

## **Post Budget reaction from Microfinance Institutions Network (MFIN)**

*“By introducing incentives for MSMEs in the form of capital support and corporate tax reduction to 25% for companies with turn over under INR250 crore, government will encourage small entrepreneurs in both urban and rural areas. Clubbed with increased target for MUDRA Yojana for this year, it will encourage small and medium entrepreneurs to expand their businesses. Government’s decision to review refinancing policy of MUDRA for better financing of NBFCs is a good news for NBFC-MFIs. MUDRA has been an important source of financing for microfinance companies and after this announcement they can expect easier access of finance at lower rates in the future through MUDRA. Lastly, government’s focus on improving digital infrastructure in rural areas will help increase the reach of financial inclusion and with the strengthened internet and telecom infrastructure microfinance companies will be able to accelerate cashless adoption in rural areas. “*

**Mr. Rakesh Dubey, President, Microfinance Institutions Network**