India Microfinance Equity Fund (IMEF)

SNo	MFIs / NBFC-MFIs	NBFCs
1	**Eligibility criteria:** 1. Tier – II (having borrowers between 50,000 and 3,75,000) and Tier – III (having less than 50,000 borrowers) NBFC MFIs and all non-NBFC MFIs, with emphasis on those operating in unserved and underserved areas or expanding their operations to such areas. 2. Minimum outreach of 3,000 poor members. 3. Minimum MFI grading norm of Beta+ of M-CRIL (and its equivalent grade for gradings by other agencies, including Bank Loan Rating). 4. Existence for at least five years and / or it has a demonstrated track record of running a successful micro-credit programme at least for the last three years. 5. NBFC-MFIs should have Capital Adequacy Ratio of minimum 15%	**Eligibility criteria** 1. NBFCs having upto 50,000 borrowers, registered with RBI as NBFC- ICC (NBFC-Investment and Credit Company 2. Predominantly assisting micro and small enterprises (MSEs) by way of loans and advances falling within the definition of "MUDRA" loans to MSEs as per MSMED Act, 2006, for supporting income generating activities shall be eligible for assistance under IMEF. 3. In existence for atleast five years and / or a demonstrated track record of running a successful lending programme supporting income-generating activities for at least last three years; 4. Minimum on book/ own book loan portfolio of at least ₹50 crore, of which: i. at least 60% of the portfolio should be in "MUDRA segment" as defined from time to time. ii. NBFC should have microfinance loans with aggregate outstanding in respect of such loans being not less than the quantum of assistance under the scheme. The requirements above, shall be certified by Statutory Auditor of the NBFC at the time of applying for assistance. 5. Both rated and unrated NBFCs shall be considered for assistance. If rated, the NBFC should have a valid bank loan rating from a SEBI accredited agency not higher than BBB. 6. Unrated NBFCs should have satisfactory borrowing arrangements and track record with any Scheduled Commercial Bank / NBFC for at least 2 years ***or*** having external institutional / private equity investors.

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<tr><td></td><td></td><td>7. Should have membership of Credit Information Company(ies) / Credit Bureau(s)
8. NBFC should have Capital Adequacy Ratio of minimum 15%</td></tr>
<tr><td>2</td><td colspan="2"><u>Benchmark norms:</u>
<table>
<tr><th>Parameter</th><th>Norm</th></tr>
<tr><td>DER</td><td>10:1</td></tr>
<tr><td>CRAR</td><td>15%</td></tr>
<tr><td>PAR > 90 days (AUM)</td><td>5%</td></tr>
<tr><td>OSS</td><td>100%</td></tr>
<tr><td>MFI rating</td><td>‘MfR5’</td></tr>
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<tr><td>3</td><td colspan="2"><u>Type of instruments:</u>
<table>
<tr><th><u>Constitution</u></th><th><u>Instrument</u></th></tr>
<tr><td>Societies / Trusts / Section 8 company etc.</td><td>Subordinated Debt</td></tr>
<tr><td rowspan="4">NBFC MFIs & NBFCs</td><td>Optionally Convertible Preference Shares (OCPS)</td></tr>
<tr><td>Compulsorily Redeemable Preference Shares (CRPS)</td></tr>
<tr><td>Subordinated debt by way of Non-Convertible Debentures (NCDs)</td></tr>
<tr><td>Unsecured Rupee Term Loan</td></tr>
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<tr><td>4</td><td colspan="2"><u>Quantum of assistance</u>: Generally, ₹5 crore (up to ₹10 crore on satisfactory performance)</td></tr>
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