

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3025
ANSWERED ON:07.08.2015
Micro Finance Institutions
S.R. Shri Vijay Kumar

Will the Minister of FINANCE be pleased to state:

- a) whether the Government proposes to formulate policy guidelines to strengthen and regulate the funding of micro finance institutions; and
- b) if so, the details thereof?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE)
(SHRI JAYANT SINHA)

(a) & (b):The jurisdiction and control on Non-Banking Finance Companies – Micro Finance Institutions (NBFC- MFIs) falls in the domain of Reserve Bank of India (RBI). RBI has also issued directions for NBFC-MFIs vide their Master circular dated 01.07.2015.

MFIs, other than NBFC–MFI, are not regulated by any statutory regulatory body. However, pursuing the Union Budget Announcement 2015-16, Government has launched Micro Units Development and Refinance Agency (MUDRA) on 08.04.2015 as a subsidiary company of SIDBI which would inter-alia, be responsible for development and refinancing of MFIs, which are in the business of lending to micro / small business entities engaged in manufacturing, trading and services activities, etc.
