

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5142  
ANSWERED ON:10.12.2010  
SIDBI'S INVESTMENT IN NBFCS  
Jeyadural Shri S. R.

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

- (a) whether the Small Industries Development Bank of India (SIDBI) has been investing in Non-Banking Finance Companies (NBFCs);
- (b) if so, the investment made by SIDBI in NBFCs during the last three years and as on date, State-wise, NBFC-wise;
- (c) whether that SIDBI has failed in carry out its responsibilities;
- (d) if so, the details thereof;
- (e) whether the Government proposes to conduct any enquiry on the functioning of micro finance companies; and
- (f) if so, the details thereof and if not, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

- (a) As part of its Treasury operations, SIDBI invests in quoted and listed equity of NBFCs in accordance with the Investment Policy of the Bank, duly approved by the Board. Further, SIDBI also invests in equity of select MFI-NBFCs, besides extending loan as part of its credit operations.
- (b) Investments made during the last three years, State-wise, by SIDBI in NBFCs and MFI-NBFCs are at Annex - I & II respectively.
- (c) No Sir.
- (d) Does not arise.
- (e) & (f) No Sir. Does not arise.