

Breaking records and reaching new heights

Credit Guarantee Fund Trust for Micro & Small Enterprises has achieved a significant milestone of surpassing Rs. 1.50 lakh crore worth of guaranteed amount

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During the current Financial Year 2023-24, Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) has achieved a significant milestone of surpassing Rs. 1.50 lakh crore worth of guaranteed amount as against a figure of Rs. 1.04 lakh crore in 2022-23, increasing sharply by 50%. This milestone has been an outcome of various strategic initiatives taken by SIDBI, the Ministry of MSME and CGTMSE to facilitate collateral free lending to Micro & Small Enterprises (MSEs).

CGTMSE was set up in the year 2000 by the Ministry of Micro, Small and Medium Enterprises (MSME) and SIDBI to provide credit guarantee support to Member Lending Institutions for credit facilities sanctioned by them to MSEs, especially in the absence of collateral.

The widespread adoption of the guarantee mechanism by lenders has come about due to a number of initiatives taken by CGTMSE like reduction in guarantee fee, raising the eligibility limit of loans for guarantee, relaxing the pre-condition for claim settlement, end-to-end digitisation of the operations leading to “ease of doing business” by the lenders, etc. The continuously increasing use of guarantee as a credit enhancement tool instils optimism for the future of entrepreneurship in the country, fostering collateral-free lending.

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