

No. I-15011/5(12)2018-19/Welfare
Government of India
Ministry of Textiles
Office of the Development Commissioner (Handicrafts)

West Block No.7
R.K.Puram, New Delhi.
Dated 31st July, 2018

OFFICE MEMORANDUM

Subject : Approval of the component of Margin Money under MUDRA loan under Direct Benefit to artisans under NHDP for implementation during 2018-19 and 2019-20-regarding

Office of Development Commissioner (Handicrafts) had been implementing the Handicrafts Artisans Comprehensive Welfare Scheme under National Handicrafts Development Programme (NHDP). The scheme is continued for implementation during the period April, 2017 to March, 2020.

During the current financial year the additional component of Margin Money for the artisans availing the MUDRA loan has been included as one of the additional component under Direct Benefit of Artisans to ensure the availability of concessional credit to Artisans. 20% of the MUDRA loan will be given as Margin money to the artisans loan account not exceeding to Rs.10,000/-. The amount of margin money will be transferred by the Nodal Bank in their accounts.

The detailed guidelines of the scheme for implementation is attached for compliance.

This issues with the approval of Competent Authority.

Encl. as above.

Mukesh Kumar
31/7/2018
(MUKESH KUMAR)
Sr. Asstt. Director (Welfare)

To

- 1) All State Principal Secretaries/
- 2) Managing Directors of Corporations

Copy to :-

- 1) PS to Hon'ble Minister of Textiles, Udyog Bhawan, New Delhi
- 2) APS to HMOST , Ministry of Textiles, Udyog Bhawan, New Delhi
- 3) Sr. PPS to Secretary (Textiles), Ministry of Textiles, Udyog Bhawan, New Delhi
- 4) AS&FA, Ministry of Textiles, Udyog Bhawan, New Delhi

Contd....2/-

- 5) PA to DC(HC)/PS to ADC(HC)/PA to Sr. Director(H) /PA to Director (HC)
- 6) The Regional Director /Deputy Director (Incharge), NR, CR, ER, SR, WR and NER with the request to forward the guidelines to field offices for compliance.
- 7) All Deputy Director/Sr.Ads/Ads/Aos at Headquarters office, Office of DC(HC), New Delhi.
- 8) All **Lead Banks**
- 9) Shri Sandeep Khurana, Scientist "D", NIC, Office of DC(HC)with the request to upload the same on our official website.
- 10)The Executive Director, EPCH, CEPC, NCDPD, COHANDS, New Delhi.
- 11)Director, IICT, Bhadohi (UP)
- 12)Managing Director (MHSC), Moradabad
- 13)Hindi Section for Hindi Version.

OFFICE OF THE DEVELOPMENT COMMISSIONER (HANDICRAFTS)

**HANDICRAFTS ARTISANS COMPREHENSIVE WELFARE SCHEME
GUIDELINES OF MARGIN MONEY FOR IMPLEMENTATION DURING 2018-19 TO 2019-20**

I. INTRODUCTION :

During the 12TH Plan, Development Commissioner for handicrafts had been implementing the Handicrafts Artisans Comprehensive Welfare Scheme (HACWS) under National Handicrafts Development Programme (NHDP). The scheme has been continued for implementation during the period April 2017 to March 2020. Under the approved scheme, there is one component of Interest Subvention to facilitate credit access for handicrafts artisans, through introducing interest subvention from Scheduled Banks who are availing the MUDRA Loan @ 6% interest subvention, subject to actual, shall be available maximum benefit of Rs.1.00 lakh over a period of three years.

In the approved scheme, new component namely Margin Money for the artisans availing Mudra Loan under Director Benefit to artisans component has been included to ensure the availability of concessional credit to artisans. 20% of MUDRA loan amount will be given as Margin money in their loan amount not exceeding to Rs.10,000/-. The amount will be transferred by the Nodal Bank to their accounts.

ELIGIBILITY

All handicrafts artisans /workers having valid PAHCHAN card would be eligible to get the benefit of MUDRA loan from scheduled Bank. The artisans availing the MUDRA loan would get the benefit of interest subvention and Margin Money by Office of Development Commissioner (Handicrafts), Ministry of Textiles as per details given below :-

- interest subvention @ 6% maximum to Rs.1.00 lakhs in three years
- margin money @ 20% of MUDRA loan amount not exceeding to Rs.10,000/-

The amount of assistance given to the artisans under Margin money shall leverage for borrowing loans from the banks.

The interest subvention amount will be paid by Punjab National Bank to the artisans & it will be credited in their Account from the bank, they have taken the Loan. The margin money will also be credited directly in the artisans account from where they have availed the loan. The office of DC (HC) would sanction/release the amount towards margin money to Punjab National Bank.

Operational Details

An artisans is required to approach Scheduled Commercial Bank/Regional Rural Bank/Co-operative Bank concerned for availing the bank loan, for which application form is to be filled by the applicant and deposited either in the bank or field office of Office of Development Commissioner (Handicrafts) with relevant documents which include:

- photocopy of voter identity card/ration card/UID, his/her photographs
- photocopy of artisans PAHCHAN Identity card/
- photocopy of Bank passbook

Based on the information furnished by the applicant, the loan application will be scrutinized by the field office of Development Commissioner (Handicrafts), Ministry of Textiles and forward to the Bank with recommendation for further scrutinising the application by Bank as per their norms for sanctioning the loan.

The Bank after sanctioning the loan to the handicrafts artisan would submit the disbursement of interest subvention amount and margin money amount to the Artisan Mudra Portal of Punjab National Bank who is the nodal Bank for disbursement of amount under Interest subvention and margin money.

Government of India will release financial assistance towards margin money and interest subvention to the Punjab National Bank as per MOU signed for onward release to the Banks/Financial Institutions for extending benefits to the beneficiaries.

Service Charges to Implementing Agencies:

The Nodal Bank for disbursement of Interest Subvention and Margin money amount to handicrafts artisans will be paid a service charges as per MoU signed between Office of DC(Handicrafts), Ministry of Textiles.

MONITORING:

The office of the Development Commissioner for Handicrafts, Ministry of Textiles would monitor the project through its field offices, by obtaining periodical reports from the scheduled Bank/ Nodal Bank and holding review meetings with them from time to time.

PUBLICITY AND AWARENESS:

Wide publicity will be given about margin money, Interest subvention under Mudra Loan in the newspaper followed by awareness programs organised throughout the country from time to time.
