



GUIDANCE TO PARTNER NGOS FOR ARRANGING SHORT-TERM WORKING CAPITAL

For the refundable Security Deposit under the applicable No Hungry Child partnership option

Purpose of this guidance

No Hungry Child understands that a genuine and capable NGO may be ready to participate in the programme but may face a temporary working-capital constraint in arranging the refundable Security Deposit. In such cases, the NGO may explore a short-term Working Capital Loan, Overdraft, secured facility or another suitable credit facility from a bank.

FIRST PREFERENCE: APPROACH YOUR OWN BANK

Your existing banker already knows your organisation, account conduct and transaction history.

1. Meet your existing Bank Manager first

The President, Secretary, Managing Trustee or authorised representative should personally meet the Branch Manager / Relationship Manager and explain that the organisation is being considered for participation in the No Hungry Child Nutritious Meal & Child Development Programme and requires a short-term working-capital facility towards the refundable Security Deposit.

The NGO may request the bank to examine a Working Capital Loan, Overdraft, secured short-term loan, Loan Against Fixed Deposit / Property, or another bank-permitted short-term credit facility.

2. No Hungry Child can speak directly with your Bank Manager

If the Bank Manager is willing to examine the proposal, the NGO may connect the Bank Manager with No Hungry Child. We are willing to explain the programme, proposed partnership model, funding/grant framework applicable to the NGO, the purpose and refundable nature of the Security Deposit, and the programme implementation and monitoring system.

This enables the Bank Manager to understand the complete programme background while independently assessing the NGO's credit request.

3. Sanction / In-Principle Programme Approval Letter

Where an NGO has successfully completed the required preliminary assessment and No Hungry Child has decided to proceed with the organisation, No Hungry Child may issue an appropriate Sanction / In-Principle Programme Approval Letter, subject to applicable conditions.

The letter may specify, as applicable:

- Name of the selected NGO and proposed programme
- Programme period and proposed number of children
- Approved/proposed programme budget or funding framework
- Security Deposit requirement
- Conditions to be completed before programme commencement
- Proposed commencement and other relevant programme terms



4. If your existing bank is unable to support you

Your existing bank should remain the first preference. However, if it is unable to consider the required short-term working-capital facility, the NGO may independently approach the following banks and discuss the requirement with the concerned Branch Manager / institutional banking team:

ESAF Small Finance Bank	Ask whether an eligible short-term / secured facility can be considered for your organisation.
Equitas Small Finance Bank	Discuss your NGO / trust / society banking relationship and ask about suitable permitted credit facilities.
DCB Bank	Ask whether your organisation qualifies for a suitable term loan / overdraft / secured facility.
Dhanlaxmi Bank	Discuss eligibility for an appropriate credit facility based on the organisation's profile and the bank's lending criteria.

When approaching any of these banks: explain that your organisation is being considered for the No Hungry Child programme and requires a short-term working-capital facility towards the refundable Security Deposit. You may inform the Bank Manager that No Hungry Child is willing to speak directly with the bank and, where applicable, provide an appropriate Sanction / In-Principle Programme Approval Letter.

5. Suggested step-by-step process

1. Meet your existing Bank Manager first.
2. Explain the proposed NHC programme and refundable Security Deposit requirement.
3. Show your EOI / approval / sanction-related NHC documents, wherever issued.
4. Ask the bank to consider a suitable short-term Working Capital Loan / Overdraft / secured facility.
5. If clarification is required, connect the Bank Manager with No Hungry Child.
6. If your existing bank cannot assist, approach ESAF Small Finance Bank, Equitas Small Finance Bank, DCB Bank or Dhanlaxmi Bank.
7. The concerned bank will independently assess eligibility, documentation, security, repayment capacity and permitted end-use before deciding on the facility.

Important clarification

No Hungry Child's programme sanction / in-principle approval is not a Bank Guarantee or an unconditional guarantee of repayment of the NGO's borrowing.

Any bank loan or working-capital facility will be sanctioned solely by the concerned bank under its own credit policy and assessment. Final NHC programme funding also remains subject to applicable due diligence, documentation, agreement and programme conditions.

Our objective

A capable NGO should not lose the opportunity to serve underprivileged children merely because it has a temporary working-capital constraint. Wherever appropriate, No Hungry Child will cooperate by explaining the programme to the NGO's banker and providing genuine programme information and applicable supporting documentation.

For Bank Manager / Institutional Clarification



No Hungry Child

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