

Govt to disburse ₹1.22 lakh cr loans under MUDRA by March



Finance Minister Arun Jaitley handing over loan sanction letter to a MSME entrepreneur during a Mega Credit Campaign organised by Punjab National Bank in New Delhi on Friday.

PHOTO: PTI

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Those engaged in micro and marginal businesses such as fruit sellers, vegetable vendors, mechanics, barbers or cobblers, will get a total of ₹1.22 lakh crore of loans this financial year through the recently launched Micro Units Development and Refinance Agency (MUDRA), finance minister Arun Jaitley said on Friday.

Launching a drive under the scheme at a Punjab National Bank event here, Jaitley said ₹24,000 crore had been given as advances to 3.7 million small

entrepreneurs through MUDRA. The ministry aims to cover 12.5-17.5 mn small business people under MUDRA in 2015-16, he added.

The scheme was launched by the prime minister in April to fund and promote micro finance institutions and banks, which would in turn provide loans to small and vulnerable sections of businesses. The initial corpus was ₹20,000 crore and a credit guarantee fund of ₹3,000 crore were provided by banks from their priority sector lending shortfall.

A non-banking finance

company and part of the Small Industries Development Bank of India, it will later take the form of a bank, through legislation in the next year. Small businesses can take a loan up to ₹50,000; the highest bracket of loans available to the small and medium enterprises sector would be up to ₹10 lakh.

The current focus is on small businesses, encompassing a range such as shopkeepers, fruit sellers, vegetable vendors, mechanics, barbers, cobblers and small units, all of which need to borrow from money lenders and informal sources.

Jaitley for more voice in World Bank for emerging economies

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Ahead of the annual meetings of the World Bank and International Monetary Fund in October, Finance Minister Arun Jaitley called for a greater say for emerging economies in the Bretton Woods-era institutions.

Jaitley raised the issue of a voice in reforms and increase in the capital base of the World Bank at a meeting with the latter's visiting managing director, Sri Mulyani Indrawati, on Thursday, the ministry said.

India has been seeking a and quota reforms in these multilateral bodies, so that emerging economies have more clout in the working of these institutions.

Indrawati discussed the Bank's agenda and strategy for achieving the twin goals of removal of global poverty and increasing of shared prosperity. She assured support for India's development strategies.

Apart from Indian policies and finances, the statement said, the discussion covered the priority areas for Bank financing, schedules for the Bank's capital increase, procurement, environment and a social safeguards framework.

Indrawati is on a three-day visit to India, her second as MD. The meeting was attended by other senior officials of both sides. The World Bank and IMF's annual meetings will be in Lima, Peru, on October 9-11.