

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

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

27<sup>th</sup> March, 2018

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 10.10.2017, 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	
- upto project cost of ₹50 lakh	10.60%
- above project cost of ₹50 lakh	10.85%
(ii) Other Programmes	11.10%

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



**Effective rate of interest \* for working capital loan through State Govt. and under Direct funding w.e.f. 27.3.2018**

<b>B. Working Capital Loans:</b>		<b>Upto 30 days</b>		<b>31 days - 90 days</b>		<b>91 days - 180 days</b>		<b>181 days - 270 days</b>		<b>271 days - One year</b>		<b>One year - Two years</b>	
		<b>Through State Govt</b>	<b>Direct Funding</b>	<b>Through State Govt</b>	<b>Direct Funding</b>	<b>Through State Govt</b>	<b>Direct Funding</b>	<b>Through State Govt</b>	<b>Direct Funding</b>	<b>Through State Govt</b>	<b>Direct Funding</b>	<b>Through State Govt</b>	<b>Direct Funding</b>
	<b>Amount-wise period-wise Rate of interest for disbursement of working capital loans through State Govt./Direct funding</b>												
(i)	upto 50 crore	8.00%	8.20%	8.15%	8.30%	8.42%	8.48%	8.57%	8.63%	8.93%	8.98%	9.75%	9.80%
(ii)	> 50 crore and upto 100 crore	7.99%	8.17%	8.14%	8.27%	8.38%	8.43%	8.53%	8.58%	8.91%	8.96%	9.73%	9.78%
(iii)	> 100 crore and upto 300 crore	7.98%	8.15%	8.13%	8.25%	8.35%	8.40%	8.50%	8.55%	8.89%	8.94%	9.70%	9.75%
(iv)	> 300 crore and upto 1000 crore	7.98%	8.12%	8.13%	8.22%	8.33%	8.38%	8.48%	8.53%	8.87%	8.92%	9.67%	9.72%
(v)	> 1000 crore	7.97%	8.10%	8.12%	8.20%	8.30%	8.35%	8.45%	8.50%	8.85%	8.90%	9.65%	9.70%
(vi)	For MSP operations by authorised bodies	<b>Ask for rate</b>										9.55%	9.65%
(vii)	For Cold Chain projects	7.97%	8.10%	8.12%	8.20%	8.30%	8.35%	8.45%	8.50%	8.85%	8.90%	9.65%	9.70%

\* 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.



5. In case of direct funding, processing fee shall be charged @ 0.5% of the sanctioned amount, not exceeding Rs.3 lakhs (0.5% of Rs.6 crores) plus tax in each case. However, processing fee shall not be charged for working capital loans upto one year.

6. Other terms & conditions as contained in Corporation's letter of even number dated 15th October, 1984 shall continue to be applicable.

Yours faithfully,




(Sudhir Kumar Sharma) 27/03/2018  
Financial Adviser

Copy to:

1. The Registrar of Cooperative Societies,  
All States & Union Territories.
2. The Secretary In-charge, Fisheries Department,  
West Bengal, Maharashtra, Karnataka, Gujarat, Kerala, Tamilnadu, Andhra Pradesh, Telangana, Orissa, Manipur, Tripura, Assam, Nagaland.
3. The Addl. Secretary (Cooperation & Credit),  
Ministry of Agriculture & Farmers Welfare, Deptt. of Agri. & Coop,  
Krishi Bhawan, New Delhi.
4. The Joint Secretary (Cooperation & Credit),  
Ministry of Agriculture & Farmers Welfare, Deptt. of Agri. & Coop,  
Krishi Bhawan, New Delhi.
5. Director of Fisheries,  
West Bengal, Maharashtra, Karnataka, Gujarat, Kerala, Tamil Nadu,  
Andhra Pradesh, Telangana, Orissa, Manipur, Tripura, Assam, Nagaland.
6. Director of Textiles,  
Maharashtra, Tamil Nadu, Andhra Pradesh, Telangana, Kerala, Gujarat  
Madhya Pradesh, Karnataka, West Bengal.
7. PPS to Secretary, Government of India, Ministry of Agriculture and Farmers Welfare, Krishi Bhawan, New Delhi.
8. SPS to MD/PA to DMD/PPS to FA/PS to EDs.
9. All Chief Directors/Directors, NCDC, H.O. }  
10. Chief Director (Topic), NCDC, Gurugram. }  
11. All Regional Directors, NCDC. }  
12. All Advisers, NCDC, New Delhi. }

With the request for wide  
publicity of the revised rates.



(Sudhir Kumar Sharma) 27/03/2018  
Financial Adviser