

Credit Guarantee Scheme for Micro & Small Enterprises (CGTMSE)

Objective:

- To encourage first generation entrepreneurs to venture into self-employment opportunities by facilitating credit guarantee support for collateral free / third-party guarantee- free loans to the Micro and Small Enterprises (MSEs).

Key Benefits

- Credit guarantee for loans up to Rs. 5 crore, without collateral and third-party guarantee.
- Guarantee coverage ranges from 75% to 90%.

Scheme applicable for:

- MSEs registered on Udyam Portal.

Eligible Activity:

- All activities eligible as per MSMED Act.

Detailed Information:

- Any collateral/ third-party guarantee free credit facility extended by eligible Member Lending Institutions (MLIs) to new as well as existing MSEs, including Service Enterprises, Trading (Retail/Wholesale Trade) & Educational/Training Institutions, with a maximum guarantee ceiling of Rs. 5 crore, is eligible for guarantee under the Scheme.
- Hybrid Security model also eligible wherein the MLIs are allowed to obtain collateral security for a part of the credit facility, whereas the remaining unsecured part of the credit facility, (up to a maximum of Rs. 5 crore), can be covered under the Scheme.

How to apply:

- Through MLIs (Banks/NBFCs) of Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE).
- For detailed guidelines, please visit - <https://www.cgtmse.in>.