

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

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

10<sup>th</sup> October, 2017

To,

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

**Sub: Interest rates on NCDC loans**

Dear Sir,

In modification of our letter of even number dated 7.4.2017, interest rates for NCDC loans are revised with immediate effect as follows:

Scheme	Effective rate of interest *
<b>A. Term Loans:</b>	
<b>(a) Through State Governments</b>	
(i) Weaker section programmes	10.25%
(ii) Other programmes	10.35%
<b>(b) Direct funding</b>	
(i) Weaker section programmes	10.50%
(ii) Other Programmes	10.90%
<b>B. Working Capital Loans:</b>	
<b>(a) Through State Governments/ Direct Funding</b>	
(i) from 3 to 6 months	7.85%
(ii) above 6 months - upto 9 months	8.15%
(iii) above 9 months - upto one year	8.35%
(iv) above one year - upto two years	8.80%

\* Subject to payment of instalments on or before due date.



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 sanction/release letters.

Note:

(a) In case payment of the installment is not received on or before due date, Normal Rate (effective + 1%) would be applicable.

(b) Penal rate of interest in case of default will continue @ 2.5% over and above Normal Rate.

(c) Interest will be charged as applicable at the time of disbursement of funds.

(d) Weaker section programmes:

- (i) Fisheries
- (ii) Scheduled Castes/Scheduled Tribes/ Hill Area Cooperatives
- (iii) Dairy
- (iv) Poultry
- (v) Handloom
- (vi) Coir, Jute & Tobacco
- (vii) Sericulture
- (viii) Women Cooperatives
- (ix) Labour Cooperatives

3. Period of Term Loans 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. For margin money, working capital and investment loan to State Governments for share capital participation, there will be no moratorium.



