

Star Weaver MUDRA scheme:

Sr.No.	Particulars	Brief details
1	Objective	The Handloom Scheme aims at providing adequate and timely assistance from the Bank to the weavers to meet their credit requirement i.e. for investment needs as well as for working capital in a flexible and cost effective manner. The Scheme will be implemented both in rural and urban areas.
2	Eligibility	New & Existing handloom weavers involved in weaving activity.
3	Purpose	For WC & TL requirement of the weaver
4	Nature & extent of Loan	Cash Credit limit – Minimum Rs 0.50 lakh and for silk weaving minimum Rs 1.00 lakh. Maximum up to Rs.5.00 lakh Term Loan Limit – Maximum Rs 2.00 lakh Comprehensive (WC+TL) :Maximum Rs 5.00 lakh
5	Margin	20% of project cost. Ministry of Textile – Govt to bear margin @ 20% of project cost with a maximum of Rs.10,000. Balance margin money amount to be borne by borrower.
6	Repayment	Term Loan: To be repaid in monthly or quarterly installments within 03 to 05 years
7	Subsidy to be provided by Govt.	<p>a) Interest subsidy – to provide loans at the interest rate of 6% to handloom sector. The quantum of interest subsidy to be borne by the GOI will be limited to the difference between the actual rate of interest as applicable/ charged by the Bank and 6% interest to be borne by the borrower. The maximum interest subvention would be capped at 7%. Interest subsidy as applicable will be provided for maximum 3 years from the date of first disbursement. Interest subsidy will be credited to the account of the borrower on monthly basis.</p> <p align="center">And</p> <p>b) Margin money assistance @20% of the project cost subject to a maximum of Rs.10,000/- per weaver will be provided, which will enable the handloom weavers to leverage this amount for borrowing loans from the banks. Margin money subsidy will be credited to the account of borrower after sanction of the loan.</p> <p align="center">And</p> <p>c) Annual Guarantee Fee (A.G.F.) of CGTMSE (All accounts should be covered under CGTMSE)- The credit guarantee fee due on part of beneficiary will be paid by Ministry of Textiles.</p> <p>Note: Interest subsidy and credit guarantee assistance will be provided for maximum 3 years from the date of first disbursement.</p>



8	Renewal/ Review of WC limits	Renewal/ Review of Credit Facilities will be done annually.						
9	Issue of Card (For availment of Cash Credit account)	<p>i) <u>For loans upto Rs 0.50 lakh</u> To be disbursed by way of MUDRA Card.</p> <p>ii) <u>For loans above Rs 0.50 lakh</u> Amount will be disbursed by way of opening regular CC account. The beneficiaries under the scheme will be issued with a RUPAY Card having the daily limit of Rs.25000/- per day or as per the extant guidelines of the bank in respect of card limit and daily withdrawal limit.</p>						
10	Validity period of limit	The limit sanctioned will be valid for 3 years, subject to annual review by the bank, based on genuine trade transactions and satisfactory track record. After 03 years the Credit facilities may continue but no subsidies/subvention will be provided by the government.						
11	Security	<p>Principal: Hypothecation of assets i.e. raw material, work in progress (W.I.P), finished goods, equipments, plant & machineries, Book debts etc., created out of bank loan & margin.</p> <p>Collateral: The loans must be covered under Credit Guarantee Scheme of CGTMSE /CGFMU.</p>						
12	Insurance cover	Insurance cover may be arranged by the bank for the assets financed as per existing norms cost to be borne by the beneficiary and to be debited to his loan account.						
13	Rate of Interest	<p>As applicable to Micro Enterprises :-</p> <table border="1"> <thead> <tr> <th>Sanction Limit</th> <th></th> </tr> </thead> <tbody> <tr> <td>0.50 lakh to less than 2 lakh</td> <td>1Yr MCLR+BSS+CRP(1%)</td> </tr> <tr> <td>2 Lakh to upto 5Lakh</td> <td>1Yr MCLR+BSS+CRP(2%)</td> </tr> </tbody> </table>	Sanction Limit		0.50 lakh to less than 2 lakh	1Yr MCLR+BSS+CRP(1%)	2 Lakh to upto 5Lakh	1Yr MCLR+BSS+CRP(2%)
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14	Loan application and documentation	<p>Similar to Mudra Card Scheme or as per extant guidelines. Stock statements and financials are required to be submitted by borrower for loans above Rs.2 lakh.</p> <p>Original Bills/Invoices to be submitted in case of Term Loan, for any purchase of equipment/machineries.</p>						
15	Other terms & conditions	<p>i) All accounts should be sanctioned subject to satisfactory report from CIBIL [Credit Information Bureau (India) Limited]</p> <p>ii) Sale proceeds of goods supplied to Government Departments by all the Handloom weavers routed through their accounts to keep the accounts in order.</p>						

