

PRESS NOTE

Hon'ble Prime Minister of India Shri Narendra Modi will launch MUDRA (Micro Units Development and Refinance Agency) Bank on 8th April, 2015 at 9.15 AM at Vigyan Bhawan, New Delhi in the presence of Hon'ble Finance Minister Shri Arun Jaitley. The announcement about formation of MUDRA Bank was made in the Budget in the following words:-

“Madam Speaker, our government firmly believes that development has to generate inclusive growth. While large corporate and business entities have a role to play, this has to be complemented by informal sector enterprises which generate maximum employment. There are some 5.77 crore small business units, mostly individual proprietorship, which run small manufacturing, trading or service businesses. 62% of these are owned by SC/ST/OBC. These bottom-of-the-pyramid, hard-working entrepreneurs find it difficult, if not impossible, to access formal systems of credit. I, therefore, propose to create a Micro Units Development Refinance Agency (MUDRA) Bank, with a corpus of `20,000 crore, and credit guarantee corpus of `3,000 crore. MUDRA Bank will refinance Micro-Finance Institutions through a Pradhan Mantri Mudra Yojana. In lending, priority will be given to SC/ST enterprises. These measures will greatly increase the confidence of young, educated or skilled workers who would now be able to aspire to become first generation entrepreneurs; existing small businesses, too, will be able to expand their activities. Just as we are banking the un-banked, we are also funding the un-funded.”

In order to decide the modalities of functioning of MUDRA Bank, a meeting of stake holders consultation was held today in New Delhi under the Chairmanship of Dr. Hasmukh Adhia, Secretary, Department of Financial Services, in which all stake holders including cross section of micro finance institutions, NBFCs, Banks, NABARD, SIDBI and RBI representatives were present. Based on the consultation which took place today as well as the consultation which will happen in the days to come, the exact modalities of functioning of MUDRA Bank and its activities would be framed before the formal launch of MUDRA Bank on 8th April, 2015, and the same would be unveiled on the day of Launch.