



MFIN – Note on Spandana Sphoorty Financial Ltd. and Microfinance industry

NBFC-MFI:

NBFC-MFIs help provide financial services to low income households without taking any deposits in a responsible and transparent manner, thereby helping them build sustainable livelihoods

As per RBI, an NBFC (Non-banking Financial Company) - MFI (Microfinance Institutions) is defined as a non-deposit taking NBFC (other than a company licensed under Section 25 of the Indian Companies Act, 1956) with Minimum Net Owned Funds of Rs.5 crore (for NBFC-MFIs registered in the North Eastern Region of the country, it will be Rs. 2 crore) and having not less than 85% of its net assets as “qualifying assets”.

The loan extended by an NBFC-MFI to a borrower whose household annual income in rural areas does not exceed Rs.100,000 while for non-rural areas it does not exceed Rs.160,000.

MFIN and its role in the industry:

Microfinance Institutions Network (MFIN), the premier industry association and Self-Regulatory Organization (SRO) for the microfinance industry in India with 55 leading NBFC MFIs with an outstanding in excess of INR 45000 Cr serving over 45 million end customers across 26 states in the country. The aggregate business of MFIN members constitutes over 90 per cent of the Indian microfinance industry (excluding SHGs). MFIN seeks to work closely with regulators and other key stakeholders to achieve larger financial inclusions goals through microfinance.

As per the RBI rule, SRO's are expected to be responsible in ensuring compliance with the NBFCs that are engaged in microfinance (NBFC-MFIs) with the regulations and code of conduct and in the best interest of the customers of the NBFC-MFIs. In addition to the regulatory stipulations from the RBI, the Code of Conduct imposes a set of voluntary principles to ensure responsible and ethical business practices, which industry signs up to.

As a collective voice of the industry and in their primary role as an SRO of the industry, they have a unique privilege and responsibility to be a voice for those who otherwise may not be heard. Therefore, MFIN has launched the National Toll Free Helpline number – **18002700317** for microfinance institutions (MFIs) customers of their members. The clients' can register their grievances that they have faced in dealing with their respective MFIs. The helpline will be operational from 9:30 am to 5:30 pm five days a week from Monday-Friday and is available in different vernacular languages.

Spandana Sphoorty Financial Ltd:

Spandana Sphoorty Financial Ltd, the NBFC-MFI is registered and regulated by the RBI. The company is a member of MFIN.



Spandana fosters the spirit of entrepreneurship and help turn small ideas big. The Company operates in over 180 districts across 12 states in India and reaches out to over 4.7 million households.

It is mandatory for all the RBI regulated NBFC-MFIs to display the RBI certification in all its offices.

Note: Spandana Sphoorty Financial Ltd is not a chit fund company.