

Ref. No. CGTMSE /44/ 294

March 31, 2023

All Member Lending Institutions (MLIs) of CGTMSE – CGS I

**Circular No.221 / 2022 – 23**

Madam / Dear Sir,

**Reduction in Annual Guarantee Fee**

Please refer to our Circular No. 208/2022-23 dated November 30, 2022 on modification in Annual Guarantee Fee (AGF) Structure wherein the AGF was substantially reduced to benefit the MSEs. In order to further bring down the cost of credit for MSEs, it has been decided to partially modify the above mentioned Circular to reduce the guarantee fee for loans upto ₹1 crore. Accordingly, the revised fee structure is as under:

Slab (₹)	Revised Standard Rate (% pa)
0-10 lakh	0.37
Above 10 lakh upto 50 lakh	0.55
Above 50 lakh upto 1 crore	0.60
Above 1 crore upto 2 crore	1.20
Above 2 crore upto 5 crore	1.35

All other guidelines as specified in the circular dated November 30, 2022 shall remain unchanged.



The above revised fee structure shall be applicable to all the guarantees approved/ renewed on or after April 01, 2023 including enhancement in existing working capital account already covered under Guarantee Scheme.

The contents of this circular may please be brought to the notice of all your offices.

Yours faithfully,

**Sd/-**

**(Dhiraj Kumar)  
Asst General Manager**