

25– 04 – 2023

News: Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme

- The Union Minister for MSME recently launched the revamped Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme.

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme

- Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme as launched in 2000 by the Ministry of Micro, Small and Medium Enterprises (MSME) to make available collateral-free credit to the micro and small enterprise sector.

Scope

- Both the existing and the new enterprises are eligible to be covered under the scheme.

Funding

- The corpus of CGTMSE is contributed by the GoI and SIDBI in the ratio of 4:1 respectively.
- The Ministry of MSMEs and Small Industries Development Bank of India (SIDBI) established a trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement the CGTMSE Scheme.

Financial Inclusion for MSMEs

- While launching the revamp of CGTMSE, it was announced that CGTMSE will collaborate with National Institute for MSME, Hyderabad for setting up a Centre of Financial Inclusion.
- The Centre is expected to provide financial literacy and credit counselling to MSEs, thus helping them to better utilize the benefits of the CGTMSE Scheme.
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