

CGTMSE Ref. No.44

April 24, 2020

To all eligible Non-Banking Finance Companies

**Circular No.169 / 2020-21**

Madam / Dear Sir,

**Registration criteria of Non-Banking Finance Companies (NBFCs)**

Please refer to our Circular 123/ 2016-17 and 163/2019-20 dated January 25, 2017 and June 03, 2019, respectively wherein criteria for registration of NBFCs as Member Lending Institution (MLIs) of CGTMSE were laid down. Considering NBFC's crucial role in the MSE eco-system and various representation from NBFCs, the eligibility criteria for registration has been revised as given below:

- a. NBFC registered with RBI engaged in financing Micro and Small enterprises (MSEs), as defined under the MSMED Act, 2006.
- b. Minimum Capital to risk weighted assets ratio (CRAR) of 15%
- c. Net Non-Performing Assets (NPA) is less than or equal to 4%
- d. Should have at least 2 audited annual reports with Positive Net-worth.
- e. Minimum Net Owned funds of ₹50 Crore and minimum asset size of ₹100 crore.

Eligible NBFCs are requested to approach CGTMSE for completing the formalities with regard to registration as MLIs of CGTMSE and one time execution of specified documents with the Trust.

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

Yours faithfully,

Sd/-

(Jigar Shah)  
Chief Operating Officer

**Credit Guarantee Fund Trust for Micro and Small Enterprises** (Set up by Government of India & SIDBI)

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