



GOVERNMENT OF ODISHA
HANDLOOMS, TEXTILES & HANDICRAFTS DEPARTMENT

RESOLUTION

No. II-TEX-111/2016/ 7797 /HT&H, Bhubaneswar, dated the 27-11-2019

SUBJECT: - Modality of operation of "Additional Interest Subvention @ 2.5% on Credit Support to Handloom Sector".

1. **Aim & Objective:** In order to encourage credit flow to the Handloom Sector, the Interest Subvention up to 7% was extended by the Govt. of India to the eligible individual Handloom Weavers/SHGs/JLGs against loan sanctioned by the banks under Weaver Credit Card (WCC) Scheme for a period of three years from the date of disbursal. Apart from this, the Hon'ble Chief Minister, Odisha has also declared to provide additional Interest Subvention of 2.5% to the Handloom Sector against the term loans and working capital loans. However, Government of India has discontinued WCC Scheme with the introduction of MUDRA Weaver Scheme all over the Country w.e.f. 01.09.2016 in order to provide adequate credit to handloom weavers for increasing their earnings.

The MUDRA Weaver Scheme will be implemented with participation of willing banks having presence in those areas with an aim at covering all the non-defaulter eligible handloom weavers in the State in next 3 years. The Benefits under Concessional Credit components of WCC scheme like Interest Subvention will now be available only through MUDRA Weavers' Scheme. There is a provision of term loans and working capital loans @ 6% interest for which maximum interest subvention to be borne by Govt. of India would be capped at 7% for a period of maximum three years from the date of first disbursement. Applications pending with the Banks towards Interest Subvention claim relating to Weavers Credit Card shall be dealt by NABARD, Regional Office, Bhubaneswar as per previous practice under Concessional Credit Component of Revival Reform & Restructuring (RRR) Package.

In view of the above, additional Interest Subvention @ 2.5% is now to be provided by the State Govt. to the Handloom Sector against the term loans and working capital loans sanctioned by the banks.

2. **Modality:** The modality of operation of the Interest Subvention provided by the State Govt. is given below.

2.1. **Eligibility:**

2.1.1 The handloom weavers involved in weaving and allied activities are eligible to get the benefit under the scheme.

2.1.2 The interest subvention should only be available to the loanees who are not defaulters to encourage prompt payment to the banks.

2.2. Loan Details:

- 2.2.1 The nature of the loan is either cash credit loan or block capital loan for handloom or allied activities only.
- 2.2.2 The credit limit will be fixed basing on assessment of working capital requirements as well as cost of tools and equipment for cotton product should be Rs. 50, 000 /- & around Rs. 1, 00, 000 /- for silk products.
- 2.2.3 The benefit of additional interest subvention @ 2.5% shall be extended to the loan to the extent of maximum Rs. 5,00,000 /- per loan account.

2.3. Validity:

- 2.3.1. As the limit of loan sanctioned would normally have a validity of 3 years, the interest subvention benefit shall also be continued for three years from the date of first disbursal of loan.
- 2.3.2. The amount of 2.5% interest subvention provided by the Govt. of Odisha will be calculated from the date of actual disbursement of loan up to the date of actual repayment of loan by the weavers/agency or up to the due date of loan fixed by bank whichever is earlier. The interest chargeable to the weavers by the banks will be the applicable rate reduced by 2.5% provided under the scheme.

2.4. Calculation and release of assistance:

- 2.4.1. The interest subvention will be calculated on net loan in case any subsidy admissible under any scheme of Govt.
- 2.4.2. The Banks will pass on the interest subvention benefits to the loan accounts.
- 2.4.3. The concerned Bank will intimate the local textile Zonal Officers relating to sanction and disbursement of loan amount. The Zonal Offices will maintain bank wise register relating to details of loan sanctioned by different Banks and forward the copy of the bank-wise list of weavers availed interest subvention under the scheme to the Director of Textiles & Handloom, Odisha.
- 2.4.4. The concerned Bank will furnish the interest subvention claim @2.5% to their Regional Office/Zonal Office/Controlling Office at the end of each quarter.
- 2.4.5. The Regional Office/Zonal Office/Controlling Office of the Bank will submit the consolidated claim of their bank/branches in prescribed format in duplicate with other relevant documents to the Circle Office of the Convening Bank of SLBC, Bhubaneswar on half yearly basis. The rate of interest charged by the bank must be indicated in the prescribed format failing which the claim will not be considered.
- 2.4.6. The Circle Office of Convening Bank, SLBC will then forward the bank-wise claim to the Directorate of Textiles, Odisha for necessary verification.

- 2.4.7. The Directorate of Textiles, Odisha, after necessary verification, shall recommend the bank-wise claim to the Circle Office of Convening Bank, SLBC, Bhubaneswar for release of interest subvention claim to different banks through RTGs from the account opened for interest subvention.
- 2.4.8. The Handlooms, Textiles & Handicrafts Department, Govt. Of Odisha will release the fund under the programme to the Director of Textiles & Handloom, Odisha. The Director of Textiles & Handloom, Odisha will draw and transfer the amount to the account maintained with Circle Office of Convening Bank, SLBC, Bhubaneswar.
- 2.4.9. After release of reimbursement claim to different banks, the Circle Office of Convening Bank, SLBC, Bhubaneswar will forward the bank-wise reimbursement statement to the Director of Textiles & Handloom, Odisha for further action.

2.5. Scheme duration:

- 2.5.1. Weavers Mudra Scheme is implemented by Government of India from 01.09.2016 in place of Weaver Credit Card Scheme.
- 2.5.2. There was provision of Interest Subvention @ 2.5% to the beneficiaries those who were assisted under Weaver Credit Card Scheme implemented by Government of India.
- 2.5.3. The current guidelines aim at providing interest subvention formulated in accordance with the provisions laid down in the guidelines of Weaver Mudra Scheme and will be implemented accordingly for a period of 3 years up to the financial year 2022-23. Further extension of the scheme may be considered on review of implementation status by Government in HT&H Deptt.

- 2.6. Monitoring of the Scheme:** The Director of Textiles & Handloom, Odisha will monitor this scheme with the help of Divisional offices/Zonal Offices.

Order- It is ordered that this Resolution be published in an extraordinary issue of the *Odisha Gazette* of the Government of Odisha for the general information and copy be communicated to all the Departments of Government/all Heads of Departments and other concerned.

By order of the Governor


Commissioner-cum-Secretary to Government

Memo No. 7798 /HT&H, Bhubaneswar dated the 27/11/2019

Copy along with soft copy forwarded to the Director, Printing, Stationery & Publication, Odisha, Cuttack for publication of the Resolution in the next issue of the *Odisha Gazette* with a request to supply 50 copies of the Resolution to this Department.

Additional Secretary to Government


Memo No. 7799 /H,T&H, Bhubaneswar dated the 27/11/2019
Copy forwarded to the Principal A.G. (A & E), Odisha, Bhubaneswar for information.


26.11.19
Additional Secretary to Government


Memo No. 7800 /HT&H, Bhubaneswar dated the 27/11/2019
Copy forwarded to the Director of Textiles & Handloom, Odisha, Bhubaneswar for information and necessary action.


26.11.19
Additional Secretary to Government

Memo No. 7801 /HT&H, Bhubaneswar dated the 27/11/2019
Copy forwarded to the Private Secretary to Hon'ble, Minister, HT&H for kind information of Hon'ble Minister, HT&H, Odisha.


26.11.19
Additional Secretary to Government

Memo No. 7802 /HT&H, Bhubaneswar dated the 27/11/2019
Copy forwarded to the Private Secretary to Commissioner-Cum-Secretary to Government, HT&H Department for kind information of the Commissioner-cum-Secretary to Government, HT&H Department.


26.11.19
Additional Secretary to Government

Memo No. 7803 /HT&H, Bhubaneswar dated the 27/11/2019
Copy forwarded to the FA-Cum-Joint Secretary, HT&H Department/All Sections of Handlooms, Textiles & Handicrafts Department/Guard File (05 copies) to Handloom Section of HT&H for information and necessary action.


26.11.19
Additional Secretary to Government

Memo No. 7804 /HT&H, Bhubaneswar dated the 27/11/2019
Copy forwarded the Head State Portal Group, IT Centre, Secretariat for uploading the Resolution in the website of Handlooms, Textiles & Handicrafts Department.


26.11.19
Additional Secretary to Government