

PM to launch MUDRA Bank

NEW DELHI: Small manufacturers, shopkeepers, fruits and vegetable vendors, and hawkers will not have to run from pillar to post for obtaining credit after Prime Minister Narendra Modi launches the MUDRA Bank on Wednesday. The bank will function as a unit of SIDBI until a law is passed to formalise it.

"The PM does not want to wait till the MUDRA Act is passed. He wants to give shape to MUDRA Bank so that the services are available to the poor at the earliest," an official said. MUDRA will benefit borrowers whose credit requirements are up to Rs 10 lakh. It will be set up through a statutory enactment. It would be responsible for developing and refinancing through a Pradhan Mantri MUDRA Yojana. MUDRA will also partner with state/regional level co-ordinators to provide finance to 'last mile financiers' of small/micro business enterprises, a finance ministry statement said.

"Further, it goes beyond a credit-only approach and offers a credit-plus solution for these enterprises spread across the country," the statement said. The measures to be taken up by MUDRA are targeted towards mainstreaming young, educated, or skilled workers and entrepreneurs, including women entrepreneurs, it said.

According to the NSSO Survey of 2013, there are some 5.77 crore small business units, mostly individual proprietorships, which run manufacturing, trading, or services activities. These include myriad small manufacturing units, shopkeepers, fruits/vegetable vendors, truck and taxi operators, food-service units, repair shops, machine operators, small industries, artisans, food processors, street vendors, and others.