

All State Financial Corporations (SFCs)

Circular No.173 / 2020 – 21

Madam / Dear Sir,

Registration Criteria for State Financial Corporations

It has been decided to register / re-register State Financial Corporations (SFCs) as Member Lending Institutions (MLIs) of CGTMSE, based on the following criteria :

- Positive Networth;
- CRAR of minimum 12 per cent;
- Gross NPAs upto a maximum of 10%;
- No overdues to SIDBI;

In view of above, all SFCs, who are satisfying above eligibility criteria will be required to furnish the details along with a copy of its latest audited account statement to register/re-register with CGTMSE as its MLI. Please note that, there will be a cap on guarantee coverage of ₹50 lakh per borrower, on outstanding exposure basis.

The SFCs which are registering with CGTMSE for the first time need to submit an Undertaking (format available in the website).

As regards to submission of fresh application for coverage, same will be enabled only after completion of registration / re-registration subject to fulfilling of eligibility criteria. Needless to mention, guarantees already issued by CGTMSE will be honored by the Trust for all existing registered SFCs.

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

Yours faithfully,

Sd/
(Sandeep Varma)
Chief Executive Officer

