



Ref.No. CGTMSE/ 44 / 254

February 28, 2025

To All Eligible Non-Banking Finance Companies – CGS II

Circular No. 242 / 2024 - 25

Madam/Dear Sir,

Non-Banking Finance Companies (NBFCs)- Modification in Registration criteria

Please refer to Circular No.226/2023-24 dated May 19,2023 with regard to registration criteria applicable for Non-Banking Finance Companies (NBFCs) under CGS-II. It has been decided to modify the existing registration criteria. The revised registration criteria is as under-

NBFCs with Vintage up to 3 years	NBFCs with Vintage more than 3 years
NBFC registered with RBI engaged in financing Micro and Small enterprises (MSE) as defined under the MSMED Act, 2020.	NBFC registered with RBI engaged in financing Micro and Small enterprises (MSE) as defined under the MSMED Act, 2020.
Minimum Capital to risk weighted asset ratio as per extant RBI guidelines.	Minimum Capital to risk weighted asset ratio as per extant RBI guidelines.
Net Non-Performing Asset (NPA) less than or equal to 4 %.	Net Non-Performing Asset (NPA) less than or equal to 4 %.
*Should have completed one full fiscal year of operations and reported profit.	*Should have reported profit in at least 2 years out of the last 3 years of audited financial statements.
Minimum Net Owned funds ₹ 20 crore and minimum asset size of ₹ 50 crore.	Minimum Net Owned funds ₹ 50 crore and minimum asset size of ₹ 100 crore.

****If the criteria of profit is not fulfilled as mentioned in the table above, NBFCs which are promoted by large business houses having previous year profit (as per audited financial statements) more than ₹ 500 crore shall be eligible subject to meeting all other criteria of registration.***

सूक्ष्म एवं लघु उद्यम क्रेडिट गारंटी फंड ट्रस्ट (भारत सरकार एवं सिडबी द्वारा स्थापित)

स्वावलंबन भवन (सिडबी बिल्डिंग), १ ली मंजिल, प्लॉट न. सी-११, जी-ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स बांद्रा (ए), मुंबई- ४०० ०५१

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

Swavalamban Bhavan (SIDBI Building), 1st Floor, Plot No. C-11, G-Block, Bandra Kurla Complex, Bandra (E),

Mumbai – 400 051

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The above modifications will be effective from March 01,2025.

All other Terms and Conditions of CGS-II shall remain unchanged.

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

Yours faithfully,

**Sd/-
(Dhiraj Kumar)
Deputy General Manager**