

## **Minutes of the 12<sup>th</sup> meeting of National Implementation Monitoring & Review Committee (NIMRC) held on 3<sup>rd</sup> May, 2016 under the Chairpersonship of Secretary (Textiles)**

The 12<sup>th</sup> meeting of the NIMRC was held on 3<sup>rd</sup> May, 2016 under the Chairpersonship of Smt. Rashmi Verma, Secretary (Textiles). The list of the participants is enclosed.

The agenda wise opinion expressed and decisions taken are as expressed below.

### **Agenda 1: Confirmation of the minutes of the 11th NIMRC meeting:**

1.1 The Committee confirmed the minutes and noted the action taken reports. The Committee desired the remaining action should be expedited.

### **Agenda 2: Pradhan Mantri MUDRA Yojana for Weavers:**

2.1 The agenda note was deliberated upon by the Committee in detail. The representatives of the States and the Banks presented the progress of Weavers' Credit Card Scheme and the difficulties being faced. A short presentation was made by the representative of the Punjab National Bank highlighting the key features of Punjab National Bank Weaver MUDRA Scheme and the significant benefits which the Scheme has made to the beneficiary handloom weavers. They emphasized that availability of funds in advance for margin money, interest subvention and credit guarantee was a crucial feature for success of the pilot project.

2.2 Joint Secretary, Department of Financial Services explained the following:

- a) MUDRA loans are available upto Rs.10 lakhs at preferential interest rates to individuals. Therefore, the individual weavers and weaver entrepreneurs can be covered under MUDRA Scheme. He also added that MUDRA Loans above Rs.10 lakhs are available at base rate plus a margin which is generally capped at 12% .

- b) Larger loan of upto Rs.1 crore can be availed under Stand Up India Scheme by individual entrepreneurs. There is a special priority being given to SC/ST entrepreneurs in this scheme.
- c) RuPay card is available in MUDRA Loans in cases where loan is availed for working capital. Therefore, this aspect should be kept in view while filling the applications. Composite loan is also possible in MUDRA Scheme.
- d) Credit guarantee in MUDRA Scheme is being paid by banks on portfolio of their loans and not on individual loan accounts.

2.3 Summarizing the discussions on this agenda item, Secretary, Ministry of Textiles said that the pilot project implemented by Punjab National Bank for disbursing loans to handloom weavers in MUDRA Scheme has shown encouraging results and this needed to be implemented in all handloom clusters of the country. She also said that a supporting eco-system in terms of selection of beneficiaries and support through technological up gradation and marketing is important for proper utilization of loans. She emphasized the pro-active role of the State Governments for mobilization of applications, follow up with the Banks and regular monitoring of utilization of the loan amount.

**2.4 After discussions, NIMRC approved the proposal of adopting MUDRA Scheme for providing concessional credit to handloom sector. The Committee decided the following:-**

- i) Concessional credit component for handloom sector will now be available only through MUDRA Yojana for individual weavers and weaver entrepreneurs. Suitable loan products may be separately designed for Self Help Groups and Joint Liability Groups.**
- ii) Appreciating the benefits of RuPay in terms of easy disbursement and minimum interest burden on day wise outstanding amount, RuPay Card should be essential feature of all MUDRA Loans because working capital is an essential need for handloom sector.**
- iii) The programme should be administered cluster-wise in a project mode. Every State Government should be requested to prepare a three year action plan for covering all handloom clusters and identify two to three banks for each cluster keeping in view the presence of the banks and their**

**willingness to participate in the scheme. In a phased manner over the three years all handloom clusters should be covered by providing the facilities of MUDRA Loans to all eligible, non-defaulters and willing handloom weavers and weaver entrepreneurs. State Governments should be requested to send such plans by 15<sup>th</sup> June, 2016 and also likely number of beneficiaries in the clusters to be taken up in year 2016-17. Thereafter, Ministry of Textiles would provide the adequate funds in advance to concerned banks for margin money and interest subvention.**

- iv) Minimum loan per loom for cotton products should be Rs.50,000 and around Rs.1,00,000 for silk products.**

### **Agenda 3: Fund release to Bank Head Offices directly:**

3.1 The agenda note was deliberated upon by NIMRC in detail. It emerged that the flow of claims to NABARD by the participating banks is still in non-electronic mode which results in delays in disbursement of funds. NIMRC decided that DC (Handlooms) should take steps for developing a centralized online DBT System in consultation with few banks who have such experience and Department of Financial Services. Such a system would avoid parking of funds with various banks and will also cut down delays in disbursement of funds for margin money and interest subvention. Till such system in place, DC (Handlooms) should provide funds in advance to the participating banks directly.

### **Agenda 4: RRR Package:**

4.1 NIMRC noted the progress and desired that pending claims should be processed by NABARD without any delay. The representative of the UP Government requested that their claim for second installment towards computerization assistance may be expedited. The representative of NABARD assured expeditious action on the same.

## **Agenda 5: Progress on engaging 'Bunkar Facilitators':**

5.1 NIMRC desired that the States be encouraged to avail the facilities of Bunkar Facilitator. It was clarified that Banking Correspondents (BCs) are also eligible as Bunker Facilitator.

## **Agenda 6: Status of Fund Utilisation:**

6.1 NIMRC noted the position of funds utilization. General Manager, NABARD was asked to submit the UC along with necessary details about participating banks etc. expeditiously.

## **Agenda 7: Budget for the year 2016-17:**

7.1 NIMRC decided that Rs.10 crore may be provided to NABARD (after submission of UC) for settling the claims under RRR Package. The funds for concessional credit should henceforth be given directly to the participating banks as decided in Agenda No.3.

## **Agenda 8: Applicability of sub-components of Concessional Credit Component to credit/loan schemes of various other Departments/Corporations:**

8.1 Agenda was approved with the directions that funds disbursement should be done electronically under such schemes.

Meeting ended with a vote of thanks to the Chair.

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**List of participants**

1. Smt. Rashmi Verma, Secretary (Textiles)
2. Shri Jitendra Kumar Dadoo, AS&FA, Ministry of Textiles
3. Smt.Pushpa Subramanyam, Addl.Secretary, Ministry of Textiles
4. Sh. A.Madhukar Reddy, Jt. Secretary, Ministry of Textiles
5. Sh. Alok Kumar, DC(Handlooms)
6. Dr. K.Gopal, DC(Handicrafts)
7. Sh. Rajesh Kumar Sahu, ADC(Handlooms)
8. Sh.Pankaj Jain, Jt. Secretary, Deptt. of Financial Services, M/o Finance
9. Sh.Y.N.Reddy, General Manager, NABARD
10. Sh. B.K.Singhal, DGM, NABARD, Mumbai
11. Ms.Shweta, Manager, NABARD, New Delhi
12. Sh. P.Shimran, GM, RBI, New Delhi
13. Smt. Vandana Maheshwari, AGM, RBI, New Delhi
14. Sh. Harminder Singh, Principal Secretary, Handlooms & Textiles, Tamil Nadu
15. Sh. E.Eugene, Joint Director (Handlooms) Govt. of Tamil Nadu
16. Sh. Sudhir K., Director of Handloom & Textiles, Govt. of Kerala
17. Sh. Saket Kumar, Director Handloom, Bihar
18. Sh. K.P.Verma, Dy.Commissioner, Handloom, Govt. of UP, Kanpur
19. Sh. A.K.Gupta, PNB HO, New Delhi
20. Sh. Sujeet Kumar, Dy.GM, IDBI Bank
21. Sh. Sanjay Chaturvedi, GM, IDBI Bank
22. Sh. M.M.Sangi, GM, Indian Overseas Bank, SLBC Convener, Tamil Nadu
23. Sh. T.Srinivasa Rao, DGM, Andhra Bank, Circle office, New Delhi
24. Sh. Vijay Khanduja, LDB, Canara Bank, 74 Janpath, New Delhi
25. Sh. Kan Singh, Chief Manager, Central Bank ZO, New Delhi
26. Sh. Suresh Chandra, CEO, O/o DC(HL)
27. Sh. Purushottam Singh, Asstt.Director, O/o DC(HL)
28. Sh. S.S.Dua, Assistant, O/o DC(HL)

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