

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

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

05 February, 2021

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 25 August 2020, 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	9.50%
(ii) Other programmes	9.70%
(b) Direct funding	
(i) Weaker section programmes	
- upto project cost of ₹100 lakh	9.80%
- above project cost of ₹100 lakh	9.92%
(ii) Other Programmes	9.97%

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


5/2/21

Effective rate of interest * for working capital loan through State Government and under Direct funding w.e.f. 5th February, 2021

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	
		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
Amount-wise period-wise Rate of interest for disbursement of working capital loans through State Government/Direct funding													
(i)	upto 50 crore	6.58%	6.78%	6.81%	6.96%	7.08%	7.14%	7.48%	7.54%	7.84%	7.89%	8.46%	8.51%
(ii)	> 50 crore and upto 100 crore	6.57%	6.75%	6.80%	6.93%	7.04%	7.09%	7.44%	7.49%	7.82%	7.87%	8.46%	8.51%
(iii)	> 100 crore and upto 300 crore	6.56%	6.73%	6.79%	6.91%	7.01%	7.06%	7.41%	7.46%	7.80%	7.85%	8.46%	8.51%
(iv)	> 300 crore and upto 1000 crore	6.56%	6.70%	6.79%	6.88%	6.99%	7.04%	7.39%	7.44%	7.78%	7.83%	8.46%	8.51%
(v)	> 1000 crore	6.55%	6.68%	6.78%	6.86%	6.96%	7.01%	7.36%	7.41%	7.76%	7.81%	8.46%	8.51%
(vi)	For MSP operations by authorised bodies for sanction amount < 2000 crore	6.28%	6.41%	6.39%	6.48%	6.79%	6.85%	7.34%	7.39%	7.74%	7.79%	8.36%	8.46%
(vii)	For MSP operations by authorised bodies for sanction amount ≥ 2000 crore and drawal @ tranches not < 300 crore \$	6.25%	6.28%	6.35%	6.39%	6.64%	6.69%	7.29%	7.34%	7.69%	7.74%	8.31%	8.41%
(viii)	For Cold Chain projects	6.55%	6.68%	6.78%	6.86%	6.96%	7.01%	7.36%	7.41%	7.76%	7.81%	8.46%	8.51%

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

^a No pre-payment is allowed for W/C Loan drawn for a period upto 30 days

\$ For 'MSP operations by authorised bodies for sanction amount ≥ ₹2000 crore and drawal @ tranches not < ₹300 crore' as indicated at Sl. No. (vii) 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.



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.


5/4/2021