



Ref. No. CGTMSE /274

March 18, 2025

To All Member Lending Institutions (MLIs) of CGTMSE - CGS I

Circular No.251/2024-25

Madam / Dear Sir,

Reduction in Annual Guarantee Fee for Guarantees above ₹1 Crore – CGS - I

Please refer to our Circular No. 221/2022-23 dated March 31, 2023 on reduction in Annual Guarantee Fee (AGF) Structure wherein the AGF was reduced to benefit the MSEs. In view of the recent enhancement in ceiling of guarantee coverage from ₹5 crore to ₹10 crore as communicated vide CGTMSE Circular No. 250/2024-25 dated March 18, 2025. In order to further lower the cost of credit for MSEs, it has been decided to bring down the Annual Guarantee Fee for guarantees above ₹1 crore to ₹5 crore. Accordingly, the revised fee structure is as under:

Slab (₹)	Revised Rate
	Standard Rate % (AGF)
0 - 10 lakh	0.37
Above 10 lakh -50 lakh	0.55
Above 50 lakh -1 crore	0.60
Above 1 crore -2 crore	0.85
Above 2 crore -5 crore	1.00
Above 5 crore -8 crore	1.10
Above 8 crore -10 crore	1.20

The above revised fee structure shall be applicable to all the guarantees approved/ renewed on or after April 01, 2025, 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)
Deputy General Manager

