

## **Mutual Credit Guarantee Scheme (MCGS) (For MSMEs)**

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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.

### **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.

### **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.

### **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.