

राष्ट्रीय सहकारी विकास निगम
NATIONAL COOPERATIVE DEVELOPMENT CORPORATION
(Credit Division)



4 - Siri Institutional Area,
Hauz Khas, New Delhi 110016,
Tel.No. 26965247
Fax : 011-26961930, 26516032
E.mail. vivek@ncdc.in
Website: www.ncdc.in

No.NCDC: 16-3/2010-P(SC)

2.12..2010

From:

Govindan Nair I.A.S.,
Managing Director.

To:

The Secretary to Government,
Cooperation Department,
All States / Uts

Sub: New Scheme for extending NCDC's Short Term Loan to Agricultural Credit Cooperatives towards working capital for their loans/advances for activities/commodities/services under the purview of NCDC-Introduction-Regarding.

Sir/Madam,

The National Co-operative Development Corporation (NCDC) is implementing a scheme to provide loan to Agricultural Credit Co operatives towards working capital for disbursement of agricultural loans/advances. There has been persistent demand from these Co-operatives to consider providing NCDC's Short Term Loan to them towards working capital for their loans/advances for activities/commodities/services listed below:

- i) Processing, Storage and Marketing of agricultural / horticultural produce such as food grains, pulses, oilseeds, plantation crops, fruits, vegetables, cotton, sugarcane etc

Contd....

- ii) Distribution of agricultural inputs, namely seeds, fertilizers, pesticides, equipments, irrigation etc.
- iii) Activities allied to agriculture, such as dairy, poultry, fisheries, livestock including goat/sheep/pig, sericulture etc.
- iv) Distribution of consumer articles.
- v) Handloom & Powerloom weaving..
- vi) Coir.
- vii) Minor Forest Produce.
- viii) Cottage & Village Industries, Handicrafts / Rural Crafts
- ix) Services, namely credit, labour, tourism, transport, hospitality, electricity, hospitals, health care, education etc.

2. With a view to supplementing the resources of agricultural credit co-operatives for providing loans/advances to their members towards the activities/commodities/services under the purview of NCDC, a new scheme is hereby introduced to extend NCDC's Short Term loans to agricultural credit cooperatives.

3. Detailed guidelines of the scheme are as follows:

I) CO OPERATIVES ELIGIBLE FOR ASSISTANCE:

The following types of Agricultural Credit Co operatives will be eligible for NCDC's loan under this scheme.

- a) Primary Agricultural Credit Co operatives.
- b) Primary Co operative Agriculture & Rural Development Banks
- c) District Co operative Banks
- d) State Co operative Banks
- e) State Co operative Agriculture & Rural Development Banks

II) PURPOSE FOR WHICH NCDC ASSISTANCE WILL BE EXTENDED:

For working capital (of Agricultural Credit Co operatives) towards disbursement of loans/advances for activities/commodities/services under the purview of NCDC.

Contd.....

III) MODE OF FINANCING:

NCDC loan shall be provided either through the concerned State Government/UT administration or directly to the co operatives which fulfill the following criteria to be eligible for direct funding:

- i) The co operative should have been in operation for not less than 3 years.
- ii) The co operative 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 co operative should not have incurred any cash loss during last three years and there should be net profit in atleast two of the previous three years.

IV) PATTERN OF FUNDING:

Loan as per requirement, not exceeding 80% of the total working capital required by the Co-operative taking in to account the other sources of finance such as NABARD, State Government, Own funds, Deposits, other financing institutions etc.

V) SECURITY:

In case of loans sanctioned directly to co operatives, the loan shall be secured by one, or combination of two or more, of the following to the satisfaction of NCDC:

- i) Mortgage of fixed assets of value not less than 1.50 times of the loan amount.
- ii) Pledge of Fixed Deposit Receipts with face value not less than 1.10 times of the loan amount
- iii) State Government/Bank Guarantee.
- iv) Hypothecation of Loans/Advances of the Borrower Co-operative receivable from its borrowers, atleast to the extent of 1.25 times of the loan amount.

Contd.....