

SUMMER INTERNSHIP PROJECT

“STUDY OF MUDRA LOAN WITH REFERENCE to BANK OF INDIA.”

Submitted To:

DMSR

**G.S. College of commerce & economics, Nagpur
(An Autonomous Institution)**

Affiliated To :

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

Submitted by:

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Company Guide:

CA Pravesh Acharya

Faculty Guide:

Dr. Archana Dadhe

**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited “A” Grade Institution**



Academic Year 2021-22



CERTIFICATE

This is to certify that the investigation described in this report titled “**Study Of Mudra Loan With Reference To Bank Of India**” has been carried out by **Ms. Kirti Raju Malapure** during the summer internship project. The study was done in the organisation, **Smart Financial Service**, in partial fulfillment of the requirement for the degree of Master of Business Administration of **DMSR GS College, Nagpur.**

This work is the own work of the candidate, complete in all respects and is of sufficiently high standard to warrant its submission to the said degree. The assistance and resources used for this work are duly acknowledged.

Dr. Archana Dadhe
(Faculty Guide)

Dr. Sonali Gadekar
(MBA Coordinator)

Certificate



SMART FINANCIAL SERVICES

Plot No. 76, Mauli Nagar, Beside Wahid Marketing, Behind Pooja Dharamkanta, Wadi,
Nagpur-440023.

Mobile: - 9970276815, 8204944493

Date: 05/01/2022

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Mr/Ms. **KIRTI RAJU MALAPURE** a student of MBA Sem-II, Department of Management Sciences & Research, G. S. College of Commerce & Economics, Nagpur has successfully completed his/her Summer Internship Program from "**19/11/2021 To 05/01/2022**" under our guidance. During the period of his/her internship he/she was found punctual, hardworking and inquisitive.

We wish him/her every success in life.

For Smart Financial Services.

Shri Pravesh Acharya

(Propreitor)



ACKNOWLEDGEMENT

It is a matter of pride and privilege for me to have done a summer internship project in **“Smart Financial Services”** and I am sincerely thankful to them for providing this opportunity to me.

I am thankful to **“Mr. Pravesh Acharya (Smart Financial Services)”** for guiding me through this project and continuously encouraging me. It would not have been possible to complete this project without his / her support.

I am also thankful to all the faculty members of Department of Management Sciences and Research, G S College of Commerce and Economics, Nagpur and particularly my mentor **“Dr. Archana Dadhe”** for helping me during the project.

I am very thankful to the Principal of G.S. College of Commerce & Economics, Nagpur, **“N.Y. Khandait”** & to the dean of DMSR **“Mr. Anand Kale”** for their support & encouragement.

Finally, I am grateful to my family and friends for their unending support.

Kirti Malapure

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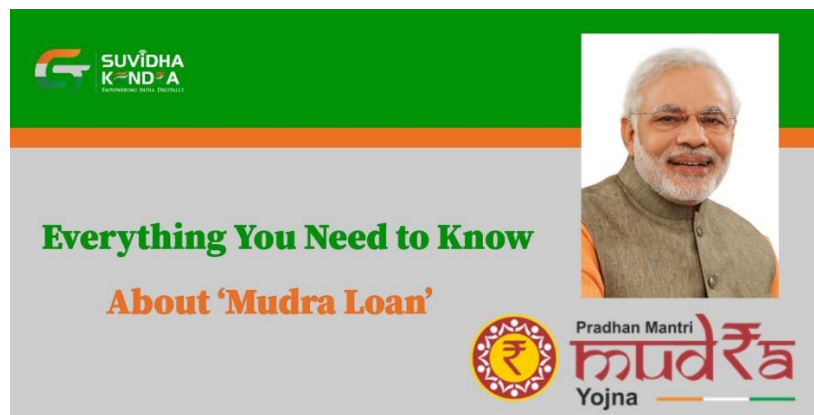
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INTRODUCTION

BANK OF INDIA PROFILE

Bank of India was founded on 7th September, 1906 by a group of eminent businessmen from Mumbai. The Bank was under private ownership and control till July 1969 when it was nationalized along with 13 other banks.

Beginning with one office in Mumbai, with a paid-up capital of Rs.50 lakh and 50 employees, the Bank has made a rapid growth over the years and blossomed into a mighty institution with a strong national presence and sizable international operations. In business volume, the Bank occupies a premier position among the nationalized banks.



The Bank has 5000 branches in India spread over all states/ union territories including specialized branches. These branches are controlled through 55 Zonal Offices. There are 60 branches/ offices and 5 Subsidiaries and 1 joint venture abroad.

The Bank came out with its maiden public issue in 1997 and follow on Qualified Institutions Placement in February 2008.

While firmly adhering to a policy of prudence and caution, the Bank has been in the forefront of introducing various innovative services and systems. Business has been conducted with the successful blend of traditional values and ethics and the most modern infrastructure. The Bank has been the first among the nationalized banks to establish a fully computerized branch and ATM facility at the Mahalaxmi Branch at Mumbai way back in 1989. The Bank is also a Founder Member of SWIFT in India. It pioneered the introduction of the Health Code System in 1982, for evaluating/ rating its credit portfolio.

Presently Bank has overseas presence in 22 foreign countries spread over 5 continents – with 56 offices including 5 Subsidiaries, 5 Representative Offices and 1 Joint Venture, at key banking and financial centers viz., Tokyo, Singapore, Hong Kong, London, Paris and New York.

Candidates will get the loan sum for a timeframe of 5 years and during these years the candidate should repay the loan in the EMIs decided by the bank. The candidate won't think that it's hard to pay the portions since the financing costs are very low.

Along these lines, a MUDRA loan empowers them together develop and build up their business without adding much pressure and bother to their day by day schedule and funds.

The Pradhan Mantri Mudra Yojana or PMMY is a lead plan of the Government of India to provide reasonable credit to the small scale and little ventures.

Mudra loans are intended to carry undertakings into the formal financial framework, or to “support the unfunded”. Credits under the PMMY plan are accessible to non-agriculture, minor or little ventures occupied with salary generation through manufacturing, trading and important services. Undertakings engaged with partnered agricultural activities can also apply for Mudra loans.

11. Repayment

Term Loan :- To be repaid in suitable installments with suitable moratorium period as per cash flow of the business.

OD & CC Limit :- Repayable on demand. Renewal and Annual Review as per internal guidelines of the Bank.

12. Availability of the loan

Mudra loan under PMMY is available at all bank branches across the country. Mudra loan is also issued by NBFCs / MFIs who are engaged in financing for micro enterprises in small business activities.



MUDRA LOAN SCHEME - SALIENT FEATURES

1. Brief background for introduction of MUDRA Loan Scheme by Govt. of India

As per NSSO survey (2013), there are around 5.77 crore small/micro units in the country, engaging around 12 crore people, mostly individual proprietorship/Own Account Enterprises. Over 60% of units are owned by persons belonging to Scheduled Caste, Scheduled Tribe or Other Backward Classes. Most of these units are outside the formal banking system, and hence are forced to borrow from informal sources or use their limited owned funds. MUDRA Loan Scheme has been proposed to bridge this gap. MUDRA Loan Scheme will aim to increase the confidence of the aspiring young person to become first generation entrepreneurs as also of existing small businesses to expand their activities.

2. Brief details of the Product

MUDRA loans are extended by banks, NBFCs, MFIs and other eligible financial intermediaries as notified by MUDRA Ltd. The Pradhan Mantri MUDRA Yojana (PMMY) announced by the Hon'ble Prime Minister on 8th April 2015, envisages providing MUDRA loan, upto ₹ 10 lakh, to income generating micro enterprises engaged in manufacturing, trading and services sectors. The overdraft amount of ₹ 5000 sanctioned under PMJDY has been also classified as MUDRA loans under Prime Minister MUDRA Yojana (PMMY). The MUDRA loans are extended under following three categories :-

- ✓ Loans upto ₹ 50,000/- (Shishu)
- ✓ Loans from ₹ 50,001 to ₹ 5 lakh (Kishore)
- ✓ Loans from ₹ 5,00,001/- to ₹ 10 lakh (Tarun)

More focus would be given to Shishu.

Accordingly, all advances granted on or after 8th April 2015 falling under the above category are classified as MUDRA loans under the PMMY. The application forms for such loans shall also carry the name "Pradhan Mantri MUDRA Yojana".



Micro Units Development & Refinance Agency Limited (MUDRA Ltd)
MSME Development Centre, C-11, G Block,
Bandra Kurla Complex, Bandra E, Mumbai - 400 051.
Phone-022-67221465
Email : help@mudra.org.in
Website: www.mudra.org.in

3. Eligible borrowers

- ✓ Individuals
- ✓ Proprietary concern.
- ✓ Partnership Firm.
- ✓ Private Ltd. Company.
- ✓ Public Company.
- ✓ Any other legal forms.

The applicant should not be defaulter to any bank or financial institution and should have a satisfactory credit track record. The individual borrowers may be required to possess the necessary skills/experience/ knowledge to undertake the proposed activity. The need for educational qualification, if any, need to be assessed based on the nature of the proposed activity, and its requirement.

4. Purpose of Assistance/Nature of assistance.

Need based term loan/OD limit/composite loan to eligible borrowers for acquiring capital assets and/or working capital/marketing related requirements. The MUDRA loans are provided for income generating small business activity in manufacturing, processing, service sector or trading. The Project cost is decided based on business plan and the investment proposed. MUDRA loan is not for consumption/personal needs.

For the purpose of working capital limit, MUDRA has launched a new product called "MUDRA Card", which is a Debit card issued on RuPay platform, and provides hassle free credit in a flexible manner.

5. Amount of assistance

Upto to ₹ 10 lakh in three categories viz. Shishu, Kishore and Tarun.

6. Margin/Promoters Contribution

Margin/Promoters Contribution is as per the policy framework of the bank, based on overall guidelines of RBI in this regard. Banks may not insist for margin for Shishu loans.

7. Interest rate

Interest rates are to be charged as per the policy decision of the bank. However, the interest rate charged to ultimate borrowers shall be reasonable. Scheduled Commercial Banks, RRBs and Cooperative Banks wishing to avail of refinance from MUDRA will have to peg their interest rates, as advised by MUDRA Ltd., from time to time.

8. Upfront fee/Processing charges.

Banks may consider charging of upfront fee as per their internal guidelines. The upfront fee/processing charges for Shishu loans are waived by most banks.

9. Security

A. First charge on all assets created out of the loan extended to the borrower and the assets which are directly associated with the business/project for which credit has been extended.

B. DPN (wherever applicable).

C. CGTMSE (wherever felt desirable)/MUDRA Guarantee cover (as and when introduced).

In terms of RBI guidelines issued vide Master Circular on lending to MSME Sector (para 4.2) dated July 01, 2014, in respect of loans upto ₹ 10 lakh, banks are mandated not to accept collateral security in the case of loans upto ₹ 10 lakh extended to units in the Micro Small Enterprises (MSE) Sector. Banks are required to encourage their branch level functionaries to avail of the Credit Guarantee Scheme cover, wherever felt desirable.

10. Tenor of Assistance

Based on the economic life of the assets created and also the cash flow generated. However, MUDRA's refinance assistance will be for a maximum tenor of 36 months which will also be aligned to terms of allotment of MUDRA funds by RBI from time to time.

Term Loan and/or Working Capital up to maximum Rs.10 lakhs under 3 categories

Shishu : covering loans upto 50,000/-

Kishore : covering loans above 50,000/- and upto 5 lakh

Tarun : covering loans above 5 lakh to 10 lakh

SHISHU	KISHORE	TARUN
upto Rs.50,000	above Rs.50,000 up to Rs.5.00 lakh	above Rs.5.00 lakh up to Rs.10.00 lakh
NIL	15%	15%

❖ **BANK OF INDIA GOAL :-**

Mission :-

“To Provide Superior, proactive banking service to niche markets globally, while providing cost-effective, responsive service to others in our role as a development bank, and in doing so, meet the requirements of our stakeholders”

Vision :-

“To become the bank of choice for corporate, medium businesses and upmarket retail customers and to provide cost effective developmental banking for small business, mass market and rural markets”.

Quality Policy :-

We, at bank of India, are committed to become the bank of choice by providing SUPERIOR, PRO-ACTIVE, INNOVATIVE, STATE-OF-THE-ART banking services with an attitude of care and concern for the customers and patrons.

BOI SLOGAN :- “ Relationships Beyond Banking ”

CURRENT BOARD OF DIRECTOR

1	Shri G. Padmanabhan	Non Executive Chairman	Joint Date :- 14 th Aug 2015 For Three Year & Which Has Been Extended For Further Period Of Two Year.
2	Shri. Vinal Hedao	Managing Director & CEO	Joint Date :- 2 nd Aug 2021
3	Shri P. R. Rajagopal	Executive Director	Joint Date :- 18 th Mar 2020
4	Shri Atanu Kumar Das	Executive Director	Joint Date :- 17 th Feb 2017
5	Shri Chaitanya Gayatri Chintapalli	Executive Director	Joint Date :- 9 th Oct 2017
6	Smt. Dakshita Das	Govt. Nominee Director	Joint Date :- 13 th July 2018
7	Shri. Subrata Das Date	RBI Nominee Director	She Has Been Appointed As RBI Nominee Director On The Board Of Bank Of India Date :- 26 th April 2016
8	Shri Debabrata Sarkar	Shareholder Director	Joint Date :- 25 th Oct 2017 For 3 Year
9	Shri Devrajan Harish	Shareholder Director	Joint Date :- 25 Oct 2017 For 3 Year



BRANCH	:- Bharsinghi
IFSC CODE	:- BKID0008733
MICR CODE	:- 440013503
ADDRESS	At. Post. Bharsinghi,tah. Narkhed :- Maharashtra, Bharsinghi (Dist Nagpur)
STATE	:- MAHARASHTRA

COMPANY PROFILE :



Name of Company : Smart Financial Services

Name of Company owner : CA Pravesh Acharya

Company Address : Smart Financial Services, Flat no, 76, Mauli Nager, Wadi Nagpur.

Established year. : 2017

Company Work :

- 1) GST
- 2) Auditing
- 3) ITR (Income Tax Return)
- 4) **Loan works for commercial bank (personal loan, business loan, Home loan, Mudra loan)**
- 5) Company Registration
- 6) Gumasta
- 7) Udyam
- 8) Other Return

Company e-mail : @smart-financial-services-nagpur

Contact. : Phone:+91 99702 76815

Company Service

= Smart = Financial Services *"Pay less get more"*

GOODS & SERVICES TAX ACT (GST)

- ◆ Filing of GST returns - GSTR-1, GSTR-3B, GSTR-4 & Etc.
- ◆ Impact of GST on business
- ◆ Price Fixation of product after GST Regime
- ◆ GST Implementation & Execution
- ◆ GST Compliances

FINANCIAL SERVICES

- ◆ Preparation of project report / CMA Data
- ◆ Loan arrangement - CC Limit, Business Loan, personal Loan, Term loan, Housing Loans & Etc.

GUMASTA & AADHAR UDYOG

Why to Hire if you Can outsource ?

ACCOUNTING SERVICES

- ◆ Book Keeping & Accountancy
- ◆ Accounts Receivable
- ◆ Accounts Reporting
- ◆ Financial Reporting
- ◆ Tax Preparation
- ◆ GST return Preparation



INCOME TAX SERVICES

- ◆ Preparation of Income Tax Return
i) Individual ii) HUF iii) Company & Other
iv) TDS, PF, ESIC Return

OTHER RETURN

- ◆ TDS, PF & ESIC RETURN

HEALTH INSURANCE & MUTUAL FUND

PAN CARD & TDS APPLICATION

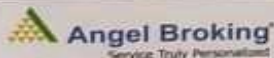
INCOME TAX ASSESSMENT & SCRUTINY

- ◆ All Types of Assessment

DIGITAL SIGNATURE (DSC) CLASS 2 & 3

AUDITING

- ◆ Income Tax Audit, GST Audit & Other



CHANNEL PARTNER



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- ◆ Free access to award-winning, hi-tech online trading app
- ◆ Trade online in Equities, Derivatives
- ◆ Commodities & currencies
- ◆ Invest in IPOs, Mutual Funds, Life Insurance & Fixed Deposits

-: ADDRESS :-

Flat No. 76, Beside Wahid Marketing, Behind Pooja Dharamkata, Wadi, Nagpur.

Mob.: 9970276815, 8208944493

E-mail: Praveshacharya01@gmail.com Visit us : www.Smartfinser.co.in

Name : **Smart Financial Services**

Address : Flat No.76, Mauli Nagar, Beside Washid Marketing, Wadi.

Website : <http://smartfinser.co.in/>

Area : Adegaon, Bazargaon, Dattawadi Dawalameeti, Deoli Kalbande, Dhamna, Gondkhairi, Lawa, Shiva sanvanga, Umari Wagh, Wadhamana, wadi (Nagpur).

City : Nagpur

Overall rank in 440023 : No. 1 out of at least 2 certified public accountant in Nagpur.

Popularity Ranking. : **No. 1**

Rating 4.5 : **Based on 2 reviews**

MDRA LOAN [Micro Units Development and Refinance Agency]

❖ *Micro Units Development and Refinance Agency Bank (Mudra) :-*

Micro Units Development and Refinance Agency Bank (or 'MUDRA Bank) is a public sector financial institution in India. It provides loans at low rates to micro-finance institutions and non-banking financial institutions which then provide credit to MSMEs. It was launched by Prime Minister Narendra Modi on 8 April 2015.

Micro Units Development and Refinance Agency (MUDRA) Bank	
Type	Subsidiary
Industry	Business finance
Founded	8 April 2015; 3 years ago
Headquarters	Mumbai
Area served	India
Products	Microfinance and refinance
Website	www.mudra.org.in

❖ **Monitoring of PMMY :-**

Pradhan Mantri Mudra Yojana (PMMY) was launched along with the launching of MUDRA on 08 April 2015 and the detailed guidelines were issued by Government of India to all banks and MFIs. MUDRA was given the responsibility of monitoring the Programmed by collecting the information on regular basis. Accordingly, MUDRA has put in place a monitoring portal which captures the data on lending under PMMY, in a granular fashion.

❖ **BOARD OF DIRECTOR :- MUDRA :-**

BOARD OF DIRECTOR	POSITION
Shri Mohammad Mustafa – IAS	Chairman
Shri Pankaj Jain – IAS	Govt. Nominee Director
Ms. Jyotsna Sitling – IFS	Non-Executive Director
Shri Ajay Kumar Kapur SIDBI	Nominee Director
Shri Manoj Mittal SIDBI	Nominee Director
Shri. Harsh Shrivastava	Independent Director
Shri Arvind Kumar Jain	Independent Director
Shri Satish Pillarisetti	Independent Director
Shri Aalok Gupta	Managing Director & CEO

❖ *Roles and Responsibilities of MUDRA :-*

MUDRA has been formed with primary objective of developing the micro enterprise sector in the country by extending various supports including financial support in the form of refinance, so as to achieve the goal of funding the unfunded. The GOI Press release of 2 March 2015 has laid down the roles and responsibilities of MUDRA.

Subsequently GOI has also decided that MUDRA will provide refinance support, monitor the PMMY data by managing the web portal, facilitate offering guarantees for loans granted under PMMY and take up other activities assigned to it from time to time. Accordingly MUDRA has been carrying out these functions over the last one year.

❖ MUDRA Bank: Weighing the Possible Benefits :-

The Prime Minister Narendra Modi launched the promised Micro Units Development and Refinance Agency Ltd (MUDRA) Bank with a corpus of Rs 20,000 crore and a credit guarantee corpus of Rs 3,000 crore. [Know How to Apply Loan form Mudra Bank, Eligibility Criteria or document required for Loan and Detail Benefits here.](#)

The Prime Minister Narendra Modi launched the promised **Micro Units Development and Refinance Agency Ltd (MUDRA)** Bank on 8 April, 2015 with a corpus of Rs 20,000 crore and a credit guarantee corpus of Rs 3,000 crore. The launch was the fulfillment of an announcement made earlier by the Finance Minister Arun Jaitley in his FY 15-16 Budget speech.

❖ *MUDRA Bank Make a Difference to the Economy :-*

Most individuals, especially those living in rural and interior parts of India, have been excluded from the benefits of formal banking system. Therefore, they never had access to insurance, credit, loans and other financial instruments to help them establish and grow their micro businesses. So, most individuals depend on local money lenders for credit. The loan comes at high interest and often with unbearable conditions, which make these poor unsuspecting people fall in a debt-trap for generations. When businesses fail, the borrowers become vulnerable to the lender's strong-arm tactics and other forms of humiliation.

As per NSSO Survey of 2013, there are close to 5.77 crore small-scale business units, mostly sole proprietorships, which undertake trading, manufacturing, retail and other small-scale activities. Compare this with the organized sector and larger companies that employ 1.25 Crore individuals. Clearly, the potential to harness and nurture these micro businesses is vast and the government recognizes this. Today, this segment is unregulated and without financial support or cover from the organized financial banking system.

❖ *The principal objectives of the MUDRA Bank are :-*

1. Regulate the lender and the borrower of microfinance and bring stability to the microfinance system through regulation and inclusive participation.
2. Extend finance and credit support to Microfinance Institutions (MFI) and agencies that lend money to small businesses, retailers, self-help groups and individuals.
3. Register all MFIs and introduce a system of performance rating and accreditation for the first time. This will help last-mile borrowers of finance to evaluate and approach the MFI that meets their requirement best and whose past record is most satisfactory. This will also introduce an element of competitiveness among the MFIs. The ultimate beneficiary will be the borrower.
4. Provide structured guidelines for the borrowers to follow to avoid failure of business or take corrective steps in time. MUDRA will help in laying down guidelines or acceptable procedures to be followed by the lenders to recover money in cases of default.

OBJECTIVES OF STUDY

1. To study the mudra loan policy.
2. To study the procedure of mudra loan of Bank of India.
3. To study the benefit of mudra loan to the customer of Bank of India.
4. To study interest rate and repayment structure of Mudra loan.

Needs of study

Contribution During SIP

First Week & second week

Description: - The first week of the first week was very crucial because the work was new and the job description of my work as the financial training which was like to handle the fund of the company so that they can meet their financial goal and can increase the value of the company I have also monitored the amount of credit by company so that the revenue is collected on time.

Contribution:-

The contribution from my side to the company was that I was assigned as a financial trading and the software which are used was tally ERP 9 then and like to make suspended account in which there is confusion of payment and where amount is paid the other nature of work are as follows:-

1. Accounting voucher
2. General entries
3. Documentation



Third week & fourth week

In the second week my responsibility was file was in correct order and the document are placed in each file as per the sequence with respect to their current client loan document Loan document are same as file document but the documents part is little more because in loan document consists of Aadhar card pan card ITR bank passbook xerox etc

In third week my coordinator assign me the job of posting the loan related skin first first a posted loan enquiry Justdial and all the ads I have posted there lead leads to generate customer after that advertisement

Fifth week & sixth week

In fifth and 6th week I have studied the loans suggest types of loan which are business loan mudra loan home loan personal loan.

In mudra loan I posted job opportunity in Justdial which leads to new customer and then the customer visited at our office and their document procedure was done by me after that our company provided loan through commercial bank such as Bank of India



LIMITATIONS

- a) Indian Government does not provide any kind of subsidiary on MUDRA LOAN.
- b) Bank of India does not provide full information about MUDRA LOAN in various publications.
- c) MUDRA LOAN is not the major source of income of Bank Of India so that this bank does not provide all the relevant information to the customer.

RESEARCH METHODOLOGY

COLLECTION OF SECONDARY DATA OF MUDRA LOAN

MUDRA SCHEME:-

MUDRA is a new institution set up by Government of India to provide funding to the non-corporate, non-farm sector income generating activities of micro and small enterprises whose credit needs are below ₹10 Lakh. Under the age is of Pradhan Mantri MUDRA Yojana (PMMY), MUDRA has created three products

❖ MUDRA LOAN POLICY :-

MUDRA is an NBFC supporting development of micro enterprise sector in the country. MUDRA provides refinance support to Banks / MFIs for lending to micro unitshaving loan requirement upto 10 lakh. MUDRA provides refinance to micro business under the Scheme of Pradhan Mantri MUDRA Yojana.

❖ PMMY SCHEME :-

The Pradhan Mantri MUDRA Yojana (PMMY) is a scheme launched by the Union Government on April 8, 2015 for providing loans up to Rs. 10 lakh (around US\$14,500) to the non-corporate, non-farm small/micro enterprises.

❖ Aim of Mudra Bank:-

MUDRA bank will also be responsible for regulating and refinancing all micro - finance institutions (MFIs) which are in the business of lending to micro or small business entities engaged in manufacturing, trading and services activities.

PROCEDURE OF PRADHAN MANTRI MUDRA YOJANA (PMMY) LOAN

MUDRA or Micro Units Development & Refinance Agency Limited is an institution setup by the Government of India for development and refinancing activities relating to micro units. MUDRA was announced by the Hon“ble Finance Minister in the 2016 Budget. Under MUDRA, loans are provided under three schemes namely „Shishu“, „Kishor“ and „Tarun“ to signify the stage of growth and funding needs of the beneficiary micro unit. This loan can be availed by Micro Units and Entrepreneurs in India. In this article, we look at the procedure for obtaining MUDRA loan.

❖ *MUDRA:-*

One of the biggest bottlenecks for SMEs in India is the lack of financial support from the formal banking or financial sector. The lack of formal financing hampers growth of small businesses and makes them ineffective at competing with larger players. To remove this bottle neck and provide finance to micro units or Entrepreneurs, MUDRA Bank has been setup as a subsidiary of SIDBI.

MUDRA would be responsible for refinancing all financiers or financial institutions engaged in financing of Small Businesses, Societies, Trusts Section 8 Companies, Co-operative Societies, Small Banks, Scheduled Commercial Banks and Rural Banks which are in the business of lending to micro or small businesses engaged in manufacturing, trading and services activities.

❖ *Loan under MUDRA :-*

Loan is provided currently under three schemes in Pradhan Mantri MUDRA Yojana. The three schemes are as following:

- ❖ Shishu : Loan of up to Rs.50,000
- ❖ Kishor : Loans of above Rs.50,000 to Rs.5 lakhs.
- ❖ Tarun : Loans of above Rs.5 lakhs to Rs.10 lakhs.

❖ *Top Banks and Financial Institutions providing MUDRA Loan:-*

Top 10 Public Sector Banks providing MUDRA Loan

Sr. No.	Name of The Bank	MUDRA Loan Accounts
1	UCO Bank	4,79,476
2	State Bank of India	4,67,062
3	Canara Bank	3,35,270
4	Bank of India	2,73,784
5	Syndicate Bank	2,14,228
6	Indian Bank	1,90,129
7	Punjab National Bank	1,83,594
8	Bank of Baroda	1,20,010
9	Central Bank of India	1,11,820
10	Allahabad Bank	1,10,044

(as per total number of accounts as on October 11, 2015)

❖ **PURPOSE OF MUDRA LOAN :-**

Mudra loan is extended for a variety of purposes which provide income generation and employment creation. The loans are extended mainly for :

- A business loan for Vendors, Traders, Shopkeepers and other ServiceSector activities
- A working capital loan through MUDRA Cards
- Transport Vehicle loans

The MSME sector has, for long, been overlooked because of their lack of reliable financial information and because of the presumption that it does not generate as much revenue. As a result the growth of this very potent sector has remained stunted and they have suffered due to lack of access to capital. The Mudra scheme addresses this very issue by offering them hassle free services with easy clearances and by eliminating the need for collaterals all of which have helped the sector immensely.

Several people have benefited from this scheme and the government plans to mobilise an additional amount of INR 1 lac crore into the market most of which will be directed towards the Shishu category

❖ **Benefits of the Mudra Scheme :-**

- Under mudra scheme, Normally loan is provided without any guarantee
- Under mudra scheme, there is no charge any kind of processing fees to the customer.
- Customer can increased repayment period up to 5 years in the MUDRA LOAN scheme.
- Customer can apply working capital loan through mudra card.

❖ **Mudra Loan Interest Rates :-**

Pradhan Mantri Mudra Yojana is a special scheme set up by the Government of India through an institution named Micro Units Development & Refinance Agency Limited (MUDRA) in order to provide financing aid through loans to the non-corporate non-farm sector income generating activities of micro and small entities (subject to those enterprises with credit needs below INR 10 lakhs). The Pradhan Mantri Mudra Yojana (PMMY) has three facilities or options available for catering to enterprises at different stages of growth and financing needs. These options are Shishu, Kishore and Tarun

❖ *Rate Of Interests :-*

The rate of the interest on the normal business loans depend on many factors. To start with, the bank will charge low rates if the business is operational for a long tenure. If the amount of loan taken is less, then the rate of interest charged is also less. If the EMI per month is significantly big then the rate will be less.

But this is not the case for the credits taken under the Mudra scheme. Here, the rate of interest will remain the same no matter what amount the candidate is applying for. The rate of interest is not subjected to any change depending on the EMI, time duration and so on.

❖ *Repaymentperiod*

For the normal business loans, the term for repaying the credit amount depends on the EMI and the loan amount. If the EMI is less, then the candidate will have to opt for long term repayment tenure. For the loans taken under the Mudra scheme, the term for repayment of the credit is fixed. The candidate will have to pay up the entire credit and be free from the burdens of credits within a period of 5 years only

❖ BA K OF INDIA Mudra Loans Interest Rate and Eligibility or Pradhan Mantri Mu Yojana (PMMY) 2019 :-

S.NO	SCHME	MAXIMUM AMOUNT	DETAILS
1	Shishu	covering loans up to Rs. 50,000	Loans up to a maximum of INR 50000 with rate of interest being 1% per month or 12% per annum. Repayment period up to 5 years
2	Kishore	covering loans above Rs. 50,000 and up to Rs. 5,00,000	Loans exceeding INR 50000 up to INR 5 lakhs. The rate of interest will be dependent on the bank, in accordance with the schemes guidelines, keeping the credit history of the applicant in view. Repayment period based on the discretion of the bank
3	Tarun	covering loans above Rs. 5,00,000 and up to Rs. 10,00,000	Loans exceeding INR 5 lakhs up to INR 10 lakhs. The rate of interest will be dependent on the bank, in accordance with the schemes guidelines, keeping the credit history of the applicant in view. Repayment period based on the discretion of the bank

❖ ***BANK OF INDIA Mudra Loans EMI Calculator :-***

The Modi government has always maintained that it is important to provide the small business owners with proper monetary support. Without this, the industries will not be able to flourish. Most of the people, associated with the small industries do not have any bank accounts. With the help of the Pradhan Mantri Mudra Yojana, the Prime Minister has taken an initiative of bringing the backwards and poor people within the system. The main motto of the scheme is to “Fund the Unfunded”. Under the scheme, the small businessmen will be able to take a loan from the banks and utilize it for betterment in the business.

The government has selected most of the government and the private banks for assisting the people in making the loans available. With accordance to the various guidelines of the PMMY, BANK OF INDIA or the State Bank of India has come forward to assist the common people in the country in getting access to the loans.

❖ ***Mudra Loan BANK OF INDIA Form :-***

According to the loans available from the BANK OF INDIA , the business owners can apply for the Shishu Loan, the Kishor Loan and the Tarun Loan. To get these loans, the willing candidate will have to fulfillment certain criteria. Once they meet the requirements, they will have to fill the appropriate forms. The loan application forms for the differ loans is almost the same with only a certain variations. These forms can be downloaded from the official website of the bank or can be collected from any branch.

❖ ***Tenure of the loan :-***

The loan will be provided to the interested candidate for a period of 5 years. During the time, the person will have to pay the installments in the bank. As the rate of interest is low, the creditor will not find it difficult to pay the installment amounts. Thus, they will be able to proceed on the path of development, without worrying about the finances.

❖ ***Processing fee in BANK OF INDIA Mudra loan :-***

As this is a step taken by the government for empowering the small and the medium

business sections, the loan will be given at low interest rates. Any loan that is not more than 50,000, the bank will not charge any processing fee from the person. For a loan that amounts to anything between 50,001 to 10 lakhs, the bank will charge a processing fee of 0.50% of the total amount borrowed.

Under the scheme, the person will not have to keep anything as a collateral safekeeping. All these things have made the scheme very popular among the business owners who fall in the small to medium sectors.

❖ *BANK OF INDIA Loan Vs MUDRA Loan :-*

BANK OF INDIA has many loan scheme for helping the individuals and business organizations. Most of the business establishments opt for the loans. Apart from the loan schemes for the big business houses, the bank also provides loans to medium or small business houses. But there are many differences between these loans and the credits offered under the Mudra scheme.

❖ *EMI Structure*

The EMI structure of the normal business loans, meted out to the business owners is dependent mainly on the amount of credit and the repayment term. If the time of repaying the credit is significantly long then the EMI will be less. But the EMI structure of the Mudra scheme will not vary to much as the time of repayment is fixed

***PRADHAN MANTRI MUDRA YOJANALATEST NEWS
2018-2019***

New Delhi Finance Minister Arun Jaitley In Union Budget 2018 Allocated Rs. 3lac Crore. For Micro Units Development And Refinance Agency Ltd.
(MUDRA) A Nearly 20% Price From The Last Year. The Budget 2017 Had Allocated Rs. 2.44lac Crore. For Mudra

➤ ***Mudra loan latest news 2019 :-***

New Delhi :

The Reserve Bank of India (RBI) has raised a red-flag on the spike in non-performing assets (NPAs) under the government's flagship scheme to support micro enterprises in the country, the Pradhan Mantri Mudra Yojana.

According to Finance Ministry sources, RBI has cautioned the ministry that the scheme might turn-out to be the next big source of NPAs, which have plagued the banking system.

The central bank has flagged that bad loans under PMMY have risen to Rs 11,000 crore.

As per the annual report of PMMY, 2017-18, total disbursements under the scheme stood at Rs trillion in FY 18.

Highlights of the 2018-19 Union Budget on Pradhan Mantri Mudra Yojana(PMMY) or Mudra Loan :-

The 2019-20 Union Budget meeting, led by the Finance Minister of India - Mr.Piyush Goyal, was commenced on 1 February 2019. To improve the financial condition of the country, this meeting focused on multiple sectors such as Micro, Small, and Medium Enterprises (MSME), agriculture and rural economy, infrastructure, finance, health, social security, education, tax, and others. The minister also concentrated on Mudra Loan offered under the Pradhan Mantri Mudra Yojana (PMMY).

Since its inception in April 2015, a total of 10.38 crore self-employed individuals have availed the benefits of Mudra Loan by withdrawing a total credit of Rs.4.6 lakh crore. Out of the total number of loans, 76% of the loan accounts belong to women while over 56% belong to individuals who are SC, ST, or OBC. As the scheme has exceeded the targets set for all the previous years, the Government has decided to set the target for Mudra Loan during the upcoming financial year of 2019-20 at Rs.7.23 cror.

The meeting also indicated that this year's focus will be on Non-Bank Finance Companies (NBFC). When the MSMEs were struggling to receive financing after the country was hit by demonetization, the NBFCs of India had stepped up to the task and provided financial aid to many. This not only helped MSMEs receive the monetary relief they required during a their time of need, but also proved that NBFCs are powerful vehicles that can be used to provide Mudra Loans to the masses. Keeping this in mind, the Finance Minister has also announced during the Union Budget that the eligibility criteria and refinancing policies for NBFCs will be reviewed to offer them better chances of providing loans

MUDRA LOAN RELATED NEWS
PUBLISHED ON ECONOMIC TIMES

12 October 2018

MUDRA to assess the Pradhan Mantri Mudra Yojana (PMMY) Scheme :-

The Pradhan Mantri Mudra Yojana Scheme was introduced to disburse loans to small and medium (SME) businesses across India. The scheme has completed 4 years and has disbursed about Rs.8.93 lakh crore to various businesses. With regard to this, an apex body for this scheme, the Micro Units Development & Refinance Agency (MUDRA) is about to commission a massive field-based assessment through an independent agency.

A senior official of MUDRA stated that the purpose of this assessment is to check for any opportunity for income growth to micro entrepreneurs, especially disadvantaged individuals and women. He also stated that MUDRA is trying to document the impact of PMMY for the last 4 years. Launched in April 2015, MUDRA has successfully disbursed Rs 3.21 lakh crore in 2018- 2019 and around Rs.75,954 until 24 August in the current financial year. The overall total number of current loan accounts is more than 18.25 crore.

Loans are offered under 3 categories namely, Shishu which offers up to Rs.50,000, Kishor which offers from Rs.50,000 up to Rs.5 lakh, and Tarun which offers from Rs.5 lakh up to Rs.10 lakh. MUDRA is also looking into other channels, such as microfinance institutions and intermediary organizations to leverage additional funds. There has also been a demand from certain sections to upgrade the loan structure which is being looked into. This assessment is expected to be completed within 6 months.

28 September 2018

PM: Over 13 Crore Mudra Loans Sanctioned

Prime Minister Narendra Modi has claimed that over 18.25 crore people have been provided with loans under the Pradhan Mantri MUDRA Yojana. The Prime Minister made the statement while addressing the country on Independence Day.

The MUDRA loans can be availed for a minimum of Rs.50,000 to a maximum amount of Rs.10 lakh.

14 August 2018

New Loan Accounts Opened Under the Mudra Yojana over the India :-

3.49 crore new entrepreneurs have reaped the benefits of the Pradhan Mantri Mudra Yojana (PMMY). To date, over 18.25 crore loans have been sanctioned under the scheme. The PMMY was set up to help individuals from the non-agricultural sector by providing collateral-free loans to establish small businesses and enterprises.

Other scheme launched by the government include the Pradhan Mantri Rozgar Protsahan Yojana (PMRPY) set up to provide incentive to individuals who contribute the entire 12% of the EPF contribution. This scheme has benefitted over 61 lakh beneficiaries so far.

20 June 2018

NPA Ratio of Mudra Yojana Stood at 4% Only as of December 2017

While the gross non-performing asset (NPA) ratio of the entire banking industry stood at around 10%, the NPA ratio for that of Mudra Yojana was only 4% as on December 2017. The state-run financial services organizations except State Bank of India (SBI) have broken the record of 4.2% gross NPA set by their private-sector peers under this scheme. Furthermore, the department of financial services has reported that the NPA ratio of SBI stood at only 3% against its total bad loan ratio of 10.35% as on December 2017.

As per a senior official of the finance ministry, the high repayment rate for the Mudra scheme can be attributed to the fact that these are short-term loans so the NPA levels do not have a chance to increase in later years, unlike long-term loans.

➤ *Research Methodology In General :-*

Definition :- Research methodology is a collective term for the structured process of conducting Research. Research methodology can be quantitative or qualitative.

❖ *Data Collection :-*

For the success of any project accurate & relevant data is very important & necessary.

Data collection is classified into two methods, such as

- 1) Primary data
- 2) Secondary data

1) PRIMARY DATA :-

Data collected by a researcher is known as “primary data” the sources of primary data are very useful in financing the real fact about the incident or event. It includes the personal observation of the researcher & respondent. Primary data are freshly collected data that provide information about a particular research as well as problem. These data can be gathered using techniques like-

- Interview
- Observation
- Mailing
- Counseling etc.

❖ **Methods of Primary Data :-**

a) Survey Method

b) Observation Method

a) **Survey Method :-** when the research information is collected through the located area by interacting to the people that is known as survey method.
Survey provide an important source of basic scientific knowledge.

b) **Observation Method:-**

When the researcher record information about a person, organization, situation without making any personal contact, it is known as “observation method”.

In this method, the researcher or the field executive observers the activity of the concerned person or organization to draw a pattern of behavior or responses to a particular incident Sometime an artificial environment is cleared to collect the actual response of the participant.

1) SECONDARY DATA :-

When the researcher uses the data, which are previously collected by some other researcher, institution or agencies for their own purpose are called secondary data.

Secondary data means a data that are already available & these data we collected & analyzed for the purposed of solving the researcher problem. Secondary data either publish or unpublished, usually publish the data are available in the form of –

In this project, secondary data will be collected through following method-

- Annual report of bank
- Website of the bank
- Published record of the bank

CONCLUSION

❖ **CONCLUSION :-**

Mudra loan is the best scheme of Indian Government which is started by the our Prime Minister Mr. Narendra Modi with BJP Party and this MUDRA scheme is very useful for the small businessman for the small loan taken to the his business up to 10,00,000 Rs. under the three categories Shishu, Kishor, Tarun. And the rate of interest of mudra is varies to different institution since, Mudra loan scheme of Bank of India rate of interest is 12.7% to 14.7%

✓ **MUDRA Loan Policy :-**

In General there is a only one policy and these policy as it is applicable to the Bank of India and other institutions also, Now under these policy Prime Minister Mr. Narendra Modi *Said, 10 lac amount are issued by the MUDRA Loan with classifying into the three categories such as Shishu, Kishor and Tarun

Loan amount are distributed by mudra loan such as :-

Shishu :- Up to 50,000Rs

Kishor :- Above 50,000 to 5,00,000Rs Tarun :-

Above 5,00,000 to 10,00,000Rs

✓ **Procedure Of MUDRA Loan Of Bank Of India :-**

Bank of India MUDRA Loan procedure is very smooth and simple than other nationalized bank and time taken for MUDRA Loan is near about 1 month after submission of MUDRA Loan request form, Since it is very easier to customer for loan achievement but it is possible in the sense of valid documentation otherwise request for MUDRA Loan is rejected.

✓ **Benefit Of MUDRA Loan To The Customer Of Bank Of India**

Bank of India is provided MUDRA Loan to the customer without any guarantee & there is no charge any kind of Processing fees to the customer thus customer can increased his repayment period up to 5 year under MUDRA Loan scheme, since customer can also apply working capital loan through the MUDRA CARD these is the benefit of MUDRA Loan of Bank of India to the Customer.

✓ **Interest Rate And Repayment Structure Of MUDRA Loan.**

Interest rate of MUDRA with reference of Bank of India is 12.7% to 14% and repayment of loan amount is 1 to 3 year.

Rate of interests of Bank of India of MUDRA loan is Minimum as compared to other Nationalized Bank and repayment of loan amount is also Good. Customer has to increased his repayment period up to 5 year under MUDRA Loan scheme.

SUGGESTIONS

As a student, I am unable to suggest about "A STUDY OF MUDRA LOAN WITH THE REFERENCE OF BANK OF INDIA" Thus following are the issues come to under my observation during the study are as follows below:-

- 1) MUDRA LOANS want to subsidized by the central or state government because this scheme is not subsidized by the central or state governments at this time.
- 2) Government should be send their Executive in Rular area for advertisement of MUDRA LOAN to rural people.
- 3) As requirement of MUDRA LOAN customer varies from region to region hence mudra scheme should be introduced by the bank.
- 4) Any Bank or Institution who give the MUDRA LOAN, they such provide all the relevant information about MUDRA LOAN to the customer.
- 5) Mudra loan rate of interest Want to Fixed for all institution those give the mudra loan in India and it also fixed for this category Shishu, Kishor and Tarun under MUDRA LOAN SHEME.
- 6) MUDRA LOAN scheme is the Government scheme then Government want to take these scheme as his under and this scheme does not through the any bank or institution.

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