

No. 6/2/99/DCH/16-17/DIIDS/NIMRC  
GOVERNMENT OF INDIA  
MINISTRY OF TEXTILES  
OFFICE OF THE DEVELOPMENT COMMISSIONER FOR HANDLOOMS

Udyog Bhawan, New Delhi  
Dated the 27<sup>th</sup> June, 2016

OFFICE MEMORENDUM

Subject: Guidelines for implementation of Concessional Credit Component and Revival, Reform and Restructuring (RRR) package for Handloom Sector.

Guidelines for implementation Revival, Reform and Restructuring (RRR) package for Handloom Sector were issued on 28<sup>th</sup> November, 2011. The guidelines were further revised and revised guidelines for implementation of Concessional Credit Component and Revival, Reform and Restructuring (RRR) package for Handloom Sector were issued on 27<sup>th</sup> September, 2013.

In order to implement the decisions taken by National Implementation Monitoring & Review Committee (NIMRC) in its 12<sup>th</sup> meeting held on 03/05/2016 under the Chairpersonship of Secretary (Textiles), the following amendments are hereby incorporated in the operational guidelines of Concessional Credit Component and Revival, Reform and Restructuring (RRR) package for Handloom Sector:

1. Concessional Credit Component for handloom sector will now be available only through MUDRA Yojana for individual weavers and weaver entrepreneurs. The applications pending under WCC scheme will be sanctioned upto 31.08.2016 only.
2. The credit limit will be fixed based on assessment of working capital requirements as well as cost of tools and equipments required for carrying out weaving/allied activity. Minimum loan per loom for cotton products should be Rs.50,000 and around Rs.1,00,000 for silk products. As the limit sanctioned would normally have a validity of three years, the need to accommodate incremental working capital requirement may be kept in view.
3. The limit is expected to be utilized as a revolving cash credit and will provide for any number of drawls and repayment within the limit. RuPay card will be issued for drawl of working capital. Banks may, however, fix a repayment schedule for portion of loan availed for the purchase of tools and equipments.

4. A centralized online system will be developed which will have the facility of crediting the margin money directly in to the loan account of weaver and interest subvention to concerned Bank branch. Till such system in place, the funds will be provided in advance to participating Banks Head Offices directly by Office of Development Commissioner for Handlooms.
5. Facility of Bunkar Facilitator will be available under MUDRA Yojana. Banking Correspondents (BCs) are also eligible as Bunkar Facilitator.
6. Loan products will be designed separately for Self Help Groups and Joint Liability Groups.
7. The liabilities under RRR package including legal reforms and computerization will continue to be disbursed through NABARD.
8. Sub-components of Concessional Credit Component may be extended to credit/loan schemes for handloom sector taken up by various other Departments/Government Corporations with approval of Development Commissioner for Handlooms provided that the fund disbursement is done electronically under such schemes.

This issues with the approval of Secretary (Textiles).



(Rajesh Kumar Sahu)

Addl. Development Commissioner (Handlooms)  
Tel. No. : 23061865; Fax No. : 23063744

To

1. Secretary In-Charge of Handlooms of all States/UTs
2. Commissioner / Director In-charge of Handlooms of All States/UTs
3. The Chairman/Managing Directors, Scheduled Commercial Banks
4. The Managing Directors, State Cooperative Banks
5. The Chairman, Regional Rural Banks
6. Chief General Manager, NABARD, Department of Refinance, Mumbai
7. Chief General Manager, NABARD, New Delhi
8. IFW of Ministry of Textiles, Udyog Bhawan, New Delhi
9. Pay & Accounts Office(Textiles), Udyog Bhawan, New Delhi
10. All Weavers Service Centres(WSCs)/Indian Institutes of Technology(IIHTs)

Copy to

1. PPS to Secretary (Textiles)
2. PS to AS&FA
3. PS to DC (Handlooms)
4. ADC(ARK)/ADC(MCG)/Director(MJ)

## **PNB WMS (WEAVER MUDRA SCHEME) :**

1. **Eligibility** : -Existing Handloom Weavers are eligible having satisfactory CIBIL.
2. **Purpose** : For **working capital requirements** (W.C.R.) of the weaver.
3. **Extent of Loan** : Need based **limit**, max. Rs. 5.00 lakh.
4. **Type of Facilities** : **Only OD/Cash Credit facility will be** provided for working capital requirements.
5. **Govt. Support**
  - (i). **Margin money subsidy** @20% of loan, Max. Rs.10000/-, by MoT, Gol.
  - (ii). **Interest subsidy** : **6% shall be borne by the borrower** and in excess to it **by the Govt. (Max. upto 7%** for 3 yrs. from date of disbursement.) as interest subsidy, in standard accounts.
  - (iii). **CGTMSE Fees**

**Loans upto Rs.50000/-** :- 0.25% of loan amount by Govt., for 3 years.

**Loans above Rs.50000/- & upto Rs.5 lakh** – By Govt. for 3yrs.
6. **Only OD/Cash Credit facility will be** provided for working capital requirements.
7. **Mudra Card (Rupay Card)**, having limit upto Rs.50000/, will be issued under this scheme. The money can be withdrawn by the weaver anywhere, anytime from ATM of the bank, as per his requirements.

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