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January 25, 2011

The CEOs of select All-India Term Lending and Refinancing Institutions (Exim Bank, NABARD, NHB and SIDBI)

Dear Sir,

Prudential Guidelines on Restructuring of Advances by select All-India Financial Institutions (AIFIs): Credit Support to MFIs

In continuation of our letter [DBOD.No.FID.FIC.6 /01.02.00/2010-11 dated October 14, 2010](#) on the captioned subject, please find enclosed [DBOD.BP.BC.No. 74 /21.04.132/2010-11 dated January 19, 2011](#) on 'Credit Support to Micro Finance Institutions (MFIs) ' issued to scheduled commercial banks. In this connection, it is advised that these guidelines, shall apply mutatis mutandis to the select All-India Financial Institutions (AIFIs).

2. However, certain activities are generally not undertaken by FIs, such as extending working capital, overdrafts and personal loans, etc. The provision of the circular relating to such activities shall not be applicable to the AIFIs.

Please acknowledge receipt.

Yours faithfully,

(Vinay Baijal)
Chief General Manager