

**Govt. of India  
Ministry of Finance  
Department of Financial services**

**LOK SABHA  
UNSTARRED QUESTION No. 581  
TO BE ANSWERED ON THE 18<sup>th</sup> November, 2016 / Kartika 27, 1938 (Saka)**

**Micro-Finance Institutions**

**QUESTION**

**581. SHRI G.M. SIDDESHWARA:  
SHRI E.T. MOHAMMED BASHEER:  
SHRI MALLIKARJUN KHARGE:  
SHRI M.K. RAGHAVAN**

Will the Minister of **FINANCE** be pleased to state:

- (a) whether micro-finance sector has grown rapidly over the years on account of inadequate banking reach in various parts of the country;
- (b) if so, the details thereof along with the number of Micro-Finance Institutions (MFIs) registered with the Reserve Bank of India (RBI) as on date, State/UT-wise;
- (c) whether MFIs have reportedly been involved in charging of high rate of interest using coercive methods for recovery of loans and other irregularities and if so, the details thereof, including rate of interest allowed to them;
- (d) the details of the regulatory framework put in place by the Government for regulation of MFIs; and
- (e) the measures taken / proposed to be taken for the development of MFIs and also safeguarding the interest of the borrowers?

**ANSWER**

**(MINISTER OF STATE IN THE MINISTRY OF FINANCE)  
(SHRI SANTOSH KUMAR GANGWAR)**

**(a) & (b):** The number of bank branches in the country has increased to 1,34,014 in June, 2016 from 60,220 in 1991 indicating improved banking reach in various parts of the country. The Micro Finance Institutions (MFIs) have also grown in the country which has further supplemented the financial services across the country. As per Sa-Dhan Bharat Micro Finance Report 2016, number of MFI borrowers increased to 3.60 crore in 2016 from 0.03 crore in 2001. The report also states that the gross loan portfolio of MFIs increased to Rs.63,853 crore in 2016 from Rs. 65 crore in 2001. These data indicate the growth of micro finance sector over the years.

There are 71 Non Banking Financial Company-Micro Finance Institutions (NBFC – MFIs) registered with Reserve Bank of India's (RBI) Regional offices. The list is attached at **Annexure I**.

**(c):** Complaints against NBFC-MFIs only are monitored by RBI. As per information furnished by RBI, a few complaints against NBFC-MFIs have come to notice which have been subsequently redressed.

RBI has advised the NBFC-MFIs that the interest rates charged by it to its borrowers will be the lower of the following:

- i. Cost of funds, plus margin (10%/12% based on size of NBFC-MFI); or
- ii. The average base rate of the five largest commercial banks by assets multiplied by 2.75.

**(d) & (e):** NBFC-MFIs are regulated by RBI under the provisions of Chapter IIIB of the RBI Act, 1934. RBI has issued regulatory guidelines and Fair Practice Code for these NBFC-MFIs. RBI has given recognition to two Self Regulatory Organisations (SROs). MFIs which are members of these Self Regulatory Organisations (SROs) also adhere to a voluntary industry Code of Conduct.

RBI has issued guidelines to NBFC-MFIs to ensure that a Board approved policy is in place with regard to Code of Conduct by field staff. The Code of Conduct inter-alia covers recovery procedures, consumer protection and grievance redressal. In addition MFIs which are members of SROs also adhere to a voluntary industry Code of Conduct for greater transparency, grievance and dispute redressal by their member MFIs.

Government of India has created "India Microfinance Equity Fund" (IMEF) of Rs.100 crore with SIDBI with the primary emphasis of providing equity and quasi equity to smaller MFIs to help them maintain growth and achieve scale and efficiency in their operations. A further allocation of Rs.200 crore has been made to the IMEF in the budget for FY 2014. Up to September 30, 2016 an amount of Rs.182 crore has already been committed under IMEF.

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**List of NBFC-MFIs registered with RBI as on October 15, 2016**

Sr. No.	Regional Office	Company Name
<b>Ahmedabad (Gujarat)</b>		
1	1	SHROFF CAPITAL & FINANCE PVT. LTD.
2	2	DISHA MICROFIN PRIVATE LIMITED
3	3	NAMRA FINANCE LIMITED
4	4	PAHAL FINANCIAL SERVICES PRIVATE LIMITED
<b>Bengaluru (Karnataka)</b>		
5	1	RORS FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS PACE FINANCE PRIVATE LIMITED)
6	2	IDF FINANCIAL SERVICES PRIVATE LIMITED
7	3	NABARD FINANCIAL SERVICES LIMITED
8	4	JANALAKSHMI FINANCIAL SERVICES LIMITED
9	5	NAVACHETANA MICROFIN SERVICES PRIVATE LIMITED
10	6	BSS MICROFINANCE PRIVATE LTD.
11	7	CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED
12	8	UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED
13	9	GRAMEEN KOOA FINANCIAL SERVICES PRIVATE LIMITED (FORMERLY KNOWN AS GRAMEEN FINANCIAL SERVICES PRIVATE LIMITED)
14	10	SAMASTA MICROFINANCE LIMITED
15	11	NIRANTARA FINACCESS (PVT) LIMITED(FORMERLY SHRI SHIVGAYATRI INFIN PVT LTD)
16	12	SHREE MARIKAMBA MICRO FINANCE PRIVATE LIMITED
17	13	FUTURE FINANCIAL SERVICESS PRIVATE LIMITED
<b>Bhubaneswar (Odisha)</b>		
18	1	ADHIKAR MICROFINANCE LTD
19	2	SAMBANDH FINSERVE PRIVATE LIMITED
20	3	ANNAPURNA MICROFINANCE PRIVATE LTD.
<b>Chandigarh (UT)</b>		
21	1	MIDLAND MICROFIN LIMITED (FORMERLY KNOWN AS SAJAN HIRE PURCHASE LIMITED)
<b>Chennai (Tamil Nadu)</b>		
22	1	REPCO MICRO FINANCE LIMITED
23	2	MADURA MICRO FINANCE LIMITED
24	3	VARAM CAPITAL PRIVATE LIMITED
25	4	BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED
26	5	S.M.I.L.E MICRO FINANCE LIMITED
27	6	MSM MICROFINANCE LIMITED
28	7	ESAF MICROFINANCE AND INVESTMENTS PRIVATE LIMITED
29	8	GROWING OPPORTUNITY FINANCE(INDIA) PVT LTD
30	9	GRAMA VIDIAL MICRO FINANCE PRIVATE LIMITED
31	10	ASIRVAD MICRO FINANCE PRIVATE LIMITED
32	11	VIRUTCHAM MICROFINANCE LIMITED
33	12	VIZHUTHUGAL DEVELOPMENT FINANCE PRIVATE LIMITED
<b>Guwahati (Assam)</b>		
34	1	RGVN (NORTH EAST)MICROFINANCE LTD.
35	2	YVU FINANCIAL SERVICES PVT.LTD.(CHAND FAIRDEAL FINANCIERS PVT.LTD.)
36	3	NIGHTINGALE FINVEST PVT. LTD.

37	4	GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
38	5	SATRA DEVELOPMENT FINANCE PRIVATE LIMITED(FORMERLY MULTIPLE FINANCE PRIVATE LIMITED)
<b>Hyderabad (Telangana)</b>		
39	1	SHARE MICROFIN LTD
40	2	ASMITHA MICROFIN LIMITED
41	3	SPANDANA SPHOORTY FINANCIAL LTD.
<b>Jaipur (Rajasthan)</b>		
42	1	DIGAMBER CAPFIN LTD.
43	2	ARTH MICRO FINANCE (PRIVATE) LTD
<b>Kanpur (Uttar Pradesh)</b>		
44	1	SONATA FINANCE PRIVATE LIMITED
45	2	MARGDARSHAK FINANCIAL SERVICES LIMITED
46	3	UTKARSH MICRO FINANCE PVT. LTD.
<b>Kolkata (West Bengal)</b>		
47	1	UNNATI TRADE & FINCON (P) LTD
48	2	VEDIKA CREDIT CAPITAL LIMITED
49	3	AROHAN FINANCIAL SERVICES PRIVATE LIMITED
50	4	JAGARAN MICROFIN PRIVATE LIMITED (FORMERLY S B T CONSULTANTS (P) LTD)
51	5	UTTRAYAN FINANCIAL SERVICES PRIVATE LIMITED
52	6	VILLAGE FINANCIAL SERVICES PRIVATE LIMITED
53	7	BANDHAN FINANCIAL SERVICES PRIVATE LIMITED
<b>Mumbai (Maharashtra)</b>		
54	1	UNNATI MICROFIN PRIVATE LIMITED (FORMERLY SHREE OM CREDIT CO. PVT. LTD.)
55	2	MUTHOOT MICROFIN LTD (FORMERLY KNOWN AS PANCHRATNA SECURITIES LIMITED)_MFI
56	3	ANIK FINANCIAL SERVICES PVT. LTD.
57	4	INTREPID FINANCE & LEASING PVT. LTD.
58	5	HINDUSTHAN MICROFINANCE PVT. LTD.
59	6	M POWER MICRO FINANCE PVT. LTD.
60	7	SVATANTRA MICROFIN PRIVATE LIMITED
61	8	AGORA MICROFINANCE INDIA LTD.(FORMERLY JAGDHAN FINANCE AND INVESTMENTS LIMITED)
62	9	BHARAT FINANCIAL INCLUSION LIMITED( FORMERLY SKS MICROFINANCE LIMITED)
63	10	SAHAYOG MICROFINANCE LIMITED
64	11	SURYODAY MICRO FINANCE LIMITED
<b>New Delhi (UT)</b>		
65	1	SHIKHAR MICROFINANACAE PRIVATE LIMITED(FORMERLY-ANUP LEASING PVT. LTD,)
66	2	SAIJA FINANCE PRIVATE LIMITED
67	3	S.V.CREDITLINE PRIVATE LIMITED
68	4	SATIN CREDITCARE NETWORK LTD
69	5	LIGHT MICRO FINANCE PRIVATE LIMITED
70	6	FUSION MICROFINANCE PRIVATE LIMITED
71	7	ALTURA FINANCIAL SERVICES LIMITED