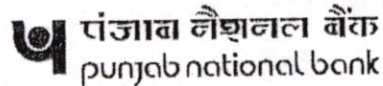


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PNB WEAVER MUDRA SCHEME (PNB WMS)
(loans upto Rs. 5 lakh)

1. OBJECTIVE

The Handloom Scheme aims at providing adequate and timely assistance from the Bank to the weavers to meet their credit requirements i.e. for investments need 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

Existing Handloom Weavers involved in weaving activity,

3. PURPOSE

For working capital requirement of the weaver.

4. NATURE & EXTENT OF LOAN

Cash Credit Limit- Maximum upto Rs. 5 lakh.

5. MARGIN

20% of project cost. Govt. to bear margin @ 20% of cost of project with a maximum of Rs. 10000/- . Rest amount to be borne by borrower.

6. Assessment of loan

Working Capital limit be assessed by simplified turnover method (i.e Bank finance will be 20% of turnover & 5% of turnover will be the margin)

7. SUBSIDY TO BE PROVIDED BY GOVT.

a) **Interest subsidy**—To provide working capital 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 Banks and 6% interest to be borne by the borrower. The maximum interest subvention

150

6/6

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 quarterly basis.**

And

- b) **Margin money assistance @ 20% of the project cost subject to a maximum of Rs. 10000/- 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.**

And

- c) **Annual Guarantee Fee (A.G.F.) of CGTMSE (All accounts should be covered under CGTMSE).**

- (i) **For loans upto loan of Rs.50000/-**

In excess of 0.25% will be borne by bank. Annual Guarantee fee (A.G.F.) of 0.25% of loan amount will be borne by GOI.

- (ii). **For loan above Rs.50000/- & upto Rs. 5 lakh.**

Entire CGTMSE fees be borne by GOI for a maximum period of 3 years.

8. Renewal/ Review of Working capital Limit: -

Renewal/ Review of Working capital limit will be done annually.

9. ISSUE OF CARD

- (i) **For Loans upto Rs.50000/-**

To be disbursed by way of MUDRA Card.

- (ii) **For Loans above Rs.50000/-**

MUDRA Card to be issued for a maximum of Rs.50000/-. Amount above Rs.50000/- 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.

10. VALIDITY PERIOD OF LIMIT:

The PNBWMS limit sanctioned will be valid for 3 years, subject to annual review by the bank, based on genuine trade transactions and satisfactory track record.

11. SECURITY

Hypothecation of assets i.e raw material, work in progress (W.I.P.), finished goods etc. created out of bank loan & margin. The loans must be covered under Credit Guarantee scheme of CGTMSE.

12. INSURANCE COVER:

Insurance cover may be arranged by the bank for the assets financed as per existing norms to be borne by the beneficiary and to be debited to his loan account.

13. CREDIT RISK RATING/PNB SCORE SME

- (i) Presently, exempted for loan upto Rs.2lakh.
- (ii). Loan above Rs.2 lakh will be scored under PNB Score SME model of the bank.

14. RATE OF INTEREST

In terms of IRMD L&A circulars issued from time to time. Presently, for loans covered under CGTMSE are as under:-

- (i). Upto Rs. 50000/- - BR(10%)+1.25%
- (ii). Above Rs. 50000/- & upto Rs. 5 lakh- BR(10%)+2%

15. LOAN APPLICATION AND DOCUMENTATION:

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.

16. DISPOSAL OF LOAN APPLICATION

Maximum time schedule as per the amount of the proposals under MSME advances is as under:-

Credit Limits	Time Schedule (Maximum)
Upto Rs. 2 lakh	2 weeks
Above Rs. 2 lakh and upto Rs. 5 lakh	4 weeks