

Ref. No. CGTMSE /44/

August 20, 2021

To All Eligible Non-Banking Finance Companies

**Circular No. 182 / 2021 – 22**

Madam / Dear Sir

**Interest Rate Stipulation**

Please refer to our circular no. 181 / 2021-22 dated June 08, 2021. As you are aware, it has been an endeavour on the part of CGTMSE to provide all possible support to MSE segment which is struggling to remain viable and competitive, especially in view of the prevailing situations on account of COVID 19. On a review, therefore, it has been decided that loans proposed to be covered under the Credit Guarantee Scheme of CGTMSE should have interest cap of 18% p.a. As NBFCs are allowed to cover unsecured loans also under the Scheme, the above modification will further benefit the MSE borrowers who are financed by NBFCs.

The above modification shall come into effect for all the loans sanctioned by NBFCs on or after the date of issue of the circular. All other Contents of the Circular no.181 /2021-22 dated June 08, 2021 shall remain unchanged.

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

Yours faithfully,

Sd/-  
(Jigar Shah)  
Chief Operating Officer

