

**Credit Guarantee
Scheme for Subordinate Debt
(CGSSD)**



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A separate online portal has been launched for guarantee management under CGSSD,

Please visit : <https://subdebt.cgtmse.in/SUBDEBT/jsp/Home.jsp>

CREDIT GUARANTEE SCHEME FOR SUBORDINATE DEBT (CGSSD)

Micro, Small and Medium Enterprises (MSMEs) represent a significant part of the Indian economy and are one of the strongest drivers of economic development, innovation and employment. Creating opportunities for MSMEs in emerging markets is the key to advance economic development and reduce poverty.

Ministry of MSME had launched 'Distressed Assets Fund - Subordinate Debt for Stressed MSMEs' under which credit facility/ product will be provided to the stressed MSMEs under a guarantee mechanism operated by CGTMSE viz. 'Credit Guarantee Scheme for Subordinate Debt (CGSSD).

Salient Features of CGSSD																													
1	Purpose / Objective	To facilitate providing personal loan through Scheduled Commercial Banks to the promoters of stressed MSMEs for infusion as equity / quasi equity in the business eligible for restructuring, as per RBI guidelines for restructuring of stressed MSME advances.																											
2	Facility	<p>Promoter(s) of the MSME unit will be given credit facility, by the lending institution, equal to 15% of promoter(s) stake in the MSME entity (equity plus debt), existing total outstanding exposure of the entity or ₹75 lakh, whichever is lower.</p> <p><u>Illustration 1:</u> If promoters have invested ₹100 lakh as equity/debt in a company and existing total outstanding exposure of the entity is ₹10 lakh, then:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">A</td> <td style="width: 60%;">15% of ₹100 lakh</td> <td style="width: 35%; text-align: right;">₹15 lakh</td> </tr> <tr> <td style="text-align: center;">B</td> <td>Total o/s exposure</td> <td style="text-align: right;">₹ 10 lakh</td> </tr> <tr> <td style="text-align: center;">C</td> <td>Maximum eligible amount</td> <td style="text-align: right;">₹75 lakh</td> </tr> </table> <p><u>Eligible amount under sub-debt</u> - Lower of A, B and C i.e. ₹10 lakh</p> <p><u>Illustration 2:</u> If promoters have invested ₹100 lakh as equity/debt in a company and existing total outstanding exposure of the entity is ₹35 lakh, then:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">A</td> <td style="width: 60%;">15% of ₹100 lakh</td> <td style="width: 35%; text-align: right;">₹15 lakh</td> </tr> <tr> <td style="text-align: center;">B</td> <td>Total o/s exposure</td> <td style="text-align: right;">₹35 lakh</td> </tr> <tr> <td style="text-align: center;">C</td> <td>Maximum eligible amount</td> <td style="text-align: right;">₹75 lakh</td> </tr> </table> <p><u>Eligible amount under sub-debt</u> - Lower of A, B and C i.e. ₹15 lakh</p> <p><u>Illustration 3:</u> If promoters have invested ₹600 lakh as equity/debt in a company and existing total outstanding exposure of the entity is ₹100 lakh, then:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">A</td> <td style="width: 60%;">15% of ₹600 lakh</td> <td style="width: 35%; text-align: right;">₹90 lakh</td> </tr> <tr> <td style="text-align: center;">B</td> <td>Total o/s exposure</td> <td style="text-align: right;">₹100 lakh</td> </tr> <tr> <td style="text-align: center;">C</td> <td>Maximum eligible amount</td> <td style="text-align: right;">₹75 lakh</td> </tr> </table>	A	15% of ₹100 lakh	₹15 lakh	B	Total o/s exposure	₹ 10 lakh	C	Maximum eligible amount	₹75 lakh	A	15% of ₹100 lakh	₹15 lakh	B	Total o/s exposure	₹35 lakh	C	Maximum eligible amount	₹75 lakh	A	15% of ₹600 lakh	₹90 lakh	B	Total o/s exposure	₹100 lakh	C	Maximum eligible amount	₹75 lakh
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		<u>Eligible amount under sub-debt</u> - Lower of A, B and C i.e. ₹75 lakh
3	Eligible Lenders	All Scheduled Commercial Banks.
4	Eligible Borrower	MSME units which are stressed, viz. SMA-2, and NPA accounts as on 30.04.2020 and the accounts have been standard as on 31.03.2018 and have been in regular operations, either as standard accounts, or as NPA accounts during financial year 2018-19 and financial year 2019-20
5	Interest Rate	The interest rate applicable would be as per extant RBI guidelines.
6	Tenor of loan and Moratorium	Maximum tenor for repayment will be 10 years with maximum moratorium of 7 years, wherein only interest needs to be paid. Principal shall be repaid within a maximum of 3 years on completion of moratorium.
7	Extent of Guarantee coverage	100% guarantee coverage for the Lending Institutions. i.e. <ul style="list-style-type: none"> ➤ 90% guarantee coverage from CGTMSE; and ➤ 10% from concerned promoter(s) (promoters are required to bring in 10% of the sub-debt amount as collateral)
8	Guarantee Fee	@1.50% per annum on the guaranteed amount on outstanding basis. There is no service fee or any other charges.
9	Treatment of Sub-debt as Quasi Equity.	RBI vide Letter dated July 01, 2020, had permitted the Banks to reckon the funds infused by the promoters in their MSME units through loans availed under the captioned scheme as equity/quasi equity from the promoters for debt-equity computation.
10	Security	The sub-debt facility so sanctioned by MLIs will have 2nd charge of the assets financed under existing facilities for the entire tenor of the sub-debt facility.
11	Settlement of Claims	Banks needs to initiate legal action post NPA or default and invoke the guarantee. Claim will be settled in two instalments i.e. 75% of the eligible amount (i.e. 90% of amount in default) as 1st instalment and 25% of the eligible amount as 2nd instalment.

For further details, please visit www.cgtmse.in and refer Circular 170/2020-21

(or)

<https://subdebt.cgtmse.in/SUBDEBT/jsp/Home.jsp>

REGISTRATION OF LENDING INSTITUTIONS

All Scheduled Commercial Banks are eligible to become Member Lending Institution (MLI) under Credit Guarantee Scheme for Subordinate Debt (CGSSD). In order to register under the CGSSD, Lending Institutions are required to submit an Undertaking duly signed by their competent authority (on a stamp paper of appropriate value).

Format of Undertaking can be downloaded from the following link :

<https://subdebt.cgtmse.in/SUBDEBT/jsp/Home.jsp>

OR

https://www.cgtmse.in/circulars_show.aspx?artid=352

After submission of the Undertaking, Lending Institutions are registered under CGSSD by creating MLI/User ID based on the information submitted by the Bank.

A separate Online Portal for Sub-debt Guarantee Operations has been developed and is made available to all the MLIs.

<https://www.cgtmse.in/> → Member's Login → Sub-Debt Scheme → Login

OR

<https://subdebt.cgtmse.in/SUBDEBT/jsp/Home.jsp>

1. Creation of MLI Id and Head Office User Login Details

After registering under CGSSD, Head Office (HO) of the MLI is required to submit the below mentioned form for creation of MLI Id and HO User Id(s):

Creation of MLI Id and Head Office User Login Details

Please furnish a scanned PDF copy of this format below:

The format must be typed on the **bank's letter head** and must be **signed and stamped** by any official **not below the rank of AGM**.

All details in this form are mandatory.

Creation of MLI Id and Head Office User Login Details

MLI TYPE [FB, PSB, PVT, RRB, SFB]	:	
BANK NAME	:	
SHORT NAME	:	
BANK ADDRESS	:	
CITY	:	
STATE	:	
DISTRICT	:	
PIN CODE	:	
PHONE NO.	:	

FAX NO.	:	
EMAIL ID	:	

Head Office User Details (Max. 3 user details)

FIRST NAME	:	
MIDDLE NAME	:	
LAST NAME (SURNAME)	:	
DESIGNATION	:	
EMAIL ID	:	
MOBILE NO.	:	

[For multiple user details please create separate table](#)

I certify that the information submitted in this application is true and correct

Name:

Designation: (_____)

Date: Assistant General Manager

Seal of the Bank

Note:

1. MLI registration / User details submitted must be of Head Office (HO) only
2. Upon creation of HO MLI ID and user details by CGTMSE, respective HO is required to create Branch and / or Zone MLI and user IDs

2. Creation of Branch and / or Zone MLI and user IDs

On successful creation of MLI Id and Head Office User Login Details the same will be shared by CGTMSE for CGSSD Portal access to MLI. MLI-HO User can access the portal using the login credentials to create Branch and / or Zone MLI Ids and respective User Ids by following the below mentioned path:

[Path: SysAdmin Audit → MLI Registration → Create Branch/Zone Details](#)

Application Processing Receipts and Payments (RP) Report & Mis

ome SUBDEBT 14 August 2020 : 15.06 MLI Registration Create Branch/Zone Detail: ▾

>>MLI Registration >>Create Branch/Zone Details

Bank Id	0001
Select an option	<input checked="" type="radio"/> Create Branch
Name	<input type="text"/>
*Address	<input type="text"/>
*City	<input type="text"/>
*State:	Select ▾
*Branch Gst Number	<input type="text"/>
*District:	Select ▾
*PIN code	<input type="text"/>
*Phone No	<input type="text"/> - <input type="text"/>
Fax No	<input type="text"/> - <input type="text"/>
*Email Id	<input type="text"/>

Save Reset Cancel

Receipts - Payments Report & Mis

MLI Registration ▾ Create Branch/Zone Detail: ▾

one Details [Logout](#)

[HELP](#)

Fields marked as * are mandatory

Enter MLI User Details

*First Name	<input type="text"/>
Middle Name	<input type="text"/>
*Last Name (Surname)	<input type="text"/>
*Designation	<input type="text"/>
Bank Id	0116
Zone Id	0017
Branch Id	0000
*Email Id	<input type="text"/>

SAVE Reset

After clicking on the save button a message will be displayed where MLI ID and User ID for the respective Branch and / or Zone will be given. MLI will have to keep a note of the same.

MLI can create one user for one Branch / Zone ID. For creation of more than one user, MLI needs to contact CGTMSE.

APPLICATION LODGMENT

MLI's Branch / Zone can apply for guarantee coverage by submitting the application form as per the path given below :

Path: Application processing → Guarantee For → Application Lodgement

showLogin.do

Application Processing
Receipts and Payments (RP)
Report & M/s
SysAdmin Audit

Welcome **DIK** 01 September 2020 : 16:40 Guarantee For Application Lodgement Logout

[AP >> Guarantee For >> Application Lodgement](#)

Application Details

MLI branch State: MLI GST No:

Borrower Details

Whether Borrower Covered by CGTMSSE previously: Yes No CGPAN: Guarantee Amount:

Unit Name: Type of Entity: Unit Address:

State: District: City:

Constitution: ITPAN of Entity/Unit: Nature of Industry:

Industry Sector: Type of Industry: Number of Employees:

Borrower GST NO: Udyog Aadhar Number: PIN code:

Existing Facility Details

Exposure with Applicant Bank	Sanctioned Amount (Rs.)	Principal Outstanding Amount (Rs.)	Account Status
Term Loan	<input type="text"/>	<input type="text"/>	<input type="text" value="Select"/>
Working Capital	<input type="text"/>	<input type="text"/>	
Others	<input type="text"/>	<input type="text"/>	
Total	<input type="text"/>	<input type="text"/>	

Whether Credit Facility obtained from other Bank(s): YES NO Whether Declaration from the borrower regarding other banking arrangements and that it has not availed funding under the Scheme from other lenders has been obtained?

Existing Facility Details

Exposure with Applicant Bank	Sanctioned Amount (Rs.)	Principal Outstanding Amount (Rs.)	Account Status
Term Loan	<input type="text"/>	<input type="text"/>	<input type="text" value="Select"/>
Working Capital	<input type="text"/>	<input type="text"/>	
Others	<input type="text"/>	<input type="text"/>	
Total	<input type="text"/>	<input type="text"/>	

Whether Credit Facility obtained from other Bank(s): YES NO Whether Declaration from the borrower regarding other banking arrangements and that it has not availed funding under the Scheme from other lenders has been obtained?

Exposure with All Other Banks	Sanctioned Amount (Rs.)	Principal Outstanding Amount (Rs.)	Account Status
Term Loan	0.0 <input type="text"/>	0.0 <input type="text"/>	<input type="text" value="Select"/>
Working Capital	0.0 <input type="text"/>	0.0 <input type="text"/>	
Others	0.0 <input type="text"/>	0.0 <input type="text"/>	
Total	<input type="text"/>	<input type="text"/>	

NPA Date (Applicant Bank): NPA Reason (Applicant Bank): Business eligible for restructuring as per

Note: All dates should be in DD / MM / YYYY format. Bank: DFL Zone: Branch:

AP >> Guarantee For >> Application Lodgement [Logout](#)

RBI guidelines

Financial Parameters

Present Sales / Turnover (in Rs.) Projected Sales / Turnover (in Rs.)

Promoter Details

Details of Promoter 1

First Name	<input type="text"/>	Last Name	<input type="text"/>	ITPAN of Chief Promoter	<input type="text"/>
Date of Birth	<input type="text" value="25"/>	Gender of Chief Promoter	<input checked="" type="radio"/> Male <input type="radio"/> Female	Promoter Category	Select
Email Id	<input type="text"/>	Mobile No	<input type="text"/>	Promoter Adhar Number	<input type="text"/>
Investment as equity in the MSME unit	<input type="text"/>	Investment as debt/unsecured loan in MSME unit	<input type="text"/>		

Calculated Eligibility Details (For Reference)

15% of Promoter's stake in MSME unit Existing Total o/a amount Total Sub-debt scheme limit 7500000

Guarantee Details

Sub-debt Guarantee Amount (in Rs.)	<input type="text"/>	Tenure of Sub-debt [in Months]	<input type="text"/>	Sub-Debt Interest Rate in % (p.a.)	<input type="text"/>
Moratorium [in Months]	<input type="text"/>	Loan Account number	<input type="text"/>	Disbursement amount	<input type="text"/>

Note: All dates should be in DD / MM / YYYY format. Bank: DFL Zone: Branch:

Find: 000100580000 Previous Next Options

Welcome DIK 01 September 2020 : 16:40 Guarantee For Application Lodgement

AP >> Guarantee For >> Application Lodgement [Logout](#)

Sub-debt Guarantee Amount (in Rs.)	<input type="text"/>	Tenure of Sub-debt [in Months]	<input type="text"/>	Sub-Debt Interest Rate in % (p.a.)	<input type="text"/>
Moratorium [in Months]	<input type="text"/>	Loan Account number	<input type="text"/>	Disbursement amount	<input type="text"/>
Sub-debt Sanctioned Date	<input type="text" value="28"/>	No of Installments	<input type="text"/>	Sub debt Sanctioned Amount	<input type="text"/>

Security Details available with the Applicant Bank (Existing)

Value of Securities available as on date of Sanction of sub-debt

Security Nature	Security Value (in Rs)	Security Nature	Security Value (in Rs)
Land	<input type="text"/>	Other Fixed / Movable Assets	<input type="text"/>
Building	<input type="text"/>	Current Assets*	<input type="text"/>
Plant and Machinery / Equipment*	<input type="text"/>	Others	<input type="text"/>
Total	<input type="text"/>	*Remarks on Total Value of Security	<input type="text"/>

* We certify that the borrower MSME unit was standard as on 31/03/2018 and having been in regular operation either as standard account(s) or as NPA account(s) during FY 2018-2019 and FY 2019-2020 and also is stressed viz. SMA-2 / NPA as on 30/04/2020

Remarks

All the details given in the application form should be correct and as per the records as maintained by the MLI.

After Clicking on the save button, guarantee application is auto approved and 'Application Reference Number' is displayed. MLI is required to note down the application reference number and follow the path given in the displayed message to check the application status and Unique Id generated by CGSSD Portal (i.e. CGPAN). Further, you can also view the application status by following the path given below :

[Path: Reports and MIS → Application Status](#)

On giving the application reference number, Guarantee details (along with CGPAN) will be displayed along with the Demand Advice Number (DAN) and Guarantee Fee Amount. The status of the CGPAN will be "GA" – Guarantee Approved. However, the Guarantee would be live only on making the guarantee fee payment as per the DAN amount.

PAYMENT PROCESS

Initiate Payment

After creation of CGPAN, fee is generated and Demand Advice Number (DAN) is created for MLIs to remit the fees. Under CGSSD, fee is charged @ 1.5% on the guaranteed amount (plus applicable GST).

Path to be followed for MLIs to remit the fee:

Path: Receipts and Payments → GF payment through NEFT/RTGS → Initiate Payment

The screenshot shows the 'Receipts - Payments' screen. At the top, there's a header with 'Application Processing' and 'Receipts and Payments (RP)'. Below that, a navigation bar shows 'Welcome EGS', the date '02 September 2020 : 16.23', a dropdown menu set to 'GF Payment Through NEFT', and an 'Initiate Payment' button. Below the navigation bar, there's a breadcrumb trail: 'RP >> GF Payment Through NEFT/RTGS >> Initiate Payment'. The main content area is titled 'Receipts - Payments' and contains a table with the following data:

Sr.No	DAN Id	CGPAN	Amount	DAN Date	For Payment
1	GF015420073100000000040	CG20200008833TC	1062.00	2020-07-31 11:32:04	<input type="checkbox"/>
2	GF015420073100000000041	CG20200008834TC	531.00	2020-07-31 21:40:03	<input type="checkbox"/>
3	GF015720090100000000050	CG20200008843TC	531.00	2020-09-01 17:45:22	<input type="checkbox"/>
Total				Count	

Below the table, there is a 'Payment Mode: Select' dropdown menu. At the bottom of the interface, there are 'Next' and 'Reset' buttons.

Click on the respective DAN Id and select the Payment Mode: (NEFT / RTGS). After saving the selected DAN Ids, RP number will be generated and displayed, which needs to be noted by the MLI. Further, a link is provided to view the CGTMSE bank account details (link to be clicked) in which the Fee has to be remitted.

*One RP Number may / can contain multiple DAN Ids.

showLogin.do

The screenshot shows the 'Receipts - Payments' screen after a successful payment initiation. The header and navigation bar are similar to the previous screenshot. The breadcrumb trail is 'RP >> GF Payment Through NEFT/RTGS >> Initiate Payment'. The main content area is titled 'Receipts - Payments' and contains a table with the following data:

Sr.No	DAN Id	CGPAN	RP Number	Amount
1	GF000120090200000000051	CG20200008844TC	RP-000051-02-09-2020	177.00

Below the table, there are 'Ok' and 'Print' buttons.

** Payment Initiated Successfully For following cgpan's. [Account details for remittance of payment](#)

Name of the Bank: State Bank of India

Name of the Branch: Bandra Kurla Complex

Account Name: Credit Guarantee Fund Trust for Micro and Small Enterprises

Account Number: 37817825400

IFSC Code: SBIN0004380

MLI will have to remit the total amount of the Fees as per the generated RP number.

Upon remittance of fees, UTR/NEFT Reference Number will have to be updated by the MLI by following the path:

[Path: Receipts and Payments → GF payment through NEFT → UTR Updation](#)

showLogin.do

Application Processing

Receipts - Payments

Report & Mis

Welcome EGS 02 September 2020 : 16.26 GF Payment Through NEFT UTR Updation

[RP >>GF Payment Through NEFT/RTGS >>UTR Updation](#)

Sr.No	For Payment	RP Number	Payment Mode	Amount	UTR No.	Payment Date
1	<input type="checkbox"/>	20081042	NEFT	1593.00		
2	<input type="checkbox"/>	RP-000051-02-09-2020	NEFT	177.00		
Total				0.00	Count	0

Next Reset

Please note that UTR updation is very important as payment details will then be visible to CGTMSE for appropriation. After appropriation of the DAN guarantee coverage will commence.

However, at the time of appropriation if there is a mismatch in the UTR number the same is returned by CGTMSE and MLI needs to update the UTR once again by giving the correct information. Also, if there is a mismatch in the amount remitted by the MLI, CGTMSE will return the amount to the Bank account, as per the details submitted by the MLI in the Bank Mandate form.

If the amount is returned by CGTMSE, the MLI needs to remit the correct amount and update the UTR Number accordingly. Please note that MLI is not required to initiate the payment for such accounts.

After appropriation by CGTMSE, the guarantee coverage will start and status of the CGPAN will be 'AP' (Live). The same can be viewed from the following path:

[Path: Reports and MIS → Application Status.](#)

Invoice Generation

After appropriation by CGTMSE, unit wise Invoice is generated. MLI can download the Invoice by following the path:

[Path: Reports and MIS → Generate Invoice](#)

Points to Remember:

1. Please note the 'Application Reference Number' generated after lodging the application, as it will be useful to view the CGPAN as well as DAN status on every step
2. Please note the RP number for remittance of payment and UTR updation
3. DAN once allocated will not be allowed to modify / cancel. To modify / cancel an RP MLI will have to contact CGTMSE.

xxx