

Atal Pension Yojana: FinMin may allow MFIs to play a role

In talks with Department of Financial Services, says industry body

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The Finance Ministry may allow microfinance institutions (MFIs) to distribute pension products, such as the Atal Pension Yojana (APY), a top official has said.

“We are looking into this (enable MFIs to be aggregators for APY)”, Anjuly Chib Duggal, Secretary, Department of Financial Services, told *BusinessLine* on the sidelines of a microfinance conclave organised jointly by South Asian Micro-Entrepreneurs Network (SAMN) and Mi-



Anjuly Chib Duggal, Secretary, Department of Financial Services

crofinance Institutions Network (MFIN).

In the past, MFIs were also allowed to be part of the Swavalambhan scheme, which is the

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erstwhile government-backed pension scheme targeted at the unorganised sector. However, in the new avatar – Atal Pension Yojana – only bankers are allowed to be aggregators, not MFIs.

APY is a government-backed pension scheme targeted at the unorganised sector. It was originally mentioned in the 2015 Budget speech and was launched by Prime Minister Narendra Modi in May 2015.

Ratna Vishwanathan, Chief Executive Officer, MFIN, said that talks are on with DFS so that MFIs could also be part of APY. “We are saying, we will play the role of aggregators. We will collect authorisations on behalf of the banks instead of money and hand it over to the banks,” she said.

As of end December 2015, MFIs covered 30 States/Union Territories and provided micro-credit to 2.6 crore clients – mostly women. The aggregate gross loan portfolio of MFIs stood at ₹42,331 crore.

Meanwhile, responding to another query, Duggal said that DFS was actively looking into a proposal of allowing National Housing Bank to refinance the micro housing loans offered by MFIs.