

# Mutual Credit Guarantee Scheme (MCGS)

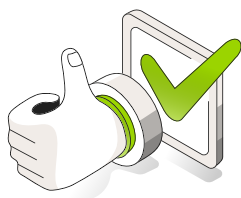
1



## What is this Scheme?

This scheme launched for providing 60% guarantee coverage by National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions (MLIs) for credit facility up to Rs.100 crore sanctioned to eligible MSMEs under MCGS-MSME for purchase of equipment/machinery.

2



## Objectives

- To provide affordable access of credit to MSMEs.
- To improve financial accessibility for MSMEs, particularly those involved in manufacturing and exports.
- To support enterprises in enhancing production, improve quality and extend their global reach.

3



## About the scheme

- The scheme will be implemented by NCGTC.
- It will cover existing as well as new projects/units, subject to meeting of eligibility parameters.
- All business activities can be covered under the scheme.
- 5 % of the loan amount up to Rs. 5 crore has to be deposited with the NCGTC as an upfront contribution at the time of application of guarantee cover.
- For loans exceeding Rs. 100 crore, there would be two different repayment schedules: one for Rs. 100 crore loan and two, for balance loan amount.

4



## Who can be the borrowers?

Under Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME), the borrower

- should be an MSME with valid Udyam Registration number.
- should not be an NPA with any lender.
- minimum cost of equipment /machinery is 75% of project cost.