



Credit Guarantee Scheme for Startups

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Credit Guarantee Scheme for Startups (CGSS) was launched on 6th October 2022 by Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry.

Objective of the Scheme

The broad objective of CGSS is to finance eligible startups, by enabling collateral free debt funding to startups through avenues such as working capital, term loans, and venture debt.

Eligible institutions

Scheduled Commercial Banks, All India Financial Institutions (AIFI), Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).

Assistance under the scheme

- Maximum guarantee cover per borrower - Rs. 20 crore.
- The extent of guarantee cover provided - 85% of the amount in default for loan amount up to Rs. 10 crore and 75% of the amount in default for loan amount exceeding Rs. 10 crore.

Further, the Annual Guarantee Fee (AGF) for startups in 27 Champion Sectors has been reduced to 1% p.a. from 2% p.a. The Champion Sectors have been identified by the Government under 'Make in India' to provide a thrust to India's manufacturing and service capabilities. The reduction in AGF for Champion Sectors will make funding more attractive for the identified sectors and boost innovation in domestic manufacturing and self-reliance.

Source : [**National Credit Guarantee Trustee Company Ltd \(NCGTC\)**](#) 

<https://data.vikaspedia.in/short/lc?k=25lZ6O3Mc1nK7coZBFxC1w>

