

Government of India
M/o Housing and Urban Affairs (UPA Division)

Nirman Bhawan,
New Delhi
Dated: January 18, 2018

To

Mission Directors
(All States/UTs)

Subject: Small Finance Banks to be utilised under DAY-NULM from April 1, 2018

...

Under the Self Employment Programme (SEP) component of Deendayal Antyodaya Yojana (DAY-NULM), credit is made available to urban poor for livelihood activities/consumption purposes through Scheduled Commercial Banks, Regional Rural Banks and Cooperative Banks on Core Banking System (CBS) platform. Interest subvention is granted on these loans above 7% rate of interest.

2. Recently, Small Finance Banks (SFBs) have been granted licenses by RBI to undertake basic banking activities for unserved and underserved segments including small business units and unorganized sector entities. Some of these banks are Ujjivan, Utkarsh, Equitas, Esaf, North East, Au, Capital etc. Details regarding SFBs can be accessed on the RBI website <https://www.rbi.org.in/Scripts/AboutUsDisplay.aspx?pg=Indian.htm>.

3. As per the RBI Guidelines on Small Finance Banks (SFBs) dated 6th July 2017 (copy of relevant clause enclosed), SFBs will become eligible to participate in government schemes including DAY-NULM with effect from 1st April, 2018. The mandate of these banks aligns with the mandate under DAY-NULM and these banks can improve access to credit for urban poor.

4. State Governments are requested to make arrangements to utilise the services of SFBs as per RBI provisions.

Yours sincerely,



(Archana Mittal)
Director (NULM-I)
Tel: 011 -23062127

ISSUED



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2017-18/14

FIDD.CO.SFB. No.9/04.09.001/2017-18

July 6, 2017

The Chairman/ Managing Director/
Chief Executive Officer
Small Finance Banks

Dear Sir/Madam,

Small Finance Banks – Compendium of Guidelines on Financial Inclusion and Development

In view of the announcement made in the budget 2014-15 regarding creation of a framework for licensing small banks, and to give a thrust to the supply of credit to micro and small enterprises, agriculture and banking services in unbanked and under-banked regions in the country, Reserve Bank decided to licence new "Small Finance Banks (SFBs)" in the private sector. Following a due process, in-principle approvals were given to ten applicants to set up SFBs vide press release dated September 16, 2015.

2. Subsequently, Operating Guidelines for Small Finance Banks were issued vide Circular DBR.NBD.No.26/16.13.218/2016-17 dated October 6, 2016, which prescribed, inter alia, broad indicative guidelines in areas related to Financial Inclusion and Development. In continuation with the same, comprehensive set of guidelines in the form of a compendium is **Annexed**. The guidelines are operational with effect from the date of this compendium.

Yours faithfully,

(Uma Shankar)
Chief General Manager-In-Charge

वित्तीय समावेशन और विकास विभाग, केन्द्रीय कार्यालय, 10 वीं मंजिल, केन्द्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग, पोस्ट बॉक्स सं. 10014, मुंबई -400001
Financial Inclusion & Development Dept., Central Office, 10th Floor, Central Office Building, Shahid Bhagat Singh Marg, P.B.No.10014, Mumbai-1
टेली Tel:022-22601000 फैक्स: 91-22-22621011/22610943/22610948 ई-मेल : cgmincfidd@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाइए।

"चेतावनी : रिज़र्व बैंक द्वारा मेल-ड्राक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का नंबर, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।"
Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.



CHAPTER VIII: GOVERNMENT SPONSORED SCHEMES

Credit Facilities To SC/ST and Minority Communities

SFBs will become part of credit planning exercise under Lead Bank Scheme from the year 2018-19. The following Master Circulars relating to NRLM, NULM, Credit facilities to SCs/STs and Minorities will be fully applicable to SFBs with effect from April 1, 2018.

- i. Master Circular – Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM) RBI/2017-18/10– FIDD.GSSD.CO.BC.No.04/09.01.01/2017-18 dated July 1, 2017
- ii. Master Circular – Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY-NRLM) RBI/2017-18/5 – FIDD.GSSD.CO.BC.No.03/09.16.03/2017-18 dated July 1, 2017
- iii. Master Circular – Credit facilities to Scheduled Castes (SCs) and Scheduled Tribes (STs) – RBI/2017-18/7 – FIDD.CO.GSSD.BC.No.06/09.09.01/2017-18 July 1, 2017
- iv. Master Circular – Credit facilities to Minority Communities – RBI/2017-18/6 – FIDD.GSSD. BC.No.05/09.10.01/2017-18 dated July 1, 2017

Small Finance Banks may refer to the above Master Circulars to obtain an understanding of the schemes and the reporting mechanism prescribed thereunder. The Master Circulars are available under the following link in the website of RBI.

https://www.rbi.org.in/Scripts/BS_ViewMasterCirculardetails.aspx?did=343