



CGTMSE Ref. No.

March 18, 2020

All Member Lending Institutions of CGTMSE
Kind Attention: MSME / Priority Sector Department

Circular No.168 / 2019 - 20

Madam / Dear Sir,

Tenure for working capital facility –
Modification in Credit Guarantee Scheme

In terms of Circular No.149/2018-19 dated June 07, 2018, CGTMSE had been approving guarantee to cover the working capital facility for a maximum period of 10 years (in block of 5 years) including intervening renewals/enhancements, if any.

Based on the suggestions received from the Member Lending Institutions (MLIs), it has been decided to remove the tenure cap of 10 years for coverage of working capital facilities under Credit Guarantee Scheme. However, a review would be undertaken after each block of 5 years by CGTMSE before renewal of the guarantee coverage for next 5 years. The review would be carried out based on certain parameters depending upon the amount of the working capital limit as given at **Annexure**. The MLIs are required to feed the requisite data / information in the Working Capital Renewal Module for the purpose of review of the accounts before guarantee renewal approval by CGTMSE.

The proposed guidelines are applicable for all the renewal of Working Capital accounts with immediate effect.

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

Yours faithfully,

Sd/-
(Promod Bakshi)
Dy. General Manager

सूक्ष्म एवं लघु उद्यम क्रेडिट गारंटी फंड ट्रस्ट (भारत सरकार एवं सिडबी द्वारा स्थापित)

सिडबी एमएसएमडी विकास केंद्र, 6 वी मंजिल, सी-11, जी-ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स। बांद्रा (पू.), मुंबई- 400 051

Credit Guarantee Fund Trust for Micro and Small Enterprises (Set up by Government of India & SIDBI)

SIDBI MSME Development Center, 6th Floor, C-11, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.

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CGTMSE
For Working Capital Limits –Upto Rs.10 lakh
 Template for extension of Credit Guarantee for
Working Capital limits beyond every 5 years period

1. Unit Details :

CGPAN	:	
Name of the unit	:	
PAN of the Unit	:	
Line of activity	:	
Classification	:	Micro / Small / Trading (as per CGTMSE database)
Loan Account Number	:	
Name of the Promoter (s)	:	
PAN of the Chief Promoter	:	
Address	:	(Including Office/Unit location)
Guarantee Start Date	:	
Guarantee Expiry / Expired Date	:	
Last renewal date of the WC limit by the Bank	:	

2. Limits proposed to be renewed under CGTMSE Scheme:

Nature of Limit	Guarantee Amount	
	Existing	Proposed
Working Capital Limit		

3. Comments on due diligence of borrower :

Satisfactory CIBIL Report/s	:	Yes / No / NA
Satisfactory Position regarding statutory dues	:	Yes / No / NA
Whether repayment track record is satisfactory	:	Yes / No / NA
Whether Promoter(s)/ Directors/ Key management personnel in the CRILC/CIBIL/RBI list of defaulters etc. ?	:	Yes / No / NA

4. Comments as per last inspection / visit to factory / unit:

No.	Particulars	Satisfactory
i	Availability of stock / assets, etc. at the time of last inspection of factory / unit as per stock statement	Yes / No
ii	Working of the unit is satisfactory as per the last inspection of factory / unit	Yes / No
iii	General upkeep of the Factory premises satisfactory as per the last inspection of factory / unit	Yes / No
iv	Whether stock register is properly maintained by the unit	Yes / No
v	Whether stock statements are submitted by the unit as per guidelines	Yes / No

5. Recommendations

Nature of Limit	Amount		Comments of CGTMSE	Status
	Existing	Proposed		
Working Capital Limit				Approved / Returned / Rejected

Note : The fields fed by the Bank at the time of taking first time guarantee would get auto-filled in the above form.

CGTMSE

For Working Capital Limits – Above Rs.10 lakh and Less than Rs.50 lakh

Template for extension of Credit Guarantee for Working Capital limits beyond every 5 years period

6. Unit Details :

CGPAN	:	
Name of the unit	:	
PAN of the Unit	:	
Line of activity	:	
Classification	:	Micro / Small / Trading (as per CGTMSE database)
Loan Account Number	:	
Name of the Promoter (s)	:	
PAN of the Chief Promoter	:	
Address	:	(Including Office/Unit location)
Guarantee Start Date	:	
Guarantee Expiry / Expired Date	:	
Last renewal date of the WC limit by the Bank	:	

7. Limits proposed to be renewed under CGTMSE Scheme:

Nature of Limit	Guarantee Amount	
	Existing	Proposed
Working Capital Limit		

8. Comments on due diligence of borrower :

Satisfactory CIBIL Report/s	:	Yes / No / NA
Satisfactory Position regarding statutory dues	:	Yes / No / NA
Whether repayment track record is satisfactory	:	Yes / No / NA
Whether Promoter(s)/ Directors/ Key management personnel in the CRILC/CIBIL/RBI list of defaulters ?	:	Yes / No / NA

9. Comments as per last inspection / visit to factory / unit:

No.	Particulars	Satisfactory
i	Availability of stock / assets, etc. at the time of last inspection of factory / unit as per stock statement	Yes / No
ii	Working of the factory & tempo of activity is satisfactory as per the last inspection of factory / unit	Yes / No
iii	General upkeep of the Factory premises satisfactory as per the last inspection of factory / unit	Yes / No
iv	Whether stock register is properly maintained by the unit	Yes / No
v	Whether stock statements are submitted by the unit as per guidelines	Yes / No

10. Benchmark Parameters

No.	Norms as per last renewal	:	Desired Value	Actual Value	Satisfactory
i	Current Ratio	:	Not less than 0.70		Yes / No
ii	TOL / TNW	:	Not more than 7:1		Yes / No
iii	Dr / Cr Days	:	Not to exceed 180 days		Yes / No

iv	Interest Coverage Ratio	:	Not less than 1.00		Yes / No
v	Asset Coverage Ratio (ACR)	:	Not less than 1.20 times		Yes / No
vi	Fixed Asset Coverage Ratio (FACR)	:	Not less than 0.65 times		Yes / No

(Out of above six norms, minimum three norms to be complied)

11. Recommendations

Nature of Limit	Amount		Comments of CGTMSE	Status
	Existing	Proposed		
Working Capital Limit				Approved / Returned / Rejected

Note : The fields fed by the Bank at the time of taking first time guarantee would get auto-filled in the above form.



CGTMSE

For Working Capital Limits – Rs. 50 lakh and above

Template for extension of Credit Guarantee for
Working Capital limits beyond every 5 years period

12. Unit Details :

CGPAN	:	
Name of the unit	:	
PAN of the Unit	:	
Line of activity	:	
Classification	:	Micro / Small / Trading (as per CGTMSE database)
Loan Account Number	:	
Name of the Promoter (s)	:	
PAN of the Chief Promoter	:	
Address	:	(Including Office/Unit location)
Guarantee Start Date	:	
Guarantee Expiry / Expired Date	:	
Last renewal date of the WC limit by the Bank	:	

13. Limits proposed to be renewed under CGTMSE Scheme:

Nature of Limit	Guarantee Amount	
	Existing	Proposed
Working Capital Limit		

14. Comments on due diligence of borrower :

Satisfactory Credit Report/s	:	Yes / No / Not applicable
Satisfactory CIBIL Report/s	:	Yes / No
Whether Promoter(s)/ Directors/ Key management personnel in the CRILC/CIBIL/RBI list of defaulters ?	:	Yes / No
Group/Associate entities of promoter(s) have been into NPA category in past 1 year	:	Yes / No
Satisfactory Position regarding statutory dues	:	Yes / No
Whether repayment track record is satisfactory	:	Yes / No

15. Comments on securities available :

Primary Security : Nature & value of security (for both movable and Immovable assets):

Nature / Description of primary Security	Value as per last renewal appraisal	Remarks
Movables (Plant & Machinery / Stocks / Book Debts etc.)		
Immovables (Land / Building etc.)		

Collateral Security : Nature & value of security (for both movable and Immovable assets):

Nature / Description of primary Security	Value as per last renewal appraisal	Remarks
Movables (Plant & Machinery / Stocks / Book Debts etc.)		
Immovables (Land / Building etc.)		

16. Operational highlights :

i	Particulars	Previous Year	Current Year	Projections for next year
	Sales / Revenue			
	Profit before depreciation, interest and tax (PBDIT)			
	Equity capital			

17. Comments as per last inspection / visit to factory / unit:

No.	Particulars	Satisfactory
i	Availability of stock / assets, etc. at the time of last inspection of factory / unit as per stock statement	: Yes / No
ii	Working of the factory & tempo of activity is satisfactory as per the last inspection of factory / unit	Yes / No
iii	General upkeep of the Factory premises satisfactory as per the last inspection of factory / unit	Yes / No
iv	Whether stock register is properly maintained by the unit	Yes / No
v	Whether stock statements are submitted by the unit as per guidelines	Yes / No

18. Benchmark Parameters

No.	Norms as per last renewal	:	Desired Value	Actual Value	Satisfactory
i	Current Ratio	:	Not less than 0.70		Yes / No
ii	TOL / TNW	:	Not more than 7:1		Yes / No
iii	Dr / Cr Days	:	Not to exceed 180 days		Yes / No
iv	Interest Coverage Ratio	:	Not less than 1.00		Yes / No
v	Asset Coverage Ratio (ACR)	:	Not less than 1.20 times		Yes / No
vi	Fixed Asset Coverage Ratio (FACR)	:	Not less than 0.65 times		Yes / No

(Out of above six norms, minimum three norms to be complied)

19. Internal Rating

INTERNAL CREDIT RATING	Score Obtained	
	Previous Year	Current Year
	As per annual appraisal	As per annual appraisal
Total Score with Grade		
Comments on score		

20. Recommendations

Nature of Limit	Amount		Comments of CGTMSE	Status
	Existing	Proposed		
Working Capital Limit				Approved / Returned / Rejected

Note : The fields fed by the Bank at the time of taking first time guarantee would get auto-filled in the above form.
