MSME CENTRAL

Credit, Compliance & Growth | Bengaluru, Karnataka

CGTMSE Eligibility & Application Checklist

For Karnataka MSMEs Seeking Collateral-Free Credit — FY 2025–26

This checklist helps Karnataka MSMEs assess their CGTMSE eligibility and prepare a complete application file before approaching a PSU bank. A complete file significantly reduces processing time and improves sanction probability.

Section 1: CGTMSE at a Glance

Parameter	Current Position (FY 2025–26)
Maximum Loan Coverage	■5 Crore (revised from ■2 Crore)
Coverage — Micro Enterprises	85% of sanctioned amount
Coverage — Small Enterprises	75% of sanctioned amount
Coverage — Women / SC-ST Entrepreneurs	85% of sanctioned amount
Annual Guarantee Fee (Micro)	From 0.37% p.a.
Annual Guarantee Fee (Small)	From 0.55% p.a.
Eligible Lenders	Scheduled Commercial Banks, RRBs, select NBFCs
Minimum DSCR Required	≥ 1.25 (most banks)

Section 2: Eligibility Checklist

2.1 Business Classification

› ■ Business is classified as Micro or Small Enterprise (not Medium)
› ■ Valid Udyam Registration Certificate is held and updated
› ■ Udyam certificate correctly reflects investment and turnover figures

› ■ Classification verified: Micro (investment ≤ ■1 Cr, turnover ≤ ■5 Cr) or Small (investment ≤ ■10 Cr, turnover ≤ ■50 Cr)

2.2 Credit History

› ■ No NPA (Non-Performing Asset) classification with any bank or NBFC

› ■ CIBIL score of business entity ≥ 700 (check at cibil.com)

› ■ CIBIL score of all promoters ≥ 700

› ■ No pending defaults or written-off accounts in credit bureau records

› ■ No active proceedings under IBC (Insolvency and Bankruptcy Code)

2.3 Loan Purpose

› ■ Loan is for legitimate business purpose (capex, working capital, or both)

› ■ Loan purpose does not include real estate, personal use, or speculative activity

› ■ Loan quantum is within eligible CGTMSE ceiling (≤ ■5 Crore)

Section 3: Document Checklist

3.1 KYC Documents

› ■ Udyam Registration Certificate (must be current)

› ■ PAN Card of business entity

› ■ PAN Cards of all promoters/directors

› ■ Aadhaar Cards of all promoters/directors

› ■ Photographs of all promoters/directors (passport size, recent)

› ■ Address proof of business premises (rent agreement / ownership document)

- › ■ Constitution documents: MoA & AoA (company), Partnership Deed (partnership), GST certificate (proprietorship)

3.2 Financial Documents

- › ■ Audited financial statements — last 3 years (P&L;, Balance Sheet, Schedules)
- › ■ ITR with computation of income — last 3 years (entity and promoters)
- › ■ GST returns — last 12 months (GSTR-1 and GSTR-3B)
- › ■ Bank statements — last 12 months (all accounts)
- › ■ Existing loan sanction letters and repayment schedules (if any)

3.3 Project / Proposal Documents

- › ■ Detailed Project Report (DPR) — in bank-prescribed format
- › ■ CMA Data Statement — 6-year format (3 actuals + 3 projected)
- › ■ Means of Finance statement confirming promoter margin contribution
- › ■ Machinery quotations (for term loan / capex proposals)
- › ■ Site plan / factory layout (for manufacturing units)
- › ■ Project cost estimates from qualified engineers (if applicable)

Section 4: Post-Sanction Compliance

Once your CGTMSE-backed loan is sanctioned and disbursed, the following compliance obligations apply. Missing the ASC payment is the single most common cause of guarantee lapse.

- › ■ Annual Service Charge (ASC) payment — due within 60 days of each anniversary of sanction
- › ■ Maintain stock and debtor statements (for CC limit holders) — submitted to bank as required
- › ■ File audited financials annually with the bank

- › ■ Inform bank immediately of any change in business address, constitution, or management
- › ■ Avoid creating any collateral/charge on business assets without bank's prior written consent

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