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

No. NCDC: 1-1/90-Budt. 26 December, 2022

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 13 December 2022, 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	11.50%
(ii) Other programmes	11.70%
(b) Direct funding	
(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.**

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Effective rate of interest * for working capital loan through State Government and under Direct funding w.e.f. 26 December, 2022

B. Working Capital Loans:		Upto 30 days[a]		31 days - 120 days		121 days - 180 days		181 days - 270 days		271 days - One year		One year - Two years	
Amount-wise period-wise Rate of interest for disbursement of working capital loans through State Government/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	Through State Govt	Direct Funding
(i)	upto 50 crore	8.73%	8.93%	8.96%	9.11%	9.23%	9.29%	9.63%	9.69%	9.99%	10.04%	10.61%	10.66%
(ii)	> 50 crore and upto 100 crore	8.72%	8.90%	8.95%	9.08%	9.19%	9.24%	9.59%	9.64%	9.97%	10.02%	10.61%	10.66%
(iii)	> 100 crore and upto 300 crore	8.71%	8.88%	8.94%	9.06%	9.16%	9.21%	9.56%	9.61%	9.95%	10.00%	10.61%	10.66%
(iv)	> 300 crore and upto 1000 crore	8.71%	8.85%	8.94%	9.03%	9.14%	9.19%	9.54%	9.59%	9.93%	9.98%	10.61%	10.66%
(v)	> 1000 crore	8.70%	8.83%	8.93%	9.01%	9.11%	9.16%	9.51%	9.56%	9.91%	9.96%	10.61%	10.66%
(vi)	For MSP/PSS operations by authorised bodies for amount < 2000 crore	8.43%	8.56%	8.54%	8.63%	8.94%	9.00%	9.49%	9.54%	9.89%	9.94%	10.51%	10.61%
(vii)	For MSP/PSS operations by authorised bodies for amount ≥ 2000 crore and <5000 crore with drawal @ tranches not < 300 crore $	8.40%	8.43%	8.50%	8.54%	8.79%	8.84%	9.44%	9.49%	9.84%	9.89%	10.46%	10.56%
(viii)	For MSP/PSS operations by authorized bodies for amount 5000 crore and above with drawal @ tranches not < 500 crore #	8.32%	8.35%	8.39%	8.43%	8.77%	8.82%	9.42%	9.47%	9.82%	9.87%	10.43%	10.53%
(ix)	For Cold Chain projects	8.70%	8.83%	8.93%	9.01%	9.11%	9.16%	9.51%	9.56%	9.91%	9.96%	10.61%	10.66%

[a]No pre-payment is allowed for WC Loan drawn for a period upto 30 days.

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

$ For MSP/PSS operations by authorized bodies for sanction amount ≥Rs.2000 crore as indicated at Sl. No. (vii) and (viii) above, borrower is allowed to avail benefit of reduction in rate of interest, if any, upto a maximum of two times during the entire loan period availed for each disbursement after retention period of 21 days and further subject to condition that no pre-payment of loan is allowed till next 30 days after each reset of interest allowed by NCDC. The benefit of reset of interest rate will be effective from fifth day of date of receipt of request from borrower.

For MSP/PSS operations by authorized bodies for sanction amount of Rs.5000 crore and above as indicated at Sl. No. (viii) with Central Government Guarantee, 5 basis points less than the rate prescribed

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.

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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
Financial Adviser
26/12/2022

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 and Credit),
   Ministry of Cooperation, Atal Akshay Urja Bhawan, New Delhi.

4. Joint Secretary (Cooperation and Credit),
   Ministry of Cooperation, Atal Akshay Urja Bhawan, New Delhi

5. Director of Fisheries, State Government of West Bengal, Maharashtra, Karnataka, Gujarat, Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Odisha, 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 Cooperation, 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
Financial Adviser
26/12/2022