

ARTISAN CREDIT CARD SCHEME (ACC)

1. **Coverage:** All artisans involving production/manufacturing process, artisans registered with Development Commissioner (Handicrafts) etc.
2. **Area of operation:** The scheme will be operated through all branches except metropolitan branches.
3. **Purpose of loan:** With a view to provide adequate and timely assistance from the banking institutions to the artisans to meet their credit requirements both investments needs as well as working capital in a flexible and cost effective manner, Artisan Credit Card Scheme has been designed for implementation.
4. **Eligibility** All artisans involving production/manufacturing process (and otherwise eligible for credit facilities for carrying out the proposed activities under any of the existing bank schemes).
 - Artisans registered with Development Commissioner (Handicrafts) would be given preference.
 - Clusters of artisans and artisans who have joined to form Self Help Groups (SHGs).
 - All existing artisans borrowers of the bank enjoying credit facilities up to ` 2.00 lahks having satisfactory dealing with the bank
 - However, beneficiaries of other Government Sponsored Loan Schemes will not be eligible for coverage under ACC Scheme.
5. **Fixation of Credit Limit** Assessment of working capital requirements required for carrying out manufacturing process is to be made as per Nayak Committee recommendations (20% of anticipated turnover) subject to the maximum limit of ` 2.00 lahks. However, the loan requirement for tools and equipments maybe allowed by way of term loan (repayable in 3 years) within an overall limit of ` 2.00 lahks comprising of Cash Credit and Term Loan.
6. **Quantum of Credit** Maximum limit upto ` 2.00 lahks may be allowed under the scheme.
7. **Margin/Subsidy:** Margin 15, No subsidy.
8. **Security**
 - **Primary:** Hypothecation/mortgage/charge of assets created out of the loan.
 - **Additional:** No additional security other than hypothecation. However, loans to be covered by CGTSI scheme of SIDBI.

9. **Rate of Interest** Interest rate is subject to change in accordance with RBI/HO guidelines issued from time to time.

10. **Disbursement** Disbursement for newly set up units may be made in phases based on progress in implementation of the scheme.

11. **Repayment**

- Working Capital limit. The limit is expected to be utilized as a revolving cash credit and will provide for any number of drawals and repayments within the limit, subject to review to the satisfaction of the Bank after 1 year.
- For term loan availed for the purchase of tools and equipment: 3 years.

12. **Insurance:**

- Insurance coverage for accidental death.
- For beneficiaries Registered with Development Commissioner (Handicrafts):
Coverage under group insurance scheme and the premium will be paid by the Government and beneficiaries in the ration of 60:40 respectively. Insurance scheme covering Artisans registered with DC (Handicrafts) is enclosed vide ANNEXURE-A.
- Insurance for securities created out of Bank Loan are to be covered beyond ` 25.000/- limit.

13. **Other Procedural aspects:**

- All customers who meet the above mentioned eligibility criteria may be granted loan under ACC Scheme by opening a separate ledger and a separate account head in the General Ledger. The account shall run as a cash credit account in the name of ACC account holder.
- Cheque books to be issued and marked as ACC account. However, in case of illiterate borrower/artisan, withdrawal may be allowed in cash through withdrawal slips accompanied by the pass book.
- A pass book or a credit cum passbook incorporating name, address, borrowing limit, validity period etc. be issued for facilitating recording of transactions on an ongoing basis.
- No stock statement, balance sheet, or any other financial statements are required to be submitted by the borrower.
- The cost of photograph for issue of card to be borne by the bank.
- The borrowers will be issued with a photo card indicating sanctioned limit and validity period of credit facilities through ACC issue register which is to be opened separately.

- Disbursement for newly set up units may be made in phases based on progress in implementation of the scheme.
- The scheme would be eligible for credit guarantee cover under Credit Guarantee Trust Fund for Small Industries (CGTSI).
- All prudential norms as applicable to normal CC/OD account would apply for the ACC A/c.

14. **Reservations, if any:** Nil.