

FAQs ON CGTMSE SCHEME OF COLLATERAL FREE LOANS

A - Member Lending Institutions - Eligibility, responsibility etc.

1. Which are considered as eligible lending institutions under the Scheme?

All Scheduled Commercial Banks (either PSU, Private or Foreign Banks), selected Regional Rural Banks, selected state financial corporations, NBFCs, Small Finance Banks (SFBs) or such of those institutions as may be directed by GOI can avail of guarantee cover in respect of their eligible credit facilities under the Scheme. Small Industries Development Bank of India (SIDBI), National Small Industries Corporation Ltd. (NSIC) and North Eastern Development Finance Corporation Ltd. (NEDFi) have been included as eligible institutions. .

2. Can a Private sector bank or a foreign bank be eligible for guarantee cover?

Yes, provided it is a commercial bank listed in the II Schedule to the Reserve Bank of India Act, 1934.

3. Is Regional Rural Bank eligible for guarantee cover?

Yes, fulfilling the criteria of circular dated June 10, 2014 on "Review of Interest cap and other registration criteria of Regional Rural Banks (RRBs) as Member Lending Institutions (MLIs) of CGTMSE". The Trust shall cover credit facilities (Fund based and/or Non fund based) extended by select RRB(s) to a single eligible borrower in the Micro and Small Enterprises sector for credit facility not exceeding 50 lakh by way of term loan and/or working capital facilities on or after entering into an agreement with the Trust, without any collateral security and/or third party guarantees.

4. Whether SFCs, Twin Function IDCs, Scheduled Co-operative Banks, Urban Co-operative Banks and NBFCs are eligible lending institutions for availing guarantee cover under the CGTMSE?

Select SFCs / NBFCs are being considered for inclusion as MLI, other institutions are not eligible to become a MLI.

5. When can the eligible lending institutions apply for guarantee cover in respect of eligible credit facilities under the Scheme?

The eligible lending institutions are required to enter into a "one time" agreement with CGTMSE for becoming Member Lending Institutions (MLIs) of the Trust. MLIs can then apply for guarantee cover in respect of eligible credit facility sanctioned to any eligible borrower. The MLIs can apply for guarantee cover in respect of credit proposals sanctioned in the quarter April-June, July-September, October-December and January-March prior to expiry of the following quarter viz. July-September, October-December, January-March and April-June respectively.

6. Whether the Trust will re-appraise the proposals sanctioned by the MLIs for approving guarantee cover?

MLIs are expected to support only viable proposals using their commercial discretion and due diligence. CGTMSE will have full trust in their credit evaluation. The Trust will not re-evaluate the proposals sanctioned by MLIs. If the proposals satisfy the basic norms laid down under the CGS, the Trust will extend guarantee cover.

7. Where the MLIs can get the details of accounts covered under CGTMSE?

Our website www.cgtmse.in has a "Reports and MIS" module to enable the MLIs to generate standard reports. MLI can log on to the website-member page, using member-ID allotted and generate the reports desired by it viz. status of the application lodged, Demand for GF/ASF, monthly reports etc.

B - Eligible Borrowers

1. Which type of borrowers can be covered under the Scheme?

New and existing Micro and Small Enterprises engaged in manufacturing or service activity excluding Educational Institutions, Agriculture, Self Help Groups (SHGs), Training Institutions etc.

2. Whether Borrowers from all service sector enterprises are eligible under the Scheme?

As of now, all activities that come under the service sector as per MSMED Act, 2006 are eligible for coverage under the scheme.

3. Whether loans given to Small Road Transport Operators are eligible for coverage under the Scheme?

Yes. Small road and water transport loans are eligible for guarantee cover.

4. Is it compulsory for the borrower to obtain Income Tax Permanent Account Number [IT-PAN] to be an eligible borrower?

Under the Guarantee Scheme, a borrower is required to obtain IT PAN number prior to availing of credit facility from the eligible lending institution. Also it is a mandatory requirement under section 139A(5) read with section 272(C) of the I.T Act 1961 to indicate IT PAN on all tax documents which include returns, challans, appeals, etc. However, in respect of loans up to 5 lakh, CGTMSE is presently not insisting that the IT PAN be obtained at the time of availing of the guarantee cover. IT Pan No. is to be indicated in respect of credit facility above 5 lakh. Nevertheless, the MLIs have been advised to inform their borrowers to apply for IT PAN number. It is desirable to indicate IT Pan No. in all the application irrespective of the amount. (Refer Circular no. 112).It is advisable to obtain Udyog Aadhaar Number of every borrower and feed it in the system at the time of submission of new application .

5. Is guarantee benefit available to existing units of a lending institution which has become a MLI of CGTMSE?

In case of existing units, additional credit facilities in the form of term loan or renewal of working capital facilities can be covered as and when the facilities are extended, provided no collateral security and/ or third party guarantee is obtained.Under the "Hybrid Security"

product, the MLIs will be allowed to obtain collateral security for a part of the credit facility, whereas the remaining part of the credit facility, up to a maximum of 200 lakh, can be covered under Credit Guarantee Scheme of CGTMSE. CGTMSE will, however, have pari-passu charge on the primary security as well as on the collateral security provided by the borrower for the credit facility.

6. Is it necessary that a borrower to be eligible should obtain all the required credit facilities from a single institution?

Credit facilities can be extended by more than one bank and/or financial institution jointly and/or separately to eligible borrower up to a maximum limit of 200 lakh per borrower subject to ceiling amount of individual MLI or such amount as may be specified by the Trust. However, sharing of securities will not be permitted.

7. Co-financing to a MSE unit by a Financial Institution with a Commercial Bank can be covered under the Scheme?

Yes, joint financing by a financial institution (e.g. SIDBI, NSIC, and NEDFi) and Commercial bank can be covered under the scheme. For e.g. MSE unit is financed by term loan from State financial institution and Working capital from a commercial bank. However, sharing of securities will not be permitted.

8. Whether credit facilities extended to self-help groups can be covered under the scheme?

No. At present, as per the Scheme, the credit facility extended to Self Help Group cannot be covered.

C - Credit Facilities & Parameters

1. What is the quantum of credit facility that can be covered under the Scheme?

Fund and non-fund based (Letters of Credit, Bank Guarantee etc.) credit facilities up to 200 lakh per eligible borrower are covered under the guarantee scheme provided they are extended on the project viability without collateral security or third party guarantee. However, under the "Hybrid Security" product, the MLIs will be allowed to obtain collateral security for a part of the credit facility, whereas the remaining part of the credit facility, up to a maximum of 200 lakh, can be covered under Credit Guarantee Scheme of CGTMSE.

2. Can a credit facility of over 200 lakh be covered under the Scheme?

Yes, the guarantee cover available will be restricted to credit of 200 lakh even though credit extended is more than 200 lakh to an eligible borrower. In other words, maximum of credit risk borne by CGTMSE is restricted to 150 lakh i.e. 75% of amount in default.

3. What would be the guarantee / service fee that would be payable by the member-lending institution on credit facility sanctioned in excess of 200 lakh?

AGF would be charged on the outstanding loan amount instead of guaranteed amount for credit facilities sanctioned / renewed to MSEs on or after April 01, 2018. Please refer to Circular No. 139/2017-18 and Circular No.141/ 2017-18 (for Retail Trade) available in the website for more details.

4. Can term loan or working capital facility alone be extended by an eligible lender and still be covered under the guarantee scheme?

Yes, a lender can extend either term loan or working capital facility alone and still be eligible for a guarantee cover if it meets the other eligibility parameters. Needless to say, the credit facility extended to a borrower should be without any collateral security and/or third party guarantee.

5. Can a credit facility extended to a borrower against a collateral security be covered under the Guarantee Scheme, if the lending institution relinquishes its rights on the collateral security?

Yes, MLIs will be allowed to obtain collateral security for a part of the credit facility, whereas the remaining part of the credit facility, up to a maximum of 200 lakh, can be covered under Credit Guarantee Scheme of CGTMSE. CGTMSE will, however, have pari-passu charge on the primary security as well as on the collateral security provided by the borrower for the credit facility.

6. Is there any ceiling in respect of interest to be levied on the credit facility advanced to the borrower if the same is to be covered under the Scheme?

Any credit facility which has been sanctioned by the lending institution with the maximum interest rate not more than 14% p.a. and 18% p.a. including cost of guarantee cover/(Average Base Rate decided by the trust from time to time as applicable to RRBs prior to 01/08/2017.) would be eligible for coverage under CGS I and CGS II respectively.. This supersedes the existing guidelines of CGTMSE on ceiling of interest rate that could be charged by MLIs on guaranteed loans (Refer Circular no. 131) .The revised guidelines on ceiling on Interest Rate that could be charged for the guarantee covered credit facilities would be applicable also to those MLIs who would not be eligible for enhanced credit guarantee coverage from 100 lakh to 200 lakh

7. Is it possible to cover credit facilities, which have already become NPA?

No, the credit facility that has already become NPA cannot be covered under the Scheme.

D - Primary Security vis-a-vis Collateral security/personal guarantee vis-à-vis third party guarantee

1. What is the difference between primary security and collateral security?

Primary security is the asset created out of the credit facility extended to the borrower and / or which are directly associated with the business / project of the borrower for which the credit facility has been extended. Collateral security is any other security offered for the said credit facility. For example, hypothecation of jewellery, mortgage of house, etc.

Example: Land, Plant & Machinery or any other business property in the name of a proprietor or unit, if unencumbered, can be taken as primary security.

2. Under the Scheme, any third party guarantee obtained for the credit facilities will make them ineligible for guarantee cover. What is third party guarantee?

As per the extent guidelines no third party guarantee should be obtained if the account is to be covered under the Credit Guarantee Scheme. However, in case the constitution of the borrower is proprietary or partnership, the personal guarantee of proprietor/ partner is not treated as third party guarantee. Similarly, Personal guarantee of directors, where borrower constitution is a

company will not be treated as third party guarantee. Personal guarantee of spouse, friend etc. will be treated as third party guarantee.

E - Annual Guarantee Fee (AGF)

1. Whether the incidence of Annual Guarantee Fee be passed on by the lender to the borrower?

The discretion is left to the MLI.

2. Whether the rates of Annual Guarantee Fee can be varied after the commencement of guarantee cover?

Any change in the Annual Guarantee Fee will be intimated to MLI from time to time. Any change in rate will have only prospective effect on the future proposals to be covered under the Scheme. As regards to Fee charged annually, it is payable on the outstanding loan amount instead of guaranteed amount for credit facilities sanctioned / renewed to MSEs on or after April 01, 2018 as per Circular No.139.

3. Is service fee payable even after lodgement of claim?

Yes, Annual Service Fee/AGF is required to pay after lodgement of claim till settlement of first instalment of 75% of the guaranteed amount. However, no claim can be lodged before the expiry of the initial lock-in period (ie.18 months from the date of issue of the guarantee cover or the date of last disbursement, whichever is later).

4. What would be the Annual Guarantee Fee that would be payable by the member-lending institution on credit facility sanctioned in excess of 200 lakh?

The Annual Guarantee Fee payable would be on the outstanding loan amount instead of guaranteed amount for credit facilities sanctioned / renewed to MSEs on or after April 01, 2018 as per Circular No.139/2017-18.

5. How is the Annual Guarantee fee payable for the first year?

In the first year of coverage of each guaranteed unit, the Annual Guarantee Fee is calculated for 1yr. In the succeeding year, it is worked out on pro-rata basis i.e. at the applicable rate of fee charged for the period (no. of days) of outstanding, till March 31. For calculation of Annual Guarantee Fee, number of days in a year is taken as 365. For subsequent years, service fee is charged for the whole year on the outstanding loan amount instead of guaranteed amount for credit facilities sanctioned / renewed to MSEs on or after April 01, 2018 as per Circular No.139 except for terminal year or closed cases where it is on pro rata basis.

6. As per Circular 139, AGF will be charged on the outstanding loan amount. What will the AGF charge where there has been no disbursement (TL) or no utilisation (WC) in the guaranteed account.

AGF will be charged on the guaranteed amount for the first year and on the outstanding amount for the remaining tenure of the credit facility for credit facilities sanctioned / renewed to MSEs on or after April 01, 2018. Fee will be generated on the entire guaranteed/sanctioned amount where the account is not opened/ there has been no disbursement/ no utilization of working capital Limit.

F - Credit guarantee - extent of cover, invocation, claim etc.

1. When will the guarantee cover commence for the eligible credit facility?

The guarantee cover will commence from the date on which guarantee fee proceeds are credited to bank account of the Trust.

2. How long the guarantee cover is available for credit facilities extended to a particular borrower?

Guarantee will commence from guarantee start date and shall run through the agreed tenure of the term loan / composite loans. Where working capital facilities alone are extended to eligible borrowers, it would be for a period of 5 years or block of 5 years on renewal of the guarantee cover, provided MLI pays the Annual Service Fee due as on March 31, latest by within 60 days from the date of demand by CGTMSE.

3. Whether the interest on term loan and other charges can also be guaranteed by the Trust?

In case of default by the borrower subject to overall guarantee cap amount, the liability of the Trust in respect of credit facility shall be as follows: -

- i. Term Loan: - Defaulted amount (inclusive of 1 Quarter interest)
- ii. Working capital facility: - Outstanding working capital advance (inclusive of interest up to the date of NPA). Other charges such as penal interest, commitment charge, service charge or any other levies / expenses shall not qualify for the guarantee cover.

4. Whether the credit facility for rehabilitation / nursing of the sick unit can also be eligible for guarantee under the Scheme?

The eligible borrower unit which has been covered under the Scheme and subsequently becomes sick due to factors beyond the control of the management, the assistance / credit for rehabilitation extended by the lender could also be covered under the Scheme provided the overall assistance is within the credit cap of 200 lakh, for such extended period of guarantee and on such terms as may be decided by the Trust.

5. What is the tenure of the cover for credit relating to working capital?

The tenure for coverage of working capital facilities is 5 years, where working capital alone is covered under the scheme. In case term credit and working capital both are covered under the scheme, the tenure relating to working capital facility would match the normal repayment period of term credit. The reason for keeping a limit of 5 years wherever working capital alone covered are that the period for which the same are extended by the lending institutions are not time bound. The same are reviewed periodically for increase/ decrease in the limit sanctioned, and are expected to continue for a time frame much longer than 5 years. CGTMSE

welcomes any renewal of guarantee cover beyond 5 years on a payment of applicable guarantee fee.

6. Whether the guarantee will continue to be available in respect of a particular borrower unit if there is change in management of that borrower during the period the guarantee is in force?

If the new promoters / management meets / satisfy the norms of the eligible borrower viz. maximum credit availed and outstanding, MSE status etc., and continues to perform the existing activities of borrower or undertakes the new activities which otherwise are eligible under the Scheme for guarantee then the lender can continue such borrower with existing liabilities under the scheme of guarantee. However, if the new promoter / management do not satisfy any of the norms of the Scheme, the guarantee in respect of the credit facility shall be deemed to be terminated from the date of said transfer or assignment.

7. Under what circumstances the guarantee cover obtained by the lender in respect of particular borrower will lapse?

The guarantee cover given by the Trust to the lender in respect of credit facility to a particular borrower will lapse if

- i. It is subsequently brought to the knowledge of the Trust that the lender has obtained collateral / third party guarantee from the borrower while sanctioning the particular credit facility which has been covered under the guarantee, however, MLIs will be allowed to obtain collateral security for a part of the credit facility, whereas the remaining part of the credit facility, up to a maximum of ₹ 200 lakh, can be covered under Credit Guarantee Scheme of CGTMSE
- ii. It is subsequently gathered that the lender has advanced second / subsequent credit facility to the borrower with collateral / third party guarantee and extended the scope of collateral / third party guarantee to the existing credit facility for which guarantee cover has been obtained from the Trust,
- iii. Annual service charge is not paid to the Trust by the specified period or such extended time limit as may be granted by the Trust,
- iv. The tenure of guarantee cover has expired.

8. When can the lender invoke the guarantee given by the Trust in respect of credit facility advanced by it to the eligible borrower?

The lender shall prefer a claim on the defaulted account on recall of loan and initiation of recovery proceedings under due process of Law. The lender can, however, invoke the guarantee given by the Trust only after the lock-in period of 18 months either from the date of last disbursement of credit to the borrower or from the date of the guarantee cover coming into force in respect of the particular credit facility, whichever is later.

9. How will the claim of the lender will be settled by the Trust in respect of the defaulting account?

After satisfying itself about the procedural aspects met by the lender, regarding lodgement / preferment of claim for guarantee, the Trust will honour 75% of the guaranteed portion of the amount in default, subject to a maximum of 50% / 75% / 80%/85% of the amount in default. The balance 25% shall be paid on conclusion of the recovery proceedings. For credit facilities sanctioned by Member Lending Institutions (MLIs) on or after 01/01/2013, the balance 25% shall be paid on conclusion of the recovery proceedings or after three years of obtention of decree of recovery, which is earlier. Please refer Circular No.135/2017-18 for more details.

10. Whether guarantee cover is available to the second term loan sanctioned after 2/3 years of the first term loan? Whether the cash credit will continue to be covered under the scheme up to repayment of the 2nd term loan?

Guarantee cover is available for the second term loan provided the aggregate credit does not exceed 200 lakh. Where working capital is sanctioned along with the term loan facility, the tenure of such working capital facility shall be co-terminus with that of term loan facility and shall run concurrently with the scheduled repayment period of the term loan facility. Subsequent to the repayment of the term loan along with which working capital was sanctioned, the guarantee cover in respect of working capital can be renewed by paying applicable guarantee fee on the sanctioned working capital facility or the renewal of working capital may also be clubbed with the second term loan facility so that both are sanctioned together, thus getting guarantee cover for both the facilities for a period equal to the repayment period of second term loan, on payment of guarantee fee on the sanctioned (term loan + working capital) account.

11. Whether the responsibility to recover the defaulted credit is taken over by the Trust after the settlement of claim (issuance of 1st Installment of claim) in respect of particular borrower account?

No, the lender continues to remain responsible to take all efforts in recovery of credit advanced to the borrower who had defaulted, even after the initial settlement of the claim by the Trust. However such recovery should be remitted by the lender (after adjusting towards legal expenses) to CGTMSE without delay.

12. Where the credit facilities are covered under ECGC, is it possible to avail guarantee cover to the extent not covered by ECGC under Credit Guarantee Scheme?

Any credit facility in respect of which risks are additionally covered by Government or by any general insurer or any other person or association of persons carrying on the business of insurance, guarantee or indemnity, to the extent they are so covered is not eligible for credit guarantee cover of the Trust.

13. Issue of notice under Lok Adalat is sufficient for invoking the guarantee and getting the first installment?

Yes, for the purpose of the scheme, issue of notice under Lok Adalat is sufficient to prove the legal proceedings have been initiated.

14. Issuing notices to the defaulted units under SARFAESI Act 2002 is sufficient for invoking guarantee under the scheme?

No, mere issuance of recall notice under SARFAESI Act cannot be construed as initiation of legal proceedings for the purpose of preference of claim under CGS. Lending institution should take further action as contained in Section 13 (4) of the above Act.

15. What is the familiar ground upon which claims from MLIs are rejected by the trust?

- Legal proceedings not initiated, or just a notice under the SARFAESI act issued but charge on primary security is not taken.
- Guarantee cover was not in force i.e. service fee was not paid for one particular period.
- Account was doubtful of repayment when the cover was taken and it was obvious from the conduct of the account that it will turn NPA subsequently i.e. applied for guarantee cover when the asset became stressed.
- Claim application not submitted within the due date for claim lodgement.
- Legal action against the borrower/ default unit not initiated or is initiated after the due date of claim lodgement.

G - Legal Proceedings, OTS etc.

1. What is meant by conclusion of recovery proceedings?

The recovery proceedings would be stated as concluded after the decree has been enforced and recovery has been completed by the MLI and outstanding amount has been recovered by the MLI or decree to get time barred if no further recovery possible. Please refer Circular No.135.

2. Can a lending institution go for one time settlement (OTS) in respect of defaulted cases, which are covered under the Scheme?

Yes. The lending institution is, however, required to keep the Trust informed. In order to avail claim, legal action must be initiated by the MLI even in the event of OTS.

3. Who will bear the legal expenses of recovery, MLIs or borrower or CGTMSE?

Initially, the legal expenses will be borne by the MLI. At the time of remittance of recovery proceeds to CGTMSE by the MLI, same may be deducted.

H - General

1. How is this guarantee scheme operated by the Trust?

The operations of this Scheme are fully computerized using B2B e-business concept to enable the Trust to deliver prompt service to the lenders.

2. What information is required to be submitted to the Trust before starting operations under the Scheme?

The lending institution has to submit an undertaking (download from <http://www.cgtmse.in/files/Undertaking.pdf>) on a stamp paper of appropriate value to the registered office of the Trust. Subsequently, MLIs are required to give the names and addresses of the Zonal / Regional / Branch offices through which they would like to operate the Scheme. They are also required to furnish the names of a nodal officer and two other officers who will be operating the Scheme at each of the operating offices. On receipt of this information, Member ID and Passwords would be allotted by the Trust, after which it would be possible for MLIs to lodge applications for guarantee cover. Applications are required to be lodged online.

3. Can the Micro and Small Entrepreneurs / borrowers approach the Trust directly to seek guarantee for the credits sanctioned by the Banks?

CGTMSE gives guarantee to its MLIs. Therefore, entrepreneurs in the Micro and Small Enterprises sector have to approach the Banks or financial institutions (who have already registered with the Trust as MLIs) with their viable proposals for their credit requirements. The List of MLIs of the Trust can be seen at CGTMSE web-site at <http://www.cgtmse.in>.

4. Can a Bank / Institution seek single guarantee cover or lump sum guarantee cover for all the loans outstanding in respect of all the eligible MSE borrowers?

No, single guarantee cover or enblock guarantee cover for all outstanding loans is not permissible. Under the Scheme, applications are required to be filed by the MLIs, individually, in respect of each of the borrower. The Scheme provides for coverage of only new loans / renewed working capital limits sanctioned to manufacturing units in the micro & small enterprises in service sector including retail trade. The new credits sanctioned by MLIs in a quarter have to be covered under Guarantee Scheme as early as possible, in any case, not beyond the subsequent quarter. The applications are to be submitted by the identified branches, which have been allotted member Id, passwords by CGTMSE, using the member id in CGTMSE website (<http://www.cgtmse.in>).

5. Will payment of Guarantee Fee on the whole outstanding MSE portfolio of the MLI, with loans up to 200 lakh, is acceptable to CGTMSE?

Annual Guarantee Fee (AGF) will be charged on the guaranteed amount for the first year and on the outstanding amount for the remaining tenure of the credit facility for credit facilities sanctioned / renewed to MSEs on or after April 01, 2018 as per Circular No.139/2017-18. Under the Scheme, applications are required to be filed by the Operating Offices of MLIs, individually, for each of the borrower for credit facilities extended.

6. Does CGTMSE have branch offices in other cities in India?

CGTMSE has its Registered Office at Mumbai and does not have any branches. Since the entire operations are online, CGTMSE is able to cater to the needs of its MLIs from Mumbai.

7. Whether finance for Wholesale trade is eligible for coverage?

No, Wholesale trade activity is not eligible for coverage.

I. Frequently Asked IT / System related Questions (For MLI's only)

1. The system showing Invalid password message:

Kindly take adequate care while choosing a password. The password is case sensitive and should not contain spaces in between. Special characters (e.g. @ # \$ % ^) are allowed. In case you forget your password, you may send email to support@cgtmse.in and gf@cgtmse.in requesting us to reset the password mentioning MLI ID, Zone name and username.

2. System gives "Is not a valid date" message:

The date is to be entered in DD/MM/YYYY format. For e.g. 31st December 2007 is to be entered as 31/12/2007. Or else, you may click on the icon available to the right of the date field and select the date.

3. Web browser compatibility for operating the CGTMSE application:

For using the CGTMSE application portal, please use Internet Explorer (IE) Version 7 or above instead of Google Chrome, Mozilla Firefox etc. In case of IE Ver 10 and above, please make Compatibility View Settings as under:

- i. Open Internet Explorer
- ii. Go to Tools -> Compatibility View Settings
- iii. Add <http://www.cgtmse.in:8080/jsp/Home.jsp> in Add this website field.
- iv. Press Add button to save the settings.

4. If you are not able to save data or error like borrower does not exist appears in our database:

- i. Please clear cookies and temporary files from Tools -> Internet Options -> General -> Browsing History -> Delete -> Delete
- ii. Restart the browser window.

5. Allocation of Demand Advise Numbers (DANs) is not saved:

The procedure for allocation of DAN is detailed below.

Login to the website of
CGTMSE

1. Go to Receipt payments
2. Payment **Through RTGS/NEFT**
3. Select Allocate Payment from sub menu
4. Select the DANs to be allocated
5. Press Next Button, System will display
: Payment ID
: Amount,
6. Select the DANs to be allocated.

6. Account expired before tenure of the loan:

The account will be marked as expired in the following cases -

In case of Term Loan = Sanction date + tenure

Working Capital = Guarantee Start Date + tenure

Composite Loan (both TL and WC together) = Sanction date + tenure

7. Two CGPANs are allocated for the same working capital account:

This generally happens in two cases :

1. Guarantee Application is lodged twice.
2. Instead of enhancing the guarantee amount, a fresh guarantee application is lodged.

**8. Unable to upload claim loan documents at Claim Processing -> Claim for -
> Upload Loan Documents:**

Upload documents only in the prescribed format viz. jpg, jpeg, pdf, and doc.

9. Closure of Guarantee:

MLIs can close the guarantee for a particular CGPAN from **Guarantee Maintenance -
> Request for Closure**. Otherwise request to CGTMSE for withdrawal of claim application where claim is lodged online.