

# Mudra Bill to be in Parliament in a year



PM Narendra Modi at the launch of the Pradhan Mantri Mudra Yojana in New Delhi on Wednesday

PTI

## **fe Bureau**

**New Delhi, April 8:** Prime Minister Narendra Modi on Wednesday launched the Micro Units Development and Refinance Agency (Mudra) aimed at providing a collateral-free soft loans of up to ₹10 lakh to small businesses.

About 5.77 crore micro and small business entities engaged in manufacturing, trading and services are expected to benefit from the institution. Mudra, which has a corpus of ₹20,000 crore, has been incorporated as a SIDBI subsidiary, but would later be converted to a bank.

“A look at the details reveals the reality that only 1.25 crore people find employment in large industries, whereas small enterprises employ 12 crore people... Mudra scheme is

aimed at funding the unfunded,” Modi said.

Financial services secretary Hasmukh Adhia said MFIs and NBFCs can avail of loans from Mudra for on lending to the borrowers. Mudra has been registered as an NBFC which gives loans, but, unlike banks, does not offer savings accounts.

Adhia said the purpose of Mudra was to create as many MFIs as possible.

In future, Mudra would lay down policy guidelines for micro enterprise financing and would facilitate registration and accreditation of players in this industry.

Industry representatives welcomed the move. Micro-finance Institutions Network chief executive Alok Prasad said, “What they need, more than anything else, is access to finance.”