

1	2	3	4	5
31	Karnataka	384615.45	385316.05	769931.5
32	Kerala	165202.88	293667	458869.88
33	Lakshadweep			0
34	Pondicherry	1020.11	6268.62	7288.73
35	Tamil Nadu	320468.78	244298.01	564766.79
Southern Region		1434419.67	1430201.6	2864621.28
TOTAL		6452724.41	3780824.2	10233548.62

MFI in the country

221. SHRI SHYAMAL CHAKRABORTY: Will the Minister of FINANCE be pleased to state:

- the number of Micro Finance Institutions (MFIs) operating in India at present;
- the sources of funding of these MFIs;
- the principal social categories of loanees of these MFIs; and
- the details of the interest rates charged by these MFIs?

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

(a) to (d) Reserve Bank of India (RBI) has reported that only Non Banking Finance Companies (NBFCs) undertaking microfinance activities are registered with the RBI. Such NBFCs-MFIs (Micro Finance Institutions) are classified as "loan" companies and are regulated in terms of the provisions of the Chapter III B of RBI Act, 1934 and the Directions issued under it. There are 36 companies that are in micro financing registered as NBFCs with RBI. Sources of funds for these MFIs consist of borrowings from banks/FIs, Commercial Papers, Bonds and Debentures raised again from banks, NBFCs etc. The RBI has categorized micro finance under priority sector lending and lending to Self Help Groups (SHGs) has been brought under advance to weaker sections in priority sector lending.

RBI vide its circular dated 3.5.2011 has advised banks to comply the following caps on margin and interest rate as also other 'pricing guidelines', to be eligible to classify these loans as priority sector loans :

- (i) Margin cap at 12% for all MFIs. The interest cost is to be calculated on average fortnightly balances of outstanding borrowings and interest income is to be calculated on average fortnightly balances of outstanding loan portfolio of qualifying assets.
- (ii) Interest cap on individual loans at 26% per annum for all MFIs to be calculated on a reducing balance basis.
- (iii) Only three components are to be included in pricing of loans viz., (a) a processing fee not exceeding 1 % of the gross loan amount, (b) the interest charge and (c) the insurance premium.
- (iv) The processing fee is not to be included in the margin cap or the interest cap of 26%.
- (v) Only the actual cost of insurance i.e. actual cost of group insurance for life, health and livestock for borrower and spouse can be recovered; administrative charges to be recovered as per Insurance Regulatory Development Authority (IRDA) guidelines.
- (vi) There should not be any penalty for delayed payment.
- (vii) No Security Deposit/Margin is to be taken.

Reduction in customs duty on import of ships for recycling

222. SHRI BHARATSINH PRABHATSINH PARMAR: Will the Minister of FINANCE be pleased to state:

- (a) whether the Central Government has received any representation to reduce the custom duty from 5 per cent to 0 per cent on import of ships for recycling;
- (b) whether Government is considering to boost production of secondary steel from ship recycling in view of the price rise in steel; and
- (c) whether Government is aware that high custom duty at Alang Ship recycling center in comparison to duty on scrap melting is crippling the local industry?