CGTMSE — Credit Guarantee Fund Trust for Micro & Small Enterprises

Collateral-Free Credit for MSEs

Backed by the Government of India and SIDBI, CGTMSE encourages lenders to issue collateral-free loans up to ₹10 crore to Micro and Small Enterprises by offering guarantee coverage against defaults.

1 Eligibility Criteria

Business Type: New/existing MSEs in manufacturing, services, trading. Agriculture, SHGs, JLGs not eligible.

Loan Limit: Maximum credit facility eligible for coverage is ₹10 crore per borrower.

Lending Institution: Loan must be from enlisted Member Lending Institutions (MLIs) — banks, NBFCs.

Business Status: Must be viable, profitable, with no history of default on prior bank loans.

2 Key Benefits

Collateral-Free & No Guarantor

No property, assets, or third-party guarantee needed to secure the loan.

High Guarantee Cover

75–85% cover of sanctioned amount; higher for women, SC/ST entrepreneurs, Aspirational Districts.

Hybrid Security Model

Lenders can combine partial collateral with CGTMSE cover for the unsecured portion.

3 Documents Required

Application: Duly filled loan application form

Photographs: Passport-size photos of applicant(s)

KYC: Aadhaar, Voter ID, etc. of promoters

Business Proof: Incorporation/registration documents

Registration: Udyam Registration Certificate

Tax ID: PAN of business/promoters

Financials: Business plan, project report & recent financial statements (existing businesses)

4 Validity & Tenure

Term Loan

Guarantee cover runs concurrently with the agreed loan tenure.

Working Capital

Valid for 5 years; renewable in 5-year blocks subject to Annual Service Fee (ASF).

₹10 Cr

MAX LOAN COVERAGE

Backed by **Government of India & SIDBI**. Apply through any enlisted **Member Lending Institution (MLI)** for collateral-free credit.