

a certain minimum limit in each of the three years. *Vide* Circular dated 11.02.2014, IRDA has also permitted all the life insurers to have their own company specific persistency criterion for renewal of Individual and Corporate Agency from 01.07.2014 onwards.

(d) LIC has informed that LIC agents are entitled for Gratuity under Rule 11 of the Agents Rules, 1972. Other schemes for the welfare of the agents are as under:

- (i) Group Insurance Scheme,
- (ii) Coverage under National Pension System (NPS) administered by Pension Fund Regulatory and Development Authority (PFRDA),
- (iii) Samvardhan, a Group Superannuation Cash Accumulation Scheme

FDI in Micro-finance

1780. SHRI T.K. RANGARAJAN: Will the Minister of FINANCE be pleased to state:

- (a) whether FDI is allowed in Micro-finance;
- (b) if so, the total amount of FDI involved in Micro-finance;
- (c) the rate of interest charged by these Micro-finance organizations;
- (d) whether there is any other charges in addition to interest for securing the loan; and
- (e) the amount repatriated by FDI as profit for the past three years?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) Yes, Sir. 100% Foreign Direct Investment (FDI) is allowed under the automatic route in 18 permitted Non-Banking Finance Company (NBFC) activities, which includes Micro-finance, subject to conditions mentioned in the Consolidated FDI Policy issued by Department of Industrial Policy and Promotion.

(b) The total amount of FDI in 27 out of 50 NBFC-Micro Finance Institutions (MFIs), registered with Reserve Bank of India (RBI), is ₹ 3566.06 crore as on 5.12.2014.

(c) Reserve Bank of India issues guidelines for NBFC-MFIs for computing the rate of interest charged by them to the borrowers from time-to-time. The rate of interest charged by the NBFC-MFIs is usually ranged between 20% to 27.75%. With effect from

April, 2014, the interest rates charged by an NBFC-MFI to its borrowers is lower of the following:

- (i) The cost of funds plus margin. The margin cap should not exceed 10 per cent for large MFIs (loans portfolios exceeding ₹100 crore) and 12 per cent for the others; or
- (ii) The average base rate of the five largest commercial banks by assets multiplied by 2.75. The average of the base rates of the five largest commercial banks shall be advised by RBI on the last working day of the previous quarter, which shall determine interest rates for the ensuing quarter.
- (d) Yes Sir, there shall be three components in the pricing of the loan viz. the interest charge, the processing charge and the insurance premium (which includes the administrative charges in respect thereof).
- (e) As per the data reported by RBI, an amount of ₹ 6.01 crore was repatriated by NBFC-MFIs during the past three years.

Bank loans to backward sections

1781. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

- (a) the total amount of loans disbursed by various Nationalised Banks to the private entrepreneurs/firms in the country during each of the last three financial years;
- (b) the percentage of loans disbursed to members of Scheduled Castes and Scheduled Tribes and minorities out of the above amount during the last three years, State-wise and bank-wise;
- (c) the steps taken or proposed to be taken to ensure that a fair share of the total loans disbursed by various nationalized banks go to these sections;
- (d) the total number of defaulters along with the amount; and
- (e) the details along with names of individuals/firms?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) Reserve Bank of India (RBI) does not maintain the data in the manner it has been sought in the question. However, information relating to loan outstanding to Micro and Small Enterprises (MSEs) is given in Statement-I (*See below*).