

**NCDC**

Assisting Cooperatives, Always

राष्ट्रीय सहकारी विकास निगम  
**NATIONAL COOPERATIVE DEVELOPMENT  
 CORPORATION**  
 A Statutory Corporation Under the Ministry of Cooperation,  
 Government of India  
**Finance Division**

**International Year  
of Cooperatives**

Cooperatives Build a Better World

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No. NCDC: 1-2/2002-Budt.

October 04th, 2025

Secretary In-charge of Cooperation,  
 All State Governments and Union Territories

**Sub: NCDC CC Loan Product on the lines of Cash Credit Limit as offered by commercial banks - Regarding**

Madam(s)/Sir(s),

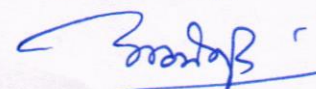
To further the mandate of development of cooperative sector and to meet the requirements of various Cooperative Organizations, NCDC is pleased to launch NCDC Cash Credit Loan Product on the lines of cash credit limit as offered by commercial banks with the following features:

- a) **Amount sanctioned:** The working capital loan with CC limit shall be sanctioned following the procedural guidelines as stipulated. The loan shall be sanctioned for a period of one year repayable on demand. The upper limit of loan amount sanctioned shall not exceed Rs.20.00 crore per borrower subject to availability of funds.
- b) **Repayments:** There shall be no constraint on repayment of principal, however, interest has to be served monthly, quarterly, semi-annually or as agreed upon during whilst sanction. Any amount can be repaid the same day before 04:00 pm without any prior intimation.
- c) **Renewal/Revalidation/foreclosure:** The Borrower shall have to intimate 90 days prior to validity of sanction regarding renewal of sanction or closure of loan. In event of opting of renewal of sanction by the borrower, the entire process of sanction shall be scrupulously followed with due diligence as required. NCDC shall reserve the right to recall the entire amount due with applicable interest and foreclose the loan, if necessitated, without assigning any reasons, thereof. For renewal after one year, the Corporation shall inform the status within 90 days.
- d) **Interest rate:** The interest rate for the product offering shall be separately decided by the Empowered Committee of NCDC on case-to-case basis and shall be conveyed whilst sanction/prior to disbursement and shall be for the entire tenure of sanction (one year), subject to periodical review. Interest shall be calculated on the basis of daily closing balance and compounded monthly.



- e) **Processing Fees:** NCDC shall not charge any processing fees for the sanction, however, legal fees for security documentation, if any, shall be required to be paid by the Borrower.
  - f) **Limit of withdrawals:** There shall no limit for the number of withdrawals in a day within the prescribed sanctioned limit.
  - g) **Disbursement request:** Any amount within the sanctioned limit may be availed the same working day by intimating prior to 02:00 pm.
  - h) **Assessment of drawing power:** The drawing power shall be assessed on quarterly basis by the concerned Programme Division of the Corporation and the borrower must provide all the requisites in this regard.
2. 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:
- (a) The cooperative should have been in operation for not less than 3 years; &
  - (b) 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
3. 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:
- (a) Guarantee by State/ Central Government;
  - (b) Guarantee from Scheduled Banks/ Nationalized Banks;
  - (c) Mortgage of fixed assets of the borrower cooperative of value not less than 1.50 times of the loan amount.
  - (d) Pledge of Fixed Deposit Receipts with face value not less than 1.10 times of the loan amount; &
  - (e) Hypothecation and assignment of Government bonds/ securities to the extent of 1.2 times of NCDC loan.

Yours faithfully,

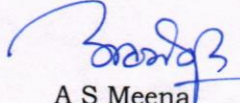


A S Meena  
Director (Finance)

Copy to:

1. Registrar of Cooperative Societies,  
All States and Union Territories.
2. Joint Secretary (Cooperation and Credit),  
Ministry of Cooperation, Atal Akshay Urja Bhawan, New Delhi
4. Sr.PPS/PPS to Secretary to the Government of India, Ministry of Cooperation, New  
Delhi.
5. SPS to MD; SPS/PS to DMD/DMD (Finance)/FA.
6. All Chief Directors/Directors,  
NCDC.
7. DG (LINAC), NCDC, Gurugram.
8. All Regional Directors, NCDC.

} With the request for wide  
publicity of the revised rates.

  
A S Meena  
Director (Finance)