

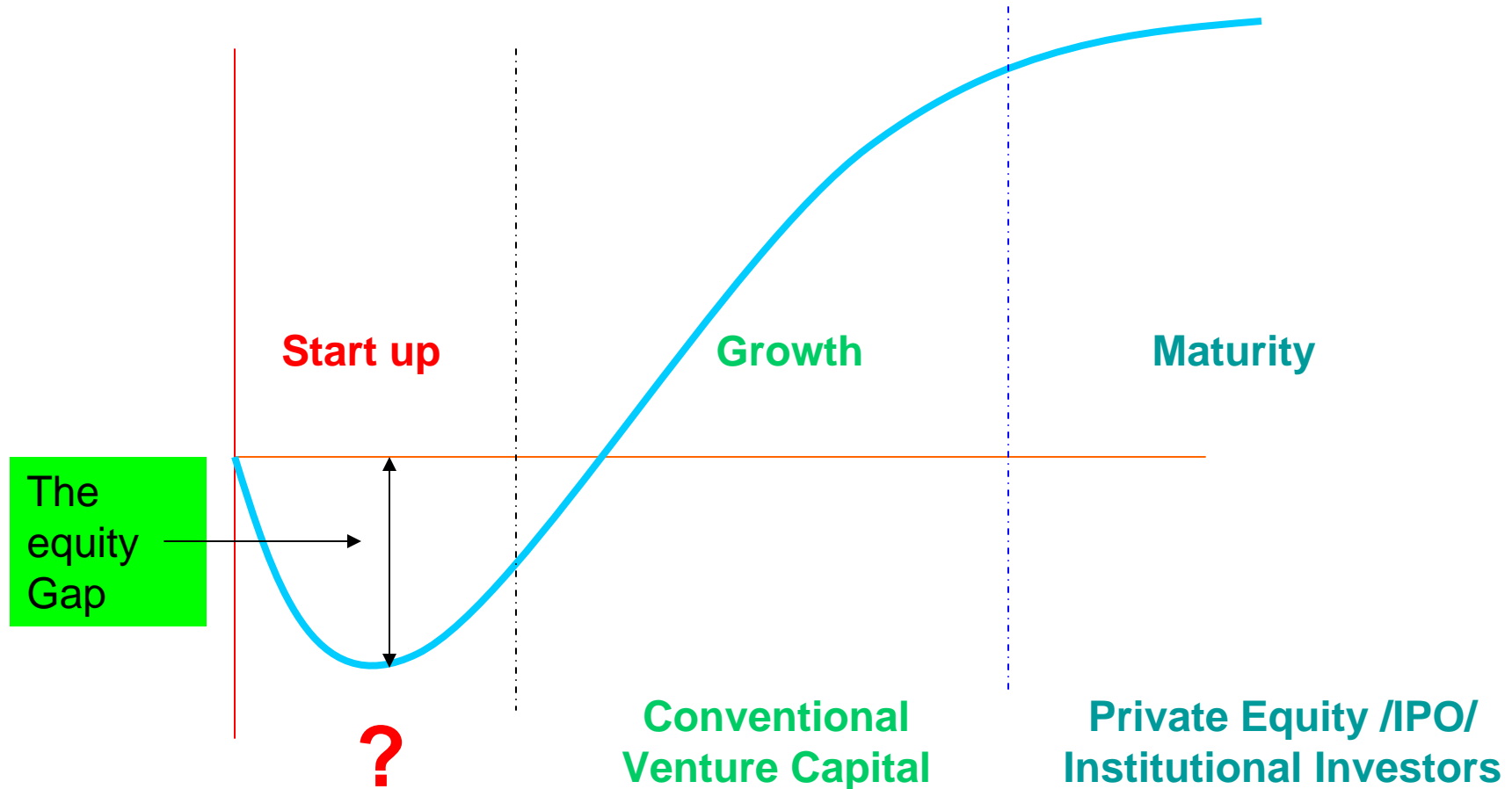


Micro Equity in Micro Finance

Issues & Challenges

Vineet Rai
Chief Executive
Aavishkaar Venture Capital

MFIs are Micro enterprises





Emerging Challenges

- For Profit Entity – Non Banking Financial Company,
- Minimum equity need – Rupees 2 crore Indian equity
 - Foreign investor minimum investment .5 Million US \$ with restrictions on ownership
 - Venture Capital Funds not allowed to invest in NBFC



Other Options



Section 25 companies,

Trust,

Societies,

PACS,

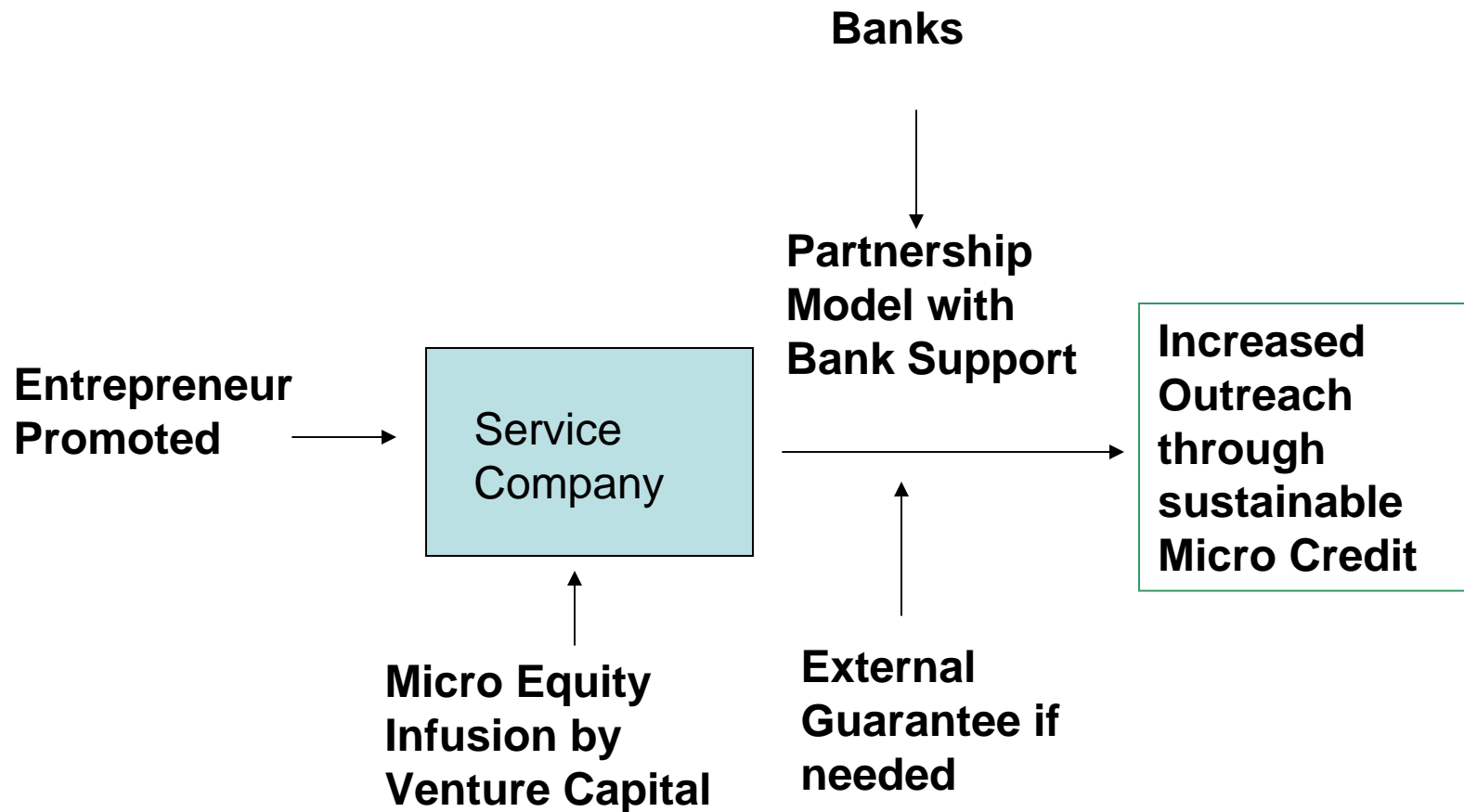
MACS

Not suitable to attract investors.

Micro Equity



Service Company Model





Thank You