

Lending terms for Working Capital Loan:

A) The maximum eligibility of working capital shall be assessed as per the following formula.

1. Working capital requirement during FLUSH milk procurement period is Equivalent to:

$$\mathbf{[(MPPD-LMPD) \times MPP \times 90]}$$

Where: MPPD = Milk Procurement Per Day in liter

LMPD = Liquid Milk sale Per Day in liter

MPP = Milk Procurement Price paid to DCS per liter.

(90 days flush period)

2. Working capital requirement during LEAN milk procurement period is equivalent to:

Cost of powder & white butter requirement during lean procurement months (80% of the purchase value)

B) **Disbursement:** The drawl of funds shall commence after the borrower completes the execution of documents and other formalities relating to security coverage. The drawl of the sanctioned loan shall be allowed in a maximum of 4 installments depending upon the requirement of the borrower.

C) **Repayment period:** The principal along with interest shall be repaid within a maximum period of six months from the date of release of each installment. The borrower shall submit the repayment schedule along with each request for drawl.

D) **Interest:** The rate of interest on working capital loan shall be on floating rate computed on monthly rest basis from the date of disbursement of loan. The penal rate of interest in case of default in repayment will be @ 3.00% per annum over & above the normal interest to be compounded monthly or any such rate as may be specified by NDDB

Floating Interest Rate for Working Capital Loan:

Effective from 1st April 2013: 8.75% per annum

Effective from 1st October 2013: 9.00% per annum