



CGTMSE Ref.No.6457 / 44

February 28, 2018

All Member Lending Institutions (MLIs) of CGTMSE excluding RRBs

Circular No.141 / 2017-18

Dear Sir / Madam,

Coverage of Retail Trade under Credit Guarantee Scheme

CGTMSE has always been responsive and pro-active to the needs of the Micro and Small Enterprises (MSE) sector. We are glad to announce inclusion of MSE Retail Trade as an eligible activity under Credit Guarantee Scheme of CGTMSE. MLIs can now cover the credit facility extended by them to MSE Retail Traders under Credit Guarantee Scheme of CGTMSE. The features of the Scheme are as under:

- Exposure limit for credit facility of retail trade segment will be from ₹10 lakh to ₹100 lakh per MSE borrower.
- Extent of guarantee coverage to such credit facility would be 50% irrespective of the category of the borrower.
- Applicable fee i.e. AGF will be charged at the rate of 2% of the guaranteed amount for the first year and on the outstanding amount for the remaining tenure of the credit facility. Differential pricing structure depending upon NPA / Claim payout ratio of the MLI will also be applicable on the AGF as per CGTMSE Circular No.107/2015-16 dated January 28, 2016.

The above modification of including the MSE Retail Trade under the ambit of CGTMSE shall be applicable to fresh credit facilities sanctioned by MLIs **on or after April 01, 2018**. All the other covenants of the current CGS would apply mutatis mutandis to such credit proposals with regard to eligibility criteria and other operational modalities, etc. as modified from time to time.

We are sure that expanding the coverage of the Credit Guarantee Scheme to cover MSE Retail Trade segment would benefit large number of MSEs as this segment forms a significant portion of the MSE Sector.

Please feel free to contact us in case you need any further clarification. The contents of the circular may please be brought to the notice of your all offices.

Yours faithfully,

Sd/-
[Promod Bakshi]
Dy.General Manager

सूक्ष्म एवं लघु उद्यम क्रेडिट गारंटी फंड ट्रस्ट (भारत सरकार एवं सिदबी द्वारा स्थापित)

ऑफिस 1002-1003, 10 नमन सेंटर, वी मंजिल, प्लॉट न. सी-31, जी-ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स। बान्द्रा (ए.), मुंबई- 400 051

Credit Guarantee Fund Trust for Micro and Small Enterprises (Set up by Government of India & SIDBI)

Office No. 1002-1003, Naman, 10th Floor, Plot No. C-31, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.

✉ info@cgtmse.in | ☎ 022-6143 7805 | 📠 2659 7264 | 📞 1800 222 659

🐦 @CGTMSEofficial | 📘 @CGTMSEofficial



www.cgtmse.in