

'Govt expects NBFCs to lend more to fuel economic growth'

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Non-banking finance companies (NBFCs) should lend more and ensure further transmission of credit if the economy is to reach the \$5-trillion mark, said Anurag Thakur, Minister of State for Finance.

The government expects NBFCs to lend what they borrow from banks to help revive the economy, said Thakur at the 6th National Summit on NBFCs, organised by Assocham.

"We do get feedback from the ground on what is happening. There is a need for further transmission of credit from the NBFCs on what they borrow from banks," said Thakur. He said NBFCs play a critical role in the economy, and should continue to do so to help India reach the \$5-trillion mark.

Grahak mela

Referring to the outreach programme Grahak Mela, which was rolled out by the government last month, Thakur said that not many NBFCs were participating in them, despite the government asking both banks and NBFC to do this together.

Thakur said he has advised the Finance Secretary to ensure that NBFCs also participate in the programme to provide credit to the needy. The first phase of the outreach programme had covered 250 districts, and nearly ₹81,000 crore was disbursed by public sector banks between October 1 and 9.

Thakur said the government was open to "new ideas" to improve the system.

"We can consider the new ideas and act on it. There is no ego on this. We can go one step back to move four steps forward," he said.

NBFCs must lend funds received from banks to fuel growth: Thakur

New Delhi: In order to help India fuel its economic growth, non-banking financial companies (NBFCs) must sub-lend the money they get from banks to their customers, minister of state for finance Anurag Singh Thakur said on Thursday. "There is a need for further transmission of the credit from NBFCs to the industry

especially by micro, small and medium enterprise (MSME) sector. I have spoken to the banks and requested them to ensure faster and greater disbursement of credit to ensure liquidity in the hands of NBFCs," said Thakur at an Assocham NBFC event in New Delhi.

"Having said that, I expect NBFCs to lend money that is received from banks because we take the feedback from the ground as well," Thakur said.

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