



Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGMSE)

In order to make available credit to the Micro and Small Enterprises in the country, CGMSE provides credit guarantee cover to Banks for giving collateral free loans to manufacturing and service units.

Eligibility:

For all credit facilities under MSE up to Rs.10 lacs: Primary securities only shall be obtained and no collateral security shall be taken as per RBI guidelines. All loans shall be covered under CGTMSE scheme *without exception*.

For all credit facilities above Rs.10 lacs up to Rs. 200 lacs under MSE eligible for coverage under CGTMSE:

Only primary security /mortgage of land and building associated with the business shall be obtained and all eligible accounts shall be covered under CGTMSE. However option is available to borrower to decide on coverage of loans under CGTMSE.

Annual Guarantee Fee (AGF)

Composite all in one guarantee fee@ 1.00% of the credit facility sanctions is payable annually to CGTMSE. In case of women Micro Enterprises and units in North eastern region it is 0.75% for loans up to Rs. 5.00 lac and 0.85% for loans above Rs 10.00 lakh.

Extent of guarantee cover (subject to maximum ceilings)

A. For loans up to Rs.50.00 lac

- i) 85% of the amount in default for loans up to Rs.5.00 lac granted to Micro Enterprises.
- ii) 80% of the amount in default for loans granted to Women Enterprises/Units located in North Eastern Regions (other than (i) above).
- iii) 75% of the amount in default for other category of borrower.

B. For loans above Rs.50.00 lac and upto Rs 200 lac:

50% of amount in default subject to overall ceiling of Rs 100 lac. (50%).

*Conditions apply

For further details, please contact your nearest SyndicateBank branches.