

All Eligible Micro Finance Institutions (MFIs)

Circular No.211 / 2022 – 23

Madam / Dear Sir,

Inclusion of Microfinance Institutions (MFIs) as
Member Lending Institutions (MLIs) of CGTMSE

Microfinance Institutions (MFIs) play a crucial role in providing loans to economically disadvantaged groups and empowers rural poor, especially women, in helping them become financially independent and to contribute directly to the well being of their families and confront gender inequalities. In order to further facilitate enhanced credit to such disadvantaged groups, it has been decided to bring Microfinance Institutions (MFIs) under the Schemes of CGTMSE as MLIs.

The eligibility criteria for inclusion of MFIs as MLIs are given below:

- ❖ Should have been undertaking micro finance operations for at least 36 months.
- ❖ Prudential grading of upto MfR5
- ❖ Minimum CRAR 15%
- ❖ Debt Equity Ratio not more than 10:1
- ❖ Portfolio at Risk >90 days (AUM) should be less than 5%
- ❖ Minimum Asset Size of ₹100 crore

The ceiling of guarantee coverage will be ₹50 lakh per MSE borrower for the eligible credit facility extended by MFIs. All other covenants of the Credit Guarantee Scheme would apply *mutatis mutandis* to such credit facilities covered under the Scheme.

It is expected that with the guarantee support the credit dissemination to the disadvantaged groups by MFIs will increase manifold.

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

Yours faithfully,

Sd/-

(Dhiraj Kumar)
Asst General Manager

