

VII Pradhan Mantri Credit Scheme for Powerloom Weavers

Objective

To provide adequate and timely financial assistance to the powerloom weavers to meet their credit requirements, for investment needs (Term Loan) as well as for working capital, in a flexible and cost effective manner.

Operational Guidelines

There are two components in the Scheme i.e. Category-I under Prime Minister MUDRA Yojana (PMMY) and Category-II under Stand-up India Scheme. The Office of the Textile Commissioner will enlist the lending agencies for the operation of the Scheme.

The details of the eligibility, mode of application and facilities available under these components are as under:

Sr. No	Particulars	Category – I (under PMMY)	Category – II (under Stand-up India Scheme)
1	Eligibility	The eligible units are a. Existing individual powerloom units or b. New individual / group enterprises involved in weaving activity.	The eligible units are a. Only new powerloom units established by a person who belongs to a Scheduled Caste (SC) or Scheduled Tribe (ST) or is a woman entrepreneur. b. In case of non-individual units at least 51 % of the share holding and controlling stake should be held by either an SC (or) ST (or) women entrepreneur.
2	Type of Facility & Loan Amount	a. Working Capital & Term Loan: Maximum up to Rs.10 lakh under PMMY. b. The upper ceiling of the loan amount is applicable for all beneficiaries.	a. The loan shall be a Composite Loan i.e.to meet the requirement of Purchase of Plant & Machinery and Working Capital. b. The loan shall be between Rs.10 lakh and Rs.1 crore under Stand-up India

Sr. No	Particulars	Category – I (under PMMY)	Category – II (under Stand-up India Scheme) Scheme.
3	Due-diligence, Financial benchmark, Requirement of audited financial documents, Fixation of Credit Limit	As per the prevailing norms of lending agency.	As per the prevailing norms of lending agency.
4	Repayment	As per the prevailing norms under PMMY.	As per the prevailing norms under Stand-up India Scheme.
5	Financial assistance under the scheme i. Margin Money Subsidy	a. Margin money for the project will be decided by the lending agency as per their existing norms. Govt. will provide financial assistance on margin money @ 20% of project cost with a ceiling of Rs.1 lakh for a borrower. Remaining amount of margin money will be borne by the borrower.	a. The Scheme envisages 25% Margin Money which will be provided as admissible subsidy by the Govt. of India. The borrower shall be required to bring in 10% of the Project Cost as his/her own contribution.
	ii. Interest Subvention	a. Interest Subvention @ 6% per year both for working capital and term loan will be provided upto 5 years subject to annual review terms of lending agency.	Not Applicable
6	Validity/ Renewal of Limit, Security, Rate of Interest & other charges	As per the prevailing norms of lending agency as well as PMMY.	As per the prevailing norms of lending agency as well as Stand-up India Scheme.

Sr. No	Particulars	Category – I (under PMMY)	Category – II (under Stand-up India Scheme)
7	Reimbursement of Credit Guarantee	0.25% of the loan amount or the actual amount of fees charged for credit guarantee, whichever is less will be reimbursed by the Office of the Textile Commissioner on quarterly basis.	0.25% of the loan amount or the actual amount of fees charged for credit guarantee, whichever is less will be reimbursed by the Office of the Textile Commissioner on quarterly basis.
8	GOI Support	<p>a. Interest Subvention will be provided @ 6% per year to the borrower. Interest Subvention as applicable will be provided upto 5 years subject to annual review of lending agency.</p> <p>b. Margin money support of 20% of the project cost with a maximum of Rs.1 lakh for a borrower will be provided by the Govt.</p> <p>c. The concerned Regional Office of the Textile Commissioner will identify eligible borrowers and refer their applications to lending agency for onward processing. The Bank may carry out necessary due diligence, including eligibility as per its extant guidelines for sanctioning of such facilities.</p> <p>d. All the above financial support/facilities can be availed by the Existing individual powerloom units and New individual / group enterprises involved in weaving activity who are registered with MSME / Office of the Textile Commissioner.</p>	<p>a. Capital subsidy support of 25% of the project cost for a borrower will be provided by the Govt.</p> <p>b. The concerned Regional Office of the Textile Commissioner will identify eligible borrowers and refer their applications to lending agency for onward processing. The Bank may carry out necessary due diligence, including eligibility as per its extant guidelines for sanctioning of such facilities.</p> <p>c. All the above financial support/facilities can be availed by the individual/non-individual as per S.No.1 of this category who are registered with MSME /Office of the Textile Commissioner</p>

9	Claim of GOI's financial assistance	a. Concerned lending agency shall approach Office of Textile Commissioner alongwith the details of claims of beneficiaries as per the prescribed format at Annexure-III . b. Interest subvention will be claimed by the lending agency on a quarterly basis by 15 days of the end of the quarter.	a. Concerned lending agency shall approach Office of Textile Commissioner alongwith the details of claims of beneficiaries as per the prescribed format at Annexure-IV . Capital subsidy reimbursement will be claimed by the lending agency on a quarterly basis by 15 days of the end of the quarter.
10	Release of GOI's Financial assistance	Will be released within 30 days from the date of receipt of claim documents from the lending agency.	Will be released within 30 days from the date of receipt of claim documents from the lending agency.
11	Mode of release of GOI's subsidy	Through term loan account of the beneficiary unit.	Through term loan account of the beneficiary unit.
12	Issuance of cards/ Passbooks	The lending agency will issue the cards/passbooks to Powerloom weavers.	The lending agency will issue the cards/passbooks to Powerloom weavers.
13	Management Information System(MIS)	The Textile Commissioner is in the process of creating an i-PowerTex software so that all applications can be filed online. Till that time lending agencies are required to submit quarterly reports in the format prescribed at Annexure-V to the Office of the Textile Commissioner within 15 days of the end of the quarter.	The Textile Commissioner is in the process of creating an i-PowerTex software so that all applications can be filed online. Till that time lending agencies are required to submit quarterly reports in the format prescribed at Annexure-VI to the Office of the Textile Commissioner within 15 days of the end of the quarter.

Further Operational guidelines are being issued shortly in consultation with the Banks.

Safeguards against mis-utilisation of the Scheme.

1. The lending agencies are required to carry out due diligence before sanctioning of the loan under the Scheme.

2. The concerned Regional Office of the Textile Commissioner as well as the senior officers of the Office of the Textile Commissioner will carry out random verification of the beneficiaries.

Format-I

Application Form for Loan under Pradhan Mantri Credit Scheme for Powerloom weavers (PMCSF)
(For Loan upto Rs.10,00,000/-)

Name of Bank & Branch from where loan is required _____
I hereby apply for Cash Credit/Over Draft/Term loan of Rs. _____ for _____

Name of Applicant (s)	1. 2.	Father's/Husband's name	1. 2.
Constitution ()	Individual	Joint	Proprietor
Residential Address	Rented/Owned		
Business Address	Rented/Owned		
Date of Birth	Age	Sex : Male/Femat/T.G.	
Educational Qualification ()	Illiterate	Upto 10 th	Upto 12 th
KYC Documents (s)	Voter ID No.	Aadhaar No.	Driving License No.
ID proof (pl. Specify)	Any Other		
Address Proof (Pl.specify)			
Telephone No.:	Mobile No.:	E-mail:	
Line of Business	Existing	Period	
Activity (Purpose)	Proposed		
Annual Sales (Rs.in Lakh)	Existing:	Proposed:	
Experience, if any			
Social Category (Pl. tick)	General	SC	ST
If Minority ()	Buddhists	Muslims	Christians
Loan Amount Required	CC/OD- Rs.	Term Loan-Rs.	
Details of Existing Account(s), if any	Type (Pls tick) (Deposit/Loan)	Name of Bank & Branch	
A/C No.	If Loan A/c amount of loan taken		Rs.

Declaration:

I/We hereby certify that all information furnished by me/us is true, correct and complete. I/We have no borrowing arrangements for the unit except as indicated in the application form. I/We have not applied to any Bank. There is/are no overdue/statutory due owed by me/us. I/We shall furnish all other information that may be required by Bank in connection with my/our application. The information may also be exchanged by you with any agency you may deem fit. You, your representatives or Reserve Bank of India or MUDRA Ltd., or any other agency as authorised by you, may at any time, inspect/verify my/our assets, books of accounts etc. in our factory/business premises as given above. You may take appropriate safeguards/action for recovery of bank's dues.

Date: _____

Place: _____

Thumb Impression/Signature of Applicant(s)

(For Office use only)

Acknowledgement No. _____ Dated _____ Slop No. _____ Loan Application Received by _____

Date: _____

Place: _____

Authorized Signatory(Branch Seal and Sign)

-----Cut here-----

Acknowledgement slip no _____ for loan application under PMMY (Applicant's copy) received with thanks from Sh./Smt. _____ loan application dated _____ for Rs. _____

Date: _____

Place: _____

Authorized Signatory (Branch Seal and Sign)

CHECK LIST: (Document(s) to be submitted along with the application)

- 1) Proof of identity – Self attested copy of Voter's ID Card/ Driving Licence /PAN Card/ Aadhaar Card/ Passport / Photo IDs issued by Govt. Authority etc.
- 2) Proof of Residence – Recent telephone bill/ electricity bill/ property tax receipt (not older than 2 months) /Voter's ID Card/ Aadhaar Card/ Passport for Individual/ Proprietor /Partners Bank Passbook or latest account statement duly attested by Bank Officials/ Domicile Certificate/ Certificate issued by Govt. Authority/ Local Panchyat/Municipality etc.
- 3) Applicant's Recent Photograph (2 copies) not older than 6 months.
- 4) Quotation of Machinery/Other items to be purchased.
- 5) Name of supplier/details of machinery/ price of machinery and/or items to be purchased.
- 6) Proof of Identity/Address of the Business Enterprise – Copies of relevant Licenses/ Registration Certificates/ Other Documents pertaining to the ownership, identity and address of business unit, if any.
- 7) Proof of category like SC/ST/OBC/Minority etc.

NOTE :

- 1) No processing fee
- 2) No collateral
- 3) Repayment period of loan is extended upto 5 years
- 4) Applicant should not be defaulter of any bank/Financial Institution

ANNEXURE-II

Name of the Bank:

Bank's Logo

APPLICATION FORM FOR STAND UP INDIA SCHEME LOAN ABOVE 10 LAKH TO 100 LAKH

(To be submitted along with documents as per the check list)

A. For Office Use:

Enterprise Name	Application Sl. No.	Name of the Branch	Category
			SC/ST/Woman

B. Business Information:

Name of the Applicant / Enterprise							
Constitution	Proprietary	Partnership	Pvt. Ltd.	Ltd. Company	Any Others (specify)		
Business Address							
	State				PIN Code		
	Business Premises				Rented	Owned	
Telephone No.			Mobile No.	91			
E-mail:							
Business Activity	Proposed						
Date of Commencement(DD/MM/YYYY)							
Whether the Unit is Registered		Yes		No			
If Registered (Please mention: Registration no. And the Act under which registered)							
Udyog Adhar Registration No. ** ** Not Mandatory							
Registered Office Address							
Social Category			SC	ST	Minority Community		
If Minority Community	Buddhists	Muslims	Christians	Sikhs	Jains	Zoroastrians	

C. Background Information of Proprietor/ Partners/ Directors of Company and their addresses:

S.No.	Name	Date of Birth	Sex	Residential Address with Mobile No.	Academic Qualification	Experience in the line of activity (years)

H. In case of Term loan requirements, the details of machinery/equipment may be given as under:

Type of Machine/ Equipment	Purpose for which required	Name of supplier	Total Cost of Machine	Contribution being made by the promoters (Rs.)	Loan Required (Rs.)
Total					

Repayment period with Moratorium period requested for	
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I. Future Estimates: (In Rs.)

Future Estimates (Estimates for current year and projections for first year to be provided for working capital facilities. However for term loan facilities projections to be provided till the proposed year of repayment of loan)				
	Current Year (Estimate)	First Year (Projection)	Second Year (Projection)	Third Year (Projection)
Net Sales				
Net Profit				
Capital (Net Worth in case of Companies)				

J. Status Regarding Statutory Obligations:

Statutory Obligations	Whether Complied with (select Yes/No) If not applicable then select N.A.	Remarks (Any details in connection with the relevant obligation to be given)
1. Registration under Shops and Establishment Act		
2. Registration under MSME (Provisional / Final)		
3. Drug License		
4. Latest Sales Tax Return Filed		
5. Latest Income Tax Returns Filed		
6. Any other Statutory dues remaining outstanding		

K. Declaration:

I/We hereby certify that all information furnished by me/us is true, correct and complete. I/We have no borrowing arrangements for the unit except as indicated in the application form. There is/are no overdue/statutory due owed by me/us. I/We shall furnish all other information that may be required by Bank in connection with my/our application. The information may also be exchanged by you with any agency you may deem fit. You, your representatives or Reserve Bank of India or any other agency as authorised by you, may at any time, inspect/verify my/our assets, books of accounts etc. in our factory/business premises as given above. You may take appropriate safeguards/action for recovery of bank's dues.

Space for Photo	Space for Photo	Space for Photo
(Signatures of Proprietor/partner/director whose photo is affixed above)		

Date: _____

Place: _____

CHECK LIST

1. Proof of Identity: Voter's ID/ Passport/Driving License/PAN Card/Signature identification from Present Bankers of Proprietor, partner of Director (If a company).
2. Proof of Residence: Recent Telephone Bills, Electricity Bill, Property Tax Receipt /Passport/Voter's ID Card of Proprietor, partner of Director (if a company).
3. Proof of Business Address.
4. Applicant should not be defaulter in any Bank/F.I.
5. Memorandum and articles of association of the Company/Partnership Deed of partner etc.
6. Assets and liabilities statement of promoters and guarantors along with latest income tax returns.
7. Rent Agreement (if business premises on rent) and clearance from pollution control board if applicable.
8. SSI / MSME registration if applicable.
9. Projected balance sheets for the next two years in case of working capital limits and for the period of the loan in case of term loan.
10. Photocopies of lease deeds/title deeds of all the properties being offered as primary and collateral securities.
11. Documents to establish whether the applicant belongs to SC/ST Category, wherever applicable.
12. Certificate of incorporation for ROC to establish whether majority stake holding in the company is in the hands of a person who belongs to SC/ST/Woman category.

For Cases with Exposure above Rs. 25 Lakhs

1. Profile of the unit (includes names of promoters, other directors in the company, the activity being undertaken addresses of all offices and plants, shareholding pattern etc.
2. Last three years balance sheets of the Associate / Group Companies (if any).
3. Project report (for the proposed project if term funding is required) containing details of the machinery to be acquired, from whom to be acquired, price, names of suppliers, financial details like capacity of machines, capacity of utilisation assumed, production sales, projected profit and loss and balance sheets for the tenor of the loan, the details of labour, staff to be hired, basis of assumption of such financial details etc.
4. Manufacturing process if applicable, major profile of executives in the company, any tie-ups, details about raw material used and their suppliers, details about the buyers, details about major-competitors and the company's strength and weaknesses as compared to their competitors etc.

(The check list is only indicative and not exhaustive and depending upon the local requirements at different places addition could be made as per necessity).

ANNEXURE-III

Format for submission of claims under Pradhan Mantri Credit Scheme [Pradhan Mantri Mudra Yojana (PMMY) Component

1	Name & Address of the factory	
	Taluka/Tahshil/Mandal:	
	District:	
	State:	
	Pin code:	
	Phone No./Mobile No.	
	Fax No.	
	E-Mail ID	
	PAN No.	
2	Aadhar Number	
3	Name of Contact Person with Tel./ Mob. no	
4	IM No. / Powerloom Permit No./Udhyog Aadhar No & Date along with Registering Authority	
5	Number of Looms	
6	Constitution of Firm (Proprietorship / Partnership/Pvt. Ltd.)	
7	Name of Proprietor / Partner(s) / Director(s)	
8	Gender of the Applicant (Male/Female)	
9	Category of the Applicant (General/ OBC/SC/ST/Minority etc.) In case of Minority pls. mention the detail	
10	Total Cost of Project	
11	Amount of Term Loan	
12	Name and address of the Bank (complete Branch details with Pin code & IFS Code	
13	Account no:	
14	Whether the Project confirms in accordance to the guidelines	
15	Eligible Subsidy	
16	Remarks , if any	

It is certified that the above said claim is found to be in order in all respect as per the Guidelines of **Pradhan Mantri Credit Scheme [Pradhan Mantri Mudra Yojana (PMMY) Component]** under **PowerTex India** hence recommended for release of the subsidy.

Authorized Signatory (Branch Seal and Sign)

Date:

Place:

ANNEXURE-IV

Format for submission of claims under Pradhan Mantri Credit Scheme [Stand Up India Scheme Component]

1	Name & Address of the factory	
	Taluka/Tahshil/Mandal:	
	District:	
	State:	
	Pin code:	
	Phone No./Mobile No.	
	Fax No.	
	E-Mail ID	
	PAN No.	
2	Aadhar Number	
3	Name of Contact Person with Tel./ Mob. no	
4	IM No. / Powerloom Permit No./Udhyog Aadhar No & Date along with Registering Authority	
5	Number of Looms	
6	Constitution of Firm (Proprietorship / Partnership/Pvt. Ltd.)	
7	Name of Proprietor / Partner(s) / Director(s)	
8	Category of the Applicant (Female/SC/ST)	
9	Total Cost of Project	
10	Amount of Term Loan	
11	Name and address of the Bank (complete Branch details with Pin code & IFS Code	
12	Account no:	
13	Whether the Project confirms in accordance to the guidelines	
14	Eligible Subsidy	
15	Remarks , if any	

It is certified that the above said claim is found to be in order in all respect as per the Guidelines of **Pradhan Mantri Credit Scheme [Stand Up India Scheme Component]** under **PowerTex India** hence recommended for release of the subsidy.

Authorized Signatory (Branch Seal and Sign)

Date:

Place:

ANNEXURE-V

Format for submission of the quarterly report by the lending agency under Pradhan Mantri Credit Scheme [PMMY Component]

1.Name and address of the lending agency:

2.Contact details of the Authorised signatory of the lending agency:

3.Quarterly period:

4. Details of progress of the scheme on cumulative basis

(In Rs. lakhs)

Quarterly period	No. of cases sanctioned during the quarter	Amount sanctioned during the quarter	Amount disbursed during the quarter	Subsidy claimed during the quarter under capital subsidy	Subsidy claimed during the quarter under interest subvention	Remarks
Apr-Jun 17						
Jul-Sep17						
Oct-Dec17						
Jan-Mar17						

It is certified that the above details are in order in all respect as per the Guidelines of Pradhan Mantri Credit Scheme [PMMY Component] under PowerTex India

Authorized Signatory (Branch Seal and Sign)

Date:

Place:

ANNEXURE-VI

Format for submission of the quarterly report by the lending agency under Pradhan Mantri Credit Scheme [Stand-up India Scheme Component]

1. Name and address of the lending agency:

2. Contact details of the Authorised signatory of the lending agency:

3. Quarterly period:

4. Details of progress of the scheme on cumulative basis

(In Rs. lakhs)

Quarterly period	No. of cases sanctioned during the quarter	Amount sanctioned during the quarter	Amount disbursed during the quarter	Subsidy claimed during the quarter under capital subsidy	Remarks
Apr-Jun 17					
Jul-Sep17					
Oct-Dec17					
Jan-Mar17					

It is certified that the above details are in order in all respect as per the Guidelines of Pradhan Mantri Credit Scheme [Stand-up India Scheme Component] under PowerTex India

Authorized Signatory (Branch Seal and Sign)

Date:

Place:

SUMMARY AND CHECKLIST OF DOCUMENTS REQUIRED

Pradhan Mantri Credit Scheme (PMMY & stand-up India) under PowerTex.

Stages	Objective	Requirement	Checklist of documents required	Stage of submission of documents
1.	Application for Sanction of Working Capital & Term Loan	Application to be submitted by the unit /beneficiary at concerned Regional office of the Textile Commissioner. RO will identify eligible borrowers and refer their applications to lending within 30 days from the date of receipt.	Application in Format-I for PMMY & Format-II for Stand-up India of the guidelines along with 1. Copy of Aadhar. 2. Copy of PAN 3. Address proof residence 4. Address proof Business enterprise 5. Constitution of firm. 6. Sale/lease deed of land/building. 7. Photos of applicant 8. Quotations of machinery/items to be purchased	During submission of application.
2.	Sanction of Working Capital & Term Loan	The lending agencies are required to carry out due diligence and sanction the loan to the beneficiary within within 60 days from the receipt of application from Regional office.	Application in Format-I of the guidelines along with 1. Copy of Aadhar. 2. Copy of PAN 3. Address proof residence 4. Address proof Business enterprise 5. Constitution of firm. 6. Sale/lease deed of land/building. 7. Photos of applicant 8. Quotations of machinery/items to be purchased	During sanction of loan..

Stages	Objective	Requirement	Checklist of documents required	Stage of submission of documents
3.	Claim of GOI s financial assistance by lending agency.	<p>Concerned lending agency shall approach Office of the Textile Commissioner within 30 days from the date of complete disbursement of loan for the release of Morgin money subsidy.</p> <p>In case of PMMY Interest subvention will be claimed by the lending agency on an quarterly basis by 15 days of the end of the quarter</p>	<p>Concerned lending agency shall approach Office of the Textile Commissioner within 30 days from the date of complete disbursement of loan for the release of Morgin money subsidy in Format-III for PMMY & Format-IV for Stand-up India of the guidelines along with the details of beneficiaries from the date of complete disbursement</p>	Before release of GOI share.
4.	Release of GOI s Financial assistance.	Will be released within 30 days from the date of receipt of claim from the lending agency subject to availability of funds.	-----	---

