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To,

9th February 2017

Shri. P. K. Thakur, IPS
Director General of Police, Bihar
Government of Bihar
Patna, Bihar

Subject: - Information on NBFC-MFIs Operations in the State Bihar

Dear Sir,

Microfinance Institutions of Network (MFIN) is the national industry association for Non-Banking Financial Company - Microfinance Institutions (NBFC-MFIs) in India. Under the national agenda of Financial Inclusion, Reserve Bank of India in 2011, assigned special status to these institutions to provide bank credit to the unbanked and underbanked households and geographies across regions in the country. The banking sector is using the channel of NBFC-MFIs to meet their priority sector requirement of providing institutional credit to poor.

All our member organizations are duly registered and regulated by the Reserve Bank of India (RBI). ***The Reserve Bank of India (RBI), vide its letter dated 16th June, 2014, has accorded formal recognition to MFIN as the Self-Regulatory Organisation (SRO) for the NBFC-MFIs to ensure compliance with RBI's regulatory prescriptions and the Industry Code of Conduct for client protection (Copy Enclosed).***

MFIN's current membership consists of 55 leading NBFC- MFIs in the country which on an aggregate basis constitute over 90% of the microfinance industry (excluding SHGs). They have a gross loan portfolio of Rs. 60,165 Cr. across the country with a client base of 3.58 Cr. There are 9 member organizations of MFIN and registered as NBFC-MFIs with RBI that have received in principal approval for Small Finance Bank (SFB) from the RBI (Copy Enclosed)

In the State of Bihar, 21 member organizations of MFIN are operating with a Gross loan portfolio of Rs. 4140 Cr. and a client base of 26.30 lakhs as on 30th September 2016. All member NBFC-MFIs follow the fair practice code, regulatory guidelines issues by the RBI and industry code of conduct issues by MFIN. These NBFC-MFIs are integral part of Prime Minister Mudra Yojana (PMMY) to take institutional credit services to the poor households and their micro enterprises. NBFC-MFIs bring priority sector funds from commercial banks as well as funds from SIDBI, NABARD and other development banks as credit services to unbanked and under banked households and geographies.

The Reserve Bank of India, Regional office of Bihar has certified the status of NBFC-MFIs working in the state of Bihar vide its letter dated December, 20th 2016 to the Government of Bihar endorsing a copy to your esteemed office, Secretary (Home), and MFIN (copy enclosed).

The nature of NBFC-MFIs service requires their field personnel to carry large number of cash transactions on daily basis. They disburse credit and collect instalments at the door steps of the clients as most of the clients of MFIs do not have bank accounts or do not operate their accounts. The field officers of MFIs carry cash from field to branch and branch to bank. During this cash-in-transit, NBFC-MFIs are facing immense challenges.

The staff of NBFC-MFIs and cash in their custody are being frequently attacked by unscrupulous people. This poses serious threat to staff lives and their morale and causes loss of money. It thus affects our ability to carry on financial inclusion agenda in the state.

Member NBFC-MFIs have lodged complaints about such incidents to local police stations. We do feel that there is an information gap among the police officials at the district level regarding the crucial role being played by NBFC-MFIs in achieving financial inclusion agenda. Therefore, on many occasions the victim organisations face immense challenge while even lodging a complaint with the concerned police station. Several instances of harassment of MFIs staff have also been reported. Often, we are required to seek RBI intervention to address such harassment as well as to apprise local police officials about NBFC-MFIs and their status.

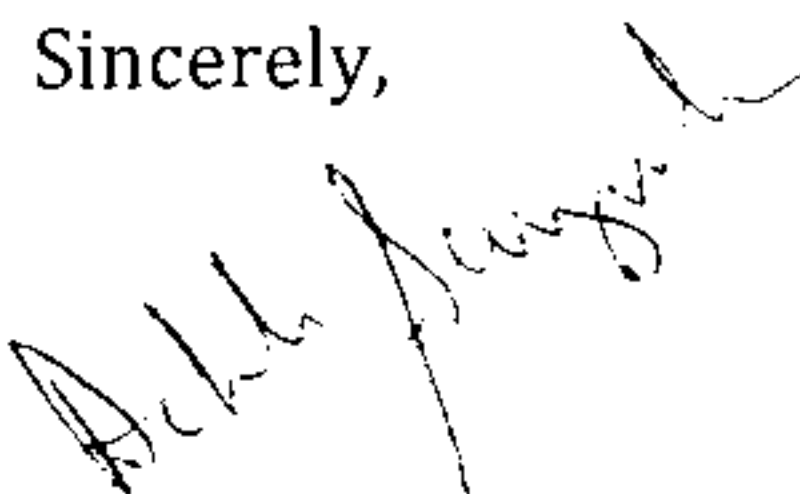
In addition to the same, under the purview of "Bihar Protection of Interest of Depositors Act." the district authority along with the district police frequently visit to the branch offices of these MFIs and raised questions on their status.

In this regards, we would like to share with you list of NBFC-MFIs operating in the state Bihar and their branch details (Annexure).

We humbly request your support and cooperation for issuing necessary instructions to the police personnel to support NBFC-MFIs in the time of crisis.

Thanking you in anticipation.

Sincerely,


Achla Savyasaachi
Head-State Initiative
Microfinance Institutions Network (MFIN)
098188 37647

Enclosure

- 1. SRO recognition letter.**
- 2. RBI letter to the State Secretariat 'CC' to Chief Secretary, DGP, Secretary (Home) and MFIN.**
- 3. Master Circular of NBFC-MFIs.**
- 4. List of MFIN members operating in the State Bihar.**
- 5. List of NBFC-MFIs received in principal approval for Small Finance Bank from RBI.**

'CC'

- 1. Shri J. S. Gangwar, Inspector General-Economic Offence Unit**

Declaration

Following Non-Banking Finance Companies-Microfinance Institutions are operating in the state of Bihar and are member of MFIN, Self-Regulatory Organization (SRO for the NBFC-MFIs recognized by the RBI) as on date:

SL No.	Name of the Organization	Registered With RBI As
1	Annapurna Microfinance Pvt. Ltd.	NBFC-MFI
2	Arohan Financial Services Pvt. Ltd.	NBFC-MFI
3	ASA-International India Microfinance Ltd.	NBFC
4	Asirvad Microfinance Pvt. Ltd.	NBFC-MFI
5	Bharat Financial Inclusion Ltd. (Formerly known as SKS Microfinance Ltd.)	NBFC-MFI
6	Chaitanya India Fin Credit Pvt. Ltd.	NBFC-MFI
7	ESAF Microfinance and Investments Pvt. Ltd.	NBFC-MFI (Potential SFB)
8	Fusion Microfinance Pvt. Ltd.	NBFC-MFI
9	Intrepid Finance and Leasing Pvt. Ltd.	NBFC-MFI
10	Jagaran Microfin Pvt. Ltd.	NBFC-MFI
11	Janalakshmi Financial Services Pvt. Ltd.	NBFC-MFI (Potential SFB)
12	Margdarshak Financial Services Ltd.	NBFC-MFI
13	Saija Finance Pvt. Ltd.	NBFC-MFI
14	Satin Credit Care Network Ltd.	NBFC-MFI
15	Share Microfin Ltd.	NBFC-MFI
16	Sonata Finance Pvt. Ltd.	NBFC-MFI
17	Spandana Sphoorty Financial Ltd.	NBFC-MFI
18	SV Credit Line Pvt. Ltd.	NBFC-MFI
19	Ujjivan Financial Services Ltd.	NBFC-MFI (Potential SFB)
20	Utkarsh Micro Finance Ltd.	NBFC-MFI (Potential SFB)
21	Uttrayan Financial Services Pvt. Ltd.	NBFC-MFI
22	Vedika Credit Capital Ltd.	NBFC-MFI
23	Village Financial Services Pvt. Ltd.	NBFC-MFI

All these NBFC-MFIs are registered with RBI as non-deposit taking institutions and governed under RBI regulations.

Note: Serial No. 6 & 17, Chaitanya India Fin Credit Pvt. Ltd. and Spandana Sphoorty Financial Ltd. both these organizations have started their operation in this month only.