

# **National Handloom Development Programme: Concessional Credit/Weaver MUDRA Scheme**

## **Details (National Handloom Development Programme: Concessional Credit/Weaver MUDRA Scheme)**

The “National Handloom Development Programme: Concessional Credit/Weaver MUDRA Scheme” is one of the components of the National Handloom Development Programme (NHDP) was launched by the Ministry of Textiles, Government of India. The scheme aims to provide adequate and timely assistance from the banks to the handloom sector to meet their credit requirements for term loans & working capital in a flexible and cost-effective manner across the country.

## **Objectives (National Handloom Development Programme: Concessional Credit/Weaver MUDRA Scheme)**

- The scheme aims to provide adequate and timely assistance from the banks to the handloom sector to meet their credit requirements for term loans & working capital in a flexible and cost
- effective manner across the country.

## **Important Features (National Handloom Development Programme: Concessional Credit/Weaver MUDRA Scheme)**

- The “National Handloom Development Programme: Concessional Credit/Weaver MUDRA Scheme” is one of the components of the National Handloom Development Programme (NHDP) was launched by the Ministry of Textiles, Government of India.

## **Benefits (National Handloom Development Programme: Concessional Credit/Weaver MUDRA Scheme)**

- Margin Money Assistance: Individual Handloom Weaver/Weaver Entrepreneur
- Margin Money assistance @20% of the loan amount, subject to a maximum of ₹25,000/
- . Handloom organization
- Margin money assistance @20% of the loan amount, subject to a maximum of ₹20.00 lakh (margin money @₹2.00 lakhs for every 100 weaver/worker). Additional margin money requirement, if any as per banking norms will be borne by the beneficiary Agency. Margin money assistance to Primary Handloom Weavers' Co
- operative Societies/Apex Handloom Weavers' Co
- operative Societies/State Handloom Corporations will be provided on the recommendation of the State Director of Handlooms. Interest Subvention: Subsidized loans at a concessional interest rate of 6% for a period of three years will be available to eligible handloom organizations only. However, this is subject to interest subvention cap only upto 7% by the GoI. Interest subvention as applicable will be provided a maximum of 3 years from the date of the first disbursement. Credit Guarantee: The loans extended to the eligible handloom organizations will be guaranteed by the National Credit Guarantee Trustee Company (NCGTC)/Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE), as per the decision of the Bank/Financial Institution concerned. Guarantee cover will be effective from the date of disbursement of the loan for 3 years. If the loan amount sanctioned is ₹1.00 crore, the handloom organization is eligible for getting maximum margin money assistance of ₹20.00 lakhs (margin money @₹2.00 lakhs for every handloom weaver/worker). Therefore, a credit guarantee would be covered on the loan amount disbursed upto ₹1.00 Crore. The credit guarantee fee on the loan amount disbursed would be borne by GoI for a period of 3 years. Note 01: Under the scheme, the loans will be provided to all eligible handloom beneficiaries for 3 years. Note 02: Individual handloom weavers who have availed loans upto the issuance date of guidelines will be eligible for getting benefits of interest subsidy and credit guarantee fee upto 3 years from the date of first disbursement of the loan amount. These benefits will be discontinued thereafter for sanctioning fresh loans to individual weavers. Note 03: Loans extended by banks up to ₹10.00 lakhs will be covered under MUDRA and loans above ₹10.00 lakhs will be covered under Concessional Credit. Note 04: Margin money assistance to Handloom Organization will

be provided on a pro

- rata basis. The lower side of margin money assistance i.e. @■2.00 lakhs for every 100 weavers/workers or @20% of the loan amount sanctioned subject to a maximum of ■20.00 lakhs, whichever is less will be considered. Note 05: Margin money assistance will be transferred directly to the loan account of Handloom Organization while interest subsidy and credit guarantee fee will be transferred to the concerned bank.

### **Eligibility (National Handloom Development Programme: Concessional Credit/Weaver MUDRA Scheme)**

- The following agencies are eligible to avail loans from Banks/Financial Institutions: Handloom Weavers involved in weaving activity, Weaver Entrepreneur, Self Help Groups, Joint Liability Groups, Handloom organizations, including Primary Handloom Weavers' Co
- operative Societies, Apex Handloom Weavers' Co
- operative Societies, State Handloom Corporations and Producers' Companies/Consortia promoted by handloom weavers including those promoted under Cluster/Mega Cluster/Handloom Parks under SITP or other schemes of the Ministry of Textiles Note 01: Individual weavers who have already availed of margin money assistance will not be eligible for financial assistance in terms of margin money assistance, interest subvention, and credit guarantee fee under the strength of Handloom Organization, SHGs, etc. Note 02: Fresh loan may be sanctioned after one year of re
- payment of previous mudra loan to the handloom beneficiaries who availed loan in the past and have re
- paid. Margin money will be available to all the beneficiaries, while interest subsidy and credit guarantee fees will be available to only Handloom Organizations.

### **Application Process (National Handloom Development Programme: Concessional Credit/Weaver MUDRA Scheme)**

- Step 01: Eligible beneficiaries are required to approach the Participating Bank concerned along with required documents etc.
- for availing of loan benefits under the scheme.
- Step 02: The applicants need to collect the application form from the bank.
- Step 03: In the application form, fill in all the mandatory fields and attach copies of all the mandatory documents.
- Step 04: Submit the duly filled and signed application form along with the documents in the bank.
- Note 01: A loan sanction letter will be issued by the bank to the applicant within one (1) month of the application date.
- Note 02: Participating Banks will sanction loans to the Handloom Organizations and have to lodge claims for disbursement of margin money assistance, interest subvention, and credit guarantee fee through the Handloom Weaver MUDRA Portal.
- Note 03: Intensive publicity will be carried out by the State Director of Handlooms through newspapers, awareness camps, and by distributing pamphlets in weavers' pockets highlighting the benefits available under the scheme.
- Release of Funds: A centralized online claim disbursement system "Handloom Weaver MUDRA Portal i.e.
- <https://cocd.mypnb.in/login.aspx> " has been developed in association with Punjab National Bank for Banks to submit the claims for financial assistance in respect of margin money, interest subvention, and credit guarantee fee.

### **Documents Required (National Handloom Development Programme: Concessional Credit/Weaver MUDRA Scheme)**

- Identity card issued by the O/o DC(Handlooms) Yarn passbook Identity card issued by the State Government Handloom Organization– Registration Certificate
- Balance Sheet
- Profit & Loss Account
- name of the weavers registered with the Organization
- etc.

