

**NCDC***Assisting Cooperatives. Always!*

राष्ट्रीय सहकारी विकास निगम  
**NATIONAL COOPERATIVE DEVELOPMENT CORPORATION**  
An ISO-9001:2015 Certified Organization  
A Statutory Corporation Under the Ministry of Cooperation, Government of India  
**Credit, Industrial Coop. & Service Coop. Division**

Tel.No. 011-26961930  
Fax : 011-26961930, 26516032  
E-mail: [asmeena@ncdc.in](mailto:asmeena@ncdc.in)

4-Siri Institutional Area,  
Hauz Khas, New Delhi-110016 India  
Website: [www.ncdc.in](http://www.ncdc.in)

No. NCDC:1-2/2022 - C, IC & SC

Dated: 27/10/2022

From

Pankaj Kumar Bansal, IAS  
Managing Director

To

The Secretary (Cooperation)  
All States/UTs.

**Sub: “दीर्घावधि कृषक पूँजी सहकार योजना” – New Scheme for extending NCDC’s long term financial assistance to Agricultural Credit Cooperatives towards their onward lending of long term loans/advances for activities/commodities/services under the purview of NCDC - Regarding**

Sir,

NCDC vide circular no. NCDC.16-3/2010-P(SC) dated 02.12.2010 introduced a scheme for extending short term credit to Agricultural Credit Co operatives towards working capital for their loans/advances for activities/commodities/service under the purview of NCDC.

2. During implementation of the scheme, requests have been received and need has been felt for providing long term loans to Agricultural Credit Co operatives for onward lending of long term loans/advances.

3. Accordingly, with a view to supplement the resources of agricultural credit co-operatives for onward lending of adequate long term loans/advances, NCDC hereby introduces a new scheme to extend NCDC’s long Term loans to agricultural credit cooperatives towards their onward lending of long term loans/advances for activities/commodities/services under the purview of NCDC.



4. Detailed guidelines of the scheme are as follows:

**I) OBJECTIVE OF THE SCHEME:**

- Ensure increased and uninterrupted credit flow to cooperatives and their members
- Boost capital formation in agriculture and allied sector
- Support non-farm sector activities thereby promoting alternate employment opportunities in rural and semi-urban areas.

**II) CO-OPERATIVES ELIGIBLE FOR ASSISTANCE:**

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

- Primary Agricultural Credit Co operatives (PACS)
- District Central Cooperative Banks (DCCBs)
- State Cooperative Banks (StCBs)
- Primary Co operative Agriculture & Rural Development Banks (PCARDS)
- State Co operative Agriculture & Rural Development Banks (SCARDS)

**III) PURPOSE FOR WHICH NCDC ASSISTANCE WILL BE EXTENDED:**

NCDC assistance will be extended to eligible Agriculture Credit Cooperatives for onward lending of long term loans/advances by them for activities/ commodities/ services under the purview of NCDC.

The indicative list of activities/service in farm sector and non farm sector eligible for availing long term finance from NCDC are as below:-

Waste land development, Water conservation works/services irrigation, micro-irrigation in rural, agricultural implements and farm mechanisation, SHGs/JLGs, farm mechanisation, Rural sanitation / drainage/sewage systems, Land Development/Land Reclamation including water conservation, Horticulture development (fruit crops, floriculture, mushrooms, vegetables etc) Plantation crops (coconut, cashew, arecanut, rubber, coffee, cardamom, tea, bamboo etc.),

Diversified activities (dairy, poultry, piggery, rabbit, fishery, sheep & goat rearing, gobar gas/bio-gas, farm house, sericulture, rural godowns, cold storages/storages etc., Small-scale industries/agro-processing, food processing units, Transport Vehicles, Labour cooperatives, Tourism, Electricity and power, Hospital; Healthcare; and Education etc.

The list is only illustrative but not exhaustive. Activities not mentioned therein may also be covered if it falls under the purview of NCDC as mandated by NCDC Act.

#### **IV) MODE OF FINANCING:**

NCDC loan shall be provided to eligible Credit Cooperatives 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.

#### **V) SECURITY:**

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

- i. Guarantee by State/ Central Government;
- ii. Guarantee from Scheduled Banks/ Nationalized Banks;
- iii. Mortgage of fixed assets of the borrower cooperative of value not less than 1.50 times of the loan amount.
- iv. Pledge of Fixed Deposit Receipts with face value not less than 1.10 times of the loan amount
- v. Hypothecation and assignment of Government bonds/ securities to the extent of 1.2 times of NCDC loan.



In addition to the above, Loan agreement and Demand Promissory Note will also be stipulated. If required, Post dated Cheques shall also form part of the security documents.

**Vi) PATTERN OF FUNDING:**

Loan as per requirement not exceeding 80% of the total requirement by the Cooperative taking into account the other sources of finance such as NABARD, State Government, Own Funds, Deposits, other financing institutions etc.

**VII) MODE OF RELEASE OF LOAN:**

Release of loan shall be made after completing the formalities and fulfillment of terms & conditions stipulated in the sanction letter and shall be in one or more installments, within the stipulated period for drawal of loan.

**VIII) PERIOD OF LOAN / MORATORIUM / RATE OF INTEREST:**

The long term loan will be for 5 years without any moratorium in repayment of loan and payment of interest. Rate of interest prevailing at the time of disbursement of loan shall be applicable. 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

**XI) PROCESSING FEE & LEGAL FEE:**

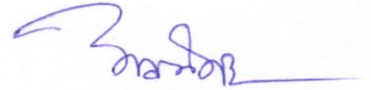
In case of direct funded loans, the cooperative shall pay processing fee @0.5% of the sanctioned amount subject to a maximum of Rs.3.00 lakh along with GST applicable at the time of payment. The cooperative shall also meet the legal expenses incurred for execution of legal security documents. The borrower cooperative shall meet the legal expenses incurred for execution of security documents.

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

(5)

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

Yours faithfully,



A.S. Meena  
Director-C, IC&SC  
For Managing Director

Copy to:

1. The Registrar of Cooperative Societies (All States/ UTs)
2. State Cooperative Banks/State Cooperative Agriculture & Rural Development Banks (All States)
3. District Cooperative Banks (All States).
4. All RDs NCDC
5. All Divisional Heads, NCDC Head Office / LINAC Gurugram
6. SPS to MD / SPS to FA
7. Guard File