

Ref. No. CGTMSE /44/

June 08, 2021

To All Eligible Non-Banking Finance Companies

Circular No. 181 / 2021 – 22

Madam / Dear Sir,

Non-Banking Finance Companies (NBFCs) Scheme Modification

Please refer to our Circular No. 176/2021-22 dated April 01, 2021 with regard to modifications in the scheme.

In view of Pandemic COVID-19, the modifications in the Scheme have been revisited and it has been decided that:

- i. Guarantee coverage available will be to the extent of 75 % of the guaranteed amount.
- ii. The Loans proposed to be considered under CGTMSE Guarantee Scheme shall bear the effective interest rate (including the cost of guarantee cover) fulfilling RBI guidelines or any other rate as prescribed by the Trust from time to time.
- iii. Initiation of legal action of at least Arbitration proceedings post declaration of NPA for claims upto ₹ 1 lakh shall not be a pre-requisite for lodgement of claims.

The above modifications will come into effect from April 01, 2021. All cases eligible for guarantee coverage as per guidelines can be covered by the NBFCs. Other Contents of the Circular no.176 /2021-22 remain unchanged.

The contents of this circular may please be brought to the notice of all your Offices.

Yours faithfully,

Sd/-
(Jigar Shah)
Chief Operating Officer

