



सूक्ष्म एवं लघु उद्यम क्रेडिट गारंटी फंड ट्रस्ट  
(भारत सरकार एवं सिडबी द्वारा स्थापित)

Credit Guarantee Fund Trust For Micro And Small Enterprises  
(Set up by Government of India & SIDBI)

CGTMSE / (44) / 1304

June 12, 2012

All Member Lending Institutions of CGTMSE

**Circular No.61/2012-13**

Dear Sir,

**Office of Development Commissioner (Handlooms), Ministry of Textiles, Government of India - Placement of Funds with CGTMSE for meeting the Guarantee Fee (GF) / Annual Service Fee (ASF) requirements in respect of loans sanctioned by Member Lending Institutions (MLIs) of CGTMSE to Handloom Weavers and covered under Credit Guarantee Scheme**

In order to facilitate increased flow of credit to the weavers in the handloom sector, Office of DC (Handlooms) {DC(HL)}, Ministry of Textiles, Government of India has decided to place funds with CGTMSE for meeting the Guarantee Fee (GF) / Annual Service Fee (ASF) requirements in respect of credit facilities sanctioned to Handloom Weavers by Member Lending Institutions (MLIs) of CGTMSE and eligible to be guaranteed under Credit Guarantee Scheme (CGS). The arrangement would be applicable for credit facilities sanctioned by MLIs to eligible weavers under the following two schemes operated by Office of Development Commissioner (Handlooms) :-

- (i) Comprehensive Handloom Cluster Development Scheme (Mega Cluster) – CHCDS (MC) ; and
- (ii) Comprehensive Package / Integrated Handlooms Development Scheme – CP (IHDS)

2. Credit facilities upto Rs.2 lakh sanctioned to handloom weavers in their individual capacity for "handloom weaving" activity are eligible for reimbursement of GF / ASF under the arrangement. Under (i) CHCDS (MC) Scheme, credit facilities sanctioned to handloom weavers in Varanasi and Murshidabad Mega Clusters are eligible for reimbursement of GF / ASF, while (ii) CP (IHDS) is applicable on all India basis. The detailed guidelines for sanction of credit facilities under the above two schemes have been issued by Office of DC (Handlooms) to all concerned and are also available on their website [www.handlooms.nic.in](http://www.handlooms.nic.in).

Contd...2/-

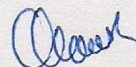
3. Necessary modifications have been made in the application module of the software of CGTMSE to enable MLIs to apply for guarantee cover in respect of eligible cases under the arrangement. While lodging applications, the operating officials of respective MLIs would be required to clearly indicate in the application module the following :-

- (i) that industry sector / activity of the borrower is "handloom weaving" ;
- (ii) that the credit facility is to be guaranteed under one of the above two schemes ;
- (iii) that the GF / ASF in respect of the accounts proposed to be guaranteed qualifies for re-imburement by Office of DC (HL) under the arrangement.
- (iv) certify that all other applicable terms and conditions prescribed by Office of DC (HL) for sanction of credit under the respective scheme have been adhered to by the MLI.

4. MLIs may please note that 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. The funds received from Office of DC (HL) will be kept by CGTMSE in a special account created for the purpose and the GF / 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 (HL) / respective MLIs.

5. We request you to kindly bring the contents of this Circular to the notice of all the operating offices / branches of your Bank / Institution.

Yours faithfully,



**(Mukesh Kumar)**  
**Assistant General Manager**