

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7071

ANSWERED ON:08.05.2015

MUDRA BANK QUESTION

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any proposal to set up Micro Units Development Refinance Agency (MUDRA) Bank to provide financial assistance to self employment, small and medium enterprises as per their requirements;
- (b) if so, the details thereof along with the number of branches opened/proposed to be opened in the current year;
- (c) whether the MUDRA Bank has expanded its operations to rural areas in the country and if so, the details thereof;
- (d) the details of the target fixed and interest being charged by the MUDRA Bank on various loans; and
- (e) the steps taken/being taken by the Government to provide financial assistance to self employment and MSME?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE) (SHRIJAYANTSINHA)

(a) to (b): The Union Finance Minister in the Union Budget 2015-16 announced to set up a Micro Units Development Refinance Agency (MUDRA) Bank through a statutory enactment, with a corpus of Rs.20,000 crore, and credit guarantee corpus of Rs.3,000 crore. MUDRA Bank will refinance Micro-Finance Institutions through a Pradhan Mantri Mudra Yojana (PMMY). In lending, priority will be given to SC/ST enterprises.

Pending passing of legislation by Parliament, Micro Units Development Refinance Agency Ltd., which is a wholly owned subsidiary of Small industries Development Bank of India (SIDBI), has been launched on April 8, 2015 by the Prime Minister as a Non-Banking Financial Institution (NBFI). The MUDRA is intended to provide refinance support to Last Mile Financiers (LMFs) such as Non-Banking Finance Companies (NBFCs) engaged in financing micro business etc; which are in the business of lending to micro business entities engaged in manufacturing, trading and service activities.

(c) MUDRA shall be refinancing the Last Mile Financiers (LMFs) spread across the country, which cover both urban and rural areas and extend financial assistance to self employment, micro units as per the requirements.

(d) MUDRA is finalizing its schemes and rate of interest.

(e) The present initiative of the Government in promoting MUDRA will help in providing self-employment and financial assistance to micro units in the country.