



**PHD Research Bureau**  
PHD Chamber of Commerce and Industry



## **Department for Promotion of Industry and Internal Trade (DPIIT) notifies establishment of Credit Guarantee Scheme for Startups (CGSS)**

The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry has notified the establishment of the Credit Guarantee Scheme for Startups (CGSS) for providing credit guarantees to loans extended by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).

CGSS is aimed at providing credit guarantee up to a specified limit against loans extended by Member Institutions (MIs) to finance eligible borrowers viz. Startups as defined in the Gazette Notification issued by DPIIT and amended from time to time. The credit guarantee cover under the Scheme would be transaction based and umbrella based. The exposure to individual cases would be capped at Rs. 10 crore per case or the actual outstanding credit amount, whichever is less.

Along with institutional mechanisms for operationalizing the Scheme, DPIIT will be constituting a Management Committee (MC) and a Risk Evaluation Committee (REC) for reviewing, supervising and operational oversight of the Scheme. The National Credit Guarantee Trustee Company Limited (NCGTC) will be operating the Scheme.

A dedicated credit guarantee for DPIIT recognised startups will address the issue of unavailability of collateral free loan and enable flow of financial assistance to innovative startups through their journey to becoming full-fledged business entities. The Scheme further reiterates the Government's focus towards promoting innovation and fostering entrepreneurship for making the Indian startup ecosystem the best in the world.

**Please find appended the link to access the detailed on the same-**

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1865796>

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Warm Regards,

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