

**GOVERNMENT OF JAMMU AND KASHMIR  
INDUSTRIES AND COMMERCE DEPARTMENT  
Civil Secretariat, Srinagar**

**Subject:** Credit Card Scheme for Artisans and Weavers of Handicrafts and Handloom Sector.

**Ref:** 1. Administrative Council decision No. 126/20/2020 dated 23.09.2020.  
2. U.O No. FD-VII-11(56)Handicrafts/99-2000-I dated 10.09.2020 of the Finance Department.

**Government Order No: 155-IND of 2020  
Dated: 01.10.2020**

Sanction is hereby accorded to the following:

- i) Renaming of "Credit Card Scheme for Artisans" in Handicrafts Sector and "Micro Credit Plan Scheme" for Weavers in Handloom Sector as "Credit Card Scheme for Artisans and Weavers of Handicrafts and Handloom Sector".
- ii) Enhancement of loan slab for artisans and weavers in Handicrafts and Handloom Sector from existing ceiling of Rs. 1.00 lakh to Rs. 2.00 lakh with interest subsidy of 7% for a period of five years from the date of disbursement of the loan.

The Credit Card Scheme for Artisans and Weavers of Handicrafts and Handloom Sector shall be in partial modification of the recommendations made in the J&K Wool Processing, Handicrafts and Handloom Policy-2020, adopted by the Government vide Government Order No. 54-IND of 2020 dated 10.03.2020, issued by the Industries and Commerce Department.

The operational guidelines are hereby appended forming **Annexure** to this Government Order.

**By order of the Government of Jammu and Kashmir**

*Sd/-*

**(Manoj K. Dwivedi) IAS  
Commissioner / Secretary to the Government**

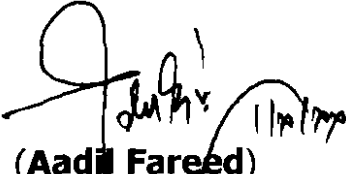
No: IND/HHD/45/2020

Dated. 01.10.2020

Copy to the:

1. All Financial Commissioners.
2. Director General of Police, J&K.
3. Principal Secretary to the Lieutenant Governor.
4. All Principal Secretaries to the Government.
5. Principal Resident Commissioner, J&K Government, New Delhi.
6. Chief Electoral Officer, J&K.
7. All Commissioner/Secretaries to the Government.
8. Joint Secretary (J&K), Ministry of Home Affairs, Government of India.
9. Divisional Commissioner, Jammu/Kashmir.
10. Director General, J&K Institute of Management, Public Administration and Rural Development.
11. Chairman-cum-CEO, J&K Bank.

12. Chairman, J&K Special Tribunal.
13. All Heads of Departments/Managing Directors.
14. All Deputy Commissioners.
15. Director, Information, J&K.
16. Director, Industries and Commerce, Jammu/Kashmir.
17. Director Handicrafts and Handloom, Jammu/Kashmir.
18. Secretary, J&K Public Service Commission.
19. Director Estates, J&K.
20. Director, Archives, Archaeology and Museums, J&K.
21. Director, Geology and Mining, J&K.
22. Director, Panchayati Raj, J&K.
23. Secretary, J&K Services Selection Board.
24. General Manager, Government Press, Jammu/ Srinagar.
25. All Lead Bank Managers.
26. Private Secretary to the Hon'ble Lieutenant Governor.
27. Private Secretary to Advisor (S) to the Lieutenant Governor.
28. Private Secretary to Advisor (F) to the Lieutenant Governor.
29. Private Secretary to Advisor (B) to Lieutenant Governor.
30. Private Secretary to Advisor (BK) to Lieutenant Governor.
31. Private Secretary to the Chief Secretary.
32. Private Secretary to Commissioner/Secretary to the Government, General Administration Department/Industries and Commerce Department.
33. Incharge Website, I&C/GAD.
34. Government Order file/Stock file.

  
 (Aadi Fareed)

Deputy Secretary to the Government

**OPERATIONAL GUIDELINES FOR IMPLEMENTATION OF 'CREDIT CARD SCHEME FOR ARTISANS & WEAVERS IN HANDICRAFTS AND HANDLOOM SECTOR'**

The objective of the Credit Card Scheme for Artisans & Weavers in Handicrafts and handloom sector is to provide adequate and timely assistance from the financial institutions to the Artisans and Weavers to meet their credit requirements of both investment needs as well as working capital in a flexible and cost-effective manner. The scheme would be implemented both in rural and urban areas.

**I. ELIGIBILITY:**

1. All Artisans and Weavers who are duly registered with the Handicrafts and Handloom Department, J&K and are involved in production and manufacturing processes (otherwise eligible for credit facilities for carrying out the proposed activities under any of the existing bank scheme) shall be eligible.
2. No collateral security required.
3. Credit limit would be fixed based on the assessment of working capital requirements.
4. A maximum credit limit of Rs. 2.00 lakh will be fixed with loan component of Rs.1.80 lakh and the beneficiary's contribution of Rs.20,000/-.
5. The limit shall be valid for a period of five years subject to annual review by the competent authorities.

**II. SELECTION COMMITTEE:**

The selection of beneficiaries under the 'Credit Card Scheme for Artisans & Weavers in the Handicrafts and Handloom sector' shall be made by a District-level Selection Committee headed by the General Manager, District Industries Centre. The aforesaid Selection Committee shall comprise the following panel of officers/ representatives from financial institutions:

01.	Lead Bank Manager	Member
02.	Deputy Director, Employment & Counseling Centre	Member
03.	District Officer, KVIB	Member
04.	Assistant Labour Commissioner	Member
05.	Assistant Director (Handicrafts/ Handloom)	Member-Secretary

**III. ISSUE OF CARDS:**

1. Beneficiaries under the scheme shall be issued photo-cards indicating therein, the sanctioned limit and validity period of the credit facility.
2. Beneficiaries shall also be issued a Passbook or a Credit-cum-Passbook incorporating therein the name, address, borrowing limit, validity period, etc.

**IV. FIXATION OF CREDIT LIMIT:**

1. The credit limit would be fixed, based on the assessment of composite term loan requirements as well as cost of tools and equipments required for carrying out the making/ manufacturing process.

2. The maximum credit limit to be sanctioned under the scheme would, however, be fixed at Rs. 2.00 lakh.

**V. VALIDITY/RENEWAL OF LIMITS:**

The credit limit could normally be valid for a period of five years subject to annual review by the bank. For the purpose of annual review, the borrower may not be required to submit any financial statement. Based on assessment of performance during inspection by field staff and operations in the account, the review exercise may be carried out annually and a decision on continuation or otherwise of the limit sanctioned, below the cap of Rs. 1.80 lakh may be taken. Need for enhancement in the limit sanctioned may also be considered as part of the review. No fee will be charged for review/ renewal of the limit.

**VI. SECURITY:**

1. As per the RBI guidelines from time-to-time or the Bank's policy in this regard.
2. The current RBI instructions do not permit banks to ask for collateral security for the quantum of finance envisaged under this scheme. However, the assets financed would be hypothecated and towards this necessary security documents would be obtained as per norms.

**VII. RATE OF INTEREST:**

As per RBI norms/ Bank policy.

**VIII. MONITORING:**

The Handicrafts & Handloom Department shall monitor and track the implementation of the new scheme and put on notice those beneficiaries who fail to pay their monthly instalments on time, in coordination with the financial institutions.

**IX. ANNUAL TARGET:**

The annual target fixed under the Scheme shall be 5000 (4000 Artisans and 1000 Weavers) in Handicrafts and Handloom Department, Jammu/Kashmir.

**X. MARKETING AND TECHNICAL SUPPORT:**

The department shall explore marketing and technical support to the beneficiaries by way of participation in physical craft fairs/virtual expos and trainings through premier institutions like School of Designs, IICT, CDI, etc., thereby exposing the artisans and weavers to new designs.

  
(Aadil Fareed)

Deputy Secretary to the Government