



MUDRAPRENEURS: GOI FACILITATES PARTNERSHIPS BETWEEN MUDRA AND INDUSTRY TO NURTURE NEW GENERATION OF SMALL BUSINESSES¹

MUDRA loans to go wider and deeper: GoI, MUDRA, banks and industry join hands in innovative arrangement

MUDRA loans join the dots: GoI, MUDRA, lenders and industry work together for accelerating downstream impacts on enterprise and jobs

MUDRA with Social security: GoI, MUDRA, insurance companies, lenders and industry reach out in convergence mode

MUDRA to help strengthen forward and backward linkages for robust value chains anchored by industries, aggregators, franchisors & associations

MUDRA loans to help in last-mile enterprise and job creation

A three way partnership for small business loans was sealed among lenders, industry and MUDRA Bank Limited. The process of coming together was facilitated by the Department of Financial Services, Ministry of Finance, and Government of India. Secretary, Financial Services, Shri Rajiv Kumar informed the delegates of the seminar on “Unleashing the power of Pradhan Mantri MUDRA Yojana - Creating Jobs and Entrepreneurship” that this initiative builds upon the stupendous success of Pradhan Mantri MUDRA Yojana (PMMY) during the last three years.

This year, MUDRA loans would focus on the value chain anchored by aggregators such as Oyo, Ola, Uber, Amazon, Flipkart, Meru, Carzonrent, Yatra, MakeMyTrip; service providers such as Swiggy, Zomato, Grab, Delhivery, Xpressbee, Loadshare; food giants such as Amul, Patanjali; industries such as Lava Mobile; franchisors such as Jawed Habib; Oil Marketing Companies such as Indian Oil and BPCL; retailers such as Big Basket; as well as associations such as Mumbai Dabbawalas and cable operators.

Spread across different verticals, these entities have a common requirement for financing solutions for the members of their supply/value chains. Through their ease of access and collateral-free nature, MUDRA loans are best suited to meet this need. Accordingly, various lenders such as public sector banks, private banks and NBFCs such as Hinduja Leyland Finance, Hero Fincorp, Shriram Finance, Muthoot Capital, Mahindra Finance, Tata Motors Finance, Bajaj Finance, TVS Credit, Edelweiss, L&T Financial Services and Kotak Prime have come together on the MUDRA platform to customized sub-products within the MUDRA rubric.

The reach of the initiative has been supplemented through the low-cost accident insurance scheme, Pradhan Mantri Suraksha Bima Yojana (PMSBY) and the low-cost life insurance scheme, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJY), offered by LIC. For just Rs. 342, a person is covered for Rs. 4 lakh. Industry partners have agreed to take this up for their last-mile interfaces such as delivery boys, drivers, franchisee staff, etc.

Industry participants have wholeheartedly welcomed the endeavour. For many of them, this fulfils a long-standing demand; it will help promote enterprise and jobs through downstream impacts, such as new hotel rooms, new vehicles, better-equipped cable operators, more franchisees, etc. To them, this initiative encapsulates the spirit of MUDRA - of funding the unfunded.

¹ Available at: <http://www.pib.nic.in/PressReleaseDetail.aspx?PRID=1533209>

Secretary, Financial Services, Shri Rajiv Kumar said in his concluding remarks that the system being put in place in the meeting will be made robust in three months, and that the Government will be able to extend support to more unfunded and underserved micro-entrepreneurs through this initiative. Welcoming suggestions, he said that the Government wants to make it successful, so that we are able to see the smile and pride of the common man who is able to avail MUDRA loans. He also asked the participating organizations to convince their employees and other stakeholders to enroll themselves under PMSBY and PMJJY.

Summarizing the proceedings, Additional Secretary (Financial Inclusion), Department of Financial Services, Shri Debashish Panda said that more meetings will be held in different metros to capture every potential sector in the MUDRA story. Observing that questions on collateral, term loans and working capital were answered in the seminar, he noted that customized solutions can be worked out and that handholding to use the UDYAMI Mitra portal can be done. Stating that lending institutions are willing to become partners, he told the delegates that Government will facilitate and take MUDRA forward, and strive to ensure that reaches the one who actually needs this support and help.

Team ICSI

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