

No. 8/4/2010-DCH/Project-I  
Government of India  
Ministry of Textiles  
Office of the Development Commissioner for Handlooms

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Udyog Bhavan, New Delhi  
Dated the November, 2011

To

1. All Banks under IBA - **(All States)**,
2. Commissioner / Director (HL & Textiles) - **(All States)**
3. CDEs/ IAs under IHDS - **(All States)**
4. Chief Executive Officer, CGTMSE, Mumbai

Sir,

**Subject : Weavers Credit Card**

To provide access to adequate financial resources for meeting the working capital needs of the handloom weavers, Office of the Development Commissioner for Handlooms has formulated a "Weavers Credit Card Scheme". The Department of Financial Services (Banking Division) vide their Circular No.3/68/2006-AC-Vol.i dated 26.9.2011 has approved and circulated it amongst member banks for implementation. A copy of the same is enclosed herewith for your kind information and necessary action. The details of the scheme are also available on our website [www.handlooms.nic.in](http://www.handlooms.nic.in).

Yours faithfully

Encl : M/o Finance Circular No.3/68/2006-AC-Vol.1  
dated 26.9.2011

( R N Choubey )  
DC(HL)

Copy to :

1. Department of Financial Services, M/o Finance, Jeevan Deep Building, New Delhi for information only.
2. CRMA of Mega Clusters – Murshidabad (W.B.) / Varanasi (U.P.) / Virudhnagar (T.N.) / Sibsagar (Assam)
3. All ADCs/Chief Enforcement Officer/DD/ DDC, O/o DC(Handlooms).

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To

Shri U.R.Tata  
Chief Executive Officer  
Credit Guarantee Fund Trust for Micro and Small Enterprises  
C-11, G-Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai-400051

Sir,

Please refer to your office letter No.CGTMSE/87/Handloom/4458 dated 22.9.2011 thereby conveying the approval of Board of Trustees (BoT) of CGTMSE for advance placement of funds by this office with CGTMSE towards payment of Guarantee Fee (GF) and Annual Service Fee (ASF). As requested, this office accepts the terms and conditions of the arrangement as per annexure.

The details of the approval and terms and conditions of CGTMSE are also available on our website [www.handlooms.nic.in](http://www.handlooms.nic.in).

Yours faithfully

(Meenu S Kumar)  
Chief Enforcement Officer  
Tele : 23061976

## ANNEXURE

### Terms and conditions for proposed placement of funds by Dev. Commr. (Handlooms) with Credit Guarantee Fund Trust for Micro And Small Enterprises (CGTMSE )

1. The Office of the Development Commissioner for Handlooms shall place the funds with CGTMSE in advance for meeting the Guarantee Fee (GF) / Annual Service Fee (ASF) requirements of eligible cases to be covered as per the guidelines of Credit Guarantee Scheme in respect of loans sanctioned by its Member Lending Institutions (MLIs) to handloom weavers.
2. The arrangement shall be operational initially for a period of three financial years from FY 2012 to FY 2014 and the funds shall be used to meet the Guarantee Fee (GF) / Annual Service Fee (ASF) dues in respect of loans sanctioned by MLIs of CGTMSE to handloom weavers during the period.
3. All extant guidelines of the Credit Guarantee Scheme, as may be amended from time to time, shall be applicable to all accounts to be guaranteed under the arrangement.
4. The amount received from DC(Handlooms) will be kept in a special account created for the purpose.
5. The Guarantee Fee (GF) / Annual Service Fee (ASF) in respect of guaranteed accounts covered under the arrangement will be debited to the above special account. If there is no balance in the special account, no GF/ASF will be appropriated pending receipt of funds from DC(Handlooms) / respective MLIs.
6. The proposed procedure for payment of Guarantee (GF)/ Annual Service Fee (ASF) will entail payment of upfront GF at the commencement of guarantee by CGTMSE and ASF every year after the financial year is over. For every account where GF is paid, the ASF will have to be paid in the next year. The funds available with CGTMSE from the second year onwards will be utilized first for payment of ASF as ASF is due on April 01 of next financial year. Only amount remaining after adjusting ASF will be available for covering new loans.
7. CGTMSE may utilize upto a maximum of 5% of the funds for propagation of the scheme amongst the intended stakeholders / beneficiaries.
8. The interest earned on the deposits in the special account will remain with CGTMSE for meeting its administrative expenditure and other costs.

9. Details of the utilization of funds in the special account shall be submitted to the Office of DC (Handlooms) on quarterly basis.
10. CGTMSE will not refund any unutilized portion of the fund available in the special account and once it is decided to close the arrangement, the balance amount in the account will be taken to CGTMSE's corpus.
11. Any other issues will be decided through mutual consultation.

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