



लघु उद्योग क्रेडिट गारंटी फंड ट्रस्ट
(भारत सरकार एवं सिडबी द्वारा सथपित)
Credit Guarantee Fund Trust for Small Industries
(Set up by Government. of India and SIDBI)

CGTSI / () /

May 22, 2006

All Life Insurers registered with IRDA

Dear Sir/ Madam,

**Group Term Life Insurance Cover for Chief Promoters
of CGTSI guaranteed credit facilities to units**

As you may be aware, the Credit Guarantee Fund Scheme for Small Industries (CGTSI) has been launched by the Government of India in August 2000, to make available collateral and third party guarantee free credit to the industrial units in small-scale sector, including those in the Information Technology and Software sector, and Small Scale Service Business (Industry related) Enterprises. Both the existing and the new industrial units are eligible to be covered under the scheme. The credit facilities guaranteed by CGTSI have been extended by CGTSI's Member Lending Institutions (MLIs) which comprises Public Sector Banks, Private Sector Banks, Regional Rural Banks, Financial Institutions viz. SIDBI, NSIC, NeDFI.. As on April 30, 2006 the overall cumulative guarantee cover provided by CGTSI aggregated to Rs. 1024.42 crore covering more than 30,000 units (41,266 facilities).

As proposed by the Honourable Finance Minister in the budget speech for FY 2006-07, it is proposed to obtain Life Insurance Cover for the chief promoters (CP) of the captioned units for a sum assured of Rs. 2 lakh per CP, irrespective of the size of the loan, which may be more or less than Rs. 2 lakh, depending on the credit facility sanctioned/ outstanding. In case of the unfortunate demise of the CP, the proceeds will be used to settle the claim due to CGTSI to the extent applicable. In case the life insurance cover is more than the quantum of loan, the balance amount will be paid to the CP's heirs/successors/nominees etc. as the case may be.

CGTSI proposes to invite Bids for Group Term Life Insurance as per details given in the following Annexures:

Annexure I: General Terms and conditions

Annexure II : Format for submission of commercial bid

You are requested to submit the bid to this office latest by **June 07, 2006 (5 p.m.)**.

Yours faithfully,

Encl.: As above

(Ratnesh)
Asst. General Manager

पहली मंजिल, लघु व मध्यम उद्यम विकास केंद्र, सी-11, जी-ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पू), मुंबई - 400051

टेलीफोन : (022) 26541803 / 1804 / 1806 / 1807 फैक्स : (022) 26541821

1st Floor, SME Development Centre, Plot No.C-11, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051.

Tel. : (022) 26541803 / 1804 / 1806 / 1807 Fax : (022) 26541821

Visit us at www.cgtsi.org.in

Terms and Conditions

1. The Bids are to be submitted in a sealed cover addressed to the CEO, CGTSI, 1st Floor, SME Development Centre, C-11, G- Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 063 so as to reach us on or before 1700 Hrs. on June 07, 2006
2. The Bids will be opened by the Evaluation committee at 1500 Hrs. on June 8, 2006 at the address indicated above.
3. The amount of Life Insurance Cover will be Rs. 2 lakh, per CP. The age group proposed to be covered is 18 to 59 years completed. The Life insurance shall cease on the CP completing 60 year of age.
4. The group size is presently around 24075, but would vary at the time of actual insurance cover due to addition/ removal of units.
5. It will not be possible for CGTSI to have any health/ medical checkup status for such CPs.
6. The claims will be permitted to be lodged by CGTSI within a minimum period of 6 months from the death of C.P. Stipulation for any lower period for lodgement of claims made by the Bidder shall not be acceptable to CGTSI.
7. An officer designated by CGTSI shall be operating the scheme as its authorized signatory.
8. CGTSI shall be advising the additions/ deletions of members on a monthly basis and remit the premium at the agreed rate, on a pro-rata basis for the remaining period of the year along with the list of such additions/ deletions. Such additional members, will be covered for the benefit under the policy. Premium paid for the deleted members will be adjusted against the premium for the additional members.
9. The Life Insurer should provide CGTSI the benefit of experience rating and profit sharing in the calculation of the Annual Renewal Premium.
10. The stamp duty cost shall be borne by the Insurance provider. The Service Tax along with applicable cess shall be payable by CGTSI.
11. A list of C.P. as on date as per the format given below is available for inspection with CGTSI. The updated list in this format shall be made available to the Life Insurer at the commencement of the policy.

S. No.	Name of the Chief Promoter (CP)	CGPAN(s) (ID no.)	Date of Birth (DoB) (if available)	Name of the Lending Bank

12. CGTSI shall make available the DoB of the CP in case of future accounts to be guaranteed (by making it a mandatory field) with a cut off date to be specified by CGTSI. For the existing database, units covered prior to April 01, 2005, the information was not captured by earlier software deployed by CGTSI. Software implemented after April 01, 2005 has the provision for capturing the detail but as a non-mandatory field. As a result CGTSI has close to 4000 cases where the DoB of CP is available, but this information has not been captured where the MLI's have not been filled up the DoB column in CGTSI's application form for Guarantee Cover. ***The bid has to be on the basis of available data regarding DoB, without insistence on provision of DoB for the entire group.***
13. A List of CP whose Date of Birth (DoB) is furnished at the time of seeking guarantee cover by the MLI is available with CGTSI for inspection/ or soft copy will be made available on request..
14. For any additional information / clarification, the contact person will be

Shri Ratnesh
Asst. General Manager
CGTSI, 1st Floor, SME Development Centre,
C-11, G- Block, Bandra Kurla Complex,
Bandra (E),
Mumbai 400 063

Tel: 91 22 226541803/04/06/07
Fax: 91 22 2654 1821
Email: ratnesh@cgtsi.org.in
15. The bids shall be valid till September 30, 2006.
16. Bids not conforming to the terms and conditions mentioned above and not submitted in the prescribed format (see Annexure II) shall not be considered.

Annexure II

Format for Submission of Bid

(to be submitted on the letterhead of the Life Insurer in a sealed envelope)

S. No.	Particulars	Details
1	Name of the Life Insurer	
2	Amount of Sum Assured for each C. P.	Rs. 2 lakh
3	Group Size as on April 30, 2006 (A)	24,075
4	i) Annual Premium rate for each C.P (B)	
	ii) Total Premium for the Group at 3 ($C=A*B$)	
5.	Service Tax and Education Cess chargeable on 'C' (D)	

We agree that the actual premium payable by CGTSI would be based on the group size, as on the date of entering the Group Term Life Insurance contract/ date of payment of premium and the premium payable would vary accordingly. The commercial bid submitted above shall be valid till September 30, 2006.

Date:

Place:

Signature of the Authorized Official