staff ➤ To sign store indent for stationery/ other material ➤ Authority as assigned by the reporting officer.

<p>Programme Officer</p>	<ul style="list-style-type: none"> ➤ Preliminary examination of proposal with analysis of financial statements and forwarding the same to Dir. ➤ Follow-up with societies to call for information not provided. ➤ Furnishing factual information to other divisions/ MoA, if permitted. ➤ Furnishing annual report, POA, RFD and other information to concerned divisions. ➤ Any other work assigned from time to time 	<ul style="list-style-type: none"> ➤ To examine/ move proposal/ tour programme for approval ➤ To sanction/ recommend the leave of subordinate/ supporting staff ➤ To sign store indent for stationery/ other material ➤ Authority as assigned by the reporting officer.
<p>Senior Assistant (C, IC & SC)</p>	<ul style="list-style-type: none"> ➤ He/she shall maintain the data pertaining to sanction & release of assistance. ➤ He shall attend to all type of coordination work including establishment and administration and shall report to all senior officers in the division. ➤ He/ she shall attend to any other work assigned (verbally/in writing) from time to time. ➤ Maintaining and submission of report on usage of Hindi language to Hindi Division on quarterly basis in the Performa prescribed by the Hindi Division. ➤ Any other work assigned from time to time 	<ul style="list-style-type: none"> ➤ To make indent for stationery /other materials; ➤ To sign photocopy request for getting photocopy of documents; ➤ To maintain files/records of the divisions; ➤ To receive/ dispatch dak ➤ Authority as assigned by the reporting officer.
<p>MTS (C, IC & SC)</p>	<ul style="list-style-type: none"> ➤ Moving files from one officer to another. ➤ Photocopy of the important documents required by Division. ➤ Delivery of approved information to other divisions. ➤ He/ she shall attend to any other work assigned (verbally/in writing) from time to time. ➤ Dispatch of letters/circulars. ➤ Dak distribution in the division. ➤ Any other work assigned from time to time 	<ul style="list-style-type: none"> ➤ To get photocopied of documents; ➤ To make sets/ distribute the circulars etc.; ➤ To carry file/document from one officer to other officer within division/ outside division ➤ Need based access to files & records

10. ABBREVIATIONS:

BOM	Board of Management
CAPA	Corrective Action and Preventive Action
C, IC & SC	Credit, Industrial Cooperative & Service Cooperative
CSC	Central Screening Committee
CSISAC	Central Sector Integrated Scheme on Agricultural Cooperation
CSS	Centrally Sponsored Scheme
DOAC & FW	Department of Agriculture, Cooperation & Farmers Welfare
DCCB	District Central Cooperative Bank
DPR	Detailed Project Report
DSC	Divisional Screening Committee
EFC	Expenditure Finance Committee
FR	Fresh Receipt
FDR	Fixed Deposit Receipt
GC	General Council
GOI	Government of India
ISC	Internal Screening Committee
MPCS	Multipurpose Cooperative Society
NCDC	National Cooperative Development Corporation
NLCF	National Labour Cooperative Federation
NOC	No Objection Certificate
OM	Office Memorandum
OTS	One Time settlement
P&C	Planning & Coordination
PACS	Primary Agricultural Cooperative Society
POA	Programme of Activities
PSC	Pre-Screening Committee
PDC	Post Dated Cheque
RCS	Registrar of Cooperative Societies
RCSS	Restructured Central Sector Scheme
RO	Regional Office
RTI	Right to Information
SRDB	Sanction Release Data Base
SCARDB	State Cooperative Agriculture & Rural Development Bank
SCB	State Cooperative Bank
SCLCF	State Cooperative Labour & Construction Federation
STWC	Short Term Working Capital Loan
UD	Under developed
UT	Union Territory