

राष्ट्रीय सहकारी विकास निगम
NATIONAL COOPERATIVE DEVELOPMENT CORPORATION
(Service Cooperatives Section)



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No. NCDC.1-2/2002-P (SC)

Dated: 20.10.2010

From

Govindan Nair, IAS,
Managing Director.

To

**The Secretary (Cooperation),
All States/UTs**

Sub: New NCDC sponsored Scheme for extension of NCDC's financial assistance to cooperatives for their services in Hospital, Healthcare and Education – Issue of guidelines - Regarding.

Sir,

The Department of Agriculture and Cooperation, Ministry of Agriculture, Govt. of India vide Gazette Notification No. 459 dated 19.8.2010 has notified some more services namely (i) **Hospital**, (ii) **Healthcare** and (iii) **Education** as notified services for the purpose of extending NCDC's financial assistance. Accordingly, NCDC hereby introduces a new scheme for extending NCDC's financial assistance for **Hospital, Healthcare and Education programmes of cooperatives**. Detailed guidelines of the new scheme are as follows:-

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I CO-OPERATIVES ELIGIBLE FOR NCDC ASSISTANCE.

Any Cooperative Society registered under State/Multi state Cooperative Societies Act in the country, with suitable provision in the bye-laws to undertake concerned services such as Hospital, Healthcare and Education, shall be eligible for the financial assistance subject to fulfillment of guidelines under the Scheme.

II. PURPOSES FOR WHICH NCDC ASSISTANCE WILL BE EXTENDED:

NCDC assistance will be extended for the following purposes:-

- i) Creation, Modernization, Expansion, Repairs, Renovation etc. of infrastructural facilities relating to Hospital and Healthcare for Human beings and Education .
- ii) Margin money for raising working capital required for day to day operations in respect of above services.
- iii) Working capital for day to day operations in respect of above services.

III MODE OF FINANCING

NCDC assistance shall be provided either through the concerned State Governments /UT administrations or directly to the cooperatives which fulfill the following criteria to be eligible for direct funding assistance:

- (i) The cooperative should have been in operation for not less than 3 years.
- (ii) The cooperative should have positive net worth, not less than 100% paid up share capital i.e. there should be no erosion in the paid up share capital.
- (iii) The cooperative should not have incurred any cash loss during last three years and there should be net profit in atleast two of previous three years.
- (iv) Debt equity ratio shall normally be 65:35 depending upon the economic viability of the project.

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V PATTERN OF FUNDING

The pattern of NCDC's assistance shall be as follows:

(i) Margin Money

Cooperatively Developed States/UTs			Cooperatively Under developed States/			Cooperatively Least Developed States/L		
NCDC to State Govt.	S/Govt to Society	Direct Funding	NCDC to State Govt.	S/Govt to Society	Direct Funding	NCDC to State Govt.	S/Govt to Society	Direct Funding
Loan for avail credit. 100%	Loan or Share or Loan-cum-capital 100%	Loan 100%	Loan 80% Sub* 20%	Loan or Share Capital or Loan-cum-Share capital 80% Sub* 20%	Loan 80% Sub* 20%	Loan 75% Sub* 25%	Loan or Share Capital or Loan-cum-Share Capital 75% Sub* 25%	Loan 75% Sub* 25%

(ii) Working Capital

Cooperatively Developed States/UTs			Cooperatively Under developed States/UTs			Cooperatively Least Developed States/UTs		
NCDC to State Govt.	S/Govt to Society	Direct Funding	NCDC to State Govt.	S/Govt to Society	Direct Funding	NCDC to State Govt.	S/Govt to Society	Direct Funding
Loan as per requirement	Loan	Loan	Loan as per requirement	Loan	Loan	Loan as per requirement	Loan	Loan

(iii) Infrastructure Creation (Project Facilities)

Cooperatively Developed States/UTs			Cooperatively Under developed States/UTs			Cooperatively Least Developed States/UTs		
NCDC to State Govt.	S/Govt to Society	Direct Funding	NCDC to State Govt.	S/Govt to Society	Direct Funding	NCDC to State Govt.	S/Govt to Society	Direct Funding
Loan 90%	Loan 50% SC 40%	Loan 65%	Loan 70% Sub* 20%	Loan 50% SC 20% Sub* 20%	Loan 50% Sub* 20%	Loan 70% Sub* 25%	Loan 50% SC 20% Sub* 25%	Loan 50% Sub* 25%
Members# contribution	10%	35%		10%	30%		5%	25%

*Subsidy under Restructured Central Sector Scheme for the programmes implemented by weaker section cooperatives such as Fisheries, Tribal, Scheduled caste and Scheduled Tribes, Hill Area, Dairy, Poultry, Handloom, Coir, Jute, Tobacco & Sericulture for benefit of their members subject to availability from Govt. of India. Otherwise equivalent loan from NCDC.
Sub = Subsidy SC = Share Capital.

Cooperatively developed states/UTs – Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab, Tamilnadu, Chandigarh, Delhi, & Diu, Dadra & Nagar Haveli and Puduchery

Cooperatively under developed states/UTs - Andhra Pradesh, Chattisgarh, Goa, Himachal Pradesh, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh, Uttarakhand, West Bengal, A&N Islands and Lakshadweep

Cooperatively Least Developed States – Arunachal Pradesh, Assam, Bihar, Jharkhand, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.

Debt Equity Ratio may vary depending upon viability of the proposed project

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V APPLICATION FORM

Application for assistance may be sent in the prescribed format either directly or through State Govt. as the case may be alongwith detailed project report and financial statements of the cooperatives for last three years.

VI PERIOD OF LOAN/MORATORIUM/RATE OF INTEREST

Term loan shall be for a period of maximum 8 years with moratorium of 1-2 years in repayment of loan depending upon the project gestation period. However, there shall be no moratorium in payment of interest. Margin money loan shall be for a period of 5 years without any moratorium in repayment of loan. Period of working capital loan shall be 1-2 years without any moratorium in repayment of loan. In case of loans provided through State Govts., loan shall be repaid in annual installments and in case of direct funded loans, loan shall be repaid in half yearly installments. Rate of interest prevailing at the time of disbursement of funds shall be applicable.

VII. SECURITY:

In case of loans sanctioned directly to the cooperatives, the loans shall be secured by mortgage of fixed assets of value not less than 1.5 times of the loan amount , pledge of FDRs, State Govt. guarantee, bank guarantee etc. to the satisfaction of NCDC.

VIII. PROCESSING FEE & LEGAL FEE:

In case of direct funded projects the cooperatives shall pay processing fee @0.5% of the sanctioned amount subject to a maximum of Rs. 3.00 lakh along with service tax and education cess applicable at the time of payment. The society shall also meet the legal expenses incurred for execution of legal security documents.

IX. MODE OF RELEASE OF FINANCIAL ASSISTANCE

On receipt of the application, assistance shall be sanctioned based on the techno-economic merits of the project. Release of assistance shall be made after completing the formalities and fulfillment of terms & conditions

stipulated in the sanction letter and shall be based on progress in project implementation.

2. Total assistance in a year for the programmes under this scheme and also the scheme introduced on 19.7.2010 for the services Tourism, Hospitality, Transport, Electricity, Rural Housing etc. shall be limited to 25% of annual budget of NCDC.

3. The details of new schemes may please be given wide publicity and brought to the notice of all the concerned departments of State Govt./ UT and the concerned cooperatives with a request to formulate and send suitable proposals to NCDC for sanction of financial assistance under the scheme.

4. The receipt of this letter may please be acknowledged.

Yours faithfully,



(Vivek Mahajan)
Director(Service Cooperatives)

Copy to:

1. The Chief Director(Cooperation), Department of Agriculture and Cooperation, Ministry of Agriculture, Govt. of India, New Delhi.
2. The Registrar of Cooperative Societies (All States / UTs).
3. All Chief Directors/Regional Directors, Regional Offices, NCDC.
4. All Chief Directors, NCDC HO/TOPIC.
5. Director (Loan)/Director(MIS), HO, NCDC.
6. Asstt Director, MD, Secretariat, NCDC.
7. SPA to DMD, NCDC.
8. PS to Executive Director/ Financial Advisor, NCDC.
9. PR Section.
10. Guard File.



(Vivek Mahajan)
Director(Service Cooperatives)

