

Credit Guarantee Scheme of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

1. Eligibility

- a. Guarantee Cover is available to the credit facilities (both fund based and non fund based) not exceeding Rs. 100 lakh.
- b. The borrowing unit should be Micro and Small Enterprises as per the definition of MSMED Act 2006
- c. No collateral security/third party guarantee should be obtained by the bank

2. Annual Guarantee Fee : as under

Credit Facility	Annual Guarantee Fee (AGF) % p.a.	
	Women, Micro Enterprises and units in North East Region (incl. Sikkim)	Others
Upto Rs.5 lakh	0.75	1.00
Above Rs.5 lakh and upto Rs.100 lakh	0.85	1.00

3. Lock in period : 18 months from either date of disbursement or date of payment of guarantee fee, whichever is later.

4. Risk Weight : Zero risk weight for guaranteed portion

5. Provisioning : In case of advances covered by CGTMSE becomes NPA; no provision needs to be made on guaranteed portion

6. Others Assets appearing in the Books of borrowing entity are considered as primary security for the purpose of CGTMSE cover.
