

Ref. No. CGTMSE /44/76

October 08, 2021

All Member Lending Institutions of CGTMSE

Circular No.187 / 2021 – 22

Madam / Dear Sir,

Modification in CGS I - Allowing guarantee coverage anytime during the tenure of Loan

As per extant guidelines, Member Lending Institutions (MLIs) apply for guarantee cover in respect of credit proposals sanctioned in the quarter April-June, July-September, October-December and January-March by the end of the following quarter viz. July-September, October-December, January-March and April-June respectively.

In order to have flexibility and keeping in mind the growth in MSE sector, it has been decided to relax the timeline for application lodgment. Member Lending Institutions (MLIs) can now apply for guarantee cover anytime during the tenure of Loan provided the credit facility was not restructured / remained in SMA2 status in last 1 year from the date of submission of application.

The above modification shall be applicable with immediate effect to only fresh coverage / credit facility applying for the first time for coverage i.e the same credit facility should not have been covered previously under CGTMSE / coverage discontinued in between.

It may be noted that all other covenants of the current Credit Guarantee Scheme would apply mutatis mutandis to such credit proposals with regard to other operational modalities, etc, as modified from time to time.

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

Yours faithfully,

Sd/-
(Jigar Shah)
Chief Operating Officer

