



Ref. No. CGTMSE /273

March 18, 2025

Credit Guarantee Scheme – I (for Banks)

All Public Sector Banks, Pvt Banks, Foreign Banks and Select FIs

Circular No.250/2024-25

Madam / Dear Sir,

Increase in ceiling of guarantee coverage from ₹5 crore to ₹10 crore - CGS -

Please refer to our Circular No.220 / 2022 – 23 dated March 31, 2023, on increase in ceiling of coverage from ₹200 lakh to ₹500 lakh – CGS I. Further, in line with the announcement made by the Hon'ble Finance Minister, Government of India, during the Budget speech for FY 2025-26, it has been decided to increase the ceiling of guarantee coverage from ₹5 crore to ₹10 crore under Credit Guarantee Scheme – I (for Banks) (applicable for Public Sector Banks, Pvt Sector Banks, Foreign Banks and Select FIs).

The standard rate of Annual Guarantee fee shall be as under:

Slab (₹)	Standard Rate % (AGF)
Above 5 crore -8 crore	1.10
Above 8 crore -10 crore	1.20

The revised guideline will be applicable to all guarantees approved on or after April 01, 2025, including enhancement in Working Capital of existing covered accounts. It may be noted that all other covenants of the Credit Guarantee Scheme would apply mutatis mutandis.

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

Yours faithfully,

Sd/
(Dhiraj Kumar)
Deputy General Manager

