

NBFC-MFIs don't take deposits: Shikhar Microfinance

Karnal, 14th June 2018: Shikhar Microfinance Private Limited (SMPL) is a Non-banking Financial Company – Microfinance Institutions (NBFC- MFIs) regulated by Reserve Bank of India. NBFC-MFIs like Shikhar Microfinance help provide financial services to low income households without taking any deposits in a responsible and transparent manner. Shikhar Microfinance has its operations in the states of Delhi NCR region, Haryana, Uttarakhand and western Uttar Pradesh. As of now, it does not have any microfinance operations in Karnal neither through a direct branch nor third party agents or franchisees. There have been instances in the recent past wherein some fraud elements have misused Shikhar Microfinance's name and cheated people in Karnal from the low-income segments in the name of giving them micro-credit. The perpetrators have taken deposits from clients in lieu of providing microfinance loans. Speaking on the matter **Mr Satyavir Chakrapani, Managing Director & Chief Executive Officer, Shikhar Microfinance** said, "We do not have any operations in Karnal currently. Public is advised to not to fall into these fraudulent traps in lieu of getting loans from Shikhar Microfinance. Shikhar Microfinance will never ask its clients to pay upfront cash payments before disbursing loans. Kindly beware of such fraudulent activities and false information in this regard."

The aim of NBFC-MFIs is to build sustainable livelihoods. They are the RBI recognized and regulated bodies which provide last mile financial services to the underserved and unbanked population of the country and promotes the Government's financial Inclusion agenda. NBFC-MFIs are governed by RBI guidelines. As per RBI, an NBFC -MFI is defined as a non-deposit taking NBFC 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.

For any clarification regarding SMPL's activities, please visit our website www.shikharfin.com or contact us at 011 45502806 or customercare@shikharfin.com

About Shikhar Microfinance Private Limited (SMPL)

Shikhar Microfinance Pvt. Ltd. (SMPL) is a non-deposit taking non-banking finance company (NBFC-MFI) regulated by the Reserve Bank of India. Shikhar empowers communities by providing financial services and livelihood opportunities to the underprivileged segments of our society. Our core service is income generation microfinance loans ranging from INR 15,000 up to 80,000 rupees, repaid over a period of 12-36 months. Shikhar operates in the Delhi NCR region, Haryana, Uttarakhand and western Uttar Pradesh providing microcredit services (joint-liability-group model) and life insurance to economically backward communities. It has currently extended operations to 4 States and 176 locations covered by 20 branches, and has more than 30,000 active loan clients.