

Ref. No. CGTMSE /44/

February 25, 2022

To all eligible Scheduled Small Finance Banks

Circular No.197 / 2021 – 22

Madam / Dear Sir,

Revision in Eligibility Criteria for Small Finance Banks (SFBs)

Please refer to our Circular No. 143/2017-18 dated March 14, 2018 announcing inclusion of SFBs as Member Lending Institutions (MLIs) under CGTMSE. On review of registration criteria of SFBs, it has been decided to modify one of its eligibility criteria from Minimum paid-up equity capital requirement of ₹100 crore to Minimum networth of ₹100 crore. Accordingly, the SFBs would need to satisfy the following criteria to be included as eligible MLI:

1. Should be a scheduled Small Finance Bank.
2. Should have a Minimum net worth of ₹100 crore.
3. Should have an external Credit rating of BBB and above or equivalent.
4. Should have CRAR as prescribed by RBI.
5. Should have net profit for at least three previous financial years as Non-Banking Financial Companies (NBFC), Micro-Finance Institutions (MFI) and Local Area Banks (LAB) as the case may be.
6. Should be compliant with CRR/SLR requirements as per RBI guidelines.
7. Should not have any regulatory and supervisory concerns.

SFBs meeting the above criteria may approach CGTMSE for completing the formalities with regard to registration as MLI of CGTMSE and one time execution of specified documents with the Trust.

Yours faithfully,

Sd/-

(Promod Bakshi)

Deputy General Manager

