



Date last updated: 22.05.2020

CREDIT GUARANTEE FUND TRUST FOR MICRO & SMALL ENTERPRISES (CGTMSE)

Purpose	To facilitate Small Enterprises- MSEs (Manufacturing as well as service units) to avail finance without providing or by providing partial collateral securities.
Eligibility	<p>i. Existing as well as new Small Enterprises who have availed credit facilities from the Bank upto Rs. 200 lakhs without providing or by providing partial collateral security and/or third party guarantee.</p> <p>The following are not eligible for cover under the scheme:</p> <p>i. Any credit facilities in respect of which risks are additionally covered under a scheme operated / administered by ECGC/DICGC or RBI to the extent they are covered.</p> <p>ii. Any credit facilities in respect of which risks are additionally covered by Government or by any other general insurer or any other person or association of persons carrying on business of insurance, guarantee or indemnity; to the extent they are so covered.</p> <p>iii. Credit facilities extended to Self Help Groups/Joint Liabilities Group, Educational Institutions.</p>
Waiver	Waiver of CGTMSE Cover for loan limits above Rs.10 Lakhs upto Rs. 200 Lakhs by accepting securities (Land and Building) of 75% of the loan limit.
Maximum amount of Cover	Upto and inclusive of Rs.200 lakhs. (inclusive of both Fund based and Non fund based facilities)
Annual Guarantee Fee (AGF)	Annual Guarantee fee for the loans covered on or after 01.04.2019 @ 1.00%/1.35%/1.50/1.80/2.00% depending upon category of the borrower, region, quantum of finance etc., is to be borne by the borrower.
Bank's incentives under the scheme.	Bank is extending 0.25% rebate on interest for loans covered under CGTMSE up to Rs.200 Lakhs subject to exclusions advised under various schemes.
Recent Changes	<p><u>Applicable for fresh credit facilities (inclusive of renewals of Working Capital limits with or without enhancement) sanctioned on or after 28.02.2018.</u></p> <p>i. Charging of AGF on outstanding amount.</p> <p>ii. Increase in extent of guarantee coverage for proposals above Rs. 50 Lacs.</p> <p>iii. Coverage of Retail Trade.</p> <p>iv. Partial Collateral security.</p>

Conditions apply. The information provided above is only illustrative and not exhaustive.

Contact: For more details, please contact your nearest Canara Bank Branch or E-mail to: hosbu@canarabank.com.