



Ref No: NCGTC/2016-17/03

December 06, 2016

All Member Lending Institutions (MLIs)

Circular No. 03/2016-17

Dear Sir/Madam,

Risk weights for advances guaranteed by various schemes

As you are aware, the Government of India has sponsored various credit guarantee trusts under the management of NCGTC. In this regard, you may please note that RBI has already issued instructions with respect to risk weights to be assigned for capital adequacy purpose under the Standardized approach. Since the guaranteed portion of the loans under Credit Guarantee Fund for Skill Development (CGFSD), Credit Guarantee Fund for Educational Loans (CGFEL), Credit Guarantee Fund for Factoring (CGFF), Credit Guarantee Fund for Micro Units (CGFMU) and Credit Guarantee Fund for StandUp India (CGFSI) are backed by explicit central government guarantee, the risk weight of "zero" percent would be applicable..

You may please refer to RBI letter dated November 17, 2016 addressed to NCGTC and RBI Master Circulars on Basel III Capital Regulation for further details.

Yours faithfully,

Sd/-

Pradeep Malgaonkar
(Chief Executive Officer)

हम हिन्दी में पत्राचार का स्वागत करते हैं।

राष्ट्रीय क्रेडिट गारंटी ट्रस्टी कंपनी लिमिटेड
(वित्त मंत्रालय, भारत सरकार)

NATIONAL CREDIT GUARANTEE TRUSTEE COMPANY LTD.
(Ministry of Finance, Government of India)

Corporate Office : MSME Development Centre, C-11, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. (India) Tel. 022-67531194
Registered Office: 3rd Floor, Jeevan Deep Building, Sansad Marg, New Delhi - 110001, (India) (CIN: U65191DL2014G01267069)